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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

2026
INTERIM REPORT

CONTENTS

FINANCIAL HIGHLIGHTS

	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)	Change
Operating Results			
Revenue	**55,036**	61,635	-10.7%
Gross profit	**15,279**	27,193	-43.8%
Loss for the period attributable to owners of the Company	**(9,847)**	(9,703)	1.5%
Loss per share – Basic and diluted	**HK(4.01) cents**	HK(4.74) cents	-15.4%

	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)	Change
Financial Position			
Total assets	**211,627**	233,026	-9.2%
Total liabilities	**83,235**	96,311	-13.6%
Bank and cash balances (excluding restricted bank deposits)	**43,909**	71,428	-38.5%
Equity attributable to owners of the Company	**101,106**	109,520	-7.7%
Financial Ratios			
Current ratio	**1.49**	1.45	2.8%
Gearing ratio	**–**	–	N/A

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.

Business and financial review (Continued)

The Coal Mining Business (Continued)

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.

Business and financial review (Continued)

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

Coal Mining Business cash-generating unit (the "**Coal Mining CGU**") (Continued)

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.

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.

Business and financial review (Continued)

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

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.

Business and financial review (Continued)

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.

Business and financial review (Continued)

Investment in the Copper Mine located in Laos (Continued)

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 Venturers* ("**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.

Business and financial review (Continued)

Investment in the Copper Mine located in Laos (Continued)

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.

Business and financial review (Continued)

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
	13,494	4,936	13,494

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,

(i) 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);

(ii) the Group had no borrowing (31 December 2025: Nil);

(iii) 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

(iv) 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.

Business and financial review (Continued)

Liquidity and financial resources (Continued)

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 RMB and the books are recorded in HK$. The management of the Company noted the recent fluctuations in the exchange rate between RMB and HK$, 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

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.

Business and financial review (Continued)

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June 2026 HK$'000 (Unaudited)	2025 HK$'000 (Unaudited)
Revenue	*4*	**55,036**	61,635
Cost of sales		**(39,757)**	(34,442)
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		**(1,901)**	–
Loss from operations		**(10,110)**	(7,998)
Finance costs	*7*	**(51)**	(37)
Loss before tax	*8*	**(10,161)**	(8,035)
Income tax expense	*9*	**(615)**	(80)
Loss for the period		**(10,776)**	(8,115)
Attributable to:			
Owners of the Company		**(9,847)**	(9,703)
Non-controlling interests		**(929)**	1,588
		(10,776)	(8,115)
Loss per share	*11*		
– basic		**HK(4.01) cents**	HK(4.74) cents
– diluted		**HK(4.01) cents**	HK(4.74) cents

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'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

	Note	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company										
	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Distributable reserve HK$'000	Future development fund HK$'000	Safety fund HK$'000	Foreign currency translation reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2026 (Audited)	**24,554**	**201,977**	**(1,628)**	**135,282**	**64,737**	**143,641**	**11,573**	**(470,616)**	**109,520**	**27,195**	**136,715**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,847)**	**(9,847)**	**(929)**	**(10,776)**
Other comprehensive income for the period: Exchange differences on translating foreign operations	**-**	**-**	**-**	**-**	**-**	**-**	**1,433**	**-**	**1,433**	**1,020**	**2,453**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**1,433**	**(9,847)**	**(8,414)**	**91**	**(8,323)**
Net appropriations	**-**	**-**	**-**	**-**	**190**	**2,178**	**-**	**(2,368)**	**-**	**-**	**-**
At 30 June 2026 (Unaudited)	**24,554**	**201,977**	**(1,628)**	**135,282**	**64,927**	**145,819**	**13,006**	**(482,831)**	**101,106**	**27,286**	**128,392**
At 1 January 2025 (Audited)	20,462	192,575	(1,628)	135,282	60,623	138,609	8,744	(410,504)	144,163	44,087	188,250
(Loss)/Profit for the period	–	–	–	–	–	–	–	(9,703)	(9,703)	1,588	(8,115)
Other comprehensive income for the period: Exchange differences on translating foreign operations	–	–	–	–	–	–	2,443	–	2,443	1,302	3,745
Total comprehensive income for the period	–	–	–	–	–	–	2,443	(9,703)	(7,260)	2,890	(4,370)
Net appropriations	–	–	–	–	1,618	2,636	–	(4,254)	–	–	–
At 30 June 2025 (Unaudited)	20,462	192,575	(1,628)	135,282	62,241	141,245	11,187	(424,461)	136,903	46,977	183,880

