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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

- Revenue from continuing operations decreased by approximately 11.1% to approximately CNY136.6 million for the six months ended 30 June 2025 from approximately CNY153.6 million for the six months ended 30 June 2024

- Gross loss from continuing operations was approximately CNY31.5 million for the six months ended 30 June 2025 compared to the gross profit of approximately CNY1.5 million for the six months ended 30 June 2024

- Loss attributable to owners of the parent from continuing operations increased by approximately 65.9% to approximately CNY237.9 million for the six months ended 30 June 2025 from approximately CNY143.4 million for the six months ended 30 June 2024

- Basic loss per share from continuing operations was approximately CNY0.17

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Feishang Anthracite Resources Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2025 (the "**Reporting Period**"), together with the comparative figures for the corresponding six months ended 30 June 2024 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

		Six months ended 30 June	
	Notes	**2025**	2024
		CNY'000	*CNY'000*
		(Unaudited)	(Unaudited)
CONTINUING OPERATIONS			
Revenue	*4*	**136,593**	153,619
Cost of sales		**(168,082)**	(152,119)
Gross (loss)/profit		**(31,489)**	1,500
Selling and distribution expenses		**(7,055)**	(14,239)
Administrative expenses		**(47,542)**	(73,576)
Impairment losses on property, plant and equipment		**(111,744)**	–
Other operating expenses, net		**(28,762)**	(16,925)
Finance costs	*5*	**(59,671)**	(67,196)
Interest income	*6*	**6**	56
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*6*	**(286,257)**	(170,380)
Income tax credit	*7*	**4,128**	19,922
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(282,129)**	(150,458)
DISCONTINUED OPERATION			
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION	*3*	**(183)**	(210)
LOSS FOR THE PERIOD		**(282,312)**	(150,668)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Notes	Six months ended 30 June 2025 CNY'000 (Unaudited)	2024 CNY'000 (Unaudited)
ATTRIBUTABLE TO:			
Owners of the parent			
From continuing operations		**(237,916)**	(143,382)
From a discontinued operation		**(181)**	(208)
		(238,097)	(143,590)
Non-controlling interests			
From continuing operations		**(44,213)**	(7,076)
From a discontinued operation		**(2)**	(2)
		(44,215)	(7,078)
		(282,312)	(150,668)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (CNY per share)			
– For loss from continuing operations	8	**(0.17)**	(0.10)
– For loss from a discontinued operation	8	*****	*
– Net loss per share		**(0.17)**	(0.10)

* *Insignificant*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(282,312)**	(150,668)
Other comprehensive income		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**4,423**	(3,975)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(3,812)**	3,531
Other comprehensive income/(loss) for the period, net of tax	**611**	(444)
TOTAL COMPREHENSIVE LOSS, NET OF TAX	**(281,701)**	(151,112)
ATTRIBUTABLE TO:		
Owners of the parent		
From continuing operations	**(237,305)**	(143,826)
From a discontinued operation	**(181)**	(208)
	(237,486)	(144,034)
Non-controlling interests		
From continuing operations	**(44,213)**	(7,076)
From a discontinued operation	**(2)**	(2)
	(44,215)	(7,078)
	(281,701)	(151,112)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 JUNE 2025

	Notes	**30 June 2025** *CNY'000* **(Unaudited)**	31 December 2024 *CNY'000* (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**2,352,157**	2,493,690
Right-of-use assets	*11(a)*	**196,482**	198,819
Rehabilitation fund		**11,331**	14,072
Prepayments and other receivables		**20,290**	22,764
Investments in associates		**–**	–
Deferred tax assets	*7*	**1,936**	1,813
TOTAL NON-CURRENT ASSETS		**2,582,196**	2,731,158
CURRENT ASSETS			
Inventories		**61,537**	44,527
Trade receivables	*12*	**30,067**	5,322
Prepayments and other receivables		**100,215**	78,055
Pledged deposits		**2,605**	1,390
Cash and cash equivalents		**3,145**	4,142
TOTAL CURRENT ASSETS		**197,569**	133,436
TOTAL ASSETS		**2,779,765**	2,864,594

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 JUNE 2025

	Notes	**30 June 2025** *CNY'000* **(Unaudited)**	31 December 2024 *CNY'000* (Audited)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables	*13*	**908,307**	872,442
Other payables and accruals		**1,446,137**	1,278,383
Interest-bearing bank and other borrowings	*14*	**1,655,939**	1,686,588
Lease liabilities	*11(b)*	**46,723**	16,990
Interest payable		**86,508**	67,758
Income tax payable		**56,151**	56,430
Mining right payables		**43,783**	43,783
TOTAL CURRENT LIABILITIES		**4,243,548**	4,022,374
NON-CURRENT LIABILITIES			
Due to related companies		**254,812**	231,387
Due to the Shareholder		**11,181**	11,791
Interest-bearing bank and other borrowings	*14*	**20,725**	33,908
Lease liabilities	*11(b)*	**51,069**	80,201
Deferred tax liabilities	*7*	**82,012**	86,016
Deferred income		**8,933**	10,318
Asset retirement obligations		**17,476**	16,889
TOTAL NON-CURRENT LIABILITIES		**446,208**	470,510
TOTAL LIABILITIES		**4,689,756**	4,492,884
EQUITY			
Share capital		**1,081**	1,081
Reserves		**(2,060,878)**	(1,823,392)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**(2,059,797)**	(1,822,311)
NON-CONTROLLING INTERESTS		**149,806**	194,021
TOTAL EQUITY		**(1,909,991)**	(1,628,290)
TOTAL LIABILITIES AND EQUITY		**2,779,765**	2,864,594

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 30 JUNE 2025

1. BASIS OF PREPARATION AND CHANGES IN THE GROUP'S ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

The interim condensed consolidated financial information for the Reporting Period have been prepared in accordance with the International Accounting Standard ("**IAS**") 34 *Interim Financial Reporting*.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

The interim condensed consolidated financial information has been prepared on the historical cost basis. The interim condensed consolidated financial information is presented in Chinese Yuan ("**CNY**") and all values are rounded to the nearest thousand except when otherwise indicated.

