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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2024

- Revenue from continuing operations decreased by approximately 68.9% to approximately CNY308.3 million
- Gross profit from continuing operations decreased by approximately 99.9% to approximately CNY0.3 million
- Loss attributable to owners of the parent from continuing operations increased by approximately 9.3% to approximately CNY538.6 million
- Basic loss per share from continuing operations was approximately CNY0.39

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Feishang Anthracite Resources Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** **CNY'000**	2023 CNY'000
CONTINUING OPERATIONS			
Revenue	5	**308,308**	990,786
Cost of sales		**(307,986)**	(758,332)
Gross profit		**322**	232,454
Selling and distribution expenses		**(24,065)**	(99,744)
Administrative expenses		**(136,049)**	(165,104)
Impairment losses on financial assets, net	7	**(5,637)**	(4,434)
Impairment losses on property, plant and equipment	7	**(134,193)**	(262,726)
Impairment losses on right-of-use assets	7	**(25,905)**	–
Other operating (expenses)/income, net		**(65,892)**	(48,517)
Finance costs	6	**(153,137)**	(142,590)
Interest income	7	**627**	2,052
LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS	7	**(543,929)**	(488,609)
Income tax	8	**(24,774)**	(30,463)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(568,703)**	(519,072)
DISCONTINUED OPERATION			
LOSS FOR THE YEAR FROM A DISCONTINUED OPERATION	4	**(408)**	(594)
LOSS FOR THE YEAR		**(569,111)**	(519,666)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)
YEAR ENDED 31 DECEMBER 2024

	Notes	**2024** *CNY'000*	2023 *CNY'000*
ATTRIBUTABLE TO:			
Owners of the parent			
From continuing operations		**(538,626)**	(492,829)
From a discontinued operation		**(404)**	(589)
		(539,030)	(493,418)
Non-controlling interests			
From continuing operations		**(30,077)**	(26,243)
From a discontinued operation		**(4)**	(5)
		(30,081)	(26,248)
		(569,111)	(519,666)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (CNY per share)			
– For loss from continuing operations	9	(0.39)	(0.36)
– For loss from a discontinued operation	9	*	*
– Net loss per share	9	(0.39)	(0.36)

* *Insignificant*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2024

	2024 CNY'000	2023 CNY'000
LOSS FOR THE YEAR	**(569,111)**	(519,666)
Other comprehensive income:		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(2,476)**	(3,771)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**1,819**	3,441
Total other comprehensive loss for the year, net of tax	**(657)**	(330)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(569,768)**	(519,996)
ATTRIBUTABLE TO:		
Owners of the parent		
From continuing operations	**(539,283)**	(493,159)
From a discontinued operation	**(404)**	(589)
	(539,687)	(493,748)
Non-controlling interests		
From continuing operations	**(30,077)**	(26,243)
From a discontinued operation	**(4)**	(5)
	(30,081)	(26,248)
	(569,768)	(519,996)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2024

	Notes	2024 CNY'000	2023 CNY'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**2,493,690**	2,528,870
Right-of-use assets	*12(a)*	**198,819**	269,098
Rehabilitation fund		**14,072**	17,285
Prepayments and other receivables		**22,764**	34,285
Investments in associates		**–**	–
Deferred tax assets	*8*	**1,813**	14,633
TOTAL NON-CURRENT ASSETS		**2,731,158**	2,864,171
CURRENT ASSETS			
Inventories		**44,527**	60,555
Trade and bills receivables	*13*	**5,322**	9,316
Prepayments and other receivables		**78,055**	114,797
Pledged deposits		**1,390**	46,934
Cash and cash equivalents		**4,142**	10,107
TOTAL CURRENT ASSETS		**133,436**	241,709
TOTAL ASSETS		**2,864,594**	3,105,880

