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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)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
SEVEN (7) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS
AND
PROPOSED CHANGE IN BOARD LOT SIZE**

Financial Adviser to the Company



BAOQIAO PARTNERS

BAOQIAO PARTNERS CAPITAL LIMITED

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



Akron Corporate Finance Limited
亞貝隆資本有限公司

Placing Agent



德林證券
DL SECURITIES

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of seven (7) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.280 per Rights Share, to raise gross proceeds of up to approximately HK\$481.25 million by issuing up to 1,718,758,412 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders.

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

Assuming the Rights Issue is fully subscribed, the estimated net proceeds of the Rights Issue will be approximately HK\$479.75 million (assuming no change in the number of Shares in issue on or before the Record Date). Details of the use of proceeds are set out in the paragraph headed “Use of proceeds” under the section headed “Reasons for and Benefits of the Rights Issue and the Use of Proceeds” in this announcement.

There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. There are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of any Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies), for the benefit of the Shareholders to whom they were offered by way of the Rights Issue.

Accordingly, on 22 September 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing. For details of the Placing Agreement and the Compensatory Arrangements, please refer to the sections headed “The Compensatory Arrangements” and “The Placing Agreement” in this announcement. The Placing Agent has confirmed that it and its ultimate beneficial owner(s) (i) are not Shareholders; and (ii) are Independent Third Parties.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot of 4,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Shares to 5,000 Shares with effect from 9:00 a.m. on Wednesday, 11 November 2026. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for share transfer registration from Wednesday, 21 October 2026 to Tuesday, 27 October 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the EGM, and from Monday, 2 November 2026 to Friday, 6 November 2026 (both days inclusive) for the purpose of determining the entitlements of the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within 12-month period immediately preceding the date of this announcement, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders in general meeting by a resolution which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, (i) the Company does not have any controlling shareholder; and (ii) Ms. Ji, the non-executive Director, owns 64,000 Shares. Therefore, Ms. Ji and her associates shall abstain from voting in favour of the resolution(s) approving the Rights Issue at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. As at the date of this announcement, apart from the above, none of the Directors or the chief executive of the Company or their respective associates are interested in any Shares, therefore no other Shareholders will be required to abstain from voting in favour of the Rights Issue at the EGM in accordance with the Listing Rules.

The Rights Issue would not result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) as the Subscription Price of HK\$0.280 per Rights Share is higher than the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.260 per Share.

GENERAL

The EGM will be convened and held to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) further information regarding the Rights Issue and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and as to voting; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and as to voting; (iv) other information required under the Listing Rules; and (v) the notice of the EGM is expected to be despatched to the Shareholders on or before Friday, 9 October 2026.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing, among other things, further information in relation to the Rights Issue, together with the PAL is expected to be despatched to the Qualifying Shareholders on or before Monday, 9 November 2026. A copy of the Prospectus will also be made available on the websites of the Company (www.grandoccean65.com) and the Stock Exchange (www.hkexnews.hk).

The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Shares are expected to be dealt in on an ex-rights basis from Thursday, 29 October 2026. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

Shareholders and the public are reminded to exercise caution when dealings in the Shares and any dealings in the nil-paid Rights Shares from Wednesday, 11 November 2026 to Wednesday, 18 November 2026 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of seven (7) Rights Shares for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.280 per Rights Share, to raise gross proceeds of up to approximately HK\$481.25 million by issuing up to 1,718,758,412 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders.

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders (if any).

Assuming the Rights Issue is fully subscribed, the estimated net proceeds of the Rights Issue will be approximately HK\$479.75 million (assuming no change in the number of Shares in issue on or before the Record Date). Details of the use of proceeds are set out in the paragraph headed “Use of proceeds” under the section headed “Reasons for and Benefits of the Rights Issue and the Use of Proceeds” in this announcement.

Details of the Rights Issue are tabulated below.

Issue statistics

Basis of the Rights Issue	:	Seven (7) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date
Subscription Price	:	HK\$0.280 per Rights Share
Number of Shares in issue as at the date of this announcement	:	245,536,916 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 1,718,758,412 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$171,875,841 (assuming no change in the number of Shares in issue on or before the Record Date)
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	approximately HK\$0.279 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date)

Enlarged number of Shares in issue immediately after completion of the Rights Issue	:	Up to 1,964,295,328 Shares (assuming all the Rights Shares being subscribed and/or allotted and there will be no change in the number of Shares in issue or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Gross proceeds from the Rights Issue	:	Up to approximately HK\$481.25 million (assuming no change in the number of Shares in issue on or before the Record Date)
Net proceeds from the Rights Issue	:	Up to approximately HK\$479.75 million (assuming no change in the number of Shares in issue on or before the Record Date)
Rights of excess application and underwriter	:	There will be no excess application arrangements in relation to the Rights Issue and the Rights Issue is not underwritten
Compensatory Arrangements	:	Any Unsubscribed Rights Shares and NQS Unsold Rights Shares (if any) will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any of the Rights Shares which remain unsold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly

As at the date of this announcement, the Company does not have any outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for the Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of Shares in issue on or before the Record Date, the 1,718,758,412 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent (i) 700% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 87.5% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

The Company has not received any irrevocable commitments to accept or reject the Rights Issue as at the date of this announcement.

The Subscription Price

The Subscription Price of HK\$0.280 per Rights Share will be payable in full upon acceptance of the relevant provisional allotment of Rights Shares from a Qualifying Shareholder or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 9.80% over the closing price of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 7.69% over the average closing price of approximately HK\$0.260 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day;
- (iii) a premium of approximately 5.66% over the average closing price of approximately HK\$0.265 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days immediately prior to the Last Trading Day; and
- (iv) a premium of approximately 0.72% over the theoretical ex-rights price of approximately HK\$0.278 per Share based on the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.260 per Share.

The Rights Issue would not result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) as the Subscription Price of HK\$0.280 per Rights Share is higher than the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.260 per Share.

The Subscription Price was determined with reference to, among other things, (i) the recent market price of the Shares under the prevailing market conditions; (ii) the latest financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed “Reasons for and Benefits of the Rights Issue and the Use of Proceeds” in this announcement.

The Directors (other than the members of the Independent Board Committee whose view will be set out in the circular after taking into account the advice of the Independent Financial Adviser) consider that, in view of prevailing market conditions and factors as described above, the terms of the Rights Issue, including the Subscription Price, are on commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.279 per Rights Share.

Non-underwritten Basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees on a best effort basis under the Compensatory Arrangements. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

There are no statutory requirements regarding minimum subscription level in respect of the Rights Issue. There is no minimum amount to be raised under the Rights Issue. As the Rights Issue will proceed on a non-underwritten basis, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code.

Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not (i) trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) result in the non-compliance of the Public Float Requirement on the part of the Company.

The Public Float Requirement under the Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 13.32B of the Listing Rules.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment of the following conditions:

- (i) the passing of the Independent Shareholders at the EGM of an ordinary resolution to approve the Rights Issue, the Placing Agreement and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either in person or by proxy at the EGM by way of poll);
- (ii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

- (iii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus Document on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms in the new board lot size of 5,000 Shares; and
- (v) the Placing Agreement not having been terminated pursuant to the terms thereof, and remaining in full force and effect.

All conditions set out above cannot be waived. If any of the above conditions is not fulfilled at or prior to the Latest Time for Termination, the Rights Issue will not proceed.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

Status of the Rights Shares

The Rights Shares (when allotted, fully-paid or credited as fully-paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s)) must be lodged with the Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 30 October 2026.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Monday, 9 November 2026.

The Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Closure of register of members

The register of members of the Company will be closed for share transfer registration from Wednesday, 21 October 2026 to Tuesday, 27 October 2026 (both days inclusive) for the purpose of determining the right to attend and vote at the EGM, and from Monday, 2 November 2026 to Friday, 6 November 2026 (both days inclusive) for the purpose of determining the entitlements of the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of seven (7) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by lodging a duly completed PAL with a remittance for the Rights Shares being accepted with the Registrar by 4:00 p.m. on the Latest Acceptance Date.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The Board notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and is in the process of making enquiries regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange as to the feasibility of extending the Rights Issue to the Overseas Shareholders. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, not to offer the Rights

Shares to the relevant Overseas Shareholders and, where appropriate, to holders of other equity securities of the Company entitled to be offered them, pro-rata (apart from fractional entitlements) to their existing holdings, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, such Overseas Shareholders will become Non-Qualifying Shareholders and the Rights Issue will not be extended to them. The Company will, to the extent permitted under the relevant laws and regulations, and where reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid to the Non-Qualifying Shareholders pro-rata to their shareholdings held on the Record Date. In light of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue as set out above, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or before Monday, 14 December 2026 to those persons who have validly accepted and, where applicable, applied for, and paid for the Rights Shares, to their registered addresses at their own risk.

If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Monday, 14 December 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

No Fractional entitlement to the Rights Shares

No fractional entitlements to the Rights Shares will be provisionally allotted to the Qualifying Shareholders. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Odd lot arrangement

No odd lot matching services will be provided by the Company in respect of the Rights Shares.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Rights Shares in both their nil-paid and fully-paid forms.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Dealing in the Rights Shares (in both nil-paid and fully-paid forms) will be in the new board lots of 5,000 Rights Shares.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. The Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

The Compensatory Arrangements

According to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of any Unsubscribed Rights Shares and NQS Unsold Rights Shares by offering such Unsubscribed Rights Shares and NQS Unsold Rights Shares to independent placees for the benefit of those Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue as stipulated by Rule 7.21(1)(a) of the Listing Rules.

Accordingly, on 22 September 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (i.e. “**Net Gain**”) will be paid to the relevant No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 8 December 2026, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares at a price not less than the Subscription Price. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

- A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK\$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit.

THE PLACING AGREEMENT

On 22 September 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement.

The principal terms of the Placing Agreement are set out below.

Date : 22 September 2026 (after trading hours)

Issuer : The Company

Placing Agent : DL Securities (HK) Limited

The Placing Agent confirmed that it and its ultimate beneficial owner(s) (i) are not a Shareholder; and (ii) are Independent Third Parties.

Placing Period : A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Tuesday, 1 December 2026, and ending at 4:00 p.m. on Tuesday, 8 December 2026 or such later date as the Company and the Placing Agent may agree in writing.

Commission and expense : Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in Hong Kong dollars equivalent to 1% of the amount which is equal to the placing price multiplied by the number of Placing Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement.

Placing price of the Placing Shares : The placing price of the Placing Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Placing Shares.

Placees	:	The Placing Agent undertakes to use its best endeavour to procure that (i) the Placing Shares shall only be placed to professional persons, institutional and/or individual investor(s) who and whose respective ultimate beneficial owner(s) shall be Independent Third Parties and are not acting in concert with any of the Company, its connected persons (as defined in the Listing Rules) and their respective associates; (ii) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (iii) the Company will continue to comply with the Public Float Requirement upon completion of the Placing and the Rights Issue.
Ranking of the successfully placed Placing Shares	:	The successfully placed Placing Shares (when allotted, issued and fully paid, if any) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of allotment and issue.
Conditions of the Placing Agreement	:	The Placing is conditional upon the fulfilment of the following conditions: (i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Unsubscribed Rights Shares and the NQS Unsold Rights Shares; (ii) the passing of all necessary resolutions to be proposed at the EGM to be convened to consider and, if thought fit, approve, among others, the Rights Issue, the Placing Agreement and the transactions contemplated thereunder; (iii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and (iv) the Placing Agreement not having been terminated pursuant to the terms thereof.

In the event that the above condition precedents (other than (iii) and (iv) above which can be waived by the Placing Agent in its absolute discretion) have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

Termination of the Placing Agreement : If any of the following events occur at any time prior to the Latest Time for Termination, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, provided that such notice is received prior to 10:00 a.m. on the Business Day immediately preceding the Latest Time for Termination, the Placing Agreement shall thereupon cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) there develops, occurs or comes into force:
 - (i) any event, development or change and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement; or
 - (ii) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Company; or

- (iv) a material adverse change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
 - (v) any litigation or claim being instigated against any member of the Company, which has or may have a material adverse effect on the business or financial position of the Company and which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the Placing; or
- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (c) there is any adverse change in the financial position of the Company which is material in the context of the Placing; or
- (d) there is any adverse change in market conditions occurs which makes it inexpedient or inadvisable to proceed or any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than thirty (30) consecutive Business Days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the Placing; or
- (e) the Placing Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any placees as contemplated in the Placing Agreement,

The terms of the Placing Agreement, including the commission payable, was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Company, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent placees on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Placing Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders.

The Board is of the view that the above Compensatory Arrangements are fair and reasonable and are in the best interests of the Shareholders as a whole after taking into account the following considerations:

- (i) the arrangements are in compliance with the requirements under Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the respective No Action Shareholders. The commission payable to the Placing Agent and the related fees and expenses in relation to the Placing will be borne by the Company;
- (ii) the Compensatory Arrangements (including the determination of the placing price) will be managed by an independent licensed placing agent which is subject to the stringent code of conduct over, among others, pricing and allocation of the Placing Shares. The Placing Agent and its ultimate beneficial owner(s) (i) are not a Shareholder; and (ii) are Independent Third Parties;
- (iii) the Compensatory Arrangements will not only provide an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders, it also provides a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company, and a compensatory mechanism for the Qualifying Shareholders and the Non-Qualifying Shareholders. Besides, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable; and
- (iv) the terms of the Placing Agreement, including the placing commission, are on normal commercial terms.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in the production and sale of coal.

The Rights Issue will serve a dual purpose, safeguarding the continued enhancement of the Group's existing coal mining operations and general working capital requirements as well as financing the Potential Acquisition.

Upgrading the Coal Mining Infrastructures of Inner Mongolia Coal Mine 958

The Group currently operates a coal mine (the “**Inner Mongolia Coal Mine 958**”) in Inner Mongolia through an indirect non-wholly-owned subsidiary, namely, Inner Mongolia Yuan Yuan Energy Group Jinyuanli Underground Mining Company Limited. The Inner Mongolia Coal Mine 958 has an approved annual coal production capacity of 1,200,000 tonnes.

As reported in the Company’s annual report (the “**2025 Annual Report**”) for the year ended 31 December 2025 (“**FY2025**”), the Group recorded declines in both coal output and revenue compared with year ended 31 December 2024 (“**FY2024**”). The Group produced and sold approximately 870,000 tonnes of coal during FY2025, as compared with 902,000 tonnes and 908,000 tonnes produced and sold, respectively, in FY2024. In view of tighter regulatory requirements of the PRC coal mining industry, particularly related to the intelligent mining, production safety and environmental protection, the Inner Mongolia Coal Mine 958 requires significant capital investment to upgrade aged infrastructures and purchase new mining machineries to meet the new industry standards after approximately 15 years of use.

Compliance with the relevant safety regulations requires reliable dual-circuit power supply system, advanced mechanisation and intelligent monitoring to mitigate major safety system hazards. Furthermore, more advanced machinery is required to carry out mining operations for the current complex underground geographical conditions to ensure safe and efficient extraction of mineable resources. Purchasing modern equipment will not only secure compliance with government safety standards but also reduce operational risks, such as regulatory intervention and enforced suspension, thereby safeguarding both production continuity and labour safety. In light of the above and following the grant of land use rights certificate to the Inner Mongolia Coal Mine 958 in 2025, the Board considers it is the right time to raise funding to sustain the future mining operations.