As at 30 June 2025, the Group had net current liabilities of approximately CNY4,046.0 million (31 December 2024: CNY3,888.9 million) and total assets less current liabilities of approximately negative CNY1,463.8 million (31 December 2024: negative CNY1,157.8 million).

Going concern

The Group recorded a loss attributable to the owners of the Company of CNY238.1 million for the Reporting Period, and as at 30 June 2025, the Group had net current liabilities of approximately CNY4,046.0 million and shareholders' deficit of approximately CNY1,910.0 million. In addition, as at 30 June 2025, the Group's total bank and other borrowings amounted to CNY1,676.7 million, out of which CNY1,655.9 million will be due for repayment within the next twelve months, including (1) borrowings (including principal and interest) of approximately CNY605.7 million which have not been repaid on time according to their repayment schedules, and (2) borrowings of approximately CNY74.0 million with original maturity of more than twelve months which have been reclassified as current liabilities as at 30 June 2025 because of the breach of loan covenants. The Group also had outstanding payables of CNY368.7 million (including approximately CNY79.8 million of principal and interest) related to the ongoing litigations and arbitrations, which was remained unsettled as at 30 June 2025. Furthermore, certain coal mines of the Group were shutdown intermittently in 2025. The above conditions indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern.

In order to improve the Group's profitability, liquidity and cash flows to sustain the Group as a going concern, the Group is in the process of implementing the following measures, namely: (i) obtain the continual support from the existing lenders of the Group such that they will not demand for immediate repayment of the relevant borrowings, and successfully negotiate and agree with the Group's existing lenders on the extension of the repayment schedules of the existing borrowings subject to the Group's financial and liquidity position, and renew the borrowings with the lenders as and when needed; (ii) successfully negotiate and agree with the plaintiffs on the settlement plans for the litigations and arbitrations; (iii) focus on coal quality management to improve the competitiveness and average selling price of its coal products by expanding coal washing capacity, setting up coal quality control teams and formulating coal quality control policies; (iv) continue to stabilize and expand production output in pursuit of economies of scale and opportunities for better product diversification; (v) take measures to tighten cost controls over various production costs and expenses; and (vi) obtain continual financial support and funding from Feishang Enterprise Group Co., Ltd.

The directors of the Company are of the opinion that, taking into account the above plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due within the following twelve months from 30 June 2025. Therefore, the interim condensed consolidated financial information of the Group has been prepared on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim condensed consolidated financial information.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended International Financial Reporting Standards ("**IFRSs**") that are applicable to the Group for the first time for the current period's financial information.

Amendments to IAS 21	*Lack of Exchangeability*

The nature and impact of the amended IFRSs that are applicable to the Group are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, amendments did not have any impact on the interim condensed consolidated financial information.

2. OPERATING SEGMENT INFORMATION

During the Reporting Period, the Group had only one operating segment: extraction and sale of anthracite coal, and trading of anthracite coal.

For management purposes, the Group operates in one business unit based on its products, and has only one reportable segment. The Group conducts its principal operations in Chinese Mainland. The Group's management monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

The Group's revenue from external customers is derived solely from its operations in Chinese Mainland, and no non-current assets of the Group are located outside Chinese Mainland.

Information about major customers

During the Reporting Period, revenue derived from sales to the four largest customers individually amounted to 44.8%, 14.1%, 12.7% and 10.5% of the consolidated revenue. During the six months ended 30 June 2024, revenue derived from sales to the four largest customers individually amounted to 21.1%, 12.1%, 10.4% and 10.1% of the consolidated revenue.

3. DISCONTINUED OPERATION

Gouchang Coal Mine is a coal mine located in Guizhou Province, the People's Republic of China (the "**PRC**"), which is wholly owned by Nayong Gouchang Coal Mining Co., Ltd., a subsidiary of the Company. The operation of Gouchang Coal Mine has been suspended since March 2013. The Group therefore planned to close down Gouchang Coal Mine in accordance with the second batch of the restructuring proposals approved by the Energy Bureau of Guizhou Province* (貴州省能源局) and the Leading Group Office of Guizhou Province on Coal Enterprises Consolidation* (貴州省煤礦企業兼併重組工作領導小組辦公室) on 5 January 2016. During the Reporting Period, substantially all the work at Gouchang Coal Mine had ceased, and therefore, the operating results have been reclassified to a discontinued operation for the purpose of preparing the interim condensed consolidated statement of profit or loss.

* *For identification purposes only*

The results of Gouchang Coal Mine for the Reporting Period and six months ended 30 June 2024 are presented below:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Administrative expenses	**(183)**	(210)
LOSS BEFORE INCOME TAX	**(183)**	(210)
LOSS FOR THE PERIOD FROM A DISCONTINUED OPERATION	**(183)**	(210)
Attributable to:		
Owners of the parent	**(181)**	(208)
Non-controlling interests	**(2)**	(2)
	(183)	(210)

The net cash flows incurred by Gouchang Coal Mine are as follows:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Operating activities	**(53)**	(145)
Financing activities	**18**	(28)
Net cash outflow	**(35)**	(173)

The calculations of basic and diluted loss per share from a discontinued operation are based on:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to ordinary equity holders of the parent from a discontinued operation	**(181)**	(208)
Weighted average number of ordinary shares ('000 shares):		
Basic and diluted	**1,380,546**	1,380,546
Loss per share attributable to ordinary equity holders of the parent from a discontinued operation (CNY per share):		
Basic and diluted	*	*

* *Insignificant*

4. REVENUE FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**136,593**	153,619

(i) Disaggregated revenue information

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Types of goods		
Sale of coal	**136,593**	153,607
Coal trading	**–**	12
Total	**136,593**	153,619
Geographic market		
Chinese Mainland	**136,593**	153,619
Timing of revenue recognition		
Goods transferred at a point of time	**136,593**	153,619

(ii) **Performance obligations**

Information about the Group's performance obligations is summarised below:

Sale of coal

The performance obligation is satisfied upon delivery of the coal and payment is generally due within 30 days from delivery, except for new customers, where payment in advance is normally required.

Coal trading

The performance obligation is satisfied upon receipt of the coal and payment is generally due within 30 days from receipt.

