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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)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**  
**AND**  
**RESUMPTION OF TRADING**

**FINANCIAL HIGHLIGHTS**

- (1) Revenue for the year ended 31 December 2024 amounted to approximately HK\$180,934,000, representing a decrease of approximately HK\$7,026,000 or approximately 3.7% as compared to the revenue of approximately HK\$187,960,000 last year.
- (2) Gross profit for the year ended 31 December 2024 amounted to approximately HK\$67,469,000, representing an increase of approximately HK\$2,258,000 or approximately 3.5% as compared to the gross profit of approximately HK\$65,211,000 last year. Overall gross profit margin was approximately 37.3% as compared to approximately 34.7% last year.
- (3) Loss for the year ended 31 December 2024 amounted to approximately HK\$63,783,000 as compared to approximately HK\$33,610,000 last year.
- (4) Loss attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately HK\$50,768,000 as compared to approximately HK\$23,734,000 last year.
- (5) The Board does not recommend the payment of any final dividend for the year ended 31 December 2024.

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Grand Ocean Advanced Resources Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces the audited consolidated results of the Group for the year ended 31 December 2024 together with the comparative figures for the year ended 31 December 2023 as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the year ended 31 December 2024*

	<i>Notes</i>	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Revenue</b>	4	180,934	187,960
Cost of sales		<u>(113,465)</u>	<u>(122,749)</u>
<b>Gross profit</b>		<b>67,469</b>	<b>65,211</b>
Other income and gains	5	3,371	2,502
Selling and distribution expenses		(3,909)	(4,548)
Administrative expenses		(103,811)	(72,986)
Other operating expense	8(ii)	–	(22,188)
Share of results of associate		(1,667)	–
Expected credit loss on loan to an associate		(2,298)	–
Impairment loss on property, plant and equipment		(19,240)	–
Impairment loss on intangible asset		(4,470)	–
Impairment loss on right-of-use assets		<u>(2,250)</u>	<u>–</u>
<b>Loss from operations</b>		<b>(66,805)</b>	<b>(32,009)</b>
Finance costs	7	<u>(36)</u>	<u>(827)</u>
<b>Loss before tax</b>	8	<b>(66,841)</b>	<b>(32,836)</b>
Income tax credit/(expense)	9	<u>3,058</u>	<u>(774)</u>
<b>Loss for the year</b>		<b><u>(63,783)</u></b>	<b><u>(33,610)</u></b>
<b>Attributable to:</b>			
Owners of the Company		(50,768)	(23,734)
Non-controlling interests		<u>(13,015)</u>	<u>(9,876)</u>
		<b><u>(63,783)</u></b>	<b><u>(33,610)</u></b>
<b>Loss per share</b>	11	<b>HK cents</b>	<b>HK cents</b>
– basic		<u>(25.50)</u>	<u>(14.62)</u>
– diluted		<u>(25.50)</u>	<u>(14.62)</u>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
Loss for the year	<u>(63,783)</u>	<u>(33,610)</u>
Other comprehensive income after tax:		
Item that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	<u>(4,556)</u>	<u>(3,534)</u>
Other comprehensive income for the year, net of tax	<u>(4,556)</u>	<u>(3,534)</u>
Total comprehensive income for the year	<u><u>(68,339)</u></u>	<u><u>(37,144)</u></u>
Attributable to:		
Owners of the Company	(53,536)	(25,749)
Non-controlling interests	<u>(14,803)</u>	<u>(11,395)</u>
	<u><u>(68,339)</u></u>	<u><u>(37,144)</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Notes	HK\$'000	HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		97,906	114,815
Intangible asset		19,747	27,000
Investment property		1,863	2,049
Right-of-use assets		11,751	12,001
Interest in an associate	14	24,735	—
Deferred tax assets		14,103	11,499
<b>Total non-current assets</b>		<b>170,105</b>	<b>167,364</b>
<b>Current assets</b>			
Inventories		3,736	4,535
Trade receivables	12	—	—
Deposits, prepayments and other receivables	13	1,284	31,388
Loan to an associate	14	35,983	—
Restricted bank deposits		153	8,579
Bank and cash balances		73,412	95,359
<b>Total current assets</b>		<b>114,568</b>	<b>139,861</b>
<b>Current liabilities</b>			
Accruals and other payables		71,919	80,037
Contract liabilities	4	2,952	9,322
Lease liabilities		690	86
<b>Total current liabilities</b>		<b>75,561</b>	<b>89,445</b>
<b>Net current assets</b>		<b>39,007</b>	<b>50,416</b>
<b>Total assets less current liabilities</b>		<b>209,112</b>	<b>217,780</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

		2024	2023
	Note	HK\$'000	HK\$'000
<b>Non-current liabilities</b>			
Provision for environmental rehabilitation and restoration		4,645	4,811
Deferred tax liabilities		15,119	15,481
Lease liabilities		<u>1,098</u>	<u>—</u>
<b>Total non-current liabilities</b>		<u>20,862</u>	<u>20,292</u>
<b>NET ASSETS</b>		<u><b>188,250</b></u>	<u><b>197,488</b></u>
<b>Capital and reserves</b>			
Share capital	16	20,462	17,235
Reserves		<u>123,701</u>	<u>121,363</u>
Equity attributable to owners of the Company		144,163	138,598
Non-controlling interests		<u>44,087</u>	<u>58,890</u>
<b>TOTAL EQUITY</b>		<u><b>188,250</b></u>	<u><b>197,488</b></u>

*Notes:*

**1. GENERAL INFORMATION**

The Company was incorporated in the Cayman Islands on 7 April 2000 as an exempted company with limited liability under the Companies Law (2000 Revision) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its business office is Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The principal activities of its subsidiaries during the year ended 31 December 2024 was the production and sale of coal (the "**Coal Mining Business**").

**2. BASIS OF PREPARATION**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). HKFRS Accounting Standards comprise all Hong Kong Financial Reporting Standards ("**HKFRS**"), Hong Kong Accounting Standards ("**HKAS**"), and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and with the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

**(b) Basis of measurement**

The consolidated financial statements have been prepared under the historical cost basis.

**(c) Functional and presentation currency**

The consolidated financial statements are presented in Hong Kong dollar ("**HK\$**"), which is the same as the functional currency of the Company.

### 3. ADOPTION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

#### (a) Adoption of amendments to HKFRS Accounting Standards

In the current year, the Group has applied for the first time the following amendments to HKFRS Accounting Standards issued by the HKICPA, which are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

The adoption of these amendments to HKFRS Accounting Standards have no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### (b) New or amendments to HKFRS Accounting Standards that have been issued but not yet effective

The following new or amendments to HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability <sup>1</sup>
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability Disclosures <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> No mandating effective date yet determined but available for adoption.