Coal business development of the Group

On 27 November 2020, the Measures (the “**National Security Measures**”) for the Security Review of Foreign Investment (外商投資安全審查辦法) were adopted and jointly promulgated by the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) on 19 December 2020. The National Security Measures was officially entered into force on 18 January 2021. Thereafter, foreign investments in specific sectors including energy and resources, if considered important energy and resources related to national security, are subject to mandatory national security review (the “**National Security Review**”). The National Security Review would be a prolonged process to the completion of acquisition of controlling equity interests or obtaining de facto controls in coal mines in the PRC which are classified as “important energy and resources related to national security”, whereas Hong Kong enterprises (including Hong Kong listed companies) are classified as foreign investors and required to comply with the National Security Measures as advised by the Company’s PRC legal advisers.

Over the years, the Group has been actively pursuing investment opportunities in mining and energy markets with an aim to mitigate the pressures and difficulties faced by the Inner Mongolia Coal Mine 958 and to broaden and strengthen the Group's business portfolio. In view of the demand of power for high technology sectors development such as artificial intelligence (“AI”), the Group has intensified its efforts in identifying coal mine targets in the Inner Mongolia region, the PRC.

In light of the new National Security Measures, the Company has been advised that acquisition of minority equity interests in the Target Company represents a feasible and certain transaction structure for the Potential Acquisition in a timely manner. This approach will ensure adherence to the applicable regulatory framework, facilitate approval processes, and mitigate the risk of non-compliance with national security and foreign investment controls.

In this context, the Group entered into the MOU and the Supplemental MOU on 3 August 2026 and 21 September 2026 respectively (collectively, the “**MOUs**”) in respect of the Potential Acquisition (together with the coal offtake arrangement). The Directors believe that the Potential Acquisition will create strategic value for the Company by increasing coal reserves in the Inner Mongolia region, the PRC and broadening the geological strength and revenue stream of its coal business through the coal offtake arrangement, thereby serving the interests of the Company and its Shareholders as a whole. In addition, the Sellers have irrevocably undertaken to the Purchaser under the Irrevocable Undertaking that subject to the Purchaser providing satisfactory Funding Confirmation, the Sellers shall dispose of and transfer to the Purchaser the agreed equity interest in the Target Company pursuant to the MOUs. In the event the Potential Acquisition cannot proceed, the Sellers shall procure the Target Company to enter into a coal supply agreement with the Purchaser (the “**Coal Supply Agreement**”). Further details of the MOUs and the Potential Acquisition are included in the section headed “The MOUs and the Potential Acquisition” in this announcement.

Progress has been made in advancing the Potential Acquisition. Professional advisers, including legal counsel, financial advisers, and valuation experts, have been engaged for the Potential Acquisition. In addition, technical experts have been appointed to prepare a Competent Person's Report on the Target Coal Mine in compliance with the requirements of the Listing Rules. These steps form part of the necessary preparatory work to ensure regulatory compliance and to support the Company's consideration of the Potential Acquisition. In addition, the Company has performed site visits and conducted due diligence on the business and financials of the Target Company and the Target Coal Mine, results of which are satisfactory to the management of the Group. As a condition precedent to the execution of the formal equity transfer agreement, the Group must have secured the financing arrangements (the “**Financing Arrangements**”) required for the Potential Acquisition. The Sellers required the Group to provide evidence of fund demonstrating its ability to make such payment prior to the execution of the formal equity transfer agreement. It is expected that the Group will enter into the formal equity transfer agreement in early November 2026, whereas the Sellers have requested a refundable down payment of 20% of the consideration of the Potential Acquisition, payable within three (3) Business Days upon signing.

Replenishment of general working capital

The Company recorded net losses of approximately HK\$63.8 million, HK\$69.4 million, and HK\$10.8 million for the years ended 31 December 2024 and 31 December 2025, and for the six months ended 30 June 2026, respectively. The decline was mainly attributable to reduced output and revenue from the Inner Mongolia Coal Mine 958, arising from the aged infrastructure and mining equipment, together with more complex underground geological conditions as abovementioned. In addition, the Group reported a decrease in cash and cash equivalents from approximately HK\$71.4 million as at 31 December 2025 to approximately HK\$43.9 million as at 30 June 2026, as well as a net operating cash outflow of approximately HK\$21.7 million for the six months ended 30 June 2026 and approximately HK\$10.7 million for the year ended 31 December 2025.

Reflecting the declining cash flow position of the Group, the Board has resolved to allocate up to HK\$20.0 million for replenishment of the Group's general working capital. The allocation is intended to support essential expenditures including payroll, rental, and administrative expenses, as well as legal, audit, and other professional fees, thereby ensuring the Group's ability to maintain stable operations and meet its ongoing obligations.

Board's View

In light of the capital investment requirement of the Inner Mongolia Coal Mine 958 and the size of the Potential Acquisition or if the Potential Acquisition cannot proceed, the Coal Supply Agreement pursuant to the Irrevocable Undertaking, the Board has evaluated the Group's existing financial capabilities and settlement plans for the associated financial obligations. After considering various financing alternatives, the Board has concluded that the Rights Issue is both timely and necessary. It will enable the Group to meet the financing requirements of the Potential Acquisition, satisfying the necessary capital investment in the Inner Mongolia Coal Mine 958 as well as strengthening the operating working capital base of the Group while providing Shareholders with an opportunity to participate in the Company's equity fundraising activities at prevailing market prices of the Shares.

In the event that the funds raised from the Rights Issue are less than anticipated, the Group will acquire a reduced percentage of equity interest in the Target Company, in accordance with the terms mutually agreed with the Sellers. This flexibility ensures that the transaction will remain viable even under constrained funding scenarios. Nevertheless, raising sufficient funds is crucial to the Group, as it directly determines the scale of equity interests of the Target Company to be acquired, and the timely completion of the Potential Acquisition. Shareholders will also be able to benefit from the potential development in the coal mining business of the Group when the strategic benefits of the Potential Acquisition materialise.

Furthermore, the Board considers that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the Rights Issue represents a critical financing initiative that will reinforce the Group's existing mining operations while simultaneously supporting the Potential Acquisition and the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the aforesaid factors.

Use of proceeds

Assuming the Rights Issue is fully subscribed, the estimated gross proceeds of the Rights Issue will be approximately HK\$481.25 million (assuming no change in the number of Shares in issue on or before the Record Date). The corresponding estimated net proceeds of the Rights Issue, after deducting the related expenses, will be approximately HK\$479.75 million, which are intended to be used in the following manner:

	Amount HK\$' million <i>Approximate</i>	Percentage to the net proceeds <i>Approximate</i>
1. Enhancing the existing coal mine infrastructures, facilities and machineries:		
(i) Upgrading the existing aged underground supporting frames and infrastructures and purchasing of 20 units hydraulic roof support;	17.40	3.63%
(ii) Setting up a double-circuit underground electrical wiring system;	40.37	8.41%
(iii) Building an enclosed coal yard for coal storage; and	20.18	4.21%
(iv) Upgrading the existing power generator set and other aged equipment including but not limited to coal conveying belts	14.15	2.95%
Subtotal	92.10	19.20%
2. Setting up and upgrading the software of control and monitoring systems of the existing coal mine:		
(i) Setting up coal conveying belt monitoring and control system;	3.83	0.80%
(ii) Upgrading the existing safety production, ventilation and gas monitoring system; and	7.40	1.54%
(iii) Setting up 5G labour positioning system	2.55	0.53%
Subtotal	13.78	2.87%
3. Consideration for the Potential Acquisition and the relevant costs and expenses:		
(i) Consideration of the Potential Acquisition	348.00	72.54%
(ii) Relevant costs and expenses, including professional fees in relation to the Potential Acquisition	5.87	1.22%
Subtotal	353.87	73.76%

	Amount HK\$' million <i>Approximate</i>	Percentage to the net proceeds <i>Approximate</i>
4. General working capital		
(i) Payroll expenses	11.83	2.47%
(ii) Rental and administrative expenses	5.17	1.08%
(iii) Legal, audit and other professional fees	3.00	0.62%
Subtotal	<u>20.00</u>	<u>4.17%</u>
Total	<u><u>479.75</u></u>	<u><u>100.00%</u></u>

In the event of undersubscription of the Rights Issue, the net proceeds raised will be applied on the following basis:

The Potential Acquisition

The Potential Acquisition involves the acquisition of 20% to 40% equity interest in the Target Company. The Group and the Sellers have agreed that the formal equity transfer agreement will be executed once the percentage of equity interest to be acquired and the consideration are determined, having regard to the funding available from the Rights Issue and the valuation of the Target Company.