As almost of the Group's contracts provide for a credit period of less than one year after the transfer of the associated goods, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

5. FINANCE COSTS FROM CONTINUING OPERATIONS

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Interest on interest-bearing bank and other borrowings	**54,094**	59,407
Interest on lease liabilities	**2,804**	3,338
Interest on payables for mining rights	**1,073**	1,237
Total interest expense	**57,971**	63,982
Bank charges	**1,003**	26
Interest on discounted bills	**109**	2,639
Accretion expenses	**588**	549
	59,671	67,196

6. LOSS BEFORE TAX FROM CONTINUING OPERATIONS

The Group's loss before tax from continuing operations is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Crediting:		
Interest income on bank deposits	**(6)**	(56)
Government grant[a]	**(4,482)**	(5,645)
Charging:		
Cost of inventories sold[b]	**125,594**	110,762
Sales tax and surcharge	**6,494**	8,551
Utilisation of the safety fund and production maintenance fund	**35,994**	32,806
Cost of sales	**168,082**	152,119
Employee benefit expenses	**95,176**	92,119
Depreciation, depletion and amortisation:		
– Property, plant and equipment	**54,609**	43,747
– Right-of-use assets	**2,337**	3,497
Lease payments not included in the measurement of lease liabilities	**31**	718
Impairment of financial assets, net	**–**	4,914
Impairment losses on property, plant and equipment	**111,744**	–
Loss on disposal of property, plant and equipment	**–**	881

(a) The government grant with a total amount of approximately CNY4.5 million was included in other operating income for the Reporting Period (six months ended 30 June 2024: CNY5.6 million).

(b) Included in the cost of inventories sold was approximately CNY106.0 million for the Reporting Period (six months ended 30 June 2024: CNY94.4 million) relating to employee benefit expenses and depreciation, depletion and amortisation, which are also included in the respective amounts disclosed separately above for each type of expenses.

7. INCOME TAX CREDIT FROM CONTINUING OPERATIONS AND DEFERRED TAX

The Company is a limited liability company incorporated in the British Virgin Islands ("**BVI**") and conducts its primary business through its subsidiaries in Chinese Mainland. It also has an intermediate holding company in Hong Kong. Under the current laws of the BVI, the Company incorporated in the BVI is not subject to tax on income or capital gains. The Hong Kong profits tax rate was 16.5% during the Reporting Period (six months ended 30 June 2024: 16.5%). The Company's Hong Kong subsidiary has both Hong Kong-sourced and non-Hong Kong-sourced income. The latter is not subject to Hong Kong profits tax and the related expenses are non-tax-deductible. For the Hong Kong-sourced income, no provision for Hong Kong profits tax was made as this operation had tax losses during the Reporting Period and six months ended 30 June 2024. Furthermore, there are no withholding taxes in Hong Kong on the remittance of dividends.

Under the Law of the PRC on corporate income tax ("**CIT**") and Implementation Regulation of the Corporate Income Tax Law (the "**CIT Law**"), the tax rate applicable to PRC group entities was 25% for the Reporting Period (six months ended 30 June 2024: 25%).

Under the prevailing CIT law and its relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiary are subject to PRC dividend withholding tax of 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty.

As of 30 June 2025, the Group did not recognise deferred tax liabilities for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland as there were no undistributed earnings available due to the aggregate loss of these subsidiaries.

The current and deferred components of income tax credit from the continuing operations are as follows:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Current – Chinese Mainland	**–**	–
Deferred – Chinese Mainland	**4,128**	19,922
	4,128	19,922

The Group's major deferred tax assets and deferred tax liabilities, classified after netting on a jurisdictional basis, are as follows:

	At 30 June	At 31 December
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Audited)
Deferred tax assets		
Accrued liabilities and other payables	**6,597**	5,689
Asset retirement obligations	**4,211**	4,069
Capitalised pilot run income	**7,442**	7,860
Tax losses	**67,320**	56,906
Right-of-use assets	**5,303**	7,329
Bad debt provision	**5,807**	5,807
	96,680	87,660
Deferred tax liabilities		
Dismantled assets	**(1,054)**	(1,058)
Lease liabilities	**(2,527)**	(4,968)
Depreciation and fair value adjustment of property, plant and equipment	**(173,175)**	(165,837)
	(176,756)	(171,863)
Net deferred tax liabilities	**(80,076)**	(84,203)
Classification in the interim condensed consolidated statement of financial position:		
Deferred tax assets	**1,936**	1,813
Deferred tax liabilities	**(82,012)**	(86,016)

In assessing the recoverability of the Group's deferred tax assets, management has performed a detailed assessment on the available taxable temporary differences relating to the same taxation authority and the same taxable entity, which will result in taxable amounts against which the deductible temporary differences and unused tax losses can be utilised before they expire. In addition, management has also performed a detailed assessment on the profitability of these coal mining subsidiaries based on their production plans, product mix, forecasted selling prices, and the related production and operational costs, where strong profits are expected.

Accordingly, management considered that it is probable that the Group, in the future, will earn sufficient taxable profits to utilise these coal mining subsidiaries' deductible temporary differences and unused tax losses before they expire, and as such, the related deferred tax assets are recognised.

8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

Basic and diluted loss per share amounts for the period were calculated as follows:

	Six months ended 30 June	
	2025	2024
	CNY'000	*CNY'000*
	(Unaudited)	(Unaudited)
Loss for the period attributable to ordinary equity holders of the parent:		
from continuing operations	**(237,916)**	(143,382)
from a discontinued operation	**(181)**	(208)
	(238,097)	(143,590)
Weighted average number of ordinary shares ('000 shares):		
Basic and diluted	**1,380,546**	1,380,546
Loss per share attributable to ordinary equity holders of the parent (CNY per share):		
Basic and diluted		
from continuing operations	**(0.17)**	(0.10)
from a discontinued operation	*	*
	(0.17)	(0.10)

* *Insignificant*

The Company did not have any potential diluted shares throughout the Reporting Period. Accordingly, the diluted loss per share amounts are the same as the basic loss per share amounts.

9. DIVIDEND

No dividend has been paid or declared by the Company for the Reporting Period (six months ended 30 June 2024: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

During the Reporting Period, the additions of property, plant and equipment (excluding the items transferred from construction in progress) and construction in progress amounted to approximately CNY2.2 million (six months ended 30 June 2024: approximately CNY9.8 million) and approximately CNY22.7 million (six months ended 30 June 2024: approximately CNY72.7 million), respectively.

