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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)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

- (1) Revenue for the six months ended 30 June 2026 amounted to approximately HK\$55,036,000, representing a decrease of approximately 10.7% as compared to the corresponding period in 2025.
- (2) Gross profit for the six months ended 30 June 2026 amounted to approximately HK\$15,279,000, representing a decrease of approximately 43.8% as compared to the corresponding period in 2025. Overall gross profit margin was approximately 27.8% for the six months ended 30 June 2026 as compared to approximately 44.1% for the corresponding period in 2025.
- (3) Loss for the six months ended 30 June 2026 amounted to approximately HK\$10,776,000 as compared to approximately HK\$8,115,000 for the corresponding period in 2025.
- (4) Loss attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately HK\$9,847,000 as compared to approximately HK\$9,703,000 for the corresponding period in 2025.
- (5) The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026.

UNAUDITED INTERIM 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 unaudited interim results of the Group for the six months ended 30 June 2026 together with the relevant comparative figures as follows. The unaudited interim results have been reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Six months ended 30 June	
		2026	2025
		<i>HK\$’000</i>	<i>HK\$’000</i>
		(Unaudited)	(Unaudited)
Revenue	4	55,036	61,635
Cost of sales		<u>(39,757)</u>	<u>(34,442)</u>
Gross profit		15,279	27,193
Other income and gains	6	9,720	1,913
Selling and distribution expenses		(1,600)	(1,503)
Administrative expenses		(31,608)	(33,744)
Share of results of associate		–	(1,857)
Impairment loss on property, plant and equipment		<u>(1,901)</u>	<u>–</u>
Loss from operations		(10,110)	(7,998)
Finance costs	7	<u>(51)</u>	<u>(37)</u>
Loss before tax	8	(10,161)	(8,035)
Income tax expense	9	<u>(615)</u>	<u>(80)</u>
Loss for the period		<u>(10,776)</u>	<u>(8,115)</u>
Attributable to:			
Owners of the Company		(9,847)	(9,703)
Non-controlling interests		<u>(929)</u>	<u>1,588</u>
		<u>(10,776)</u>	<u>(8,115)</u>
		<i>HK cents</i>	<i>HK cents</i>
Loss per share	11		
– basic		<u>(4.01)</u>	<u>(4.74)</u>
– diluted		<u>(4.01)</u>	<u>(4.74)</u>

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Loss for the period	(10,776)	(8,115)
Other comprehensive income after tax:		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences on translating foreign operations	<u>2,453</u>	<u>3,745</u>
Other comprehensive income for the period, net of tax	<u>2,453</u>	<u>3,745</u>
Total comprehensive income for the period	<u>(8,323)</u>	<u>(4,370)</u>
Attributable to:		
Owners of the Company	(8,414)	(7,260)
Non-controlling interests	<u>91</u>	<u>2,890</u>
	<u>(8,323)</u>	<u>(4,370)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2026	As at 31 December 2025
	Notes	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment	12	53,204	58,018
Intangible asset	12	11,195	11,134
Investment property		1,833	1,826
Right-of-use assets	12	8,346	9,069
Interest in an associate	13	23,561	23,561
Deferred tax assets		22,057	21,966
Total non-current assets		120,196	125,574
Current assets			
Inventories		5,485	4,139
Trade receivables	14	—	—
Deposits, prepayments and other receivables		5,278	2,270
Loan to an associate	13	30,559	29,029
Restricted bank deposits		6,200	586
Bank and cash balances		43,909	71,428
Total current assets		91,431	107,452
Current liabilities			
Accruals and other payables		53,844	70,278
Contract liabilities		5,823	2,389
Lease liabilities		1,834	1,596
Total current liabilities		61,501	74,263
Net current assets		29,930	33,189
Total assets less current liabilities		150,126	158,763

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		As at 30 June 2026 <i>HK\$'000</i> (Unaudited)	As at 31 December 2025 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Non-current liabilities			
Provision for environmental rehabilitation and restoration		5,039	4,854
Deferred tax liabilities		16,162	15,735
Lease liabilities		533	1,459
Total non-current liabilities		21,734	22,048
NET ASSETS		128,392	136,715
Capital and reserves			
Share capital	15	24,554	24,554
Reserves		76,552	84,966
Equity attributable to owners of the Company		101,106	109,520
Non-controlling interests		27,286	27,195
TOTAL EQUITY		128,392	136,715