Pursuant to the MOUs, the proposed consideration for the Potential Acquisition will be settled in cash and is expected to be no more than RMB300.0 million (equivalent to approximately HK\$348.0 million), subject to valuation and mutual agreement of the parties. The Group expects to enter into the formal equity transfer agreement in early November 2026. The refundable down payment, representing 20% of the consideration, shall be payable within three (3) Business Days upon signing of the formal equity transfer agreement.

Subject to the fulfilment of conditions precedent of the Potential Acquisition, the consideration for the Potential Acquisition is expected to be fully settled by the end of 2026. Based on maximum consideration of RMB300.0 million (equivalent to approximately HK\$348.0 million) for 40% equity interest of the Target Company, 20% equity interest in the Target Company would be valued at approximately RMB150.0 million (equivalent to approximately HK\$174.0 million), together with transaction-related costs of approximately HK\$5.9 million, resulting in a total of approximately HK\$179.9 million.

In consideration of the relevant size of proceeds to be applied for the Potential Acquisition,

- (i) if the net proceeds raised from the Rights Issue are less than HK\$200.0 million, all proceeds will be applied to upgrading coal mining infrastructure of the existing coal mine and general working capital of the Group;
- (ii) if the net proceeds raised from the Rights Issue are equal to or exceed HK\$200.0 million, the net proceeds will be applied first towards payment of the consideration for the Potential Acquisition and the associated costs and expenses, provided that the equity interest to be acquired in the Target Company will not be less than 20%; and with any remaining proceeds allocated on a pro-rata basis for upgrading coal mining infrastructure of the existing coal mine and general working capital of the Group; and
- (iii) if the net proceeds raised from the Rights Issue are equal to or exceed HK\$200.0 million and the Potential Acquisition would not proceed, the net proceeds will be applied first towards an advance payment of the Coal Supply Agreement of RMB100.0 million (equivalent to approximately HK\$116.0 million) pursuant to the Irrevocable Undertaking; and with the any remaining proceeds allocated on a pro-rata basis for upgrading coal mining infrastructure of the existing coal mine and general working capital of the Group. For the avoidance of doubt, assuming the Rights Issue will be fully subscribed, and after taking into account the proposed application of proceeds of approximately HK\$241.9 million, comprising (i) approximately RMB100 million (equivalent to approximately HK\$116.0 million) for the Coal Supply Agreement, (ii) approximately HK\$105.9 million for upgrading coal mining infrastructure of the existing coal mine, and (iii) approximately HK\$20.0 million for general working capital, the remaining proceeds will amount to approximately HK\$237.85 million. Such proceeds will be applied towards for the acquisition of other coal mines which may be identified by the Company from time to time.

Existing Coal Mining Operations

The Group will arrange phased upgrading of the existing coal mine infrastructures, and purchase of new facilities and machinery in case of an undersubscription of the Rights Issue. This part of proceeds from the Rights Issue are anticipated to be fully deployed by 31 December 2027.

General Working Capital

The remaining net proceeds is expected to be fully utilised by 31 December 2027 as the Group's general working expenses for payroll expenses, rental and administrative expenses as well as professional fees.

In view of the above, the Directors consider that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Other fund raising alternatives

The Board has considered other fund raising alternatives including but not limited to debt financing and equity financing such as the subscription or placing of new Shares and open offer.

Debt financing will impose a significant interest burden amidst the high-interest rate cycle, which would impair the financial performance of the Group. On the other hand, equity financing will provide the Group with fresh funding without repayment obligations, thereby improving its capital structure and enhancing its future financing capabilities. Therefore, the Board is of the view that the equity financing is a better and more viable option than debt financing for the Company.

As for subscription or placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Group. As for open offer, while it is similar to a rights issue in offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

Based on the above, despite the potential dilution impact of the Rights Issue on the shareholding interests of the Non-Qualifying Shareholders and those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled, the Directors consider that fund raising through the Rights Issue is in the best interests of the Company and the Shareholders as a whole, having considered that the Rights Issue offers all Qualifying Shareholders (i) the first right to maintain their respective pro-rata shareholding interests in the Company and an opportunity to participate in the growth and development of the Group in proportion to their shareholdings; and (ii) the flexibility to deal in the nil-paid rights in the open market.

In view of the above and the reasons described in the paragraph headed “The Subscription Price” under the section headed “Proposed Rights Issue” above, the Board considers that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE MOUS AND THE POTENTIAL ACQUISITION

On 3 August 2026 and 21 September 2026, Shanghai Wealthy Ocean, an indirect wholly-owned subsidiary of the Company, as the Purchaser, entered into the MOU and the Supplemental MOU respectively with Ordos Yusheng and Hainan Shidong, both being shareholders of the Target Company holding 40% and 33% equity interests respectively (collectively the “**Sellers**” and each a “**Seller**”) in relation to the Potential Acquisition. Each of the Sellers, the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

Principal Terms of the MOUs

The principal terms of the MOUs are summarised as follows:

Equity Interest to be acquired

Pursuant to the MOUs, Shanghai Wealthy Ocean proposes to acquire 20% to 40% equity interest in the Target Company. The equity interest of the Target Company to be acquired will be determined upon the confirmation of available funding raised by the Company of not less than HK\$200.0 million at the expiry of the exclusivity period given in the MOUs as set out below, which will also be adjusted according to the valuation results given by an independent professional valuer engaged by the Company and final agreement with the relevant Seller. Upon which, a formal equity transfer agreement will be executed within five (5) Business Days as agreed between the Sellers and Shanghai Wealthy Ocean.

Consideration

The proposed consideration in relation to the Potential Acquisition will be settled in cash and is expected to be no more than RMB300.0 million (equivalent to approximately HK\$348.0 million), subject to valuation of the Target Company and mutual agreement of the parties. A refundable down payment, being 20% of the consideration shall be payable within three (3) Business Days upon signing of the formal equity transfer agreement.

Conditions precedent to the MOUs

The execution of the formal equity transfer agreement of the Potential Acquisition is conditional upon, among other matters, satisfactory due diligence and the Financing Arrangements, valuation confirming that the Target Company's 100% equity value is not less than RMB650.0 million (equivalent to approximately HK\$754.0 million, the "**Floor Value**") and in compliance with the Listing Rules, together with other customary conditions applicable to acquisition transactions. The Floor Value is determined based on a preliminary discounted cash flow valuation based on the data of coal resources, latest operation metrics and historical financial information up to 30 June 2026 provided by the Target Company to the Company and its professional parties.