During the Reporting Period, assets with a net book value of nil were disposed of by the Group (six months ended 30 June 2024: CNY1.2 million), resulting in a net gain on disposal of nil (six months ended 30 June 2024: CNY 0.9 million).

During the Reporting Period, the total depreciation accrued was approximately CNY54.6 million (six months ended 30 June 2024: approximately CNY43.7 million).

As at 30 June 2025, certain mining rights with a carrying amount of approximately CNY344.1 million (31 December 2024: approximately CNY383.0 million) were pledged to secure bank loans with a carrying amount of CNY1,319.8 million (31 December 2024: approximately CNY1,362.8 million) (Note 14).

As at 30 June 2025, certain mining structure, machinery and equipment with a carrying amount of approximately CNY20.5 million (31 December 2024: approximately CNY21.5 million) were pledged to secure bank loans with a carrying amount of CNY92.8 million (31 December 2024: CNY92.9 million) (Note 14).

As at 30 June 2025, certain buildings with a carrying amount totalling approximately CNY108.3 million (31 December 2024: approximately CNY108.9 million) were without title certificates.

Impairment tests for cash-generating unit（"CGU"）

When any indicators of impairment are identified, property, plant and equipment are reviewed for impairment based on each CGU, being an individual coal mine or entity. The carrying values of these individual CGUs were compared to the recoverable amounts of the CGUs, which were based predominately on value in use.

Due to continual operating losses in certain coal mines during the Reporting Period, the Company performed impairment assessments, impairment losses for property, plant and equipment of Liujiaba Coal Mine and Baiping Coal Mine amounting to approximately CNY111.7 million (six months ended 30 June 2024: Nil) were recognised after considering the recoverable amount. The recoverable amount of such CGU was approximately CNY501.2 million as at 30 June 2025.

11. LEASE

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year/period are as follows:

	Leasehold land CNY'000	Machinery and equipment CNY'000	Buildings CNY'000	Total CNY'000
As at 1 January 2024	73,329	193,161	2,608	269,098
Additions	578	1,966	–	2,544
Depreciation charge	(193)	(6,926)	(731)	(7,850)
Reclassified to property, plant and equipment	–	(39,068)	–	(39,068)
Impairment	–	(25,905)	–	(25,905)
As at 31 December 2024 and 1 January 2025	**73,714**	**123,228**	**1,877**	**198,819**
Additions	**–**	**–**	**–**	**–**
Depreciation charge	**(295)**	**(1,786)**	**(256)**	**(2,337)**
As at 30 June 2025	**73,419**	**121,442**	**1,621**	**196,482**

(b) Lease liabilities

	At 30 June 2025 *CNY'000* (Unaudited)	At 31 December 2024 *CNY'000* (Audited)
Carrying amount at the beginning of period/year	**97,191**	132,069
New leases	**–**	1,966
Accretion expense	**2,804**	6,149
Payments	**(2,203)**	(42,993)
Carrying amount at the end of period/year	**97,792**	97,191
Analysed into:		
Current portion	**46,723**	16,990
Non-current portion	**51,069**	80,201

12. TRADE RECEIVABLES

	At 30 June 2025 *CNY'000* (Unaudited)	At 31 December 2024 *CNY'000* (Audited)
Trade receivables	**85,471**	60,726
Less: Loss allowance for impairment of trade receivables	**(55,404)**	(55,404)
	30,067	5,322

A credit period of up to three months is granted to customers with an established trading history, and for other customers, sales on cash terms or payments in advance are required. Trade receivables are non-interest-bearing.

Trade receivables (including inter-company trade receivables) of approximately CNY52.0 million (31 December 2024: approximately CNY52.0 million) were pledged as security for a short-term loan of CNY48.2 million (31 December 2024: CNY48.2 million) as at 30 June 2025 (Note 14).

An ageing analysis of the trade receivables as at the end of the period/year, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025 CNY'000 (Unaudited)	At 31 December 2024 CNY'000 (Audited)
Within 3 months	**24,422**	616
3 to 6 months	**360**	584
6 to 12 months	**4,215**	3,258
Over 12 months	**1,070**	864
	30,067	5,322

The movements in the loss allowance for impairment of trade receivables are as follows:

	At 30 June 2025 CNY'000 (Unaudited)	At 31 December 2024 CNY'000 (Audited)
At the beginning of the period/year	**55,404**	53,236
Impairment loss recognised	**–**	2,168
At the end of the period/year	**55,404**	55,404

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit loss on trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

13. TRADE PAYABLES

	At 30 June 2025 CNY'000 (Unaudited)	At 31 December 2024 CNY'000 (Audited)
Trade payables[(a)]	**908,307**	872,442

(a) Included in trade payables was approximately CNY557.1 million (31 December 2024: approximately CNY563.9 million) due to construction-related contractors as at 30 June 2025.

The ageing analysis of trade payables, based on the invoice date, is as follows:

	At 30 June 2025 *CNY'000* **(Unaudited)**	At 31 December 2024 *CNY'000* (Audited)
Within one year	**218,419**	243,372
One to two years	**294,004**	374,491
More than two years	**395,884**	254,579
	908,307	872,442

The trade payables are non-interest-bearing and are normally settled on a term of three to six months except for those due to construction-related contractors, which are repayable on terms ranging from three months to approximately one year.

