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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 2023**

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 for the year ended 31 December 2023 (the “**Unaudited Management Accounts**”) and the information currently available to the Board, the Group would expect to record a consolidated loss attributable to owners of the parent from continuing operations for the year ended 31 December 2023 as opposed to the approximately CNY26.0 million profit for the financial year of 2022, as a result of (i) a decrease in revenue of approximately 35% to 40% for the year ended 31 December 2023 from the revenue of approximately CNY1,603.2 million for the financial year of 2022; and (ii) a decrease in gross profit of approximately 55% to 65% for the year ended 31 December 2023 from the gross profit of approximately CNY660.5 million for the financial year of 2022, among other things.

As disclosed in the announcement of the Company dated 8 December 2023, 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. The Jinsha County Energy Bureau has required the two major coal mines to temporarily suspend production for rectification and carried out several rectification acceptance inspections. As of the date of this announcement, the Group has received the official production resumption approval from Jinsha County Energy Bureau on Yongsheng Coal Mine only. The Group is taking proactive measures to complete the rectification requirements and resume production of Dayun Coal Mine and believes that the official production resumption approval will be forthcoming by the end of February 2024.

The decrease in revenue and gross profit for the year ended 31 December 2023 was mainly attributable to: (i) the Group's operations still being affected by the geological complexities of current mining faces and the temporary suspension of production of the two major coal mines as mentioned above; (ii) the decline in the market price of coal in mainland China in 2023 as compared to 2022, 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 decrease in sales volume and the average selling price of the Group's coal products in 2023. The Board, having regard to the presently available information and the probable impairment losses on mining structures and mining rights in 2023, expects that the Group will record a consolidated loss attributable to owners of the parent from continuing operations for the year ended 31 December 2023 due to the above factors, as opposed to the approximately CNY26.0 million profit for the financial year of 2022.

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 year ended 31 December 2023 are expected to be published on 28 March 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, 2 February 2024

*As at the date of this announcement, the executive Directors are Mr. WANG Xinhua, Mr. FU Jiangen, 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, Mr. LO Kin Cheung and Mr. WANG Xiufeng.*