Management and Governance

Subject to execution of the formal equity transfer agreement of the Potential Acquisition, Shanghai Wealthy Ocean and the remaining shareholders of the Target Company, will enter into a new shareholders' agreement and articles of association of the Target Company simultaneously, which will provide Shanghai Wealthy Ocean, as a shareholder of the Target Company, with all shareholder rights under the PRC Company Law, including but not limited to rights of dividend distribution, transfer of equity interests, distribution of residual assets, access to information, and voting rights at shareholders' meetings. In proportion to its equity interest, Shanghai Wealthy Ocean shall also be entitled to nominate candidates for the board of directors of the Target Company, and the Seller together with other shareholders shall vote in favour of such nominee(s) at the shareholders' meeting of the Target Company. The directors so appointed will participate in the management and decision making of the Target Company within all aspects of the board's authorities.

The MOUs further provided that the Target Company shall adopt a stable dividend distribution policy (the “**Dividend Distribution**”). Subject to applicable laws, the articles of association, and the operational requirements of the Target Company, not less than fifty percent (50%) of its distributable net profit shall, in principle, be allocated to shareholders after each fiscal year in form of dividend, with the specific distribution plan to be reviewed and approved by the shareholders’ meeting in accordance with the law.

Coal Offtake Arrangement to the Potential Acquisition

In conjunction with the Potential Acquisition, the Sellers shall procure the Target Company to enter into a 5-year coal offtake arrangement (renewable at the option of the Purchaser for successive periods of five (5) years until the expiry of the mining period as stipulated in the mining certificate) with Shanghai Wealthy Ocean under which Shanghai Wealthy Ocean will offtake, in proportion to its final equity interests in the Target Company, annual coal outputs of the Target Company at a discount of not less than 10% to the market spot price referencing to Ordos Coal Price Index. This coal offtake arrangement forms an integral part of the Potential Acquisition. Upon entering into the corresponding offtake arrangement, existing salespersons of the Group’s coal operations will be fully in charge of the coals to be off-taken from the Target Company.

Exclusivity

Shanghai Wealthy Ocean was entitled to an exclusivity period of 90 days (the “**Exclusivity Period**”) from the date of signing of the MOU, i.e. 3 August 2026, or such extended period as agreed in writing. During the Exclusivity Period, the Sellers shall not, without the Shanghai Wealthy Ocean’s prior written consent, directly or indirectly engage in negotiations or discussions with any third party in respect of any transaction competing with the Potential Acquisition.

The Irrevocable Undertaking

In addition to the MOUs, both Sellers have irrevocably undertaken to the Purchaser under the Irrevocable Undertaking dated 21 September 2026 that, subject to the Purchaser providing to the Sellers the Funding Confirmation (i.e. written confirmation evidencing the availability of funding of not less than HK\$200.0 million, necessary to complete the Potential Acquisition):

- (i) the Sellers shall dispose of and transfer to the Purchaser the agreed equity interest in the Target Company pursuant to the MOUs, notwithstanding any withdrawal or termination rights that may otherwise be afforded to either Seller under the MOU; or
- (ii) in any event that the Potential Acquisition cannot proceed, the Sellers shall procure the Target Company to enter into the Coal Supply Agreement with the Purchaser with a term of 5 years, an advance payment of RMB100.0 million (equivalent to approximately HK\$116.0 million) will be payable by the Purchaser to the Target Company. The annual coal supply quantity will be 400,000 tonnes of the Target Company’s coal output, with a discount of the higher of (i) 25% towards the market spot price referencing to the Ordos Coal Price Index; or (ii) RMB100 per tonne.

Based on the current selling price of the coal products of the Target Company of approximately RMB400 per tonne and the annual supply quantity of 400,000 tonnes under the Coal Supply Agreement, the Group expects that the working capital requirements for the annual purchase of coal products pursuant to the Coal Supply Agreement and their subsequent sale based on the discounted unit price of RMB300 per tonne, would be approximately RMB120.0 million (equivalent to approximately HK\$139.2 million).

Information on the Target Company

The Target Company is a company established under the laws of the PRC in 2008 with limited liability and is principally engaged in production and sale of coal. The Target Company owns the mining rights (i.e. allow the owner of the mining license to exploit and sell the coal resources) and other relevant operation facilities and properties in relation to the Target Coal Mine. The mining license obtained by the Target Company, with an allowed annual production capacity of 2,400,000 tonnes, is valid until 18 July 2036.

As at the date of this announcement, the Target Company is owned as to 40% by Ordos Yusheng, as to 33% by Hainan Shidong, and as to 27% by Lingshui Wanxing Technology Co., Ltd.* (陵水萬興科技有限公司). Lingshui Wanxing Technology Co., Ltd.* (陵水萬興科技有限公司) is owned as to 5% by Mr. Yuan Huxiao, as to 5% by Mr. Yuan Xinkuan, and as to 90% by Mr. Yuan Zhiqiang. Information on Ordos Yusheng and Hainan Shidong is set out in the paragraph headed “Information about the Sellers” below.

To the best knowledge of the Directors, information and belief having made all reasonable enquires, the Target Company and its ultimate beneficial owners are Independent Third Parties.

Financial Information about the Target Company

Set out below is the summary of the financial information of the Target Company for the year ended 31 December 2024 and 2025 and six months ended 30 June 2026 prepared in accordance with the China Accounting Standards for Business Enterprises:

	For the six months ended 30 June 2026 RMB'000	For the year ended 31 December 2025 RMB'000	2024 RMB'000
Revenue	<u>65,346</u>	<u>434,199</u>	<u>514,013</u>
Net profit before tax	<u>2,044</u>	<u>193,655</u>	<u>277,169</u>
Net profit after tax	<u>198</u>	<u>144,176</u>	<u>207,877</u>
Dividends declared to the shareholders of the Target Company	<u>—</u>	<u>130,000</u>	<u>210,000</u>

	As at 30 June 2026 RMB'000	As at 31 December 2025 RMB'000	2024 RMB'000
Total assets	<u>243,286</u>	<u>318,471</u>	<u>331,060</u>
Net assets	<u>145,945</u>	<u>197,309</u>	<u>201,603</u>

The financial information of the Target Company for the years ended 31 December 2024 and 2025 reflected the mining operations conducted in the old open-pit mining area of the Target Coal Mine, which were completed by January 2026. The Target Coal Mine recorded coal outputs of approximately 1,473,600 tonnes in 2024 and approximately 1,364,000 tonnes in 2025.

The new open-pit mining area of the Target Coal Mine is currently under preparation, with trial operations expected to commence in October 2026 and full-scale production scheduled for December 2026.

For the six months ended 30 June 2026, the Target Company generated revenue from approximately 105,000 tonnes produced from the new open-pit mining area whereas approximately 160,000 tonnes of coals were produced in July 2026 from the new open-pit mining area in the preparation stage. It is anticipated that both the revenue and profit of the Target Company for the year ending 31 December 2026 will be lower than those recorded for the year ended 31 December 2025, reflecting the transitional phase between the completion of the old open-pit mining area and the ramp-up of production in the new open-pit mining area.

Save for the interests in the Target Coal Mine, the Target Company has no other investments or major assets as at the date of this announcement.

Information about the Sellers

Ordos Yusheng

Ordos Yusheng Trading Company Limited* (鄂爾多斯市昱晟商貿有限責任公司), a company established under the laws of the PRC with limited liability and a shareholder holding 40% of equity interest in the Target Company. Ordos Yusheng is ultimately owned as to 89.425% by Mr. Yuan Huxiao and 10.575% by Mr. Yuan Zhiqiang. Mr. Yuan Huxiao has over 20 years of coal mining operations experience. He joined the Target Company in 2009 and is currently the manager of the Target Company.