The directors of the Company anticipate that the application of these new or amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial performance and positions and/or the disclosures to the consolidated financial statements of the Group.

#### 4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sale of coal	<u>180,934</u>	<u>187,960</u>

The Group recognised sale of coal of approximately HK\$180,934,000 (2023: HK\$187,960,000) during the year ended 31 December 2024 under the Coal Mining Business. Sale of coal is recognised at a point in time and its external customers were located in the People's Republic of China (the "PRC") entirely.

The following table provides information about contract liabilities from contracts with customers:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contract liabilities	<u>2,952</u>	<u>9,322</u>

The contract liabilities mainly relate to the advance consideration received from customers under the Coal Mining Business.

Movement in contract liabilities:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance as at 1 January	9,322	300
Increase in contract liabilities as a result of receipt in advance consideration received from customers	174,775	197,006
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities		
– at the beginning of the year	(2,984)	–
– during the year	(177,950)	(187,960)
Exchange difference	<u>(211)</u>	<u>(24)</u>
Balance as at 31 December	<u>2,952</u>	<u>9,322</u>



## 5. OTHER INCOME AND GAINS

	2024 HK\$'000	2023 HK\$'000
Interest income	1,961	1,796
Government grants ( <i>note (i)</i> )	—	297
Gain on disposal of subsidiaries	—	23
Foreign exchange gains, net	—	127
Sundry income ( <i>note (ii)</i> )	1,410	259
	<u>3,371</u>	<u>2,502</u>

Notes:

- (i) During the year ended 31 December 2023, the Group received grants from the local PRC government for awarding the business development and supporting stabilisation of employment amounting to approximately HK\$110,000 and HK\$187,000 respectively. There were no unfulfilled conditions or contingencies relating to these grants.
- (ii) It included service income of approximately HK\$1,277,000 (2023: HK\$156,000) generated from outsourcing the coal mine rescue team service.

## 6. SEGMENT INFORMATION

The Group determines its operating segments based on the business from products/services perspective. For the year ended 31 December 2024 and 2023, the Group has only one reportable operating segment which is Coal Mining Business. Thus, no operating segments have been aggregated to form the above reportable operating segment.

### Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets (excluding deferred tax assets and interest in an associate) by location of assets are detailed below:

	Revenue		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Hong Kong	—	—	14,719	113
The PRC except Hong Kong	180,934	187,960	116,548	155,752
Consolidated total	<u>180,934</u>	<u>187,960</u>	<u>131,267</u>	<u>155,865</u>

**Revenue from major customers:**

For the year ended 31 December 2024, revenue from two customers (2023: one) have contributed 10% or more of the Group's revenue for the year. Details were as below:

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
<b>Coal Mining Business</b>		
Customer A	<b>65,807</b>	—
Customer B	<b>26,310</b>	—
Customer C	<b>N/A<sup>1</sup></b>	<b>138,293</b>

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

**7. FINANCE COSTS**

	<b>2024</b> <b>HK\$'000</b>	<b>2023</b> <b>HK\$'000</b>
Interest on lease liabilities	<b>36</b>	23
Interest on convertible bonds	—	451
Effective interest on convertible bonds	—	353
	<b>36</b>	<b>827</b>

## 8. LOSS BEFORE TAX

The Group's loss before tax is stated after charging/(crediting) the following:

	2024 HK\$'000	2023 HK\$'000
Auditor's remuneration	680	1,500
Amortisation of intangible asset	1,967	2,009
Cost of inventories sold ( <i>note (i)</i> )	113,465	122,749
Depreciation of		
– Property, plant and equipment	16,172	17,211
– Investment property	118	120
– Right-of-use assets included within		
– Properties	369	930
– Ownership interests in leasehold land and buildings	256	267
Expense related to the settlement (included in other operating expense) ( <i>note (ii)</i> )	–	22,188
Foreign exchange loss/(gain), net	2,465	(127)
Loss on disposal of property, plant and equipment, net	396	130
Short-term leases expenses	289	66
Administrative fines ( <i>note (iii)</i> )	650	1,535

Notes:

- (i) Cost of inventories sold includes staff costs, amortisation of intangible asset and depreciation of property, plant and equipment and right-of-use assets of approximately HK\$46,276,000 (2023: HK\$50,514,000) which are included in the amounts disclosed separately.
- (ii) In April 2023, Inner Mongolia Yuanyuan Energy Group Co., Ltd (“**Inner Mongolia Yuanyuan Energy**”), a non-controlling shareholder of Inner Mongolia Yuan Yuan Energy Group Jinyuanli Underground Mining Company Limited (“**Inner Mongolia Jinyuanli**”), an indirect non wholly-owned subsidiary of the Company, asserted that the operating activities of Inner Mongolia Jinyuanli had caused damages to the land, properties and ancillary facilities owned by Inner Mongolia Yuanyuan Energy (the “**Damaged Properties**”).  
  
On 18 July 2023, Inner Mongolia Jinyuanli and Inner Mongolia Yuanyuan Energy entered into a settlement agreement, pursuant to which Inner Mongolia Jinyuanli shall pay approximately RMB20,110,000 (equivalent to approximately HK\$22,188,000) to Inner Mongolia Yuanyuan Energy as a settlement for the Damaged Properties and the relocation costs. The aforesaid one-off settlement amount was recognised as “Other operating expense” during the year ended 31 December 2023.
- (iii) During the year ended 31 December 2024, the Group's Coal Mining Business incurred several administrative fines in aggregate amount of RMB600,000 (equivalent to approximately HK\$650,000) (2023: RMB1,391,000 (equivalent to approximately HK\$1,535,000) paid to the local government authorities in relation to workplace safety matters for the year.

## 9. INCOME TAX (CREDIT)/EXPENSE

Income tax (credit)/expense has been recognised in profit or loss as follows:

	2024 HK\$'000	2023 HK\$'000
Deferred tax	<u>(3,058)</u>	<u>774</u>

No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2024 as the Group did not generate any assessable profit arising in Hong Kong during the year (2023: Nil).

Under the law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate applicable to the PRC subsidiaries is 25% (2023: 25%). No provision for PRC Enterprise Income Tax has been made for the year ended 31 December 2024 and 2023 as the PRC subsidiaries did not generate any assessable profits arising in the PRC during the years.

## 10. DIVIDENDS

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2024 (2023: Nil).

## 11. LOSS PER SHARE

### Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year ended 31 December 2024 attributable to owners of the Company of approximately HK\$50,768,000 (2023: HK\$23,734,000) and the weighted average number of ordinary shares of approximately 199,062,382 (2023: 162,342,236, restated) in issue during the year.

The weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the share consolidation effective on 25 October 2024, whereby every ten issued and unissued existing ordinary shares of the Company were consolidated into one consolidated share.

### Diluted loss per share

For the year ended 31 December 2024, diluted loss per share was equal to the basic loss per share as there was no dilutive potential ordinary share in issue for the year.

For the year ended 31 December 2023, diluted loss per share was equal to the basic loss per share as the adjustments to reflect the effect of deemed conversion of convertible bonds would decrease the loss per share attributable to owners of the Company and have anti-dilutive effect.

## 12. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	1,174	1,216
Expected credited loss on trade receivables	<u>(1,174)</u>	<u>(1,216)</u>
	<u><u>—</u></u>	<u><u>—</u></u>

Payments in advance are required by the Group but credit terms of 90 days are granted to certain key customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management.

## 13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deposits	139	405
Prepayments	567	2,612
Other receivables ( <i>note</i> )	<u>578</u>	<u>28,371</u>
	<u><u>1,284</u></u>	<u><u>31,388</u></u>

### *Note:*

As at 31 December 2023, the balance included a refundable deposit of approximately HK\$27,283,000 paid to a potential coal supplier which is an independent third party to the Group. The balance carried at an interest rate of 5.47% per annum which reference to the interest offered on Hong Kong dollar by banks in the interbank market for three months (3 months HIBOR) plus 0.25%. The amount was fully returned to the Group during the year ended 31 December 2024.

Total accrued interest amounting to approximately HK\$1,336,000 was recognised as “Other income and gains” (note 5) during the year ended 31 December 2024 (2023: HK\$1,295,000).

# 14. INTEREST IN AN ASSOCIATE AND LOAN TO AN ASSOCIATE

2024  
HK\$'000

## Interest in an associate

Cost of investment in an associate	26,764
Share of post-acquisition losses and other comprehensive income	(2,029)
	<u>24,735</u>

## Loan to an associate

Gross carrying amount	38,281
Expected credit loss on loan to an associate	(2,298)
	<u>35,983</u>

Details of the Group's associate as at the end of the reporting period are as follows:

Name of entity	Place of incorporation/ registration and operation	Equity interest attributable to the Group 2024	Principal activities
Thaisan Jiujiu Investment Laos Trade Co., Ltd (“ <b>Thaisan Jiujiu</b> ”) (老撾泰山久久投資貿易有限公司)	Lao People's Democratic Republic (“ <b>Laos</b> ”)	52%	Copper mining

### Notes:

- (1) Thaisan Jiujiu holds 51% equity interests in Lao Taishan Jiujiu Mining Co., Ltd (“**Jiujiu Mining**”), a company incorporated in Laos, which owns a copper mine in Laos.
- (2) On 26 August 2024, the Group completed the acquisition of 52% equity interests in Thaisan Jiujiu at a cash consideration of RMB24,800,000 (equivalent to approximately HK\$26,764,000). Thaisan Jiujiu and its non wholly-owned subsidiary, Jiujiu Mining, (collective referred to “**Laos Companies**”) are principally engaged in copper mining in Laos.

The directors of the Company assessed whether the Group has control over Thaisan Jiujiu based on the Group's current practical ability to direct the relevant activities of Thaisan Jiujiu unilaterally. Due to the non-cooperation of the sole director and the business partner of Thaisan Jiujiu as detailed in the Company's announcements dated 31 March 2025, 7 April 2025 and 30 April 2025, the Group currently cannot exercise its control to direct the relevant activities of Thaisan Jiujiu through convening the shareholders' meeting unilaterally. Meanwhile, the business partner of Thaisan Jiujiu is also unable to convene the shareholders' meeting unilaterally without the Group's consent and participation.

After assessment and in the light of the legal opinion, the directors of the Company consider the Group still retains significant influence over Thaisan Jiujiu, given its 52% equity interests and the right to attend, vote and participate in the shareholders' meeting, provided that the meeting is successfully held. Any decisions to be made through the shareholders' meeting shall lawfully require the Group's consent.

- (3) As at 31 December 2024, the loan to an associate with a principal amount of RMB36,000,000 (equivalent to approximately HK\$38,281,000) is unsecured, interest free and repayable on demand.

Summarised financial information in respect of the Laos Companies which is accounted for using equity method in these consolidated financial statements is set out below. The summarised financial information of the Laos Companies is prepared in accordance with HKFRS Accounting Standards.

**HK\$'000**

***As at 31 December 2024***

Current assets	5,904
Non-current assets	442,816
Current liabilities	(191,403)
Non-current liabilities	(109,958)
	<hr/>
Net assets	147,359
	<hr/>
The Group's share of net assets of the Laos Companies	20,823
Goodwill	3,912
	<hr/>
Carrying amount of the Group's interest in the Laos Companies	24,735
	<hr/>

***For the period from date of acquisition to 31 December 2024***

Revenue	—
Loss for the period	(6,333)
Other comprehensive income for the period	(2,233)
	<hr/>
Total comprehensive expense for the period	(8,566)
	<hr/>
Dividend received	—
	<hr/>

## 15. ACQUISITION OF ASSETS

On 2 August 2024, the Group completed the acquisition of the entire equity interests in FatBoy Limited at a cash consideration of HK\$11,800,000. As at the date of acquisition, FatBoy Limited holds an office premise in Hong Kong for administrative purpose. Given the underlying set of assets acquired were not integrated in forming business to generate revenue, the directors of the Company were of the opinion that the acquisition was purchase of net assets which did not constitute business combinations for accounting purpose.

The identifiable assets and liabilities of FatBoy Limited as at the date of acquisition were as follows:

***HK\$'000***

Property, plant and equipment	11,936
Deferred tax liabilities	<u>(136)</u>
Net assets acquired	<u><u>11,800</u></u>
Satisfied by:	
Cash consideration	<u><u>11,800</u></u>



## 16. SHARE CAPITAL

	Authorised	
	Number of ordinary shares	HK\$'000
As at 1 January 2023 and 31 December 2023, at par value of HK\$0.01 each	100,000,000,000	1,000,000
<b>Share consolidation (note (iii))</b>	<b>(90,000,000,000)</b>	<b>—</b>
<b>As at 31 December 2024, at par value of HK\$0.1 each</b>	<b>10,000,000,000</b>	<b>1,000,000</b>
	Issued and fully paid	
	Number of ordinary shares	HK\$'000
As at 1 January 2023, at par value of HK\$0.01 each	1,503,477,166	15,035
Issue of ordinary shares upon conversion of the convertible bonds (note (i))	220,000,000	2,200
As at 31 December 2023 and 1 January 2024, at par value of HK\$0.01 each	1,723,477,166	17,235
<b>Placing of new shares (note (ii))</b>	<b>322,692,000</b>	<b>3,227</b>
<b>Share consolidation (note (iii))</b>	<b>(1,841,552,250)</b>	<b>—</b>
<b>As at 31 December 2024, at par value of HK\$0.1 each</b>	<b>204,616,916</b>	<b>20,462</b>

