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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)

PROFIT WARNING

This announcement is made by Feishang Anthracite Resources Limited (the “Company” and together with its subsidiaries shall be referred to as the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors (the “Board”) 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 unaudited consolidated management accounts of the Group for the five months ended 31 May 2015 and the information presently available to the Board, the Group is expected to incur an impairment loss on property, plant and equipment of the coal mine(s) of the Group for the six months ended 30 June 2015, and in particular, the impairment loss in connection with the suspension of the operations at its Gouchang Coal Mine. It was disclosed in the listing document of the Company dated 31 December 2013 that the operation of Gouchang Coal Mine had been suspended since March 2013 pending the acquisition of a nearby coal mine and Gouchang Coal Mine achieving certain production targets in accordance with Guizhou province’s coal mine consolidation policy. However, in view of the bleak outlook of the coal industry in Mainland China, the Company considers that the resumption of the operations of Gouchang Coal Mine will unlikely to bring in promising returns to the Group after considering the acquisition cost of the nearby coal mine and the subsequent capital investment. The Group therefore plans to either dispose of Gouchang Coal Mine or have it suspended/closed until the consolidation with the existing coal mine of the Group in accordance with the said Guizhou province’s coal mine consolidation policy.

The Board also expects that the Group will record a significant increase in loss for the six months ended 30 June 2015 as compared to the loss recorded for the corresponding period in 2014. The expected increase in loss is mainly attributable to the impairment loss mentioned above and the increase in operating loss due to the decrease in the sales volume and the current decline in the selling price of the Group’s anthracite products in Mainland China as a result of the continual under-performance of the coal industry in Mainland China.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on the information currently available to the Group, and is not based on any figures or information which has been audited or reviewed by the auditors of the Company. Shareholders and potential investors of the Company should refer to the announcement of the interim results of the Group for the six months ended 30 June 2015 which is expected to be released on or before 31 August 2015, and the subsequent publication of the Group's Interim Report 2015.

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
LI Feilie
Chairman

Hong Kong, 13 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. LI Feilie, Mr. HAN Weibing, Mr. WAN Huojin, Mr. TAM Cheuk Ho, Mr. WONG Wah On Edward and Mr. YUE Ming Wai Bonaventure; and the independent non-executive directors of the Company are Mr. LO Kin Cheung, Mr. HUANG Zuye and Mr. HUANG Songzhong.