

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Grand Ocean Advanced Resources Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

### **(1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES; (2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS; AND (3) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at Suite 3103, Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 15 June 2018 at 11:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.com.hk](http://www.hkexnews.com.hk) and the Company at [www.grandoccean65.com](http://www.grandoccean65.com).

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

27 April 2018

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## DEFINITIONS

*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Suite 3103, Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 15 June 2018 at 11:00 a.m. or any adjournment thereof to consider and, if thought fit, approve, among other things, the proposed grant of the Issue Mandate and the Repurchase Mandate and the proposed re-election of retiring Directors and continuous appointment of independent non-executive Director who has served more than nine years;
“Articles of Association”	the articles of association of the Company as amended from time to time, and “Article” shall mean an article of the Articles of Association;
“Board”	the board of Directors from time to time;
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Company”	Grand Ocean Advanced Resources Company Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 65);
“core connected person”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company from time to time;
“Group”	the Company and all of its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

## DEFINITIONS

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares and securities convertible into Shares not exceeding 20% of the total number of Shares in issue as at the date of passing of the ordinary resolution in relation thereof;
“Latest Practicable Date”	23 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the total number of Shares in issue as at the date of passing the ordinary resolution in relation thereof;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“%”	percent.

LETTER FROM THE BOARD

**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)**

*Executive Directors:*

Mr. Xu Bin (*Chairman*)  
Mr. Zhang Fusheng (*Chief Executive Officer*)  
Mr. Ng Ying Kit  
Ms. Huo Lijie

*Independent Non-Executive Directors:*

Mr. Kwok Chi Shing  
Mr. Huang Shao Ru  
Mr. Chang Xuejun

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of  
business in Hong Kong:*

Suite 3103  
Sino Plaza  
255-257 Gloucester Road  
Hong Kong

27 April 2018

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND CONTINUOUS APPOINTMENT OF  
INDEPENDENT NON-EXECUTIVE DIRECTOR  
WHO HAS SERVED MORE THAN NINE YEARS;  
AND  
(3) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Annual General Meeting involving (i) the proposed grant of the Issue Mandate and the Repurchase Mandate; and (ii) the re-election of retiring Directors and continuous appointment of independent non-executive Director who has served more than nine years and to give you the notice of the Annual General Meeting.

## LETTER FROM THE BOARD

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

#### Issue Mandate

At the Annual General Meeting, an ordinary resolution will be proposed such that the Directors be given an unconditional general mandate to allot, issue and deal with new Shares or underlying shares of the Company or make or grant offers, agreements or options which might require the exercise of such power, of an aggregate number not exceeding 20% of the total number of Shares in issue as at the date of passing of ordinary resolution in relation to the Issue Mandate.

In addition, a separate ordinary resolution will further be proposed for extending the Issue Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate (the “**Extended Issue Mandate**”). Details on the Repurchase Mandate are further elaborated below.

As at the Latest Practicable Date, the Company has an aggregate of 1,503,477,166 Shares in issue. Subject to the passing of the resolution for the approval of the Issue Mandate and on the basis that no further Shares will be issued or repurchased after the Latest Practicable Date and prior to the date of the Annual General Meeting, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 300,695,433 Shares.

#### Repurchase Mandate

At the Annual General Meeting, an ordinary resolution will also be proposed such that the Directors be given an unconditional general mandate to repurchase Shares (i.e. the Repurchase Mandate) on the Stock Exchange of an aggregate number of up to 10% of the total number of Shares in issue as at the date of passing of ordinary resolution in relation to the Repurchase Mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased after the Latest Practicable Date and prior to the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 150,347,716 Shares.

The Issue Mandate (including the Extended Issue Mandate) and the Repurchase Mandate, if granted, shall continue to be in force during the period from the date of passing of the resolutions for the approval of the Issue Mandate (including the Extended Issue Mandate) and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any other applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the relevant resolutions of the Shareholders by ordinary resolution in general meeting, whichever occurs first.