### Notes:

- (i) On 19 May 2023 and 14 July 2023, 110,000,000 ordinary shares and 110,000,000 ordinary shares were issued and allotted respectively pursuant to the exercise of the conversion right in respect of the convertible bonds issued in July 2022 with an aggregate principal amount of HK\$40,000,000 by the convertible bondholders. These shares rank pari passu in all respects with other shares in issue.
- (ii) On 4 March 2024, the Company completed the placing of 322,692,000 new shares (with a nominal value of HK\$3,226,920) to not less than six placees who and whose ultimate beneficial owners are independent third parties to the Company at the placing price of HK\$0.185 per placing share (the “Placing”). The gross proceeds from the Placing were approximately HK\$59,698,000, and the net proceeds were approximately HK\$59,101,000 after issuance costs of approximately HK\$597,000. These shares rank pari passu in all respects with other shares in issue.

Accordingly, an amount of approximately HK\$3,227,000 were credited to share capital and the remaining proceeds (net of issuance costs) of approximately HK\$55,874,000 were credited to share premium.

- (iii) Pursuant to the ordinary resolution passed by the shareholders of the Company on 23 October 2024, every ten issued and unissued ordinary shares of Company at par value of HK\$0.01 each had been consolidated into one consolidated share at par value of HK\$0.1 each. The share consolidation had become effective since 25 October 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and financial review

The Group recorded total revenue of approximately HK\$180,934,000 for the year ended 31 December 2024, representing a decrease of approximately HK\$7,026,000 or approximately 3.7% as compared to the revenue of approximately HK\$187,960,000 for the year ended 31 December 2023. The loss for the year ended 31 December 2024 amounted to approximately HK\$63,783,000 as compared to approximately HK\$33,610,000 for the year ended 31 December 2023. The loss attributable to owners of the Company for the year ended 31 December 2024 amounted to approximately HK\$50,768,000 as compared to approximately HK\$23,734,000 for the year ended 31 December 2023.

The loss for the year ended 31 December 2024 is primarily attributable to (i) the recognition of impairment loss on the non-financial assets of our coal mining business cash-generating unit of approximately HK\$26 million as detailed below; (ii) the increase in operating costs of coal mining business segment by approximately HK\$28 million, including the costs incurred in complying the green mine construction policy issued by the China government and related staff costs; and (iii) the increase in administrative fees, such as the professional fees, laboratory fees and travelling expenses, by approximately HK\$11 million incurred for the acquisition of equity interests in a copper mine located in Laos during the year, as well as for exploring potential mining investment opportunities in different countries during the year.

### The Coal Mining Business

Inner Mongolia Yuan Yuan Energy Group Jinyuanli Underground Mining Company Limited (“**Inner Mongolia Jinyuanli**”), an indirect non wholly-owned subsidiary of the Company, operates the Group’s Inner Mongolia Coal Mine 958 (the “**Inner Mongolia Coal Mine 958**”) in the Inner Mongolia region with an allowed annual coal production capacity of 1,200,000 tonnes. During the year ended 31 December 2024, approximately 902,000 tonnes (2023: 904,000 tonnes) of coals were produced and approximately 908,000 tonnes (2023: 901,000 tonnes) of coals were sold.

In September 2020, Inner Mongolia Jinyuanli entered into a Contract for State-Owned Construction Land Use Right Assignment (國有建設用地使用權出讓合同) with the Huolinguole Natural Resources Bureau (霍林郭勒市自然資源局) and a land premium of RMB11.6 million (equivalent to approximately HK\$13.0 million) was paid in November 2020. Thereafter, Inner Mongolia Jinyuanli had submitted the application for the grant of the real estate ownership certificates (不動產所有權證) pending for the approval.

In 2023, Inner Mongolia Jinyuanli had successfully renewed its: (i) safety production permit (安全生產許可證) granted by the Energy Administration of Inner Mongolia autonomous region (內蒙古自治區能源局); and (ii) coal mining license (採礦許可證) granted by the Tongliao Natural Resources Bureau (通遼市自然資源局), both of which were extended until 24 September 2026 and 26 October 2034 respectively.

At present, the local government authorities of the Inner Mongolia region visited Inner Mongolia Jinyuanli occasionally to review mainly the workplace safety and coal resources of the Inner Mongolia Coal Mine 958. During the year ended 31 December 2024, administrative fines of RMB600,000 (equivalent to approximately HK\$650,000) (2023: RMB1,391,000 (equivalent to approximately HK\$1,535,000)) were paid to the local government authorities for certain minor workplace safety matters.

In 2024, the PRC government issued several notices pertaining to the mining industry, including “Guidance on Further Advancement of the Intelligent Construction of Mines and the Safety Development of Mines”《關於深入推進礦山智慧化建設促進礦山安全發展的指導意見》and “Notice on Further Strengthening the Construction of Green Mines”《關於進一步加強綠色礦山建設的通知》, which aimed at reinforcing intelligent operation safeness and developing green and low-carbon transformation of mining industry. These new regulations have increased pressure on our working capital to renewing our existing aged infrastructure and machineries.

The Inner Mongolia Coal Mine 958 has been operated for approximately 15 years, during this tenure, most of coal resources has been substantially extracted in the shallow coal seams. Accordingly, the management of Inner Mongolia Jinyuanli conducted an assessment on the technical requirements and ongoing capital investments of the Inner Mongolia Coal Mine 958. While the geological conditions become increasingly challenging with more complex underground structure, replacement of old machineries and addition of more advanced equipment will be required. As such, the ongoing capital expenditures and operating costs are expected to increase significantly. Based on the impairment assessment review, an impairment loss of approximately HK\$25,960,000 had been recognised on the carrying amounts of non-financial assets of the Coal Mining Business segment of the Group during the year ended 31 December 2024.

In view of the above circumstances, the management of Inner Mongolia Coal Mine 958 will continue to assess and evaluate if there is sufficient level of mineable coal resources for future economic benefits to be brought to the Group. Such assessment is also required by relevant industry policies to demonstrate sufficient mineable coal resources for the coming 12 months, as any unsatisfactory results may result in suspension of the mining operation by local authority pursuant to “Provisional Measures for Preventing Coal Mine Excavation and Mining Continuity Tensions”《防範煤礦採掘接續緊張暫行辦法》.