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 DECEMBER 2024

	Notes	2024 CNY'000	2023 CNY'000
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and bills payables	*14*	**872,442**	948,910
Other payables and accruals		**1,278,383**	921,783
Interest-bearing bank and other borrowings	*15*	**1,686,588**	1,702,875
Lease liabilities	*12(b)*	**16,990**	64,614
Interest payable		**67,758**	41,553
Income tax payable		**56,430**	55,679
Mining right payables		**43,783**	43,783
TOTAL CURRENT LIABILITIES		**4,022,374**	3,779,197
NON-CURRENT LIABILITIES			
Due to the Shareholder		**11,791**	14,463
Due to related companies		**231,387**	165,407
Interest-bearing bank and other borrowings	*15*	**33,908**	35,125
Lease liabilities	*12(b)*	**80,201**	67,455
Deferred tax liabilities	*8*	**86,016**	74,062
Deferred income		**10,318**	12,903
Asset retirement obligations		**16,889**	15,790
TOTAL NON-CURRENT LIABILITIES		**470,510**	385,205
TOTAL LIABILITIES		**4,492,884**	4,164,402
EQUITY			
Share capital		**1,081**	1,081
Reserves		**(1,823,392)**	(1,283,705)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**(1,822,311)**	(1,282,624)
NON-CONTROLLING INTERESTS		**194,021**	224,102
TOTAL EQUITY		**(1,628,290)**	(1,058,522)
TOTAL LIABILITIES AND EQUITY		**2,864,594**	3,105,880

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the British Virgin Islands ("**BVI**") on 6 January 2010. The registered address of the Company is Kingston Chambers, P.O. Box 173, Road Town, Tortola, BVI.

China Natural Resources, Inc. ("**CHNR**") is a BVI holding company incorporated in 1993 with its shares listed on the NASDAQ Capital Market in the United States of America. The Company was a wholly-owned subsidiary of CHNR until CHNR completed the spin-off (the "**Spin-off**") of its shareholding in the Company and the shares of the Company were listed by introduction on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 22 January 2014. After the Spin-off, CHNR's shareholders hold the shares of the Company directly.

The Company's principal shareholder is Feishang Group Limited ("**Feishang Group**" or the "**Shareholder**"), a company incorporated in the BVI. Mr. LI Feilie is the beneficial owner of Feishang Group. In the opinion of the Directors, the ultimate holding company of the Company is Laitan Investments Limited, a company incorporated in the BVI.

The Company is an investment holding company. During the year, the Company's subsidiaries were engaged in the construction and development of anthracite coal mines, extraction and sale of anthracite coal, and trading of anthracite coal in the People's Republic of China (the "**PRC**").

As at 31 December 2024, the Group had net current liabilities of approximately CNY3,888.9 million (31 December 2023: CNY3,537.5 million) and total assets less current liabilities of approximately negative CNY1,157.8 million (31 December 2023: negative CNY673.3 million).

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. These financial statements are presented in Chinese Yuan ("**CNY**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Going concern

The Group recorded a loss attributable to the owners of the Company of CNY539.0 million for the year ended 31 December 2024, and as at 31 December 2024, the Group had net current liabilities of CNY3,888.9 million and shareholders' deficit of CNY1,628.3 million. In addition, as at 31 December 2024, the Group's total bank and other borrowings amounted to CNY1,720.5 million, out of which CNY1,686.6 million will be due for repayment within the next twelve months, including (1) borrowings of approximately CNY110.9 million which have not been repaid on time according to their repayment schedules, and (2) borrowings of approximately CNY104.0 million with original maturity of more than twelve months which have been reclassified as current liabilities as at 31 December 2024 because of the breach of loan covenants. The Group also had outstanding payables of CNY145.1 million related to the ongoing litigations and arbitrations, which was remained unsettled as at 31 December 2024. Furthermore, certain coal mines of the Group were shutdown intermittently in 2024. 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 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 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2024 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 consolidated financial statements.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards that are applicable to the Group are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As a result of the implementation of the amendments, the Group has provided additional disclosures about its supplier finance arrangements in Note 24, Note 38 and Note 40 to the financial statements in the annual report to be released.

3. OPERATING SEGMENT INFORMATION

During the year ended 31 December 2024, 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 operation in Chinese Mainland. The Group's management monitors the operating results of its business unit for the purpose of making decisions about resources allocation and performance assessment.

Geographic information

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

Information about major customers

During the year ended 31 December 2024, revenue derived from sales to two customers accounted for 24.6% and 10.6% of the consolidated revenue, respectively. During the year ended 31 December 2023, revenue derived from sales to three customers accounted for 16.5%, 14.4% and 11.2% of the consolidated revenue, respectively.

4. DISCONTINUED OPERATION

Gouchang Coal Mine is a coal mine located in Guizhou Province, 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 proposal 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. In the year of 2024 and 2023, 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 consolidated statement of profit or loss for the year ended 31 December 2024 and 2023.