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 8/F, Hip Shing Hong Centre, No. 55 Des Voeux Road Central, Central, 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 six months ended 30 June 2026 were the production and sale of coal (the "**Coal Mining Business**").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements for the six months ended 30 June 2026 have been prepared in accordance with the applicable disclosures required by Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and the Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Group set out in the annual report of the Company for the year ended 31 December 2025.

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements for the six months ended 30 June 2026 are consistent with those used in the Group's annual consolidated financial statements for the year ended 31 December 2025 except as stated in note 3 below.

3. ADOPTION OF NEW OR AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Adoption of amendments to HKFRS Accounting Standards

In the current interim period, 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 condensed consolidated financial statements for the annual period beginning on 1 January 2026:

Amendments to HKFRS Accounting Standard	Annual Improvements to HKFRS Accounting Standards – Volume 11
Amendments to HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37	Disclosures about Uncertainties in the Financial Statements
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity

The adoption of these amendments to HKFRS Accounting Standards has no material impact on the Group's condensed consolidated financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed 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 condensed consolidated financial statements, have been issued, but 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	Translation to a Hyperinflationary Presentation Currency ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
HKFRS 18	Presentation and Disclosure in Financial Statements ¹
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ¹

¹ Effective for annual periods beginning on or after 1 January 2027.

² No mandating effective date yet determined but available for adoption.

Except for the new HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of other 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.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace *HKAS 1 Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to *HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* and *HKFRS 7 Financial Instruments: Disclosures*. Minor amendments to *HKAS 7 Statement of Cash Flows* and *HKAS 33 Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. It is expected to affect the structure and presentation of the consolidated statement of profit or loss. The Group is currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

4. REVENUE

The Group recognised revenue from sale of coal of approximately HK\$55,036,000 (six months ended 30 June 2025: HK\$61,635,000) during the six months ended 30 June 2026 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.

5. SEGMENT INFORMATION

The Group determines its operating segments based on the business from products/services perspective.

For the six months ended 30 June 2026 and 2025, the Group has only one reportable operating segment which is Coal Mining Business. Thus, no operating segments have been aggregated to form the above reporting 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	
	Six months ended 30 June 2026	2025	30 June 2026	31 December 2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	—	—	11,870	15,112
The PRC except Hong Kong	<u>55,036</u>	<u>61,635</u>	<u>62,708</u>	<u>64,935</u>
Consolidated total	<u><u>55,036</u></u>	<u><u>61,635</u></u>	<u><u>74,578</u></u>	<u><u>80,047</u></u>

Revenue from major customers:

For the six months ended 30 June 2026, revenue of approximately HK\$39,356,000 (six months ended 30 June 2025: HK\$40,297,000) was derived from the Coal Mining Business to an external customer (six months ended 30 June 2025: one), which contributed 10% or more of the Group's revenue for the period.

6. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income	132	184
Foreign exchange gain, net	1,530	1,116
Gain on disposal of property, plant and equipment	203	—
Refund of environmental protection tax	7,716	—
Sundry income	139	613
	<u>9,720</u>	<u>1,913</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	51	37

8. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income	(132)	(184)
Amortisation of intangible asset (included in cost of sales)	361	596
Cost of inventories sold	39,757	34,442
Depreciation of property, plant and equipment	4,960	7,318
Depreciation of investment property	62	58
Depreciation of right-of-use assets	948	488
Directors' emoluments	1,509	1,509
Foreign exchange gain, net	(1,530)	(1,116)
(Gain)/Loss on disposal/write-off of property, plant and equipment, net	(203)	393
Short-term lease expenses	98	92

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Deferred tax	<u>615</u>	<u>80</u>

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2026 as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2025: 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% (six months ended 30 June 2025: 25%). No provision for PRC Enterprise Income Tax has been made for the six months ended 30 June 2026 and 2025 as the PRC subsidiaries did not generate any assessable profits arising in the PRC during the periods.

10. DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 six months ended 30 June 2026 attributable to owners of the Company of approximately HK\$9,847,000 (six months ended 30 June 2025: HK\$9,703,000) and the weighted average number of ordinary shares of approximately 245,536,916 (six months ended 30 June 2025: 204,616,916) in issue during the period.

Diluted loss per share

For the six months ended 30 June 2026 and 2025, the diluted loss per share was equal to the basic loss per share as there was no dilutive potential ordinary share in issue for the period.

12. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSET AND RIGHT-OF-USE ASSETS

- (a) During the six months ended 30 June 2026, the Group had additions to property, plant and equipment of approximately HK\$336,000 (six months ended 30 June 2025: Nil).

Property, plant and equipment with net book value totalling of approximately HK\$11,000 were disposed of during the six months ended 30 June 2026 (six months ended 30 June 2025: write-off of approximately HK\$393,000), resulting in a gain on disposal of approximately HK\$203,000 (six months ended 30 June 2025: loss on write-off of approximately HK\$393,000).

- (b) **Impairment assessment**

Coal Mining Business cash-generating unit (the “Coal Mining CGU”)

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 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 cash flow projection is based on the current business and financial conditions of the Coal Mining CGU. Pre-tax discount rate of approximately 19.75% (six months ended 30 June 2025: 16.06%) is used and reflects specific risk relating to the operating segment.

Based on the impairment assessment review for the six months ended 30 June 2026, no impairment loss had been recognised on the carrying amounts of non-financial assets of the Coal Mining Business segment of the Group.

The recoverable amount of the Coal Mining CGU has been determined with reference to the valuation prepared by an independent valuation firm.

Other individual assets

During the six months ended 30 June 2026, an impairment loss of approximately HK\$1,901,000 was recognised in profit or loss to write down the carrying amount of a property to its recoverable amount of HK\$8,900,000 as result of decrease in prices of properties of similar types and in similar location. The recoverable amount of the property was assessed by an independent valuation firm based on its fair value less costs of disposal, by using direct comparison approach estimated by reference to similar assets available in the market adjusted for differences in condition.

13. INTEREST IN AN ASSOCIATE AND LOAN TO AN ASSOCIATE

		As at 30 June 2026 HK\$'000 (Unaudited)	As at 31 December 2025 HK\$'000 (Unaudited)
	<i>Notes</i>		
Interest in an associate	(2)		
Cost of investment in an associate		26,764	26,764
Share of post-acquisition losses and other comprehensive income	(3)	(3,203)	(3,203)
		23,561	23,561
Loan to an associate	(4)		
Gross carrying amount		41,532	40,002
Expected credit loss on loan to an associate		(10,973)	(10,973)
		30,559	29,029

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 interests attributable to the Group	Principal activities
Thaisan Jiujiu Investment Laos Trade Co., Ltd (老撾泰山久久投資貿易有限公司) ("Thaisan Jiujiu")	Lao People's Democratic Republic ("Laos")	52% (31 December 2025: 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, (collectively referred to as the "**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 practical ability to direct the relevant activities of Thaisan Jiujiu unilaterally. Due to non-cooperation of the then sole director and the business partner of Thaisan Jiujiu in early 2025, the Group 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 taken into account the advice from the Company's Laos legal adviser as stated in their legal opinion, the directors of the Company consider the Group still retain significant influence over Thaisan Jiujiu, given its 52% equity interests and the right to attend, vote and participate in the shareholders' meeting. Any decisions to be made through the shareholders' meeting shall lawfully require the Group's consent.

- (3) The most recent financial information of the Laos Companies possessed by the Group was the unaudited consolidated financial information of the Laos Companies for the four months ended 30 April 2025.
- (4) As at 30 June 2026, the loan to an associate with a principal amount of RMB36,000,000 (equivalent to approximately HK\$41,532,000) (31 December 2025: RMB36,000,000 (equivalent to approximately HK\$40,002,000)) is unsecured, interest free and repayable on demand.

