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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)

UPDATE ANNOUNCEMENT

This announcement is made by Feishang Anthracite Resources Limited (“**Company**”, and together with its subsidiaries, “**Group**”) to update the shareholders of the Company (“**Shareholders**”) and potential investors about the actions taken and expected to be taken by the Group as at 30 September 2025 for resolving the disclaimer of opinion expressed by the Company’s auditors on the Company’s financial statements for the year ended 31 December 2024 relating to going concern (“**Disclaimer Opinion**”).

An extract of the Disclaimer Opinion is set out on page 14 of the Company’s annual report for the financial year ended 31 December 2024 published on 24 April 2025.

ACTIONS FOR RESOLVING THE DISCLAIMER OPINION

For ease of reference, the actions taken and expected to be taken by the Group as at 30 September 2025 are set out under the headings below.

Financial Support

Capital raising

The Group had considered various forms of capital raising exercise in view of the prevailing market conditions. In this regard, preliminary discussions with potential investors had been carried out although no firm commitment or arrangement had been reached.

The Group would continue to consider various forms of capital raising exercise in view of the prevailing market conditions.

Divestiture plan

The Group had considered divestiture plan for lowering the debt and gearing ratio. In this regard, preliminary discussions with potential purchasers of interests in Dayun Coal Mine and Liujiaba Coal Mine had been carried out although no firm commitment or arrangement was reached.

The Group would continue to consider divestiture plan for lowering the debt and gearing ratio.

Negotiations with lenders

The Group had continued to meet with its lenders for the negotiation of repayment proposals with the result that a majority of the lenders expressed their desire to not press for immediate repayment or indicated further room for negotiations. With regard to the other lenders, the Group would continue to line up meetings with them to understand their stance for carrying out negotiations. Whether the Group is able to obtain desirable terms from the lenders is critical to the Group's operational continuity, cash flow, profitability and stability.

Litigations/arbitrations

The Group had entered into negotiations with each of the plaintiffs about settling the litigation/arbitrations initiated by them or determined in their favour. The Group would continue to carry out such negotiations.

Production output

The Group's four coal mines have resumed production since April 2025. The production volume has since been on an uptrend. For the months of April to August 2025, the total production volume came to about 689,000 tons, compared to approximately 525,000 tons for the months of April to August 2024.

Coal quality management

The Group has established a coal quality control team to formulate strict coal quality management policies and measures. Comprehensive coal quality management measures have been implemented throughout the entire production and sale process, from coal mining, underground transportation, screening, washing, to sales, ensuring accountability for coal management at every stage. Performance evaluations were utilized to enhance the overall effectiveness of coal quality management. The sales department regularly formulated sales strategies based on market changes and continuously adjusted the product structure to improve overall efficiency.

The Group would continue to implement the above coal quality management measures or other measures as appropriate.

Cost controls

The Group has implemented the following measures to strengthen cost and expense control:

- * promote the use of gob-side entry retaining (GSER) technology to reduce roadway driving costs
- * optimize roadway driving plans to reduce roadway driving meters per ton of coal produced
- * execute directional pre-splitting at upper/lower ribs in Yongsheng Coal Mine or other mines as appropriate, achieving the expected maintenance cost reductions

The Group would continue to implement the above measures or other measures as appropriate.

Discussion with auditors

The Group had carried out discussions with the auditors on various matters including the Group's production and sales, borrowings and litigations/arbitrations, both regularly and when the needs arose. It is expected that the Group would continue to carry out such discussions.

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
WONG Wah On Edward
Executive Director

Hong Kong, 30 September 2025

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 the independent non-executive Directors are Mr. CHAN Him Alfred, Ms. LIANG Ying and Mr. WANG Xiufeng.