## LETTER FROM THE BOARD

An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

### **RE-ELECTION OF RETIRING DIRECTORS AND CONTINUOUS APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS**

According to Article 84(1), at each annual general meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. According to Article 84(2), a retiring Director shall be eligible for re-election. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

In accordance with Article 84(1) and 84(2), Ms. Huo Lijie, Mr. Chang Xuejun and Mr. Kwok Chi Shing shall retire from office by rotation at the Annual General Meeting. Being eligible, they will offer themselves for re-election as executive/independent non-executive Director (as the case may be) at the Annual General Meeting.

Pursuant to code provision A.4.3 of the Corporate Governance Code (Appendix 14 to the Listing Rules), any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Mr. Kwok Chi Shing is an independent non-executive Director serving the Company for more than nine years. The Board considered that Mr. Kwok Chi Shing continues to be independent as he has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules. During his tenure as an independent non-executive Director, he has made positive contributions to the Company's strategies and policies with independent judgement from his areas of expertise. The Board considered that his continued tenure with the Company will continue to bring wide range of valuable insights and expertises to the Board. A separate resolution will be proposed for his re-election at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### **ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at Suite 3103, Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 15 June 2018 at 11:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the Annual General Meeting is enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.grandocean65.com](http://www.grandocean65.com).

## LETTER FROM THE BOARD

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should you so wish.

### **Voting**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

After the conclusion of the Annual General Meeting, the poll results will be published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.grandocean65.com](http://www.grandocean65.com).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the Annual General Meeting.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

The Directors consider that the proposed resolutions set out in the notice of Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.



**LETTER FROM THE BOARD**

**GENERAL**

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully  
For and on behalf of the Board of  
**Grand Ocean Advanced Resources Company Limited**  
**Xu Bin**  
*Chairman and Executive Director*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

### **1. EXERCISE OF THE REPURCHASE MANDATE**

The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue 1,503,477,166 Shares. Subject to the passing of the resolution in respect of Repurchase Mandate and on the assumption that no further Shares will be issued or repurchased after the Latest Practicable Date and prior to the date of the AGM, the Board would be authorised under the Repurchase Mandate to repurchase up to 150,347,716 Shares. Furthermore, the Repurchase Mandate covers purchases made only during the period ending on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required to be held by law or the Articles of Association; and (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **2. REASONS FOR REPURCHASES**

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such purchase when appropriate and beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangement at the time, enhance the net assets and/or earnings per Share.

### **3. FUNDING OF REPURCHASES**

The Company is empowered by the Articles of Association to purchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase Shares for a consideration other than cash or for settlement otherwise than in accordance with the Listing Rules. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital of the Company will not be reduced.

#### 4. GENERAL

If the Repurchase Mandate were exercised in full, there may be a material adverse effect on the working capital requirements or the gearing levels of the Group as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2017. The Directors will consider the financial conditions of the Company prevailing at the time whenever they consider exercising the Repurchase Mandate and do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Group at the time of the relevant repurchases unless the Directors determine that such repurchases are, taking into account all relevant factors, in the best interests of the Company.

#### 5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
April	0.350	0.290
May	0.490	0.200
June	0.420	0.265
July	0.365	0.265
August	0.395	0.280
September	0.375	0.310
October	0.465	0.325
November	0.420	0.325
December	0.360	0.290
<b>2018</b>		
January	0.335	0.300
February	0.370	0.320
March	0.430	0.340
April (up to the Latest Practicable Date)	0.420	0.395

#### 6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their close associates, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders. In accordance with the Listing Rules, the Company is prohibited from knowingly purchase Shares from a core connected person and a core connected person shall not knowingly sell his Shares to the Company.