14. TRADE RECEIVABLES

	As at 30 June 2026 <i>HK\$'000</i> (Unaudited)	As at 31 December 2025 <i>HK\$'000</i> (Audited)
Trade receivables	1,039	1,001
Expected credit loss on trade receivables	(1,039)	(1,001)
	<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.

15. SHARE CAPITAL

	Number of ordinary shares	Authorised <i>HK\$'000</i>
As at 1 January 2025 (Audited), 31 December 2025 (Audited) and 30 June 2026 (Unaudited), at par value of HK\$0.1 each	10,000,000,000	1,000,000
	<u>10,000,000,000</u>	<u>1,000,000</u>
	Number of ordinary shares	Issued and fully paid <i>HK\$'000</i>
As at 1 January 2025 (Audited), at par value of HK\$0.1 each	204,616,916	20,462
Placing of new shares (<i>note</i>)	40,920,000	4,092
	<u>245,536,916</u>	<u>24,554</u>
As at 31 December 2025 (Audited) and 30 June 2026 (Unaudited), at par value of HK\$0.1 each	245,536,916	24,554
	<u>245,536,916</u>	<u>24,554</u>

Note:

On 17 October 2025, the Company completed the placing of 40,920,000 new shares (with a nominal value of HK\$4,092,000) 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\$0.335 per placing share (the “2025 Placing”). The gross proceeds from the 2025 Placing were approximately HK\$13,708,000, and the net proceeds were approximately HK\$13,494,000 after issuance costs of approximately HK\$214,000. These shares rank pari passu in all respects with other shares in issue.

Accordingly, amount of approximately HK\$4,092,000 were credited to share capital and the remaining proceeds (net of issuance costs) of approximately HK\$9,402,000 were credited to share premium.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and financial review

The Group recorded a total revenue of approximately HK\$55,036,000 for the six months ended 30 June 2026, representing a decrease of approximately HK\$6,599,000 or approximately 10.7% as compared to the revenue of approximately HK\$61,635,000 for the six months ended 30 June 2025. The loss for the six months ended 30 June 2026 amounted to approximately HK\$10,776,000 as compared to approximately HK\$8,115,000 for the six months ended 30 June 2025. The loss attributable to owners of the Company for the six months ended 30 June 2026 amounted to approximately HK\$9,847,000 as compared to approximately HK\$9,703,000 for the six months ended 30 June 2025.

During the six months ended 30 June 2026 and 2025, the Coal Mining Business is reported as the only business segment of the Group.

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 six months ended 30 June 2026, approximately 305,000 tonnes (six months ended 30 June 2025: 332,000 tonnes) of coals were produced and approximately 295,000 tonnes (six months ended 30 June 2025: 327,000 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 2025, Inner Mongolia Jinyuanli obtained the real estate ownership certificates granted by Huolinguole Natural Resources Bureau, with a validity period until November 2070.

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 six months ended 30 June 2026, administrative fines of RMB365,000 (equivalent to approximately HK\$417,000) (six months ended 30 June 2025: RMB100,000 (equivalent to approximately HK\$108,000)) were paid to the local government authorities for certain minor workplace safety matters.

During the six months ended 30 June 2026, the Coal Mining Business segment recorded declines in both production output, revenue, and gross profit compared with the corresponding period in 2025. The decrease was primarily attributable to the increase in maintenance of the aged infrastructure and mining machinery and difficulties of mining under more complex underground geological conditions, these factors resulted in the decrease of production output and revenue.

Impairment assessment review on property, plant and equipment, intangible asset and right-of-use assets

Coal Mining Business cash-generating unit (the “Coal Mining CGU”)

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 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 valuation firm 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 30 June 2025, 31 December 2025 and 30 June 2026 are set out below:

Key assumptions	30 June 2025	31 December 2025	30 June 2026
Projected annual coal production output for the period until the expiry date of the business license (note 1)	900,000 tonnes	850,000 tonnes	850,000 tonnes
Average unit coal selling price per tonne (including value-added tax) (note 2)	2025: RMB191 2026: RMB196 2027 onwards: increase with inflation rate	2026: RMB190 2027: RMB195 2028 onwards: increase with inflation rate	2026: RMB190 2027: RMB195 2028 onwards: increase with inflation rate
Inflation rate	2.5%	2.5%	2.5%

Notes:

- (1) Based on the latest coal resources assessment and production plan, the estimated annual coal production output of the Inner Mongolia Coal Mine 958 is expected to be around 850,000 tonnes until the expiry date of the business license.
- (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.