Hainan Shidong

Hainan Shidong Investment Company Limited* (海南石東投資有限公司), a company established under the laws of the PRC with limited liability and a shareholder holding 33% of equity interest in the Target Company. Hainan Shidong is ultimately owned as to 90% by Mr. Ma Jun and 10% by Ms. Zeng Hongmei. Mr. Ma Jun is an entrepreneur and Ms. Zeng Hongmei is the spouse of Mr. Ma Jun.

To the best knowledge of the Directors, each of the Sellers and their respective ultimate beneficial owners are Independent Third Parties.

Information on the Target Coal Mine

The Target Coal Mine is located in Dongsheng District of Ordos City, Inner Mongolia Region, the PRC. The mining license obtained by the Target Company, with an allowed annual production capacity of 2,400,000 tonnes, is valid until 18 July 2036.

Pursuant to 2025 reserve assessment report (“**2025儲量核實報告**”) compiled by Inner Mongolia Rongtong Engineering Survey Co., Ltd. * (內蒙古榮通工程勘測有限責任公司) in 2026, the Target Coal Mine has an estimated coal resources (indicated and inferred resources under Chinese Classification for Mineral Resources and Mineral Reserves) of approximately 61.3 million tonnes.

Reasons for and benefits of entering into the MOUs and the Potential Acquisition

As stated in the 2025 Annual Report, further to the issues of the aged infrastructures and machinery, the tightened industry regulatory requirement and declines in coal resources of Inner Mongolia Coal Mine 958 also created difficulties to the Group’s current coal mining operations.

Upon completion of the Potential Acquisition, 20% to 40% equity interest in the Target Company will be accounted for as an associate in the consolidated accounts of the Group. Nevertheless, the Directors considers that the Potential Acquisition remains crucial to the Group’s existing coal mining business as part of its coal business development for the reasons set out below.

The Group's coal resources and reserves

Currently, the Group produces coals of lower calorific values of approximately 2,700 – 2,800 kcal/kg as compared to higher calorific values of approximately 4,000 kcal/kg of the coals produced by the Target Company. By locking in a minority equity interest in the Target Company, through the coal offtake arrangement the Group will be able to blend and market coal products from both coal mines. This approach will elevate the quality profile of the Group's coal products and strengthen its market competitiveness. Higher calorific values of coal products will command stronger pricing power to the Group for better profit margins and improve efficiency for our end users, as a result reinforce the Group's position in the coal market in the Inner Mongolia region, the PRC.

In this case, the Potential Acquisition is expected to create strategic value to the Group by increasing coal resources and reserves in the Inner Mongolia Region, the PRC without paying upfront coal resource fees, thereby strengthening the geological foundation of the Group's coal business in the region immediately.

Financial benefits

Importantly, the Target Coal Mine is currently in operation, generating stable revenue and maintaining profitability as disclosed in the above paragraph headed "Financial Information of the Target Company". This operating track record provides assurance that the Group, through its minority equity interest in the Target Company, will be entitled to the cashflow from the Dividend Distribution promptly upon completion of the Potential Acquisition.

In addition, the Group will secure a stable coal offtake supply at prices discounted to the market spot price referencing to the Ordos Coal Price Index. By referencing market spot prices, the arrangement avoids arbitrary or fixed pricing and ensures that the Group's procurement costs reflect real time market conditions, thereby remaining commercially fair and transparent.

The Group currently produces coal with a lower calorific value of approximately 2,700 – 2,800 kcal/kg, whereas the Target Company produces coal with a calorific value of approximately 4,000 kcal/kg. By entering into the coal offtake arrangement under the Potential Acquisition, the Group will be able to blend its existing coal products with the off-taken coals (the "**Off-Taken Coals**") to raise the calorific values of its coal products to around 3,200 kcal/kg. When there is currently no public or transparent market price data available for coals of calorific values lower than 3,200 kcal/kg, the blending of the Off-Taken Coals will enable the Group's coal products to be marketed with reference to public benchmark prices, thereby improving marketability and pricing power of the Group's coal products. Taken together, the discounted procurement terms and the pricing uplift from higher calorific coal products will potentially enhance the Group's profitability, quality profile of its coal products, and thus reinforces the Group's competitive position in the coal market in Inner Mongolia region, the PRC.

The Group has an extensive operating history in the coal mining industry in Inner Mongolia, supported by experienced management and maintains a well established business model in the production and sale of coals. Accordingly, the Group does not currently expect that the coal offtake arrangement will result in any substantial selling and distribution expenses, nor to any material administrative costs associated with the implementation of the coal offtake arrangement, which would give rise to any adverse impact on the Group's profitability.

The participation interest plus offtake structure of the Potential Acquisition will therefore offer additional and stable source of coal supply to the Group, which will enhance its existing income stream and create positive cash flow from both the coal offtake arrangement and the Dividend Distribution, generating long term values to the Shareholders.

Market opportunities

Recently, Inner Mongolia region, the PRC is increasingly recognised as an emerging hub for AI and advanced technology industries, supported by abundant energy resources and infrastructure development. According to China Daily, Inner Mongolia region is rapidly positioning itself as a global-scale AI computing centre cluster. Giant technology companies of China has been establishing their AI computing centres in the region. The Potential Acquisition would strengthen the Company's coal resources and reserves while positioning it to benefit from such regional economic transformation, thereby enhancing long-term competitiveness of the Group aligning with its strategic commercial objectives.

Balancing compliance certainty with the Group's commercial objectives

The decision to pursue a non-controlling stake reflects careful consideration of regulatory requirements under the National Security Measures. The National Security Measures do not prescribe quantitative thresholds nor definitive criteria for determining whether a coal mine's resources will constitute "important energy and resources related to national security". As advised by the Company's PRC legal adviser, the determination depends on whether the investment could affect national security, taking into account factors such as reserves, production capacity, scarcity, regional energy supply, and proximity to sensitive areas.

In addition, the National Security Review would be a prolonged process to the completion of acquisition of controlling equity interests or obtaining de facto controls in coal mines in the PRC which are classified as "important energy and resources related to national security", whereas Hong Kong enterprises (including Hong Kong listed companies) are classified as foreign investors and required to comply with the National Security Measures as advised by the Company's PRC legal advisers.

In light of the applicable statutory requirements, the Company has been advised that acquisition of minority equity interests in the Target Company represents a feasible and certain transaction structure for the Potential Acquisition in a timely manner. By structuring the transaction as a non-controlling interest investment, the Company will be able to mitigate regulatory risk, avoid triggering heightened scrutiny, circumvent a lengthy and uncertain national security review process and balances compliance with the Company's commercial objectives, ensuring that the Potential Acquisition is viable and remains in the best interests of the Company and its Shareholders as a whole.

Management and governance

As aforementioned, although the equity interest in the Target Company to be acquired will be accounted for as an associate of the Group and the Target Company will continue to be managed by the existing management of the Target Company upon completion of the Potential Acquisition, the shareholders' agreement and amended articles of association to be entered into will secure the Purchaser's governance participation. The Purchaser will be entitled to all shareholders' rights as protected by the PRC Company Law. This governance framework ensures that the Group has visibility and influence over the Target Company's operations, while preserving the independence of its existing business.