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	**(21,726)**	7,936
Net cash used in investing activities	**(5,529)**	(3,427)
Net cash used in financing activities	**(739)**	(378)
Net (decrease)/increase in cash and cash equivalents	**(27,994)**	4,131
Effect of foreign exchange rate changes	**475**	661
Cash and cash equivalents at 1 January	**71,428**	73,412
Cash and cash equivalents at 30 June	**43,909**	78,204
Analysis of cash and cash equivalents:		
Bank and cash balances	**43,909**	78,204

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

Grand Ocean Advanced Resources Company Limited (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 Standards	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.

3. Adoption of New or Amendments to HKFRS Accounting Standards (Continued)

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

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 had 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		**30 June**	31 December
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
Hong Kong	**–**	–	**11,870**	15,112
The PRC except Hong Kong	**55,036**	61,635	**62,708**	64,935
Consolidated total	**55,036**	61,635	**74,578**	80,047

5. Segment Information (Continued)

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
	HK$'000	HK$'000
	(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
	9,720	1,913

7. Finance Costs

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
	(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
	HK$'000	HK$'000
	(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	**615**	80

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).

9. Income Tax Expense (Continued)

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, 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).

12. Property, Plant and Equipment, Intangible Asset and Right-Of-Use Assets (Continued)

(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

	Notes	As at 30 June 2026 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Unaudited)
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 interest 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

13. Interest in an Associate and Loan to an Associate (Continued)

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 HK$'000 (Unaudited)	As at 31 December 2025 HK$'000 (Audited)
Trade receivables	**1,039**	1,001
Expected credit loss on trade receivables	**(1,039)**	(1,001)
	–	–

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

	Authorised	
	Number of ordinary shares	**HK$'000**
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**

15. Share Capital (Continued)

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

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.

16. 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).

OTHER INFORMATION

Interim dividend

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) taking into consideration the financial performance of the Group.

Directors' and chief executive's interests and the short positions in the shares, underlying shares and debentures of the Company or any associated corporations

As at 30 June 2026, none of the Directors and the chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Substantial shareholders

As at 30 June 2026, so far as is known to the Directors or the chief executive of the Company based on the register maintained by the Company pursuant to Section 336 of the SFO, the following persons (other than the Directors or the chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/ Nature of interest	Number of Shares or underlying Shares	Approximate percentage of the total issued share capital of the Company as at 30 June 2026
Liu Chang Deng	Beneficial owner	15,615,431	6.36%
Sungold Developments Group Limited	Beneficial owner	14,999,600 *(note)*	6.11%
Prosperous Eve International Limited	Interest of controlled corporation	14,999,600 *(note)*	6.11%
Cao Min	Interest of controlled corporation	14,999,600 *(note)*	6.11%

Substantial shareholders (Continued)

Note:

Mr. Cao Min is the beneficial owner of 100% shareholding in Prosperous Eve International Limited. Prosperous Eve International Limited is the beneficial owner of 100% shareholding in Sungold Developments Group Limited. Therefore, Mr. Cao Min is deemed to be interested in 14,999,600 shares held by Sungold Developments Group Limited for the purpose of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company were not aware of any other person (other than Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

Share Option Scheme

The Company has adopted a share option scheme (the "**Share Option Scheme**") pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 21 June 2023.

The major terms of the Share Option Scheme disclosed in accordance with Chapter 17 of the Listing Rules are as follows:

1. Purpose

The purpose of the Share Option Scheme is to enable the Group to attract and retain the best available personnel, to provide additional incentive to the eligible participants and to promote the success of the business of the Group.

2. Participants

The Board may at its discretion grant options to director(s) and employee(s) of each member of the Group, and any holding company, fellow subsidiary or associate company of the Company depending on their contributions to the Group.