The results of Gouchang Coal Mine for the years ended 31 December 2024 and 2023 are presented below:

	2024	2023
	CNY'000	*CNY'000*
Administrative expenses	**(408)**	(594)
LOSS BEFORE INCOME TAX	**(408)**	(594)
Income tax expense	**–**	–
LOSS FOR THE YEAR FROM A DISCONTINUED OPERATION	**(408)**	(594)
Attributable to:		
Owners of the parent	**(404)**	(589)
Non-controlling interest	**(4)**	(5)
	(408)	(594)

* *For identification purposes only*

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

	2024	2023
	CNY'000	*CNY'000*
Operating activities	**(240)**	(646)
Financing activities	**(26)**	865
Net cash (outflow)/inflow	**(266)**	219

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

	2024	2023
	CNY'000	*CNY'000*
Loss for the year attributable to ordinary equity holders of the parent from a discontinued operation	**(404)**	(589)
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*

5. REVENUE FROM CONTINUING OPERATIONS

Revenue from continuing operations represents the following:

	2024	2023
	CNY'000	*CNY'000*
Revenue from contracts with customers	**308,308**	990,786

(i) Disaggregated revenue information

	2024	2023
	CNY'000	*CNY'000*
Types of goods or services		
Sale of coal	**308,296**	990,646
Coal trading	**12**	140
	308,308	990,786
Geographic market		
Chinese Mainland	**308,308**	990,786
Timing of revenue recognition		
Goods transferred at a point of time	**308,308**	990,786

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	CNY'000	*CNY'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of coal	**115,672**	86,569

(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.

6. FINANCE COSTS FROM CONTINUING OPERATIONS

	2024	2023
	CNY'000	*CNY'000*
Interest on interest-bearing bank and other borrowings	**140,951**	123,794
Interest on lease liabilities *(Note 12(b)/Note 12(c))*	**6,149**	6,302
Interest on payables for mining rights	**2,639**	2,145
Total interest expense	**149,739**	132,241
Bank charges	**31**	572
Discount coupon	**2,268**	8,750
Accretion expenses	**1,099**	1,027
	153,137	142,590

7. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

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

	2024	2023
	CNY'000	*CNY'000*
Interest income on bank deposits	**(627)**	(2,052)
Government grant (a)	**(14,625)**	(24,464)
Cost of inventories sold (b)	**224,156**	571,831
Sales tax and surcharge	**14,384**	64,016
Utilisation of safety fund and production maintenance fund	**69,446**	122,485
Cost of sales	**307,986**	758,332
Employee benefit expenses	**196,170**	309,634
Depreciation, depletion and amortisation:		
– Property, plant and equipment *(Note 11)*	**92,510**	213,065
– Right-of-use assets *(Note 12(a)/Note 12(c))*	**7,850**	22,590
Lease payments not included in the measurement of lease liabilities *(Note 12(c))*	**521**	1,221
Auditors' remuneration:		
– Audit fee	**2,880**	3,200
Impairment losses on financial assets, net	**5,637**	4,434
Impairment losses on property, plant and equipment *(Note 11)*	**134,193**	262,726
Impairment losses on right-of-use assets *(Note 12(a)/Note 12(c))*	**25,905**	–
Gains from financial assets at fair value through profit or loss	**–**	(251)
Loss/(gain) on disposal of property, plant and equipment	**440**	(413)
Transportation fee	**8,388**	71,324

(a) The government grant with a total amount of approximately CNY14.6 million was included in other operating income for the year ended 31 December 2024 (2023: approximately CNY24.5 million).

(b) Included in the cost of inventories sold is a total amount of approximately CNY183.5 million for the year ended 31 December 2024 (2023: approximately CNY416.3 million) relating to employee benefit expenses and depreciation, depletion and amortisation, and these amounts are also included in the respective amounts disclosed separately above for each type of expenses.

8. INCOME TAX FROM CONTINUING OPERATIONS AND DEFERRED TAX

The Company is a limited liability company incorporated in the 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 year ended 31 December 2024 (2023: 16.5%). The Company's Hong Kong subsidiary has both Hong Kong sourced and non-Hong Kong sourced incomes. 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 incurred tax losses during the years ended 31 December 2024 and 2023. Furthermore, there are no withholding taxes in Hong Kong on the remittance of dividends.

Under the Law of the PRC on the 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% during the years ended 31 December 2024 and 2023 except that Jinsha Juli Energy Co., Ltd. ("**Jinsha Juli**") was entitled to the preferential tax rate of 15% according to the approval opinion issued by Guizhou Provincial Development and Reform Commission in June 2022, because the technique adopted by its operating business meets the criterion of "Catalogue of Encouraged Industries in Western Regions (2020 Version)".

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 their holding companies in Hong Kong are subject to PRC dividend withholding tax of 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty.