By combining operational stability with compliant transaction structuring, the Potential Acquisition is expected to deliver long term shareholder value while aligning with regulatory requirements and the Group's strategic growth objectives. The Directors consider that the acquisition of a minority interest in the Target Company is strategically justified. It secures governance participation, reliable offtake, and product synergies, while mitigating regulatory risk. Importantly, the Potential Acquisition complements the Group's existing operations, enlarging the asset base and revenue profile, and reinforcing long term Shareholder value.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full ("**Scenario I**"); and (iii) immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing ("**Scenario II**"), assuming there is no other change in the shareholding structure of the Company before the completion of the Rights Issue:

Name of Shareholders	As at the date of this announcement		Scenario I		Scenario II	
	<i>Number of</i>	<i>Approx.</i>	<i>Number of</i>	<i>Approx.</i>	<i>Number of</i>	<i>Approx.</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Ms. Ji (<i>note</i>)	64,000	0.03	512,000	0.03	64,000	0.00
Liu Chang Deng	32,015,431	13.04	256,123,448	13.04	32,015,431	1.63
Placees	—	—	—	—	1,718,758,412	87.50
Other public shareholders	213,457,485	86.93	1,707,659,880	86.93	213,457,485	10.87
Total	245,536,916	100.00	1,964,295,328	100.00	1,964,295,328	100.00

Note: Ms. Ji is a non-executive Director.

The Shareholders and the public investors of the Company should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

If a Qualifying Shareholder does not accept the Rights Shares provisionally allotted to him/her/it in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY FOR THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity in the past twelve (12) months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
17 October 2025	Placing of 40,920,000 new Shares under general mandate granted to the Directors by the Shareholder at annual general meeting of the Company dated 22 August 2025 (the “2025 AGM”) to allot, issue and deal with up to 40,923,383 new Shares, being 20% of the then issued share capital of the Company as at the date of the 2025 AGM	Approximately HK\$13.5 million	- approximately HK\$3.0 million will be applied to the exploration fees, technician fees, professional fees, and other related expenses incurred for several identified potential investment opportunities in mining sector; and - approximately HK\$10.5 million will be used for general working capital of the Group. These proceeds will be applied to the legal and professional fees for business development and headquarters overheads, including staff costs and other corporate expenses	Utilised as intended

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded on the Stock Exchange in board lot of 4,000 Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 4,000 Shares to 5,000 Shares with effect from 9:00 a.m. on Wednesday, 11 November 2026. The Company will arrange odd lot matching services in order to facilitate the trading of odd lots.

The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in June 2026 has stated that, among others, taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$1,000; and issuer of applicable securities that are not using any of the eight standardised board lot units (1, 50, 100, 500, 1,000, 2,000, 5,000 and 10,000 share(s)) are required to do so by changing their board lot units within six months after completing the Uncertificated Securities Market transition process.

As at the date of this announcement, based on the closing price of HK\$0.255 per Share, the market value of each existing board lot of 4,000 Shares is HK\$1,020. Upon the Change in Board Lot Size becoming effective, and based on the closing price per Share of HK\$0.255 as at the date of this announcement, the market value of each board lot of 5,000 Shares is calculated to be HK\$1,275. Shareholders should note that Shareholders’ approval is not required for the Change in Board Lot Size.

To facilitate the trading of odd lots of Shares which will arise upon the Change in Board Lot Size, the Company will procure an arrangement with an agent to stand in the market to provide matching services for the sale and purchase of odd lots of Shares on a best effort basis during the period from Wednesday, 11 November 2026 to Monday, 21 December 2026 (both days inclusive). Further details in respect of the odd lot arrangement will be set out in the Prospectus. Holders of Shares in odd lots should note that the matching services mentioned above are on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its/their own professional advisers.

All existing share certificates in board lot of 4,000 shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of existing share certificates in board lot size 4,000 shares to new share certificate in board lot size of 5,000 shares is necessary. The Change in Board Lot Size will not affect any of the relative rights of the Shareholders. The Board considers that the Change in Board Lot Size is in the interest of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue and the Change in Board Lot Size is set out below provided that the conditions of the Rights Issue will be fulfilled.

Event	2026
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Publication of the announcement in relation to the Rights Issue and the Change in Board Lot Size	Tuesday, 22 September
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Expected despatch date of the circular, proxy form and the notice of the EGM.	Friday, 9 October
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Latest time for lodging transfers of Shares to qualify for attendance and voting at the EGM.	4:30 p.m. on Tuesday, 20 October
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Closure of register of members of the Company for determining the right to attend and vote at the EGM (both days inclusive).	Wednesday, 21 October to Tuesday, 27 October
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Latest time for lodging proxy forms for the EGM.	11:00 a.m. on Sunday, 25 October
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Record date for determining attendance and voting at the EGM.	Tuesday, 27 October
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Expected date and time of the EGM	11:00 a.m. on Tuesday, 27 October
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Announcement of the poll results of the EGM	Tuesday, 27 October
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Re-opening of the register of members of the Company	Wednesday, 28 October
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The following events are conditional upon the results of the EGM and therefore the dates are tentative only:

Last day of dealings in Shares on a cum-rights basis of the Rights Issue.	Wednesday, 28 October
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First day for free exchange of existing share certificates.	Wednesday, 28 October
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First day of dealings in Shares on an ex-rights basis of the Rights Issue.	Thursday, 29 October
Latest date and time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue.	4:30 p.m. on Friday, 30 October
Closure of register of members of the Company for determining entitlements to the Rights Issue (both days inclusive).	Monday, 2 November to Friday, 6 November
Record Date for determining entitlements to the Rights Issue.	Friday, 6 November
Re-opening of the register of members of the Company	Monday, 9 November
Despatch of the Prospectus Documents (including the Prospectus and the PAL) (in case of the Non-Qualifying Shareholders, the Prospectus only)	Monday, 9 November
Last day for trading of the Shares with old board lot size of 4,000 Shares in the original counter	Tuesday, 10 November
First day of dealings in nil-paid Rights Shares in the new board lot of 5,000 Rights Shares	Wednesday, 11 November
Effective date of the change in board lot size from 4,000 Shares to 5,000 Shares.	Wednesday, 11 November
Original counter for trading in Shares in old board lot size of 4,000 Shares becomes a counter for trading in the new board lot size of 5,000 Shares	9:00 a.m. on Wednesday, 11 November
Temporary counter for trading in old board lot size of 4,000 Shares opens	9:00 a.m. on Wednesday, 11 November
Parallel trading in Shares commences.	9:00 a.m. on Wednesday, 11 November

Designated broker stands in the market to provide matching services for odd lots of Shares (both days inclusive)	Wednesday, 11 November to Monday, 21 December
Latest time for splitting the PALs	4:30 p.m. on Friday, 13 November
Last day of dealings in nil-paid Rights Shares in new board lots of 5,000 Rights Shares	Wednesday, 18 November
Latest time for acceptance of and payment for the Rights Shares.	4:00 p.m. on Monday, 23 November
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of the Net Gain	4:00 p.m. on Monday, 23 November
Announcement of the number of the Placing Shares subject to the Compensatory Arrangements.	Monday, 30 November
Commencement of placing of the Placing Shares by the Placing Agent	Tuesday, 1 December
Temporary counter for trading in the Shares in old board lot of 4,000 Shares closes	4:10 p.m. on Tuesday, 1 December
Parallel trading in Shares ends	4:10 p.m. on Tuesday, 1 December
Last day for free exchange of existing share certificates.	Thursday, 3 December
Latest time of placing of the Placing Shares by the Placing Agent	4:00 p.m. on Tuesday, 8 December
Latest time for the Rights Issue and placing of the Placing Shares to become unconditional	4:00 p.m. on Wednesday, 9 December

Announcement of results of the Rights Issue

(including results of the placing of the Placing Shares and
the amount of the Net Gain per Placing Share

under the Compensatory Arrangements) Friday, 11 December

Despatch of share certificates of fully-paid

Rights Shares and refund cheques, if any

(if the Rights Issue does not proceed) Monday, 14 December

Commencement of dealings in fully-paid Rights Shares 9:00 a.m. on Tuesday, 15 December

Payment of Net Gain to relevant No Action

Shareholders or Non-Qualifying Shareholders. Thursday, 24 December

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place if a tropical cyclone warning signal no. 8 (or above), “extreme conditions” caused by super typhoons as announced by the Hong Kong Government, or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Acceptance Date. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares by more than 50% within 12-month period immediately preceding the date of this announcement, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. Pursuant to Rule 7.27A of the Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders in general meeting by a resolution which any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue at the EGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, (i) the Company does not have any controlling shareholder; and (ii) Ms. Ji, the non-executive Director, owns 64,000 Shares. Therefore, Ms. Ji and her associates shall abstain from voting in favour of the resolution(s) approving the Rights Issue at the EGM in accordance with Rule 7.27A(1) of the Listing Rules. As at the date of this announcement, apart from the above, none of the Directors or the chief executive of the Company or their respective associates are interested in any Shares, therefore no other Shareholders will be required to abstain from voting in favour of the Rights Issue at the EGM in accordance with the Listing Rules.