14. INTEREST-BEARING BANK AND OTHER BORROWINGS

	At 30 June 2025 *CNY'000* **(Unaudited)**	At 31 December 2024 *CNY'000* (Audited)
Current		
Bank and other borrowings – guaranteed	**158,255**	158,955
Bank and other borrowings – secured	**48,150**	48,150
Bank and other borrowings – secured and guaranteed	**1,244,000**	1,286,879
Current portion of long-term bank and other borrowings – secured and guaranteed	**201,268**	188,813
Current portion of long-term bank and other borrowings –guaranteed	**2,098**	2,148
Current portion of long-term bank and other borrowings –secured	**2,168**	1,643
	1,655,939	1,686,588
Non-current		
Bank and other borrowings – secured and guaranteed	**20,725**	33,280
Bank and other borrowings – secured	**–**	628
	20,725	33,908
	1,676,664	1,720,496

Certain of the interest-bearing bank and other borrowings are secured by:

(1) pledges over the Group's mining rights with a carrying amount of approximately CNY344.1 million (31 December 2024: approximately CNY383.0 million) as at 30 June 2025 (Note 10);

(2) pledges over the Company's equity interests in Guizhou Puxin Energy Co., Ltd.（"**Guizhou Puxin**"）, Guizhou Dayun Mining Co., Ltd.（"**Guizhou Dayun**"）, Jinsha Baiping Mining Co., Ltd.（"**Baiping Mining**"）, Liuzhi Xinsong Coal Mining Co., Ltd.（"**Xinsong Coal**"）and Guizhou Yongfu Mining Co., Limited（"**Guizhou Yongfu**"）as at 30 June 2025 and as at 31 December 2024;

(3) pledges over trade receivables (including inter-company trade receivables) with a carrying amount of approximately CNY52.0 million (31 December 2024: approximately CNY52.0 million) as at 30 June 2025 (Note 12);

(4) pledges over mining structure, machinery and equipment owned by Guizhou Dayun, Baiping Mining and Xinsong Coal with a carrying amount of approximately CNY20.5 million (31 December 2024: approximately CNY21.5 million) as at 30 June 2025 (Note 10); and

(5) the Group had not repaid an aggregate amount of CNY605.7 million for certain interest-bearing bank and other borrowings (including principal and interest) according to their repayment schedules. Borrowings of approximately CNY74.0 million with original maturity of more than twelve months have been reclassified as current liabilities as at 30 June 2025 because of the breach of loan covenants. The Group is still in the process of negotiating with the relevant banks and other creditors for loan extensions and waivers. The Group also has several litigations in which the Group has been reaching settlement agreements and revising settlement agreements.

In addition, Mr. LI Feilie has guaranteed certain of the Group's interest-bearing bank and other borrowings of up to approximately CNY1,463.1 million (31 December 2024: approximately CNY1,506.7 million) as at 30 June 2025. Also, the Group's fellow subsidiaries have guaranteed certain of the Group's interest-bearing bank and other borrowings of up to approximately CNY1,484.1 million (31 December 2024: approximately CNY1,527.2 million) as at 30 June 2025.

All borrowings are denominated in CNY.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the first half of 2025, the Chinese economy maintained a moderate recovery trajectory and was characterised by strong manufacturing, subdued domestic consumption and persistent headwinds from the real estate sector. External risks and uncertainties, including prolonged geopolitical conflicts, the maintenance of elevated interest rates by the Federal Reserve, and ongoing Sino-US trade friction, continued to constrain economic momentum. The central government intensified expansionary policies – targeted fiscal stimulus, monetary easing, and sector-specific industrial support – with a renewed focus on promoting intensified efforts and expanded coverage of the "Two New Policies" (large-scale equipment upgrades and trade-ins of bulk durable consumer goods) and on stabilising the real estate market through innovative measures such as the "Three Major Projects" (affordable housing, urban renewal, and dual-use infrastructure). Macroeconomic indicators reflected gradual improvement, mainly driven by resilient manufacturing exports and infrastructure investment. In the first half of 2025, China's gross domestic product ("**GDP**") grew at a year-on-year ("**YOY**") rate of 5.3%, slightly above expectation.

Within the coal industry, supply-demand dynamics remained subdued. On the supply side, structural constraints – supply-side reforms, low capital expenditures, and stringent safety and environmental regulations – continued to limit output elasticity. Nevertheless, the release of new production capacity sped up, and domestic raw coal production reached 2.4 billion tons in the first half of 2025, with YOY growth accelerating to 5.4% from -1.7% in the corresponding period last year. Regional disparities intensified: Shanxi's output rebounded by 10.1% YOY after resolving prior operational disruptions, while Inner Mongolia stagnated, with output increasing by 0.7% under green transition. Xinjiang's capacity expanded and output increased by 12.4% YOY, benefiting from the policy for coal transport from Xinjiang to other regions. Coal imports declined by 11.1% YOY to 222 million tons, a three-year low, as narrowing import price advantages due to domestic price decline, together with stricter quality controls, dampened demand for imported coal. Indonesia remained the dominant supplier, but the decline in coal imports from Indonesia was also the most significant. Overall, coal supply (domestic and imported) increased by 4.4% YOY.

On the demand side, total electricity consumption in the first half of 2025 grew at a slower rate of 3.7% YOY, while structural shifts also started to reshape coal consumption. Thermal power generation fell by 2.4% YOY, compared to a 1.7% increase in the corresponding period of 2024. Hydropower also fell by 2.9% YOY. Thermal power and hydropower were displaced by new energy sources (wind and solar) whose incremental power supply exceeded the increase in total electricity consumption. Meanwhile, coal inventory at power plants remained high, reducing new procurement demand. Due to the declining real estate market, the steel industry recorded a 3.0% YOY decrease in crude steel output, and building materials faced severe contraction, with cement production decreasing 4.3% YOY to a sixteen-year low. Coal chemical emerged as the sole growth driver of coal demand, thanks to increased strategic importance of the industry and low feedstock costs which boosted profitability.

Under the triple pressure of relatively strong supply, weak demand and high inventory, the price of coal continued to decline and hit a five-year low in the second quarter of 2025. At the end of June, the Q5500 thermal coal price at northern ports fell by 28.5% YOY to CNY619/ton. Prices declined steadily from January to May, followed by a modest rebound through June on seasonal restocking.

For the six months ended 30 June 2025, the Group recorded a consolidated loss attributable to owners of the parent of approximately CNY238.1 million. As disclosed in the previous announcements and periodic reports of the Company, the Group faced severe operational challenges stemming from both internal and external factors. Internally, geological complexities of current mining faces, prolonged production suspensions at two major coal mines, the streamlining of mining teams, and delays in excavation work caused intermittent production shutdown, disrupted mining efficiency and severely constrained the Group's production capacity. Externally, the coal market was pressured by ample supply, weak demand, high inventory and a continued decline in market prices, and a substantial portion of the Group's coal products was sold to power plants at regulated price, which further compressed profit margins. Stringent safety and environmental regulations adversely affected production volume adding extra costs. Interest burdens from legacy loans also continued to undermine profitability. These combined pressures led to a plunge in production and sales, higher costs and lower selling prices and triggered a destructive cycle of operational contraction and cash flow deterioration. The above significantly undermined the Group's profitability and liquidity for the six months ended 30 June 2025, highlighting the compounding risks of operational disruptions, market volatility, and regulatory constraints in a challenging industry environment.