Other individual assets

During the six months ended 30 June 2026, an impairment loss of approximately HK\$1,901,000 was recognised in profit or loss to write down the carrying amount of a property to its recoverable amount of HK\$8,900,000 as result of decrease in prices of properties of similar types and in similar location. The recoverable amount of the property was assessed by an independent valuation firm based on its fair value less costs of disposal, by using direct comparison approach estimated by reference to similar assets available in the market adjusted for differences in condition.

The valuer considered the direct comparison approach to be the most appropriate valuation method for the properties in Hong Kong. It assumes the sale of the property in its existing state with the benefit of vacant possession, and by reference to comparable sales transactions available in the relevant market. The Hong Kong property market is transparent, with timely and public transaction data, providing a wide range of reliable comparables. This availability enables the application of the direct comparison approach to provide an objective and market based basis for determining the market value of the property.

Other income and gains

The other income and gains of the Group for the six months ended 30 June 2026 amounted to approximately HK\$9,720,000, representing an increase of approximately HK\$7,807,000 as compared to approximately HK\$1,913,000 for the six months ended 30 June 2025. The significant increase was mainly attributable to the refund of prior years' environmental protection tax from the local tax bureau of Inner Mongolia amounted to approximately HK\$7,716,000 during the current period.

Selling and distribution expenses

The selling and distribution expenses of the Group for the six months ended 30 June 2026 in the amount of approximately HK\$1,600,000 was 100% attributed to the Coal Mining Business segment, representing a slight increase of approximately HK\$97,000 as compared to approximately HK\$1,503,000 for the six months ended 30 June 2025.

Administrative expenses

The administrative expenses of the Group for the six months ended 30 June 2026 amounted to approximately HK\$31,608,000, representing a decrease of approximately HK\$2,136,000 as compared to approximately HK\$33,744,000 for the six months ended 30 June 2025. The decrease in administrative expenses was mainly attributable to the decrease in depreciation expenses and professional fees. The management of the Company will continue to adopt cost saving measures in order to improve the financial performance of the Group.

Finance costs

During the six months ended 30 June 2026, the amount of approximately HK\$51,000 (six months ended 30 June 2025: HK\$37,000) represented the interest expense incurred from the lease agreements.

Loss for the period

The loss for the six months ended 30 June 2026 was approximately HK\$10,776,000 as compared to approximately HK\$8,115,000 for the six months ended 30 June 2025. The loss attributable to owners of the Company for the six months ended 30 June 2026 was approximately HK\$9,847,000 as compared to approximately HK\$9,703,000 for the six months ended 30 June 2025.

Investment in the Copper Mine located in Laos

On 26 August 2024, Big Wish Global Holdings Limited (“**Big Wish Global**”), an indirect wholly-owned subsidiary of the Company, completed the acquisition of 52% equity interests in Thaisan Jiujiu Investment Laos Trade Co., Ltd (老撾泰山久久投資貿易有限公司) (“**Thaisan Jiujiu**”) at a cash consideration of RMB24,800,000 (equivalent to approximately HK\$26,764,000). Thaisan Jiujiu and its 51% non-wholly owned subsidiary, Lao Taishan Jiujiu Mining Co., Ltd (老撾泰山久久礦業有限公司) (“**Jiujiu Mining**”) (collectively referred to as the “**Laos Companies**”), are principally engaged in copper mining in Laos.

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, being the 52% shareholder of Thaisan Jiujiu, had agreed to provide a shareholder’s loan in the principal amount of RMB36,000,000 (equivalent to approximately HK\$41,532,000) to Thaisan Jiujiu for the repayment of funds advanced by the then shareholders to Thaisan Jiujiu for the addition of machineries and construction of infrastructures of the copper mine.