## Impairment assessment review on property, plant and equipment, intangible asset and right-of-use assets of the Coal Mining Business segment

The management of the Company has performed an impairment assessment review on the carrying amounts of the property, plant and equipment, intangible asset and right-of-use assets under the non-financial assets of the Coal Mining Business cash-generating unit (the “**Coal Mining CGU**”) at each of the reporting period.

The recoverable amount of the Coal Mining CGU was estimated based on the value in use calculation, determined by discounting the future cash flows to be generated from the continuing use of these assets. The key assumptions of the cash flow projections were made based on the current business and financial conditions of Inner Mongolia Jinyuanli. An independent professional valuer has been engaged by the Company to review the appropriateness and reasonableness of the assumptions applied in the cash flow projections, and conduct a valuation on the Coal Mining CGU.

The key assumptions and parameters adopted in the cash flow projections of the Coal Mining CGU as at 31 December 2023, 30 June 2024 and 31 December 2024 are set out below:

Key assumptions	31 December 2023	30 June 2024	31 December 2024
Projected annual coal production output for the period until the expiry date of the business license ( <i>note 1</i> )	900,000 tonnes	900,000 tonnes	<b>900,000 tonnes</b>
Average unit coal selling price per tonne (including value-added tax) ( <i>note 2</i> )	2024: RMB188 2025: RMB193 2026 onwards: increase with inflation rate	2024: RMB188 2025: RMB193 2026 onwards: increase with inflation rate	<b>2025: RMB191 2026: RMB196 2027 onwards: increase with inflation rate</b>
Inflation rate	2.5%	2.5%	<b>2.5%</b>
Pre-tax discount rate	<u>16.60%</u>	<u>16.50%</u>	<u><b>16.58%</b></u>

### Notes:

- (1) The forecasted annual coal production output was estimated to be 900,000 tonnes based on the existing status of the Inner Mongolia Coal Mine 958.
- (2) The estimated unit selling price of coal (average unit selling price) was determined by referencing to: (i) the current unit selling price of coals; (ii) the prevailing market price of coals in the Inner Mongolia region; and (iii) the historical average unit selling price of coals produced by Inner Mongolia Jinyuanli over past few years.

## **Selling and distribution expenses**

The selling and distribution expenses of the Group for the year ended 31 December 2024 in the amount of approximately HK\$3,909,000 was 100% attributed to the Coal Mining Business, representing a decrease of approximately HK\$639,000 as compared to approximately HK\$4,548,000 for the year ended 31 December 2023. The decrease in selling and distribution expense was mainly caused by the decrease in logistics costs during the year.

## **Administrative expenses**

The administrative expenses of the Group for the year ended 31 December 2024 amounted to approximately HK\$103,811,000, representing an increase of approximately HK\$30,825,000 as compared to approximately HK\$72,986,000 for the year ended 31 December 2023. The increase in administrative expense was mainly attributable to the increase in staff costs and the administrative fees, such as the professional fees, laboratory fees and travelling expenses, incurred for the acquisition during the year, as well as for exploring potential mining investment opportunities in different countries during the year, including exploration and drilling expenses of a potential gold mine target in Cambodia.

## **Other operating expense**

In April 2023, Inner Mongolia Yuanyuan Energy Group Co., Ltd (“**Inner Mongolia Yuanyuan Energy**”), a non-controlling shareholder of Inner Mongolia Jinyuanli, asserted that the operating activities of Inner Mongolia Jinyuanli had caused damages to the land, properties and ancillary facilities owned by Inner Mongolia Yuanyuan Energy (the “**Damaged Properties**”).

On 18 July 2023, Inner Mongolia Jinyuanli and Inner Mongolia Yuanyuan Energy entered into a settlement agreement, pursuant to which Inner Mongolia Jinyuanli shall pay approximately RMB20,110,000 (equivalent to approximately HK\$22,188,000) to Inner Mongolia Yuanyuan Energy as a settlement for the Damaged Properties and the relocation costs. The aforesaid one-off settlement amount was recognised as “Other operating expense” during the year ended 31 December 2023.

Accordingly, approximately RMB17,110,000 (equivalent to approximately HK\$18,194,000) and approximately RMB17,110,000 (equivalent to approximately HK\$18,844,000) was included in the “Accruals and other payables” as at 31 December 2024 and 2023 respectively.

## **Finance costs**

The finance costs of the Group for the year ended 31 December 2024 amounted to approximately HK\$36,000 as compared to approximately HK\$827,000 for the year ended 31 December 2023. The decrease in finance costs was mainly attributable to the full conversion of the convertible bonds in May 2023 and July 2023.

## Loss for the year

The loss for the year ended 31 December 2024 amounted to approximately HK\$63,783,000 as compared to approximately HK\$33,610,000 for the year ended 31 December 2023. The loss attributable to owners of the Company for the year ended 31 December 2024 was approximately HK\$50,768,000 as compared to approximately HK\$23,734,000 for the year ended 31 December 2023.

## Placing of new shares

On 9 February 2024, the Company entered into a placing agreement with Yuen Meta (International) Securities Limited (the “**Placing Agent**”) pursuant to which the Company had conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum number of 322,692,000 placing shares at the placing price of HK\$0.185 per placing share to not less than six placees who and whose ultimate beneficial owners should be independent third parties not connected to the Company and its connected person(s) within the meaning of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Placing**”).

The placing price of HK\$0.185 per placing share represented: (i) a discount of approximately 18.86% to the closing price of HK\$0.228 per share as quoted on the Stock Exchange as at the date of the placing agreement; (ii) a discount of approximately 19.77% to the average closing price per share of approximately HK\$0.2306 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the placing agreement; and (iii) a premium of approximately 65.18% to the net assets value per share of approximately HK\$0.112 based on the net assets value and the number of issued shares of 1,613,477,166 as at 30 June 2023.

The Directors considered that the Placing represented an opportunity to raise additional funding for the business operations and development of the Group and will further broaden the Group’s shareholders and capital base, providing working capital to the Group to meet any financial needs of the Group without any interest.

The Placing was completed on 4 March 2024 and 322,692,000 new shares (with a nominal value of HK\$3,226,920) were issued and allotted at the placing price of HK\$0.185 per placing share. The gross proceeds from the Placing were approximately HK\$59,698,000, and the net proceeds were approximately HK\$59,101,000 after issuance costs of approximately HK\$597,000. The net issue price was approximately HK\$0.183 per placing share. These shares rank pari passu in all respects with other shares in issue.

## Share consolidation

Pursuant to the ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 23 October 2024, every ten issued and unissued shares of par value of HK\$0.01 each had been consolidated into one consolidated share of par value of HK\$0.1 each (the “**Share Consolidation**”). The Share Consolidation had become effective since 25 October 2024.