As disclosed in the Update Announcement of the Company dated 7 July 2025, the Group has been taking comprehensive actions to break the negative spiral and improve the profitability and liquidity of the Group, 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 in relation to going concern.

FINANCIAL REVIEW

Continuing Operations

Revenue

The Group's total revenue decreased by approximately 11.1% from approximately CNY153.6 million for the six months ended 30 June 2024 to approximately CNY136.6 million for the Reporting Period. The decrease of approximately CNY17.0 million in revenue during the Reporting Period was mainly caused by the drop in the average selling price. The average selling price (net of value-added tax) of self-produced anthracite coal fell from CNY366.7 per tonne for the six months ended 30 June 2024 to CNY304.1 per tonne for the Reporting Period, representing a decrease of approximately 17.1%, mainly caused by the drop in coal quality of the Group's coal mines and the overall coal market slump in mainland China. The sales volume of self-produced anthracite coal slightly increased from approximately 0.42 million tonnes for the six months ended 30 June 2024 to approximately 0.45 million tonnes for the Reporting Period, representing an increase of approximately 7.2%.

The Group's revenue from sales of processed coal (including coal screening and/or coal washing and coal blending), amounting to 43.4% and 52.6% of total revenue for the six months ended 30 June 2024 and the Reporting Period, respectively, increased from approximately CNY66.6 million (0.11 million tonnes sales volume) for the six months ended 30 June 2024 to approximately CNY71.9 million (0.12 million tonnes sales volume) during the Reporting Period. The slight increase in revenue from sales of processed coal was mainly contributed by the increase of 0.01 million tonnes in sales volume. Nevertheless, the average selling price of processed coal fell by 7.0%. The reason for the decrease in the average selling price has been discussed above.

Cost of Sales

The Group's cost of sales increased by approximately 10.5% from approximately CNY152.1 million for the six months ended 30 June 2024 to approximately CNY168.1 million for the Reporting Period. The increase in cost of sales was mainly due to the increase of approximately 7.2% in sales volume of self-produced anthracite coal and an increase in the unit of production cost.

Cost of Sales for Coal Mining

Labour costs for the Reporting Period were approximately CNY58.3 million, representing an increase of approximately CNY11.3 million, or approximately 24.2%, as compared with approximately CNY47.0 million for the six months ended 30 June 2024. The increase in labour costs was proportionally higher than the increase in sales volume of self-produced anthracite coal during the Reporting Period. This was mainly because Dayun Coal Mine was not able to achieve economies of scale following the production decline, which in turn led to the increase in labour cost per tonne of coal mining.

Material, fuel and energy costs for the Reporting Period were approximately CNY43.4 million, representing an increase of approximately CNY4.4 million, or approximately 11.0%, as compared with approximately CNY39.0 million for the six months ended 30 June 2024. The increase in material, fuel and energy costs was proportionally higher than the increase in sales volume of self-produced anthracite coal during the Reporting Period because the Group incurred additional repair and maintenance works due to the additional stringent safety supervision measures and the geological complexities of current mine faces.

Depreciation and amortisation for the Reporting Period were approximately CNY39.7 million, representing an increase of approximately CNY4.2 million, or approximately 11.9%, as compared with approximately CNY35.5 million for the six months ended 30 June 2024. The increase in depreciation and amortisation for the Reporting Period was mainly caused by the increase in production volume and the unit construction costs of certain mine faces in Yongsheng Coal Mine depreciated in 2025 higher than those of the prior year.

Taxes and levies for the Reporting Period were approximately CNY6.3 million, representing a decrease of approximately CNY2.1 million, or approximately 25.6%, as compared with approximately CNY8.4 million for the six months ended 30 June 2024. The decrease in sales taxes and levies, which mainly consisted of ad valorem resource tax, was mainly due to the decrease in revenue of anthracite coal during the Reporting Period.

Cost of Sales for Coal Processing

Coal processing cost, which included coal screening costs and/or coal washing costs and coal blending costs, increased from approximately CNY12.0 million for the six months ended 30 June 2024 to approximately CNY13.5 million for the Reporting Period. This was mainly due to the increase in production output of Yongsheng Coal Mine, which in turn led to an increase in coal processing volume of the Group's coal beneficiation plant.

Breakdown of the Group's Unit Cost of Sales

Cost Items for Coal Mining Activities	**Six months ended 30 June** **2025** ***CNY/tonne***	2024 *CNY/tonne*
Labour costs	**129.9**	112.2
Raw materials, fuel and energy	**96.5**	93.3
Depreciation and amortisation	**88.3**	84.7
Taxes & levies payable to governments	**13.9**	20.1
Other production-related costs	**15.4**	24.4
Total unit cost of sales for coal mining	**344.0**	334.7

Cost Items for Coal Processing Activities	**Six months ended 30 June** **2025** ***CNY/tonne***	2024 *CNY/tonne*
Labour costs	**15.0**	17.9
Materials, fuel and energy	**41.1**	34.1
Depreciation	**49.1**	55.2
Taxes & levies payable to governments	**1.9**	1.4
Transportation fee	**–**	0.4
Other coal processing related costs	**2.1**	3.1
Total unit cost of sales for coal processing	**109.2**	112.1

Gross Profit and Gross Margin

As a result of the foregoing, the overall gross loss was approximately CNY31.5 million for the Reporting Period, compared to the overall gross profit of approximately CNY1.5 million and the gross margin (equal to gross profit divided by revenue) of approximately 1.0% for the six months ended 30 June 2024. The decrease in overall gross profit and gross margin was mainly caused by the drop in the average selling price and an increase in unit cost of sales as discussed above.