## 7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the Articles of Association.

## 8. TAKEOVERS CODE

If as a result of a share repurchase pursuant to the Repurchase Mandate, the proportionate interest in the voting rights of the Company held by a Shareholder increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or parties acting in concert with such Shareholder could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the substantial Shareholders of the Company were as follows:

Name	Capacity/ Nature of interest	Number of Shares held as at the Latest Practicable Date	Approximately percentage of existing shareholding	Approximately percentage of shareholding if Repurchase Mandate is exercised in full
Xu Bin ("Mr. Xu")	Beneficial owner	156,154,315	10.39%	11.54%
Hong Kong Hang Kei Company Limited ("HK Hang Kei")	Beneficial owner	131,788,686 (note)	8.77%	9.74%

Note:

131,788,686 Shares are beneficially owned by HK Hang Kei, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by Mr. Xu. By virtue of his 100% shareholding in HK Hang Kei, Mr. Xu is deemed or taken to be interested in, and in duplicate, the 131,788,686 Shares owned by HK Hang Kei.

In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held by Mr. Xu and HK Hang Kei and there is no other change to the issued share capital of the Company, the aggregate shareholding of Mr. Xu and HK Hang Kei in the Company will be increased to approximately 11.54% of the reduced issued share capital of the Company immediately after the exercise in full of the Repurchase Mandate. The Directors consider that such increase in shareholding would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

#### **9. REPURCHASE OF SHARES MADE BY THE COMPANY**

During the 12 months prior to the Latest Practicable Date, the Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise).

Details of the Directors who will retire from office at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting, are set out below:

**(1) Ms. Huo Lijie (“Ms. Huo”) – executive Director**

Ms. Huo, aged 53, was appointed as an executive Director on 11 January 2016. She obtained a Bachelor’s degree of Economics (Finance) from Nankai University in Tianjin, the PRC in 1988. Ms. Huo had worked as an accountant at Agricultural Bank of China (Changchun City branch) in the PRC from July 1988 to August 1989. Ms. Huo later served as an accountant, the settlement officer and the business manager at the foreign exchange department of Agricultural Bank of China (Jilin Province branch) in the PRC from September 1990 to November 2003. She subsequently served as the finance supervisor of Global Bio-chem Technology Group Company Limited (Stock code: 809), a company listed on the Stock Exchange, in the Guangdong office, the PRC from December 2003 to August 2008. Ms. Huo then served as the finance manager of Harbin Dacheng Bio Technology Co., Ltd. (哈爾濱大成生物科技有限公司) in the PRC from September 2008 to July 2012. Ms. Huo is currently the financial director of Xilinhaote City Guochuan Energy Technology Development Co., Ltd. (錫林浩特市國傳能源科技開發有限公司), an indirect wholly-owned subsidiary of the Company.

Ms. Huo entered into a service agreement with the Company for a term of three years commencing on 11 January 2016 and her service shall continue unless terminated by not less than three months’ notice given by either party. Ms. Huo shall be subject to retirement by rotation and be eligible for re-election at the annual general meeting in accordance with the Articles of Association at least once every three years. Ms. Huo is entitled to a monthly basic remuneration of HK\$30,000 and RMB20,000, which is determined by the Board upon the recommendation of the remuneration committee of the Company by reference to her experience and responsibilities in the Group and the prevailing market conditions and is subject to an annual review.

As the Latest Practicable Date, Ms. Huo holds 2,250,000 share options granted by the Company, which entitle her to subscribe for an aggregate of 2,250,000 Shares (equivalent to approximately 0.15% of the existing issued share capital of the Company).

Save as disclosed above, as at the Latest Practicable Date, Ms. Huo (i) does not have any relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company; (ii) does not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date, or any other position with the Company and other members of the Group or possess any other major professional qualifications; and (iii) has no interests or short positions in the Shares or debentures of the Company and its associated corporations which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the re-election of Ms. Huo as an executive Director which is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules, and the Board is not aware of any other matters that need to be brought to the attention of Shareholders.