3. Total number of shares available for issue

As at the date of this interim report, the total number of Shares available for issue in respect of which options may be granted under the Share Option Scheme was 16,134,771, representing approximately 6.57% of the Shares (excluding treasury shares) in issue as at the date of this interim report.

Share Option Scheme (Continued)

4. Maximum entitlement of each participant

Unless approved by the Shareholders in general meeting, the total number of Shares issued and which may fall to be issued upon exercise of the share options being granted under the Share Option Scheme (including both exercised or outstanding share options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of the Company at the relevant time.

5. Exercise period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Board to the grantee thereof, such period shall not exceed 10 years from the date of the grant of that option.

6. Vesting period

The minimum vesting period is 12 months from the date or dates when all the vesting conditions set out in the letter of grant are met. A shorter vesting period may be granted to employee participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of options to the Directors and/or senior management of the Company).

7. Amount payable on acceptance of the option and the period within which payments shall be made

The amount payable on acceptance of the option shall be at the discretion of the Board. The acceptance of options must be made during a period from the grant date to such date as the Board may determine and specify in the letter of grant, provided that such period shall not exceed 30 business days from the date of the letter of grant, together with a non-refundable remittance (if any) in favour of the Company from each grantee.

8. Basis of determining the subscription price of options granted

The subscription price in respect of any option shall be at the discretion of the Board, provided that it shall not be less than the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the grant date; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the grant date; and (iii) the nominal value of a Share on the grant date.

Share Option Scheme (Continued)

9. Remaining life of the Share Option Scheme

   The Share Option Scheme is valid and effective for a period of 10 years commencing on 21 June 2023. As at the date of this interim report, the remaining life of the Share Option Scheme is approximately 7 years.

The number of share options available for grant under the Share Option Scheme as at 1 January 2026 and 30 June 2026 were 16,134,771. No share options have been granted, exercised, lapsed or cancelled under the Share Option Scheme since its adoption and up to and including 30 June 2026. As at 30 June 2026, no share options were outstanding under the Share Option Scheme.

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.

Competing interest

None of the Directors or the controlling shareholders (as defined under the Listing Rules) of the Company had an interest in business(es) which competed or might compete with the business of the Group during the six months ended 30 June 2026.

Audit Committee

The Audit Committee comprises three INEDs, 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 consolidated 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 CG Code. 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:

Corporate Governance (Continued)

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 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 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.

Update on Directors' Information

The changes in directors' information subsequent to the 2025 annual report of the Company published on 28 April 2026 and up to the date of this interim report, as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules:

– Ms. Kwong Pui Yin has resigned as a non-executive Director and ceased to be a member of each of the Nomination Committee and the Remuneration Committee with effect from 15 July 2026;

– Mr. Lee Wai Ming has resigned as an independent non-executive Director and ceased to be the chairman of each of the Audit Committee and the Nomination Committee with effect from 15 July 2026;

– Mr. Li Juhui has resigned as an independent non-executive Director and ceased to be a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee with effect from 15 July 2026;

– Ms. Ji Yuan has been appointed as a non-executive Director and a member of the Remuneration Committee with effect from 15 July 2026;

– Ms. Liu Luqing has been appointed as an independent non-executive Director, the chairlady of the Nomination Committee, and a member of each of the Audit Committee and the Remuneration Committee with effect from 15 July 2026;

Update on Directors' Information (Continued)

– Mr. Ng Ying Kit, an executive Director, has been appointed as a member of the Nomination Committee with effect from 15 July 2026; and

– Mr. Lam Tze Chung ("**Mr. Lam**") has appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee with effect from 7 August 2026.

During the period from 15 July 2026 to 6 August 2026, the Board comprises four Directors, including one executive Director, one non-executive Director and two independent non-executive Directors. Accordingly, the Company is not in compliance with (i) Rules 3.10(1) and 3.10A of the Listing Rules which require that the Board must include at least three independent non-executive Directors and the number of independent non-executive Directors must represent at least one-third of the Board; (ii) Rules 3.10(2) and 3.21 of the Listing Rules which require that the Audit Committee must comprise a minimum of three members and at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise, and that the Audit Committee must be chaired by an independent non-executive Director; and (iii) Rule 3.27A of the Listing Rules which requires that the Nomination Committee must comprise a majority of independent non-executive Directors.

