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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
SIX MONTHS ENDING 30 JUNE 2024**

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 in 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 that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group (the “**Unaudited Management Accounts**”) and the information currently available to the Board, the Group would record a consolidated loss attributable to owners of the parent for the six months ending 30 June 2024 as a result of (i) a decrease in revenue of approximately 75% to 80% for the six months ending 30 June 2024 from the revenue of approximately CNY641.3 million for the corresponding period in 2023; and (ii) a decrease in gross profit of not less than 95% for the six months ending 30 June 2024 from the gross profit of approximately CNY224.3 million for the corresponding period in 2023.

As disclosed in the 2023 annual report of the Company, the Group would expect to see a continuation in relatively low production volume in the near future as compared to prior years. Two major coal mines of the Group, Yongsheng Coal Mine and Dayun Coal Mine, have respectively since 4 October 2023 and 21 October 2023 experienced several incidents of gas overruns caused by untimely gas discharge in the mining process which exceeded the applicable regulatory limits, and they temporarily suspended production for rectification and rectification acceptance inspections as required by the Jinsha County Energy Bureau. While the Group has already received the official production resumption approvals from Jinsha County Energy Bureau, the impacts of the later-than-expected resumption of production, the geological complexities of current mining faces, the streamlining of mining teams, and the temporary suspension of coal mining caused by delay in excavation work will continue well into the near future and adversely affect production output, coal quality and coal selling price in 2024.

The decrease in revenue and gross profit for the six months ending 30 June 2024 is mainly attributable to: (i) the Group's operations still being affected by the geological complexities of current mining faces and the temporary suspensions as mentioned above; (ii) the decline in the market price of coal in mainland China in 2024 as compared to 2023, plus a significant proportion of coal products being sold to power plants at regulated price; and (iii) the stringent safety and environmental regulatory environment, and these in turn led to a plunge in production and sales volume, an increase in unit production cost and a drop in the average selling price of the Group's coal products in 2024.

The information contained in this announcement is based on a preliminary assessment by the Board with reference to the Unaudited Management Accounts and the information currently available to the Board, which have not been audited or reviewed by the auditors of the Company. Details of the results of the Group for the six months ending 30 June 2024 are expected to be published by 30 August 2024.

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
WANG Xinhua
Chairman

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors are Mr. WANG Xinhua, Mr. HE Jianhu, Mr. TAM Cheuk Ho, Mr. WONG Wah On Edward and Mr. YANG Guohua; and the independent non-executive Directors are Mr. CHAN Him Alfred, Ms. LIANG Ying and Mr. WANG Xiufeng.