Immediately after the Share Consolidation becoming effective, the authorised share capital of the Company was changed from HK\$1,000,000,000 divided into 100,000,000,000 ordinary shares of par value of HK\$0.01 each to HK\$1,000,000,000 divided into 10,000,000,000 consolidated shares of par value of HK\$0.1 each, and the issued share capital of the Company was changed from HK\$20,461,692 divided into 2,046,169,166 ordinary shares of par value of HK\$0.01 each to HK\$20,461,692 divided into 204,616,916 consolidated shares of par value of HK\$0.1 each.

## **Investment in the Copper Mine located in Laos**

### *Memorandum of understanding*

On 4 January 2024, Big Wish Group Limited (“**Big Wish Group**”), a direct wholly-owned subsidiary of the Company, Thaisan Jiujiu Investment Laos Trade Co., Ltd (老撾泰山久久投資貿易有限公司) (“**Thaisan Jiujiu**”) and the then shareholders of Thaisan Jiujiu entered into a memorandum of understanding for the proposed investment in the equity interest of Thaisan Jiujiu. A refundable deposit of RMB30,000,000 (equivalent to approximately HK\$32,219,000) was paid by the Group as earnest money in accordance with the terms of the memorandum of understanding (the “**MOU Deposit**”).

### *Sale and Purchase Agreement and Subscription Agreement*

On 22 April 2024, (i) Big Wish Global Holdings Limited (“**Big Wish Global**”), an indirect wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with the then shareholders of Thaisan Jiujiu (the “**Original Vendors**”); and (ii) Big Wish Group, Big Wish Global and Thaisan Jiujiu entered into a subscription agreement (the “**Subscription Agreement**”).

Pursuant to the Sale and Purchase Agreement, Big Wish Global conditionally agreed to acquire, and the Original Vendors conditionally agreed to sell the entire equity interests of Thaisan Jiujiu at a cash consideration of RMB40,000,000 (equivalent to approximately HK\$42,959,000). A first payment of RMB20,000,000 (equivalent to approximately HK\$21,480,000) was paid by the Group as a deposit in accordance with the terms of the Sale and Purchase Agreement. Pursuant to the Subscription Agreement, (i) Big Wish Global agreed to subscribe the new shares to be issued by Thaisan Jiujiu at a subscription price of RMB30,000,000 (equivalent to approximately HK\$32,219,000) in cash; and (ii) the MOU Deposit shall offset the subscription payment under the Subscription Agreement, upon the completion of acquisition of entire equity interests of Thaisan Jiujiu.

### *Supplemental Agreement and Termination Agreement*

On 5 July 2024, Big Wish Global and the Original Vendors entered into a supplemental agreement to amend and supplement certain terms of the Sale and Purchase Agreement (the “**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, (i) Big Wish Global had conditionally agreed to acquire and Mr. Zeng Quanrong (the “**Revised Vendor**”) had conditionally agreed to sell 520 issued shares of Thaisan Jiujiu owned by the Revised Vendor, representing 52% of the issued share capital of Thaisan Jiujiu, at a revised cash consideration of RMB24,800,000 (equivalent to approximately HK\$26,764,000); and (ii) Big Wish Global will not acquire, and the remaining two shareholders of Thaisan Jiujiu will retain their 480 issued shares of Thaisan Jiujiu owned by them, representing 48% of the issued share capital of Thaisan Jiujiu.

On the same date, Big Wish Group, Big Wish Global and Thaisan Jiujiu entered into an agreement to terminate the Subscription Agreement (the “**Termination Agreement**”). Pursuant to the Termination Agreement, Thaisan Jiujiu agreed to refund the MOU Deposit to Big Wish Group together with the interest accrued, which was calculated at a rate of 5% per annum from the date of the payment of the MOU Deposit to the date of refund. On 12 July 2024, the MOU Deposit and accrued interests in the aggregate amount of approximately RMB30,753,000 (equivalent to approximately HK\$33,000,000) had been refunded to the Group pursuant to the terms of the Termination Agreement.

The acquisition of 52% equity interests in Thaisan Jiujiu was completed on 26 August 2024 and the remaining balance of consideration amounting to RMB4,800,000 (equivalent to approximately HK\$5,284,000) was paid accordingly.

Lao Taishan Jiujiu Mining Co., Ltd (老撾泰山久久礦業有限公司) (“**Jiujiu Mining**”), the 51% non wholly-owned subsidiary of Thaisan Jiujiu (collective referred to the “**Laos Companies**”), owns a copper mine in Laos (the “**Copper Mine**”) and holds a mining license (開採許可証) and mineral processing license (選礦加工許可証) in respect of the copper mine, both of which are valid from 27 May 2022 to 27 May 2042. The Copper Mine has obtained the approval from the Prime Minister of Laos to commence mining operations covering a mining area of approximately 24 km<sup>2</sup>, with an estimated copper reserves of more than 100,000 tons and also contains other minerals such as zinc, iron and silver.

As at 31 December 2024, the construction of the processing plant had been substantially completed and was under calibration. Subsequent to the end of the reporting period, the Copper Mine has started the production, and approximately 50,000 tonnes of raw ore was milled and processed.

### *Shareholder’s Loan Agreement*

On 4 October 2024, Big Wish Global, as lender, and Thaisan Jiujiu, as borrower, entered into a shareholder’s loan agreement, pursuant to which Big Wish Global had agreed to provide a shareholder’s loan in the principal amount of RMB36,000,000 (equivalent to approximately HK\$38,281,000) to Thaisan Jiujiu for the repayment of funds advanced by the Original Vendors to Thaisan Jiujiu for the addition of machineries and construction of infrastructures of the copper mine.



### *Recent matter*

Since early of 2025, the local management and business partners of Thaisan Jiujiu have been delaying in providing, and also failed to provide, satisfactory response to the Company's requests. In view of such circumstances, the Company issued two demand letters to the legal representative and business partners (the "**Recipients**") of Thaisan Jiujiu through its Hong Kong legal advisers in March 2025 and Laos legal advisers in April 2025 respectively, demanding for, inter alia, the provision of requested financial information and documents and the full cooperation with the auditor of the Company. After prolonged coordination, the Recipients ultimately responded to the Company and provided certain books and records of the Laos Companies along with the latest management accounts.

In view of the non-cooperation of the Recipients throughout the period and in the light of the legal opinion provided by the Laos legal adviser, the Group has concluded that it currently cannot exercise its control over Thaisan Jiujiu to direct the relevant activities of Thaisan Jiujiu through convening the shareholders' meeting unilaterally. Nevertheless, the directors of the Company considered the Group retains significant influence over Thaisan Jiujiu, given its 52% equity interests and the right to attend, vote and participate in the shareholders' meeting, provided that the meeting is successfully held. Any decisions to be made through the shareholders' meeting shall lawfully require the Group's consent.