In early 2025, the then legal representative and business partner of Thaisan Jiujiu (the “**Recipients**”) have been delayed in providing the books and records required for audit purpose, and also refused to provide satisfactory response to the Company’s requests. In view of such circumstances, the Company issued two demand letters to the Recipients through its Hong Kong legal adviser in March 2025 and Laos legal adviser 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 in May 2025.

In light of the non-cooperation of the Recipients and the legal opinion provided by the Laos legal adviser, the management of the Company is of the view that notwithstanding that the Group cannot exercise control over Thaisan Jiujiu, it nevertheless retains significant influence over Thaisan Jiujiu by virtue of the relevant legal rights attached to its majority shareholding and is able to meet the requirements as associate as set out in HKAS 28 *Investments in Associates and Joint Ventures* (“**HKAS 28**”). Therefore, the Group classified the investment in Thaisan Jiujiu as associate and accounted for it using the equity method of accounting in accordance with HKAS 28.

After that, the Group has continuously used its best endeavors to obtain the financial information of the Laos Companies and made multiple requests to the Recipients. The most recent financial information possessed by the Group was the unaudited consolidated financial information of the Laos Companies for the four months ended 30 April 2025.

In 2025, the Group engaged a Laos legal firm to commence the legal proceedings in Laos and the Group had prepared, through its Laos legal adviser, an application and relevant documents for the local village committee to initiate mediation as prerequisite procedures for legal proceedings in Laos pursuant to the Laos laws.

As part of the mediation process, Big Wish Global requested a shareholders’ meeting be convened to change the legal representative of Thaisan Jiujiu. On 14 November 2025, the shareholders’ meeting of Thaisan Jiujiu was held with sufficient quorum and the resolutions regarding the change of legal representative were duly passed by more than half of the votes. However, despite the involvement of the local village committee, the minority shareholder refused to cooperate with any subsequent procedures regarding the change of legal representative.

Following the mediation process through the local village committee, the Laos legal adviser submitted a petition to the court on 15 December 2025, requesting the court to confirm the validity of the shareholders’ meeting resolution and to approve the transfer of all the management right to the new legal representative nominated by the Group. After a preliminary review of the materials, the court advised that the Group should first submit an application to the Ministry of Industry and Commerce of Laos (the “**Ministry of Industry and Commerce**”) for an official reply on the validity of the shareholders’ meeting resolutions regarding the change of legal representative. The Group received the official reply from the Ministry of Industry and Commerce in March 2026, which confirmed the validity of the shareholders’ meeting resolution. In April 2026, the Group obtained the new enterprise certificate and new company seal of Thaisan Jiujiu.

Following this, the Group, through its Laos legal adviser, filed an application with the local tax authority for the historical financial information of Thaisan Jiujiu in May 2026, and subsequently obtained its financial statements for the year ended 31 December 2025 in June 2026. These statements comprise the unaudited company-level financial information filed for tax purposes of Thaisan Jiujiu.

With an aim to obtain the complete financial information of the Laos Companies, the Group, through its Laos legal adviser, promptly made request to the legal representative of Jiujiu Mining (the 51% owned subsidiary of Thaisan Jiujiu which holds the mining rights of the copper mine) to provide its financial information and submitted an application to the local provincial tax authority for the historical financial information of Jiujiu Mining. The local provincial tax authority responded that the application should be initiated by the legal representative of the entity. The Laos legal adviser is currently trying its best endeavour to reach the legal representative of Jiujiu Mining. The Company is currently in discussions with its Laos legal adviser on the future action plan to obtain the control of Jiujiu Mining.

Use of proceeds from past fund raising activities

Set forth below are the detailed breakdown of the utilisation of net proceeds from the placing of new shares on 17 October 2025:

	Original intended use of net proceeds HK\$'000	Accumulated amount of net proceeds utilised as at 31 December 2025 HK\$'000	Accumulated amount of net proceeds utilised as at 30 June 2026 HK\$'000
(i) Exploration fees, technician fees, professional fees, and other related expenses incurred for several identified potential investment opportunities in mining sector	3,000	—	3,000
(ii) General working capital	10,494	4,936	10,494
	<u>13,494</u>	<u>4,936</u>	<u>13,494</u>

The net proceeds of approximately HK\$13,494,000 arising from the placing of new shares on 17 October 2025 were fully utilised as at 30 June 2026.