Following the appointment of Mr. Lam on 7 August 2026, as an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee, the Company has complied with the aforesaid requirements.

By order of the Board

Ng Ying Kit
Executive Director

Hong Kong, 28 August 2026

CORPORATE PROFILE

Board of Directors

Executive Director
Mr. NG Ying Kit

Non-Executive Directors
Ms. KWONG Pui Yin *(resigned on 15 July 2026)*
Ms. JI Yuan *(appointed on 15 July 2026)*

Independent Non-Executive Directors
Mr. LEE Wai Ming *(resigned on 15 July 2026)*
Mr. CHANG Xuejun
Mr. LI Juhui *(resigned on 15 July 2026)*
Ms. LIU Luqing *(appointed on 15 July 2026)*
Mr. LAM Tze Chung *(appointed on 7 August 2026)*

Company Secretary
Ms. CHENG On Yi

Authorised Representatives
Mr. NG Ying Kit
Ms. CHENG On Yi

Audit Committee
Mr. LEE Wai Ming *(Chairman) (resigned on 15 July 2026)*
Mr. LAM Tze Chung *(Chairman) (appointed on 7 August 2026)*
Mr. CHANG Xuejun
Mr. LI Juhui *(resigned on 15 July 2026)*
Ms. LIU Luqing *(appointed on 15 July 2026)*

Remuneration Committee
Mr. CHANG Xuejun *(Chairman)*
Mr. LI Juhui *(resigned on 15 July 2026)*
Ms. KWONG Pui Yin *(resigned on 15 July 2026)*
Ms. JI Yuan *(appointed on 15 July 2026)*
Ms. LIU Luqing *(appointed on 15 July 2026)*

Nomination Committee
Mr. LEE Wai Ming *(Chairman) (resigned on 15 July 2026)*
Ms. LIU Luqing *(Chairlady) (appointed on 15 July 2026)*
Mr. LI Juhui *(resigned on 15 July 2026)*
Ms. KWONG Pui Yin *(resigned on 15 July 2026)*
Mr. NG Ying Kit *(appointed on 15 July 2026)*
Mr. LAM Tze Chung *(appointed on 7 August 2026)*

Registered Office
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Corporate Website
www.grandocean65.com

Head Office and Principal Place of Business in Hong Kong
8/F
Hip Shing Hong Centre
No. 55 Des Voeux Road Central
Central
Hong Kong

Principal Share Registrar and Transfer Office
Suntera (Cayman) Limited
Suite 3204, Unit 2A
Block 3, Building D
P.O. Box 1586
Gardenia Court
Camana Bay
Grand Cayman KY1-1100
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office
Tricor Investor Services Limited
17/F, Fair East Finance Centre
16 Harcourt Road
Hong Kong

Principal Banker
Hang Seng Bank Limited

Independent Auditor
Suya WWC CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Adviser
As to Cayman Islands Law:
Conyers Dill & Pearman

Stock Code
65

DEFINITIONS

In this interim report, unless the context otherwise requires, the following expressions shall have the following meaning:

"Audit Committee"	the audit committee of the Company;
"Board"	the board of Directors of the Company;
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules;
"Coal Mining Business"	production and sale of coal;
"Company"	Grand Ocean Advanced Resources Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 65);
"Director(s)"	the director(s) of the Company from time to time;
"Group"	the Company and all of its subsidiaries from time to time;
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"INED(s)"	the independent non-executive Director(s) of the Company;
"Laos"	the Lao People's Democratic Republic;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;

"Nomination Committee"	the nomination committee of the Company;
"PRC" or "China"	the People's Republic of China;
"Remuneration Committee"	the remuneration committee of the Company;
"RMB"	Renminbi, the lawful currency of the PRC;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
"Share(s)"	ordinary share(s) of the Company;
"Shareholder(s)"	holder(s) of issued Share(s) from time to time;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited; and
"%"	percent.