Therefore, the Group recognised its investment in Thaisan Jiujiu as associate and accounted for using equity method of accounting in accordance with *HKAS 28 Investments in Associates and Joint Ventures* in the consolidated financial statements for the year ended 31 December 2024.

### *The Company's action plan*

Considering that the Recipients' recent responded to the Group's requests by providing certain books and records of the Laos Companies, albeit after prolonged coordination, the Group intends to continue to maintain conversation with the Recipients to resolve the issue in an amicable manner to the extent possible, while closely monitoring the ongoing developments. Notwithstanding so, the Group reserves the right to take any such appropriate measures which may be enforced in Laos based on the ongoing discussion with and the advice of its Laos legal advisers as and when necessary to exercise and protect its rights as the majority shareholder in Thaisan Jiujiu, including but not limited to possible nomination of additional representatives to the board of directors of Thaisan Jiujiu to ensure the sufficient management control and monitoring over Thaisan Jiujiu and commencing litigation against the Recipients to demand, among others, the provision of all books and records pertaining to the Laos Companies.

### **Acquisition of assets**

On 19 July 2024, Big Wish Group entered into a sale and purchase agreement with an independent third party for the acquisition of the entire equity interests in FatBoy Limited at a cash consideration of HK\$11,800,000. The acquisition did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and was completed on 2 August 2024. As at the date of acquisition and 31 December 2024, FatBoy Limited holds an office premise in Hong Kong for administrative purpose.

## USE OF PROCEEDS FROM PAST FUND RAISING ACTIVITIES

Set forth below are the detailed breakdown of the utilisation of net proceeds from (i) the issuance of the convertible bonds by the Company on 18 July 2022 and (ii) the Placing:

	Original intended use of net proceeds <i>HK\$'000</i>	Accumulated amount of net proceeds utilised as at 31 December 2022 <i>HK\$'000</i>	Accumulated amount of net proceeds utilised as at 31 December 2023 <i>HK\$'000</i>	Accumulated amount of net proceeds utilised as at 31 December 2024 <i>HK\$'000</i>
<b>(i) Issuance of the convertible bonds on 18 July 2022</b>				
(1) Enhance the mining and mineral related businesses				
(i) Enhance the existing coal mining machineries and systems		8,708	13,781	21,538
(ii) Coal trading business		—	7,757	—
Subtotal	37,000	8,708	21,538	21,538
(2) Potential investment in the copper mine located in Laos as announced by the Company on 4 January 2024 ( <i>Note (i)</i> )	—	—	—	15,462
(3) General working capital	2,800	2,800	2,800	2,800
Total	39,800	11,508	24,338	39,800
<b>(ii) Placing of new shares on 4 March 2024</b>				
(1) Potential investment in the copper mine located in Laos as announced by the Company on 4 January 2024 and other potential mining related investments	35,000	N/A	N/A	35,000
(2) Enhance the existing mining machineries and systems and other potential mining related business, including but not limited to the coals, commodities and minerals trading business	14,000	N/A	N/A	14,000
(3) General working capital	10,101	N/A	N/A	10,101
Total	59,101	N/A	N/A	59,101

*Notes:*

- (i) The net proceeds from the issuance of the convertible bonds on 18 July 2022 were approximately HK\$39,800,000. As disclosed in the announcement of the Company dated 9 February 2024, the Board resolved to change the use of the unutilised net proceeds of approximately HK\$15,462,000 from enhancing the mining and mineral related businesses to the potential investment in the copper mine located in the Laos as refundable deposit announced by the Company on 4 January 2024.
- (ii) As at 31 December 2024, the net proceeds from the issuance of the convertible bonds by the Company on 18 July 2022 and the Placing had been fully utilised.

**Liquidity and financial resources**

As at 31 December 2024,

- (a) the aggregate amount of the Group's: (i) restricted bank deposits; and (ii) bank and cash balances was approximately HK\$73,565,000 (2023: HK\$103,938,000);
- (b) the Group had no borrowing (2023: Nil);
- (c) the Group's gearing ratio was zero (2023: zero). The gearing ratio was calculated as the Group's total borrowings divided by total equity; and
- (d) the Group's current ratio was approximately 1.52 (2023: 1.56). The current ratio was calculated as total current assets divided by total current liabilities.

The Board will continue to closely monitor the consolidated financial position of the Group to maintain its financial capacity for future operations and new business developments.

**Pledge of assets**

As at 31 December 2024, the Group did not have any pledge of assets (2023: Nil).

**Foreign currency risk**

The Group's sales and purchases are mainly transacted in Renminbi and the books are recorded in Hong Kong dollar. The management of the Company noted the recent fluctuation in the exchange rate between Renminbi and Hong Kong dollar, and is of the opinion that it does not have any material adverse impact to the Group's consolidated financial position at present. The Group currently does not have a foreign currency hedging policy. The management of the Company will continue to monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

## **Acquisition and disposal of material subsidiaries, associates and joint ventures**

Save as disclosed in the above section, the Group did not acquire nor dispose of any material subsidiaries, associates and joint ventures during the year ended 31 December 2024.

## **Significant investment**

The Group did not purchase, sell or hold any significant investments during the year ended 31 December 2024.

## **Contingent liabilities**

The Group did not have any material contingent liabilities as at 31 December 2024.

## **Capital commitment**

As at 31 December 2024, the Group's capital expenditure contracted for but not provided in the consolidated financial statements in respect of property, plant and equipment amounted to approximately HK\$1,213,000 (2023: HK\$1,989,000).

## **Employees**

The Group employed 425 full-time employees as at 31 December 2024 (2023: 466) in Hong Kong and the PRC. Remuneration of the staff comprises monthly salaries, provident fund contributions, medical benefits, training programs, housing allowances and discretionary bonus based on their qualifications, job nature, performance and working experiences referencing to the prevailing market rate and contributions to the Group. Staff costs including Directors' emoluments for the year ended 31 December 2024 were approximately HK\$95,812,000 (2023: HK\$78,716,000).

## **Prospects**

Over past few years, the continuous tightening of PRC government policies in coal mining industry prompted us to spend further capital in complying the relevant industry operational standards in respect of the aged machineries and infrastructure of our coal mine. Such new regulations and practices have created economic pressures on the working capital of our Coal Mining Business and affecting our profit and future economic benefits.

