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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)

POSITIVE PROFIT ALERT

This announcement is made by Grand Ocean Advanced Resources Company Limited (the “**Company**”, 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 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 assessments of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (the “**Unaudited Management Accounts**”) and the latest information available to the Board, the Group is expected to record a profit after tax of not less than HK\$22 million as compared to a net loss of approximately HK\$63 million for the year ended 31 December 2020.

The expected turnaround of the Group’s results is primarily due to the increase in coal production output in 2021 and the selling price of coals in the second half of 2021. The revenue of the Group for the financial year ended 31 December 2021 is expected to be approximately HK\$183 million, representing an increase of approximately 37.6% as compared to the corresponding period last year. The increase in the selling price of coals will give rise to the reversal of impairment losses on certain property, plant and equipment, intangible assets and right-of-use assets of the coal mining business segment of the Group, which is expected to be not less than HK\$20 million.

As at the date of this announcement, the Company is still in the process of auditing the Unaudited Management Accounts. The information contained in this announcement is only based on the Board's preliminary assessments 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 financial year ended 31 December 2021 is expected to be published by the Company prior to the end of March 2022.

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
Ng Ying Kit
Executive Director

Hong Kong, 25 February 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Mr. Ng Ying Kit, Mr. Tao Ye and Mr. Guo Jianpeng; a non-executive Director, namely Mr. Zhou Hongliang; and three independent non-executive Directors, namely Mr. Lee Wai Ming, Mr. Chang Xuejun and Mr. Ho Man.