The current and deferred components of income tax expense charge from continuing operations are as follows:

	2024	2023
	CNY'000	*CNY'000*
Current – Chinese Mainland	**–**	289
Deferred – Chinese Mainland	**24,774**	30,174
	24,774	30,463

A reconciliation of the income taxes from continuing operations computed at the PRC statutory tax rate of 25% to the actual income tax charge is as follows:

	2024	2023
	CNY'000	*CNY'000*
Loss before income tax from continuing operations	**(543,929)**	(488,609)
Tax at the statutory tax rate of 25%	**(135,982)**	(122,152)
Effect of different tax rates of the Company and subsidiaries of the Group	**4,372**	165
Non-deductible expenses	**4,523**	9,134
Tax losses not recognised	**151,861**	150,964
Tax losses utilised from previous years	**–**	(7,732)
Others	**–**	84
Income tax charge from continuing operations	**24,774**	30,463

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

	2024	2023
	CNY'000	*CNY'000*
Deferred tax assets		
Accruals and other payables	**5,689**	4,577
Asset retirement obligations	**4,069**	3,802
Capitalised pilot run income	**7,860**	8,726
Tax losses	**56,906**	52,260
Right-of-use assets	**7,329**	4,417
Bad debt provision	**5,807**	5,623
	87,660	79,405
Deferred tax liabilities		
Dismantle assets	**(1,058)**	(1,066)
Lease liabilities	**(4,968)**	(2,431)
Depreciation and fair value adjustment of property, plant and equipment	**(165,837)**	(135,337)
	(171,863)	(138,834)
Net deferred tax liabilities	**(84,203)**	(59,429)
Classification in the consolidated statement of financial position:		
Deferred tax assets	**1,813**	14,633
Deferred tax liabilities	**(86,016)**	(74,062)

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 these coal mining subsidiaries' profitability based on their production plans, product mix, forecasted selling prices, and the related production and operational costs, of which strong profits are expected.

Accordingly, management considered it is probable that the Group, in 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.

The total amounts of unused tax losses for which no deferred tax assets were recognised amounted to approximately CNY1,810.4 million and CNY1,280.8 million as at 31 December 2024 and 2023, respectively. As at 31 December 2024, unused tax losses not utilised of approximately CNY193.1 million, CNY217.2 million, CNY169.8 million, CNY603.8 million and CNY626.5 million will expire by end of 2025, 2026, 2027, 2028 and 2029, respectively.

The gross movements on the deferred tax account are as follows:

	2024 *CNY'000*	2023 *CNY'000*
At the beginning of the year	**(59,429)**	(29,255)
Charged to the consolidated statement of profit or loss	**(24,774)**	(30,174)
At the end of the year	**(84,203)**	(59,429)

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

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

	2024 *CNY'000*	2023 *CNY'000*
Loss for the year attributable to ordinary equity holders of the parent:		
From continuing operations	**(538,626)**	(492,829)
From a discontinued operation	**(404)**	(589)
	(539,030)	(493,418)
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	**(0.39)**	(0.36)
From a discontinued operation	*	*
	(0.39)	(0.36)

* *Insignificant*

The Company did not have any potential diluted shares throughout the year. Accordingly, the diluted loss per share amount was the same as the basic loss per share amount.

10. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2024 (2023: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings *CNY'000*	Mining structures *CNY'000*	Mining rights *CNY'000*	Machinery and equipment *CNY'000*	Motor vehicles *CNY'000*	Construction in progress ("CIP") *CNY'000*	Total *CNY'000*
As at 1 January 2023							
Cost	131,421	2,533,278	1,237,112	808,900	70,386	425,647	5,206,744
Accumulated depreciation	(33,364)	(1,245,189)	(174,502)	(424,473)	(54,859)	–	(1,932,387)
Accumulated impairment losses	(5,525)	(109,415)	(510,936)	(27,063)	(437)	(5,298)	(658,674)
Net carrying amount	92,532	1,178,674	551,674	357,364	15,090	420,349	2,615,683
Year ended 31 December 2023							
Beginning of the year	92,532	1,178,674	551,674	357,364	15,090	420,349	2,615,683
Additions	2,854	60,912	–	26,913	1,022	231,610	323,311
Transfer from CIP	23,672	108,809	–	2,970	–	(135,451)	–
Disposals	–	–	–	(56)	(21)	–	(77)
Depreciation charge	(2,083)	(150,106)	(15,167)	(44,606)	(1,103)	–	(213,065)
Impairment charge	(8,624)	(130,653)	(39,657)	(74,767)	(9,025)	–	(262,726)
Reclassified from right-of-use assets	–	–	–	109,308	–	–	109,308
Other decrease	–	–	(43,564)	–	–	–	(43,564)
End of the year	108,351	1,067,636	453,286	377,126	5,963	516,508	2,528,870
As at 1 January 2024							
Cost	157,947	2,702,999	1,032,681	947,948	70,998	521,806	5,434,379
Accumulated depreciation	(35,447)	(1,395,295)	(183,163)	(468,992)	(55,573)	–	(2,138,470)
Accumulated impairment losses	(14,149)	(240,068)	(396,232)	(101,830)	(9,462)	(5,298)	(767,039)
Net carrying amount	108,351	1,067,636	453,286	377,126	5,963	516,508	2,528,870
Year ended 31 December 2024							
Beginning of the year	108,351	1,067,636	453,286	377,126	5,963	516,508	2,528,870
Additions	–	3,904	–	12,846	360	137,718	154,828
Transfer from CIP	5,713	67,675	–	1,205	–	(74,593)	–
Disposals	–	–	–	(625)	(1,748)	–	(2,373)
Depreciation charge	(2,073)	(59,747)	(3,929)	(25,677)	(1,084)	–	(92,510)
Impairment charge	(3,127)	(35,033)	(66,342)	(9,474)	(206)	(20,011)	(134,193)
Reclassified from right-of-use assets	–	–	–	39,068	–	–	39,068
End of the year	108,864	1,044,435	383,015	394,469	3,285	559,622	2,493,690
As at 31 December 2024							
Cost	163,660	2,774,578	1,032,681	999,400	66,951	584,931	5,622,201
Accumulated depreciation	(37,520)	(1,455,042)	(187,092)	(493,627)	(53,998)	–	(2,227,279)
Accumulated impairment losses	(17,276)	(275,101)	(462,574)	(111,304)	(9,668)	(25,309)	(901,232)
Net carrying amount	108,864	1,044,435	383,015	394,469	3,285	559,622	2,493,690

As at 31 December 2024, certain mining rights with a carrying amount of approximately CNY383.0 million (31 December 2023: CNY453.3 million) were pledged to secure bank loans with a carrying amount of approximately CNY1,362.8 million (31 December 2023: CNY1,371.2 million) (Note 15).

As at 31 December 2024, certain mining structure, machinery and equipment with a carrying amount of approximately CNY21.5 million (31 December 2023: CNY171.0 million) were pledged to secure bank loans with a carrying amount of CNY92.9 million (31 December 2023: CNY109.6 million) (Note 15).

As at 31 December 2024, certain buildings with a carrying amount totalling approximately CNY108.9 million (31 December 2023: CNY108.4 million) were without title certificates. The Group has obtained the relevant confirmation letters issued by the local authorities confirming that they will not impose any penalties in connection with the construction of these buildings, and that the Group may continue to use these buildings in accordance with the current use. The Directors are of the view that the Group was entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at the end of the year.

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 operation losses in certain coal mines in 2024, the Company performed impairment assessments, impairment losses for right-of-use assets and property, plant and equipment of Liujiaba Coal Mine and Baiping Coal Mine amounting to approximately CNY160.1 million (2023: CNY262.7 million) were recognised after considering the recoverable amount. The recoverable amount of such CGU was CNY626.0 million as at 31 December 2024.

Value-in-use calculations use pre-tax cash flow projections based on the 2024 financial budgets approved by management and are extrapolated using the same cash flow projections of the remaining years with changes being made to reflect the estimated changes in future market or economic conditions. Other key assumptions applied in the impairment testing include the future sales volume, coal sales price and operating cost. Management determined these key assumptions based on past performance and their expectations on market development. Further, the Group adopts a pre-tax and non-inflation rate ranging from 8.40% to 10.30% (2023: 8.78% to 10.52%) as the discount rate that reflects specific risks related to the CGUs. The assumptions above are used in analysing the recoverable amounts of the CGUs within operating segments. These estimates and judgements may be significantly affected by unexpected changes in the future market or economic conditions.