In light of this, the Group has been exploring suitable business and investment opportunities arising from the mining and mineral sectors worldwide to diversify its business horizons. In August 2024, the Group completed the acquisition of equity interests in a copper mine located in Laos, which allowed the Group to enter into Southeast Asia’s mining industry. Despite the Group has faced a lot of uncertainties and unanticipated challenges in our first venture into new territories, we believe that new business opportunities and developments are crucial to the Group’s long-term growth and development apart from our existing coal mining operation. We will continue to identify potential investment opportunities in the energy and mining sectors in the foreseeable future.

Moving forward, the Group will continue to implement further cost control measures and enhance our funding management to enhance its financial position for future business opportunities. The Company aims to broaden its business scope and strengthen the overall business development, benefiting from the diversified return in the future to enhance shareholders’ value.

## **CORPORATE GOVERNANCE**

The Company’s corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Listing Rules. The Company has complied with the applicable code provisions as set out in the CG Code during the year ended 31 December 2024 except for the following deviations:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Following the passing away of the former chairman and executive Director of the Company, and the resignation of the chief executive officer of the Company, the Board does not have any chairman and chief executive officer. The duties and responsibilities of the Company’s business are handled by the existing Directors and senior management of the Company so as to achieve the overall commercial objectives of the Company. The Company is looking for suitable person to fill the vacancy of the chairman and chief executive officer.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as the required standard governing securities transactions by the Directors. The Company had made specific enquires to all the Directors and all the Directors confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 2024.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## ANNUAL GENERAL MEETING

It is proposed that the annual general meeting of the Company will be held on a date to be fixed by the Board. Further announcement(s) will be made in respect of date of the annual general meeting of the Company and book closure date in due course.

## REVIEW OF THE ANNUAL RESULTS BY AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) has been established for the purpose of reviewing the financial information of the Group and overseeing the financial reporting system, risk management and internal control systems to ensure the integrity of the financial statements of the Group and the effectiveness of internal control and risk management systems of the Group. The Audit Committee, comprising three independent non-executive Directors, namely Mr. Lee Wai Ming (Chairman), Mr. Chang Xuejun and Mr. Li Juhui, have reviewed the Group’s annual results for the year ended 31 December 2024 and are satisfied that the preparation of the results is in compliance with appropriate accounting policies and practices.

## SCOPE OF WORK OF SUYA WWC CPA LIMITED

The figures in respect of this announcement of the Group’s annual results for the year ended 31 December 2024 have been agreed by the Group’s independent auditor, Suyu WWC CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements and the related notes thereto for the year ended 31 December 2024. The work performed by Suyu WWC CPA Limited in this respect did not constitute an assurance engagement in accordance with the Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Suyu WWC CPA Limited on this annual results announcement.

## EXTRACT FROM INDEPENDENT AUDITOR’S REPORT

The following is an extract of the independent auditor’s report on the Group’s consolidated financial statements for the year ended 31 December 2024.

## QUALIFIED OPINION

*In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.*

## **BASIS FOR QUALIFIED OPINION**

*As disclosed in Notes 4 and 18 to the consolidated financial statements, the Group acquired 52% unquoted equity interest in the issued shares of Thaisan Jiujiu Investment Laos Trade Co., Ltd (the “Investee”) on 26 August 2024 at a consideration of approximately HK\$26,764,000. The Investee is a limited liability company incorporated in the Lao People’s Democratic Republic (“Laos”), which is an investment holding company and holds 51% equity interest in Lao Taishan Jiujiu Mining Co., Ltd in Laos. The Group recorded the investment as interest in an associate in the consolidated financial statements as at 31 December 2024. As at 31 December 2024, the investment has carrying amount of approximately HK\$24,735,000 and a share of results of associate amounting to approximately HK\$1,667,000 is recognised in the profit or loss.*

*We were unable to obtain sufficient audit evidence to determine the appropriateness of the accounting of the 52% equity interest in the Investee as an interest in an associate and accounted for in accordance with HKAS 28 Investments in Associates and Joint Ventures, due to the lack of sufficient audit evidence to demonstrate the existence of significant influence of the Company on the Investee.*

*Any adjustments to the figures as described above might have a consequential effect on the Group’s consolidated financial performance and consolidated cash flows for the year ended 31 December 2024 and the consolidated financial position of the Group as at 31 December 2024, and the related disclosures thereof in the consolidated financial statements.*

*We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.*

### **Management’s view on the qualified opinion**

The Management of the Company (the “Management”) has given careful consideration to the qualified opinion of the independent auditor’s report (the “Qualified Opinion”) and the basis of the qualification and has had ongoing discussion with the auditor of the Company when preparing the Group’s consolidated financial statements for the year ended 31 December 2024.

The Management understood that the Qualified Opinion expressed by the auditor of the Company was due to the fact that the auditor of the Company considered that there is a lack of sufficient audit evidence to demonstrate the existence of significant influence of the Company over Thaisan Jiujiu. As a result, the auditor of the Company was unable to obtain sufficient audit evidence to determine the appropriateness of the accounting of the 52% equity interests in Thaisan Jiujiu as an investment in an associate in the consolidated financial statements of the Group for the year ended 31 December 2024.



The Management acknowledged the chronology of the incidents during the course of audit of the Laos Companies as detailed in section headed “MANAGEMENT DISCUSSION AND ANALYSIS – Investment in the Copper Mine located in Laos”. After discussion and in the light of the legal opinion, the Management considered that it is appropriate for the investment to account for as investment in associate in accordance with *HKAS 28 Investments in Associates and Joint Ventures*.

### **Audit committee’s view on the qualified opinion**

The Audit Committee has discussed the Qualified Opinion with the Management and the Directors, and understood the basis of the Qualified Opinion. The Audit Committee understood that whilst the Group holds 52% equity interests in Thaisan Jiujiu, the Group currently cannot exercise its control but still retains significant influence over Thaisan Jiujiu based on the current circumstance upon considered the legal advice provided by the Laos legal adviser. They have also reviewed and agreed with the Board’s position as set out above.

### **DIVIDEND**

The Board does not recommend the payment of any final dividend for the year ended 31 December 2024.

### **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.grandocean65.com](http://www.grandocean65.com)) respectively. The annual report of the Company for the year ended 31 December 2024 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites as soon as possible in due course.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025, pending the publication of the annual results for the year ended 31 December 2024 contained in this announcement.



Upon the publication of this announcement, an application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 July 2025.

By Order of the Board  
**Grand Ocean Advanced Resources Company Limited**  
**Ng Ying Kit**  
*Executive Director*

Hong Kong, 30 June 2025

*As at the date of this announcement, the Board comprises one executive Director, namely Mr. Ng Ying Kit; one non-executive Director, namely Ms. Kwong Pui Yin; and three independent non-executive Directors, namely Mr. Lee Wai Ming, Mr. Chang Xuejun and Mr. Li Juhui.*