**(2) Mr. Chang Xuejun (“Mr. Chang”) – independent non-executive Director**

Mr. Chang, aged 47, was appointed as an independent non-executive Director and a member of each of the audit committee, remuneration committee and nomination committee of the Company on 17 March 2016. He is a qualified lawyer in the PRC. He graduated from Northwest University of Political Science and Law in Xi’an City, the PRC in 1993. He has more than 20 years’ legal experience. He had been working as a secretary and assistant judge at the Intermediate People’s Court in Lanzhou City, Gansu Province, the PRC from August 1993 to May 1999. He has joined LI & PARTNERS Attorneys at law (廣東聖天平律師事務所) in Shenzhen, the PRC as a lawyer since May 1999. Mr. Chang is currently the partner of LI & PARTNERS Attorneys at law (廣東聖天平律師事務所) in Shenzhen, the PRC.

Pursuant to the letter of appointment entered into between the Company and Mr. Chang on 17 March 2016, Mr. Chang was appointed as an independent non-executive Director for a term of three years commencing on 17 March 2016 and his service shall continue unless terminated by not less than three months’ notice given by either party. Mr. Chang shall be subject to retirement by rotation and be eligible for re-election at the annual general meeting in accordance with the Articles of Association at least once every three years. Pursuant to the letter of appointment, Mr. Chang is entitled to receive an annual fee of HK\$240,000, which is determined by the Board upon the recommendation of the remuneration committee of the Company by reference to his experience and responsibilities in the Group and the prevailing market conditions and is subject to an annual review.

Save as disclosed above, as at the Latest Practicable Date, Mr. Chang (i) does not have any relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company; (ii) does not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date, or any other position with the Company and other members of the Group or possess any other major professional qualifications; and (iii) has no interests or short positions in the Shares or debentures of the Company and its associated corporations which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the re-election of Mr. Chang as an independent non-executive Director which is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules, and the Board is not aware of any other matters that need to be brought to the attention of Shareholders.

**(3) Mr. Kwok Chi Shing (“Mr. Kwok”) – independent non-executive Director**

Mr. Kwok, aged 56, has been appointed as an independent non-executive Director since January 2006. He is the chairman of the audit committee of the Company. Mr. Kwok graduated from the University of Aberdeen, England in 1986 and obtained a Master of Arts in Accountancy with Economics with Honours, and is a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Kwok has extensive experience in corporate and financial management work especially for international cross border transactions, real estate development and property management industries and he was the president of the Hong Kong Association of Financial Advisors. In addition, he has extensive experience in public sector work both in Hong Kong and the PRC. Mr. Kwok is currently the managing director of LKKC C.P.A. Limited.

Pursuant to the letter of appointment entered into between the Company and Mr. Kwok on 1 September 2015, Mr. Kwok was appointed as an independent non-executive Director for a term of three years commencing on 28 August 2015 and his service shall continue unless terminated by not less than three months’ notice given by either party. Mr. Kwok shall be subject to retirement by rotation and be eligible for re-election at the annual general meeting pursuant to the Articles of Association at least once every three years. Pursuant to the letter of appointment, Mr. Kwok is entitled to receive an annual fee of HK\$240,000, which is determined by the Board upon the recommendation of the remuneration committee of the Company by reference to his experience and responsibilities in the Group and the prevailing market conditions and is subject to an annual review.

As the Latest Practicable Date, Mr. Kwok holds 225,000 share options granted by the Company, which entitle him to subscribe for an aggregate of 225,000 Shares (equivalent to approximately 0.01% of the existing issued share capital of the Company).

Save as disclosed above, as at the Latest Practicable Date, Mr. Kwok (i) does not have any relationship with any Directors, senior management or substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company; (ii) does not hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years preceding the Latest Practicable Date, or any other position with the Company and other members of the Group or possess any other major professional qualifications; and (iii) has no other interests or short positions in the Shares or debentures of the Company and its associated corporations which are required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information in relation to the re-election of Mr. Kwok as an independent non-executive Director which is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules, and the Board is not aware of any other matters that need to be brought to the attention of Shareholders.