12. LEASES

(a) Right-of-use assets

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

	Leasehold land *CNY'000*	**Machinery and equipment** *CNY'000*	**Buildings** *CNY'000*	**Total** *CNY'000*
As at 1 January 2023	55,023	227,529	4,278	286,830
Additions	18,780	95,386	–	114,166
Depreciation charge	(474)	(20,446)	(1,670)	(22,590)
Reclassified to property, plant and equipment	–	(109,308)	–	(109,308)
As at 31 December 2023 and 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	**73,714**	**123,228**	**1,877**	**198,819**

(b) Lease liabilities

	2024 *CNY'000*	2023 *CNY'000*
Carrying amount at 1 January	**132,069**	132,659
New leases	**1,966**	114,166
Accretion of interest recognised during the year *(Note 6)*	**6,149**	6,302
Payments	**(42,993)**	(121,058)
Carrying amount at 31 December	**97,191**	132,069
Analysed into:		
Current portion	**16,990**	64,614
Non-current portion	**80,201**	67,455

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2024 *CNY'000*	2023 *CNY'000*
Interest on lease liabilities *(Note 6)*	**6,149**	6,302
Depreciation charge of right-of-use assets *(Note 7)*	**7,850**	22,590
Expense relating to leases of low-value assets (included in administrative expenses)	**521**	1,221
Impairment *(Note 7)*	**25,905**	–
Total amount recognised in profit or loss	**40,425**	30,113

13. TRADE AND BILLS RECEIVABLES

	2024	2023
	CNY'000	*CNY'000*
Trade receivables	**60,726**	59,198
Less: Provision for impairment	**(55,404)**	(53,236)
	5,322	5,962
Bills receivable	**–**	3,354
	5,322	9,316

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

Trade receivables (including inter-company trade receivables) of approximately CNY52.0 million (31 December 2023: CNY52.3 million) were pledged as security for short-term loans of CNY48.2 million (31 December 2023: CNY48.5 million) as at 31 December 2024 (Note 15).

Bills receivable are bills of exchange with maturity of less than one year, and management considers the probability of default as minimal.

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

	2024	2023
	CNY'000	*CNY'000*
Within 3 months	**616**	2,979
3 to 6 months	**584**	–
6 to 12 months	**3,258**	–
Over 12 months	**864**	2,983
	5,322	5,962

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

	2024	2023
	CNY'000	*CNY'000*
At the beginning of the year	**53,236**	53,501
Impairment loss recognised	**2,168**	–
Reversal of impairment	**–**	(265)
At the end of the year	**55,404**	53,236

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The Group applies the simplified approach to the provision 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.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	Within 1 year	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Between 4 and 5 years**	**Over 5 years**	**Total**
Expected credit loss rate	**2%**	**98%**	**58%**	**63%**	**100%**	**100%**	
Gross carrying amount (CNY'000)	**4,538**	**750**	**512**	**1,735**	**2,846**	**50,345**	**60,726**
Expected credit losses (CNY'000)	**80**	**738**	**298**	**1,097**	**2,846**	**50,345**	**55,404**
Net carrying amount (CNY'000)	**4,458**	**12**	**214**	**638**	**–**	**–**	**5,322**

As at 31 December 2023

	Within 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Total
Expected credit loss rate	1%	17%	49%	63%	99%	100%	
Gross carrying amount (CNY'000)	3,022	1,248	1,735	2,849	1,150	49,194	59,198
Expected credit losses (CNY'000)	43	209	854	1,797	1,139	49,194	53,236
Net carrying amount (CNY'000)	2,979	1,039	881	1,052	11	–	5,962

14. TRADE AND BILLS PAYABLES

	2024	2023
	CNY'000	*CNY'000*
Trade payables (a)	**872,442**	892,910
Bills payable (b)	**–**	56,000
	872,442	948,910

(a) Included in trade payables were amounts of approximately CNY563.9 million (31 December 2023: CNY544.0 million) due to contractors related to construction as at 31 December 2024.

(b) Pledged deposits of nil (31 December 2023: CNY28.0 million) were pledged to secure the bank bills as at 31 December 2024.

The ageing analysis of trade payables as at the end of the year is as follows:

	2024 *CNY'000*	2023 *CNY'000*
Within 1 year	**243,372**	486,711
Between 1 and 2 years	**374,491**	357,058
Over 2 years	**254,579**	49,141
	872,442	892,910

Bills payable are bills of exchange with maturity of less than one year.