The Rights Issue would not result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) as the Subscription Price of HK\$0.280 per Rights Share is higher than the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.260 per Share.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chang Xuejun, Ms. Liu Luqing and Mr. Lam Tze Chung, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and Shareholders as a whole and as to the voting action thereof. Akron Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

The EGM will be convened and held to consider and, if thought fit, approve the Rights Issue and the transactions contemplated thereunder. A circular containing, among other things, (i) further information regarding the Rights Issue and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue and as to voting; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue and as to voting; (iv) other information required under the Listing Rules; and (v) the notice of the EGM is expected to be despatched to the Shareholders on or before Friday, 9 October 2026.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus containing, among other things, further information in relation to the Rights Issue, together with the PAL(s) is expected to be despatched to the Qualifying Shareholders on or before Monday, 9 November 2026. A copy of the Prospectus will also be made available on the websites of the Company (www.grandocean65.com) and the Stock Exchange (www.hkexnews.hk).

The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Shares are expected to be dealt in on an ex-rights basis from Thursday, 29 October 2026. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this announcement.

Any Shareholder or other person contemplating selling or purchasing the Shares and/or nil-paid Rights Shares is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

Shareholders and the public are reminded to exercise caution when dealings in the Shares and any dealings in the nil-paid Rights Shares from Wednesday, 11 November 2026 to Wednesday, 18 November 2026 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)” has the same meaning ascribed thereto under the Listing Rules

“Board” Board of Directors

“Business Day(s)”	any day(s) (excluding Saturdays, Sundays and public holidays and any day(s) on which a tropical cyclone warning signal no. 8 (or above) is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 4,000 Shares to 5,000 Shares
“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 on the Main Board of the Stock Exchange (Stock Code: 65)
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed “The Compensatory Arrangements” in this announcement, involving the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (if any) by the Placing Agent on a best effort basis pursuant to the Placing Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Rights Issue (including the Placing Agreement) and the transactions contemplated thereunder

“Funding Confirmation”	written confirmation evidencing the availability of funding of not less than HK\$200.0 million necessary to complete the Potential Acquisition to be provided by the Purchaser to the Sellers under the Irrevocable Undertaking
“General Rules of CCASS”	terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“Hainan Shidong”	Hainan Shidong Investment Company Limited* (海南石東投資有限公司), a company established under the laws of the PRC with limited liability and a shareholder holding 33% of equity interest in the Target Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Rights Issue and the transactions contemplated thereunder
“Independent Financial Adviser”	Akron Corporate Finance Limited, registered with the Securities and Futures Commission in Hong Kong as a licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) regulated activity, and appointed as the independent financial adviser of the Company to provide advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Rights Issue and the transactions contemplated thereunder, and as to voting
“Independent Shareholder(s)”	any Shareholder(s), other than (i) all executive and non-executive Directors and their respective associates; (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required to abstain from voting at the EGM under the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons in accordance with the Listing Rules

“Irrevocable Undertaking”	the irrevocable undertakings dated 21 September 2026 signed by the Sellers and provided to the Purchaser
“Last Trading Day”	22 September 2026, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Acceptance Date”	Monday, 23 November 2026
“Latest Time for Acceptance”	4:00 p.m. on Monday, 23 November 2026 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Wednesday, 9 December 2026 or such later time or date as may be agreed between the Placing Agent and the Company, being the latest time to terminate the Placing Agreement
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU(s)”	a memorandum of understanding dated 3 August 2026 (as supplemented and amended by the Supplemental MOU dated 21 September 2026) entered into between Shanghai Wealthy Ocean, as the purchaser, and Ordos Yusheng and Hainan Shidong, both as sellers and being shareholders of the Target Company holding 40% and 33% equity interests in the Target Company respectively in relation to the Potential Acquisition
“Ms. Ji”	Ms. Ji Yuan, the non-executive Director
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement)
“No Action Shareholder(s)”	Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) in nil-paid form that have not been sold by the Company
“Ordos Coal Price Index”	Ordos Coal Price Index published by the Inner Mongolia Coal Trading Centre* (內蒙古煤炭交易中心)
“Ordos Yusheng”	Ordos Yusheng Trading Company Limited* (鄂爾多斯市昱晟商貿有限責任公司), a company established under the laws of the PRC with limited liability and a shareholder holding 40% of equity interest in the Target Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placee(s)”	placee(s) who are Independent Third Parties procured or to be procured by the Placing Agent to subscribe for or purchase the Placing Shares pursuant to the provisions of the Placing Agreement
“Placing”	the placing of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (if any) on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to independent placee(s), who and whose ultimate beneficial owners shall not be the Shareholder(s) and shall be Independent Third Party(ies), during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	DL Securities (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the placing agent to the Placing

“Placing Agreement”	the placing agreement dated 22 September 2026 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the NQS Unsold Rights Shares, which is expected to be Tuesday, 1 December 2026 and ending at 4:00 p.m. on Tuesday, 8 December 2026 or such later date as the Company and the Placing Agent may agree in writing, during which the Placing Agent will carry out the Placing
“Placing Shares”	collectively, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, to be placed to the Placee(s) by the Placing Agent
“Potential Acquisition”	potential acquisition of 20% to 40% equity interest in the Target Company and the transactions (including the coal offtake arrangement) contemplated thereunder under the MOU
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Taiwan, Hong Kong and the Macau Special Administrative Region of the People’s Republic of China
“Prospectus”	prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Prospectus Posting Date”	Monday, 9 November 2026 or such other date as the Company may determine, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Public Float Requirement”	the public float requirement under Rule 13.32B of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Friday, 6 November 2026 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue

“Registrar”	Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	proposed issue of the Rights Shares on the basis of seven (7) Rights Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	up to 1,718,758,412 Shares (assuming that there is no change in the number of Shares in issue up to the Record Date)
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Shanghai Wealthy Ocean” or “Purchaser”	Shanghai Wealthy Ocean International Trading Co. Ltd (上海弘財國際貿易有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.280 per Rights Share
“substantial Shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental MOU”	the supplemental memorandum of understanding dated 21 September 2026 entered into between Shanghai Wealthy Ocean, as the purchaser, and Ordos Yusheng and Hainan Shidong, both as sellers and being shareholders of the Target Company holding 40% and 33% equity interests in the Target Company to supplement the MOU
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs (as amended and supplemented from time to time)
“Target Company”	Ordos Yongshun Coal Company Limited* (鄂爾多斯市永順煤炭有限責任公司), a company established under the laws of the PRC with limited liability

“Target Coal Mine”	the coal mine located in Dongsheng District of Ordos City, Inner Mongolia Autonomous Region
“Unsubscribed Rights Share(s)”	the number of unsubscribed Rights Shares that are not taken up by the Qualifying Shareholders or renouncee(s) or transferees of nil-paid Rights Shares under PAL(s) during the Rights Issue
“%”	per cent.

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

Hong Kong, 22 September 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.

* *For identification purpose only*