Liquidity and financial resources

As at 30 June 2026,

- (a) the aggregate amount of the Group's: (i) restricted bank deposits; and (ii) bank and cash balances was approximately HK\$50,109,000 (31 December 2025: HK\$72,014,000);

- (b) the Group's had no borrowing (31 December 2025: nil);
- (c) the Group's gearing ratio was zero (31 December 2025: 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 1.49 (31 December 2025: 1.45). 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.

Capital Structure

As at 30 June 2026, the issued share capital of the Company was approximately HK\$24,553,692, divided into 245,536,916 ordinary shares with a par value of HK\$0.1 each. There has been no change to the capital structure of the Company during the six months ended 30 June 2026.

Pledge of assets

As at 30 June 2026, the Group did not have any pledge of assets (31 December 2025: 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 noticed the recent fluctuations in the exchange rate between Renminbi and Hong Kong dollar, and is of the opinion that it does not have any material adverse impact on 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

The Group did not acquire nor dispose of any material subsidiaries, associates and joint ventures during the six months ended 30 June 2026.

Significant investment

The Group did not purchase, sell or hold any significant investments during the six months ended 30 June 2026.

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 June 2026.

Capital commitment

As at 30 June 2026, the Group's capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of property, plant and equipment amounted to approximately HK\$11,432,000 (31 December 2025: HK\$7,157,000).

Employees

The Group employed 434 full-time employees as at 30 June 2026 (31 December 2025: 454) 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 six months ended 30 June 2026 were approximately HK\$35,485,000 (six months ended 30 June 2025: HK\$32,913,000).

PROSPECTS

The Group's coal mining business continues to face operational pressure from stringent local regulatory requirements, and profitability remains constrained by the depletion of coal reserves and the rising operational costs associated with aged infrastructures and machinery after approximately 15 years of use. As such, it is important for the Group to upgrade its existing infrastructures and purchase new mining equipment, which requires significant capital expenditures.

Over the years, the Group has been actively evaluating viable investment opportunities across both domestic and international mining and energy markets to boost its revenue streams and strengthen its business portfolio. With regard to the latest changes in regulatory requirements, it is necessary for the Group to modify its business development approach to increase the Group's coal resources and enhance its income stream. By leveraging accumulated experience of our coal mine's management in the coal mining sector, the Group will continue to identify and pursue suitable investments and business collaboration opportunities, thereby reinforcing its long-term growth prospects and supporting the ongoing development of its mining business.

Going forward, the Group will continue to implement further cost-control measures and strengthen its funding management in order to enhance its financial position and support future business opportunities, with the aim of expanding its business scope and improving overall development, thereby generating diversified returns that increase shareholders' value.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Lam Tze Chung, Mr. Chang Xuejun and Ms. Liu Luqing. The primary duties of the Audit Committee are to review the financial information of the Group, to oversee 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 has reviewed the unaudited interim financial statements and the interim report of the Company for the six months ended 30 June 2026.

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 Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company has complied with the applicable code provisions as set out in the CG Code during the six months ended 30 June 2026 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 set out in Appendix C3 to the Listing Rules (the “**Model Code**”) as the required standard governing securities transactions by the Directors. The Company had made specific enquiries 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 six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2026 taking into consideration the financial performance of the Group.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.grandoccean65.com) respectively. The interim report of the Company for the six months ended 30 June 2026 containing all the information required by the Listing Rules will be despatched to shareholders of the Company and published on the above websites in due course.

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

Hong Kong, 28 August 2026

As at the date of this announcement, the Board comprises one executive Director, namely Mr. Ng Ying Kit; one non-executive Director, namely Ms. Ji Yuan; and three independent non-executive Directors, namely, Mr. Chang Xuejun, Ms. Liu Luqing and Mr. Lam Tze Chung.