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Grand Ocean Advanced Resources Company Limited
弘海高新資源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 65)

PROFIT WARNING

This announcement is made by Grand Ocean Advanced Resources Company Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2017 (the "**Unaudited Management Accounts**"), the Group is expected to record increase in consolidated loss attributable to the owners of the Company. Such loss for the year ended 31 December 2017 was primarily due to (i) the operating loss of the coal mining business due to the reduction in coal production output in order to comply with relevant policies of the People's Republic of China coal industry; (ii) the operating loss and the additional costs for small scale production of the coal upgrading business for the year; and (iii) impairment losses on certain property, plant and equipment of the Group.

The information contained in this announcement is only based on the Board's preliminary assessment on the Unaudited Management Accounts and other information currently available to the Company and is not based on any financial data or information that has been audited or reviewed by the Company's independent auditor. The results announcement of the Group for the year ended 31 December 2017 are expected to be published by the Company prior to the end of March 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Grand Ocean Advanced Resources Company Limited
Xu Bin
Chairman and Executive Director

Hong Kong, 28 February 2018

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xu Bin (Chairman), Mr. Zhang Fusheng (Chief Executive Officer), Mr. Ng Ying Kit and Ms. Huo Lijie; and three independent non-executive Directors, namely Mr. Kwok Chi Shing, Mr. Huang Shao Ru and Mr. Chang Xuejun.