Loss for the Reporting Period from Continuing Operations

The loss from continuing operations increased from approximately CNY150.5 million for the six months ended 30 June 2024 to approximately CNY282.1 million for the Reporting period. The increase in loss from continuing operations for the Reporting Period was mainly caused by (i) the increase of approximately CNY111.7 million in impairment losses on property, plant and equipment of Baiping Coal Mine and Liujiaba Coal Mine; (ii) the decrease of approximately CNY33.0 million in gross profit mainly resulting from the drop in average selling price and an increase in unit cost of sales during the Reporting Period; (iii) the decrease of approximately CNY15.8 million in income tax credit mainly due to the decrease in the recognition of deferred income tax benefit; and (iv) the increase of approximately CNY11.8 million in the net other operating expenses mainly due to the additional expense arising from failure to meet the supply quantity agreed upon in the sales contract and the increase in the compensation paid to local residents for repairing the damaged houses and/or relocation affected by the mines' operations of the Group. The increase in loss was partially offset by (i) the decrease of approximately CNY33.2 million in selling expenses and administrative expenses mainly due to the decrease in staff cost and transportation fee; and (ii) the decrease of approximately CNY7.5 million in finance costs due to the decline in the average interest-bearing bank and other borrowings during the Reporting Period compared with the same period in 2024.

Loss Attributable to Owners of the Parent from Continuing Operations

The loss attributable to owners of the parent from continuing operations increased to approximately CNY237.9 million during the Reporting Period from approximately CNY143.4 million for the six months ended 30 June 2024. The reasons for the increase in the loss attributable to owners of the parent for the Reporting Period from continuing operations have been discussed above.

Discontinued Operation

Discontinued Operation of Gouchang Coal Mine

Since March 2013, the operations of Gouchang Coal Mine had been suspended. The Group planned to close down Gouchang Coal Mine in accordance with the second batch of the restructuring proposal approved by the Energy Bureau of Guizhou Province and the Leading Group Office of Guizhou Province on Coal Enterprises Consolidation on 5 January 2016.

During the Reporting Period, works at Gouchang Coal Mine had substantially ceased, therefore the operating results have been reclassified as a discontinued operation.

FINANCIAL RESOURCES REVIEW

Liquidity, Financial Resources and Capital Structure

As at 31 December 2024 and 30 June 2025, the Group had net current liabilities of approximately CNY3,888.9 million and approximately CNY4,046.0 million, respectively. All the borrowings are denominated in CNY. The Group has not engaged any foreign currency contract to hedge the potential foreign currency exchange exposure. The Group intends to fund the cash requirements with additional bank and other borrowings, and/or possible equity financing.

No equity fund raising activity was conducted by the Company during the Reporting Period. As at 30 June 2025, the Group had cash and cash equivalents of approximately CNY3.1 million.

The interest-bearing loans consist of short-term and long-term bank and other borrowings. As at 30 June 2025, the total outstanding amount of the Group's short-term bank and other borrowings and the current portion of the Group's outstanding long-term bank borrowings were approximately CNY1,655.9 million. The Group had total outstanding long-term bank borrowings (excluding the current portion) of approximately CNY20.7 million. Some of the outstanding bank and other borrowings are guaranteed by Mr. LI Feilie and/or companies controlled by him, and some of the Group's bank borrowings are secured by pledges of the mining rights of the Group, equity interests in Guizhou Puxin, Guizhou Yongfu, Guizhou Dayun, Xinsong Coal and Baiping Mining, certain trade receivables in Guizhou Dayun, and certain mining structure, machinery and equipment in Guizhou Dayun, Baiping Mining and Xinsong Coal. As at 30 June 2025, the Group had loans amounting to approximately CNY1,150.2 million with fixed interest rates, out of which CNY1,120.2 million with fixed interest rates ranging from 3.38% to 9.13% per annum. The remaining loans held by the Group as at 30 June 2025 had floating interest rates ranging from 6.775% to 14.6% per annum.

As at 30 June 2025, the Group had overdue interest-bearing bank and other borrowings (including principal and interest) amounting to approximately CNY605.7 million. This might also trigger breaches of certain terms and conditions of other bank and other borrowings. The Group is, as at the date of this announcement, in the process of negotiating with the relevant banks and other creditors for loan extensions and waivers. As at the date of this announcement, the relevant banks and creditors have not explicitly refused the Group's requests. In addition, the Group also had outstanding payables of CNY368.7 million (including approximately CNY79.8 million of principal and interest) related to the ongoing litigations and arbitrations. The Group is in the process of negotiating and reaching settlement agreements/revised settlement agreements with counter-parties.

Pledge of Assets of the Group

As at 31 December 2024 and 30 June 2025, the amount of outstanding bank borrowings that were guaranteed by Mr. LI Feilie were approximately CNY1,506.7 million and approximately CNY1,463.1 million, respectively and the amount of outstanding bank borrowings that were guaranteed by certain associates of Mr. LI Feilie were approximately CNY1,527.2 million and approximately CNY1,484.1 million, respectively.

As at 31 December 2024 and 30 June 2025, certain mining rights of the Group with carrying amounts of approximately CNY383.0 million and approximately CNY344.1 million, respectively were pledged to secure bank loans with carrying amounts of approximately CNY1,362.8 million and CNY1,319.8 million, respectively.

As at 31 December 2024 and 30 June 2025, the Company's equity interest in Guizhou Puxin, Guizhou Yongfu, Guizhou Dayun, Xinsong Coal and Baiping Mining were pledged to secure bank loans with a carrying amount of approximately CNY570.7 million and approximately CNY519.2 million, respectively.

As at 31 December 2024 and 30 June 2025, certain mining structure, machinery and equipment owned by the Group with carrying amounts of approximately CNY21.5 million and approximately CNY20.5 million, respectively were pledged to secure the loans with carrying amounts of approximately CNY92.9 million and approximately CNY92.8 million, respectively.

As at 31 December 2024 and 30 June 2025, certain trade receivables (including inter-company trade receivables) owned by the Group with a carrying amount of approximately CNY52.0 million and approximately CNY52.0 million, respectively were pledged to secure a loan with a carrying amount of CNY48.2 million and approximately CNY48.2 million, respectively.