## NOTICE OF ANNUAL GENERAL MEETING

# 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)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Annual General Meeting**”) of Grand Ocean Advanced Resources Company Limited (the “**Company**”) will be held at Suite 3103, Sino Plaza, 255-257 Gloucester Road, Hong Kong on Friday, 15 June 2018 at 11:00 a.m. (or any adjournment thereof) for the following purposes:

### ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “**Director**”) and the auditor of the Company for the year ended 31 December 2017;
2.
  - (a) To re-elect Ms. Huo Lijie as an executive Director;
  - (b) To re-elect Mr. Chang Xuejun as an independent non-executive Director;
  - (c) To re-elect Mr. Kwok Chi Shing who has served the Company for more than nine years as an independent non-executive Director, as an independent non-executive Director; and
  - (d) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors of the Company;
3. To re-appoint BDO Limited as auditor of the Company and to authorise the Board to fix its remuneration;
4. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares in the capital of the Company (the “**Shares**”) (or securities convertible or exchangeable into Shares, or options, warrants or similar rights to subscribe for any shares), and/or to make or grant offers, agreements and options, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) of this resolution shall authorise the directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
  
- (c) the total number of Shares allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  
  - (ii) the grant or exercise of any options granted under the existing share option scheme of the Company or any other option scheme, or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;
  
  - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and articles of association of the Company in force from time to time; or
  
  - (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares;

shall not exceed the aggregate of 20 per cent of the total number of the Shares in issue on the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
  
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws including, without limitation, laws of the Cayman Islands to be held; and
  
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors by this resolution;

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the Shares (or securities convertible into the Shares) on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent of the total number of the Shares in issue as at the date of the passing of this resolution and the approval pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws (including, without limitations laws of the Cayman Islands) to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors by this resolution.”

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6. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions numbered 4 and 5 set out in this notice of Annual General Meeting, the authority granted to the directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares of the Company pursuant to resolution numbered 4 above be and is hereby extended by the addition to the total number of the Shares which may be allotted by the directors pursuant to resolution numbered 4 an amount representing the total number of the Shares repurchased by the Company under the authority granted pursuant to resolution numbered 5 above, provided that such amount shall not exceed 10 per cent of the total number of the Shares in issue at the date of passing of this resolution.”

By Order of the Board  
**Grand Ocean Advanced Resources Company Limited**  
**Xu Bin**  
*Chairman and Executive Director*

Hong Kong, 27 April 2018

***Registered office:***

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

***Principal place of business***

***in Hong Kong:***  
Suite 3103  
Sino Plaza  
255-257 Gloucester Road  
Hong Kong

*As at the date of this notice, the Board comprises four executive Directors, namely Mr. Xu Bin (Chairman), Mr. Zhang Fusheng (Chief Executive Officer), Mr. Ng Ying Kit and Ms. Huo Lijie; and three independent non-executive Directors, namely Mr. Kwok Chi Shing, Mr. Huang Shao Ru and Mr. Chang Xuejun.*

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*Notes:*

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a shareholder of the Company but must be present in person at the Annual General Meeting to represent the shareholder. A shareholder who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. Where there are joint registered holders of any Shares, any one of such joint holders may vote at the Annual General Meeting (or at any adjournment thereof), either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder of the Company from attending in person and voting at the Annual General Meeting or any adjournment thereof, should he/she so wish.
4. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 8 June 2018, being the record date for the purpose of determination of entitlement to attend and vote at the Annual General Meeting.
5. In relation to proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company other than Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.
6. In relation to proposed resolution numbered 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolutions as required by the Listing Rules is set out in Appendix I to the circular of the Company dated 27 April 2018.
7. A form of proxy in respect of the meeting is enclosed. Whether or not you intend to attend the meeting in person, all shareholders are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting if they so wish.
8. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.