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FEISHANG

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 1738)

**INSIDE INFORMATION
PROFIT WARNING
YEAR ENDED 31 DECEMBER 2020**

This announcement is made by Feishang Anthracite Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that based on a preliminary review of the latest unaudited consolidated management accounts of the Group (the “**Unaudited Management Accounts**”) and the information presently available to the Board, the Group is expected to record: (i) a decrease in gross profit of around CNY20.0 million for the year ended 31 December 2020 from the gross profit of approximately CNY317.1 million in the financial year of 2019, mainly due to the geological complexities of current mining faces encountered by the Group, which have led to a temporary decline in the quantity, quality and selling price of the Group’s coal products, and to the outbreak of the COVID-19 pandemic in early 2020 and governmental control measures imposed to contain it, which led to delays in production and volatile demand in the first half of 2020; (ii) an increase in financial costs of not less than CNY60.0 million for the year ended 31 December 2020 from the financial costs of approximately CNY92.1 million in the financial year of 2019, due to a substantial increase in interest-bearing loans of the Group since 2020 as disclosed in the 2020 interim report of the Company; and (iii) an impairment of mining rights and mining assets of not less than CNY230.0 million for the year ended 31 December 2020, which included the impairment of the relevant mining assets resulting from the mining area adjustment of Liujiaba Coal Mine as disclosed in the Business Update Announcement of the Company dated 8 December 2020. Based on the information presently available to the Board, the loss of the Group for the financial year of 2020 is expected to increase and the above are the main causes of the expected increase in loss of the Group.

As the Company is still in the process of finalising the results of the Group for the year ended 31 December 2020, the information contained in this announcement is based on the Board’s preliminary assessment of the Unaudited Management Accounts and the information presently available to the Board, which have not been audited or reviewed by the auditors or the audit committee of the Company. Details of the results of the Group for the year ended 31 December 2020 are expected to be published in March 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Feishang Anthracite Resources Limited
HAN Weibing
Chairman

Hong Kong, 25 January 2021

As at the date of this announcement, the executive Directors are Mr. HAN Weibing, Mr. HU Lubao, Mr. TAM Cheuk Ho, Mr. WONG Wah On Edward and Mr. YUE Ming Wai Bonaventure; and the independent non-executive Directors are Mr. LO Kin Cheung, Mr. HUANG Zuye and Mr. WANG Xiufeng.