Pledge of Shares by the Controlling Shareholder

As at 30 June 2025, working capital facilities of up to CNY200.0 million advanced by Guizhou Province Development Investment Company Limited ("**GPDIC**") from time to time to Guizhou Puxin have been made available by the pledging of 600,000,000 ordinary shares of the Company's issued share capital held by Feishang Group Limited (a controlling shareholder of the Company) in favour of GPDIC. For details of the pledge of shares, please refer to the announcement of the Company dated 19 May 2023. In addition, the above-mentioned advances by GPDIC have been guaranteed by the Company and its four subsidiary companies, Mr. LI Feilie and his associates, and an independent third party.

Currency Exposure and Management

Since the majority of the Group's business activities are transacted in CNY, the Directors consider that the Group's risk in foreign exchange is insignificant.

Capital Commitments

As at 30 June 2025, the Group had contractual capital commitments in respect of purchase of materials, machinery and equipment amounting to approximately CNY17.2 million.

Contingent Liabilities

As at 30 June 2025, except for the bank borrowings, the Group did not have any loan capital or debt securities issued or agreed to be issued, outstanding bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits, finance leases or hire purchase commitments or guarantees or material contingent liabilities.

Gearing Ratio

As at 31 December 2024 and 30 June 2025, the gearing ratio (which is calculated by dividing total interest-bearing debt by total equity plus total interest-bearing debt at the end of the year/Reporting Period and multiplying by 100%) was 798.3% and negative 1,981.6%, respectively. The gearing ratio increased as the Group recorded a significant loss for the Reporting Period.

INTERIM DIVIDEND

The Board does not declare an interim dividend for the Reporting Period (six months ended 30 June 2024: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed 2,475 full time employees (not including 541 workers provided by third party labour agencies) from continuing operations for its principal activities. Employees' costs (including Directors' emoluments) amounted to approximately CNY103.1 million (including payment to workers provided by third party labour agencies) for the Reporting Period (six months ended 30 June 2024: approximately CNY96.8 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the share option scheme adopted by the Company.

PROSPECTS

Against the backdrop of China's sustained commitment to emission peak and carbon neutrality targets, the coal industry continues to face structural constraints including persistently low capital expenditures in new production capacity, extended construction cycles, high development costs, and increasingly stringent safety and environmental regulations. These factors will continue to limit capacity expansion through 2025, though premium production capacity in Xinjiang, Inner Mongolia, and Shaanxi is being unleashed. The policy for securing coal supply also continues to stabilise domestic coal production. In the second half of the year, the decline in coal imports might continue, and even if the trend reverses somewhat, the whole year data is still expected to show a YOY decline due to the notable reduction in coal imports in the first half of the year. Overall coal supply in the second half of 2025 is anticipated to maintain mild growth, contingent on further operational and logistical improvements in key producing provinces like Shanxi and Xinjiang.

On the demand side, the government's targeted policy mix – including special bond allocations, equipment renewal initiatives, and consumer trade-in programs – will continue to support economic stability. Monetary tools are expected to maintain ample liquidity and lower financing costs. Total electricity consumption should see steady growth, but structural shifts will intensify: thermal power generation is projected to decline further as clean energy penetration deepens, particularly during peak hydropower seasons. The coal chemical industry will remain the primary demand driver, with coal consumption growth sustained by favourable oil-coal spreads and new capacity additions. Overall, structural demand weakness in traditional sectors (power, steel and cement) will persist. The price of coal is expected to fluctuate within a narrow range in the second half of 2025, with seasonal peaks muted by excess supply.

The Group anticipates continued operational challenges in the near future due to: (i) persistent geological complexities affecting production volume and coal quality; (ii) the streamlining of mining teams and delays in excavation work affecting mining efficiency; and (iii) escalating compliance costs from safety and environmental regulations. The Group will continue to adopt an integrated approach to addressing the current operational difficulties, including expanding production output, managing coal quality, advancing mining intelligence, rigorous cost control, preparatory work for high-quality coal seam development, negotiating favourable loan repayment schedules, and considering capital raising exercise and divestiture plan. Despite these efforts, the Group's operations still sustain pressure on profitability through year-end, driven by compressed margins, elevated interest expenses, deteriorated cash flows, and suboptimal economies of scale. The Group's recovery hinges on restoring production volume, addressing liquidity problems, resolving operational inefficiencies and diversifying into premium coal markets to mitigate cyclical risks. However, whether the Group will be able to obtain favourable repayment terms from its lenders/plaintiffs and when the slump in coal prices will reverse are external risks beyond the Group's control. If these factors fail to improve substantially, they will pose a serious threat to the Group's operational continuity, cash flows, profitability and stability.

The Company will also continue to explore new business projects to deliver shareholder returns, particularly leveraging its major shareholder's resources and experience in the new energy sector. Against the dual-carbon backdrop, it will actively pursue opportunities in the energy transition to diversify revenue streams and align with national sustainability goals.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

During the Reporting Period, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all the Directors, the Company confirmed that all the Directors have complied with the required standard set out in the Model Code during the Reporting Period.

REVIEW OF INTERIM RESULTS

The Company has an audit committee (“**Audit Committee**”) which was established in accordance with the requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group’s financial reporting process, risk management and internal controls. The Audit Committee comprises three independent non-executive Directors. The members of the Audit Committee are Mr. CHAN Him Alfred, Ms. LIANG Ying and Mr. WANG Xiufeng. The Audit Committee meets regularly with the Company’s senior management and the Company’s auditors to consider the Company’s financial reporting process, the effectiveness of internal controls, the audit process and risk management. The Audit Committee has reviewed the Group’s interim condensed consolidated financial information for the Reporting Period.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the Reporting Period containing all the relevant information required by Appendix D2 to the Listing Rules and other applicable laws and regulations will be dispatched to the shareholders of the Company and published on the website of the Stock Exchange (**www.hkexnews.hk**) and the website of the Company (**www.fsanthracite.com**) in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to all staff and management team of the Group for their devoted efforts and hard work during the Reporting Period. I would also like to express my sincere gratitude to all the shareholders of the Company for their continuous support.

By Order of the Board
Feishang Anthracite Resources Limited
HE Jianhu
Executive Director

Hong Kong, 29 August 2025

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