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

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024 *CNY'000*	2023 *CNY'000*
Current		
Bank and other borrowings – guaranteed	**158,955**	149,092
Bank and other borrowings – secured	**48,150**	48,500
Bank and other borrowings – secured and guaranteed	**1,286,879**	1,276,241
Current portion of long-term bank and other borrowings – secured and guaranteed	**188,813**	225,750
Current portion of long-term bank and other borrowings – guaranteed	**2,148**	3,292
Current portion of long-term bank and other borrowings – secured	**1,643**	–
	1,686,588	1,702,875
Non-current		
Bank and other borrowings – secured and guaranteed	**33,280**	33,257
Bank and other borrowings – secured	**628**	–
Bank and other borrowings – guaranteed	**–**	1,868
	33,908	35,125
	1,720,496	1,738,000

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 CNY383.0 million (31 December 2023: CNY453.3 million) as at 31 December 2024 (Note 11);

(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 31 December 2024 and as at 31 December 2023;

(3) pledges over trade receivables (including inter-company trade receivables) with a carrying amount of approximately CNY52.0 million (31 December 2023: approximately CNY52.3 million) as at 31 December 2024 (Note 13);

(4) pledges over mining structure, machinery and equipment owned by Guizhou Dayun, Baiping Mining and Xinsong Coal with a carrying amount of approximately CNY21.5 million (31 December 2023: approximately CNY171.0 million) as at 31 December 2024 (Note 11);

(5) a pledge of a deposit with a carrying amount of nil (31 December 2023: CNY15.0 million) as at 31 December 2024; and

(6) the Group had not repaid an aggregate amount of approximately CNY110.9 million for certain interest-bearing bank and other borrowings (including principal and interest) according to their repayment schedules. Borrowings of approximately CNY104.0 million with original maturity of more than twelve months have been reclassified as current liabilities as at 31 December 2024 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 up to approximately CNY1,506.7 million (31 December 2023: approximately CNY1,614.3 million) as at 31 December 2024. Also, the Group's fellow subsidiaries have guaranteed certain of the Group's interest-bearing bank and other borrowings up to approximately CNY1,527.2 million (31 December 2023: approximately CNY1,584.3 million) as at 31 December 2024.

All borrowings are denominated in CNY.

The ranges of the effective interest rates of the Group's bank and other borrowings are as follows:

	2024	2023
	%	*%*
Fixed-rate bank and other borrowings	**3.38~9.13***	4.90~10.51
Floating-rate bank and other borrowings	**6.775~14.60**	6.77~7.35

* The effective interest rate for the loan of CNY30.0 million is 30% while the effective interest rates for the remaining CNY1,163.9 million are 3.38%~9.13%.

	2024	2023
	CNY'000	*CNY'000*
Bank and other borrowings repayable:		
Within one year or on demand	**1,686,588**	1,702,875
In the second year	**23,465**	24,510
In the third to fifth years, inclusive	**10,443**	10,615
	1,720,496	1,738,000

EXTRACT FROM INDEPENDENT AUDITORS' REPORT

The auditor's opinion on the Group's consolidated financial statements for the year ended 31 December 2024 is as follows:

DISCLAIMER OF OPINION

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties relating to going concern and their possible cumulative effect on the consolidated financial statements as described in the *Basis for Disclaimer of Opinion* section of our report, it is not possible for us to form an opinion on the consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple uncertainties relating to going concern

As set out in note 2.1 to the consolidated financial statements, the Group recorded a loss attributable to the owners of the Company of CNY539.0 million for the year ended 31 December 2024, and as at 31 December 2024, the Group had net current liabilities of CNY3,888.9 million and shareholders' deficit of CNY1,628.3 million. In addition, as at 31 December 2024, the Group's total bank and other borrowings amounted to CNY1,720.5 million, out of which CNY1,686.6 million will be due for repayment within the next twelve months, including (1) borrowings of approximately CNY110.9 million which have not been repaid on time according to their repayment schedules, and (2) borrowings of approximately CNY104.0 million with original maturity of more than twelve months which have been reclassified as current liabilities as at 31 December 2024 because of the breach of loan covenants. The Group also had outstanding payables of CNY145.1 million related to the ongoing litigations and arbitrations, which was remained unsettled as at 31 December 2024. Furthermore, certain coal mines of the Group were shutdown intermittently in 2024. These conditions, together with other matters disclosed in note 2.1 to the financial statements, indicate the existence of material uncertainties which cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 2.1 to the consolidated financial statements. The validity of the going concern assumption on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties, including whether the Group can: (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..

As a result of these multiple uncertainties, their potential interaction, and the possible cumulative effect thereof, we were unable to form an opinion as to whether the going concern basis of preparation is appropriate. Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and 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 consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During 2024, the global economic landscape remained turbulent, marked by prolonged geopolitical tensions and escalating trade frictions between major economies. These factors, combined with persistently high interest rates in developed markets, continued to weigh on global economic energy and China's recovery efforts. Domestically, China's economy faced persistent internal risks, including a sluggish real estate sector and lingering local government debt pressures. The "three economic engines" – consumption, investment, and exports – showed uneven performance, with consumption recovery lagging due to weakened consumer confidence, while infrastructure and manufacturing investment partially offset the downturn in real estate-related spending. To stabilise growth, the central government maintained targeted expansionary fiscal and monetary policies, including tax incentives, infrastructure bond issuances, and credit support for strategic industries.

The coal market in 2024 was characterised by ample domestic and imported supply, high inventory levels in midstream and downstream sectors, and moderate demand growth. Coal prices declined notably and exhibited a "weak peak season, stable low season" pattern, diverging from traditional seasonal trends. The industry faced ongoing challenges from structural shifts in energy consumption and weak demand from traditional sectors, but the coal chemical industry emerged as a key driver of demand. Looking ahead, the coal market is expected to remain balanced, with prices likely to stabilise at lower levels compared to previous years.

In 2024, 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 and a continued decline in market prices, and a significant portion of the Group's coal products was sold to power plants at regulated price, which further depressed profit margins. Production volume was further affected and extra costs incurred due to stringent safety and environmental regulation. These combined pressures 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. The resulting deterioration in operating performance and cash flows triggered a destructive cycle: reduced production volume led to decreased profits and cash flows, which further constrained production capacity. Meanwhile, interest expenses from legacy loans carried over from 2023 exacerbated financial losses. This downward spiral significantly undermined the Group's profitability and liquidity for the year ended 31 December 2024, highlighting the compounding risks of operational disruptions, market volatility, and regulatory constraints in a challenging industry environment.

Being faced with so many challenges in 2024, the Group has been working on process optimisation, management improvement and cost control to break the negative spiral and improve the operational situation and profitability of the Group and is also actively exploring opportunities for asset restructuring to improve the liquidity and alleviate the financial strain of the Group. The Group believes that the difficulties are temporary, and with great efforts in restoring production level, the Group's profitability and financial position will be improved.

The Group, paying regard to the importance of product quality in creating sustainable advantage in future competition, strived to expand high-quality production capacity, enhance coal quality management and optimise product mix. Quality control and safety management were core to production management and were embraced throughout the entire production process. With proper preparations, the Group believes that when the geological conditions improve, it will be able to release its production capacity and realise improved product quality and competitiveness in the future. The coal processing systems and coal washing plants will allow the Group to perform coal screening, coal washing and efficient coal blending and supply customers with customised coal products of controllable quality. Against the backdrop of emission peak and carbon neutrality targets, the Group will also actively explore opportunities for realising clean and efficient use of coal, as well as opportunities to invest in the new energy sector. The Group will continue to strengthen the brand name of Feishang Anthracite to enable it to retain and further penetrate the high-end market.

The Group, as usual, remained highly vigilant on mine safety and took various safety precautions to ensure production safety and proactive compliance with all safety requirements. The safety precautions included consulting the safety inspection personnel for constructive advice, strengthening the safety management system by updating various production safety policies and gas control policies on an ongoing basis, increasing the frequency of safety inspections, employing professional gas control teams, upgrading relevant production facilities on an ongoing basis, and enhancing safety-related trainings.

The Group continued to explore and optimise coal mine design and actively apply new technologies and equipment in mine construction and tunnelling to improve operational efficiency, enhance production safety and intelligence, and reduce capital commitment and production cost. The Group also continued to actively promote refined management and cost control to ensure that all investments and expenses were appropriate and just in time, reusable materials were recycled, and all mining, production and marketing activities were cost-effective.

For the year ended 31 December 2024, the Group recorded a consolidated loss attributable to owners of the parent of approximately CNY539.0 million, representing an increase of approximately 9.2%.

FINANCIAL REVIEW

Continuing Operations

Revenue

The Group's total revenue from continuing operations decreased by approximately 68.9% from approximately CNY990.8 million in 2023 to approximately CNY308.3 million in 2024. The approximately CNY682.5 million decrease in revenue in 2024 was mainly caused by the decrease in sales volume of self-produced anthracite coal and the decline in the average selling price. The sales volume of self-produced anthracite coal decreased from approximately 2.30 million tonnes in 2023 to approximately 0.88 million tonnes in 2024, representing a decrease of approximately 61.9%. The reasons for this drop in sales volume were: (i) the general geological complexities of current mining faces encountered by the Group; (ii) the temporary production suspension resulting from the several incidents of gas overruns and the stringent safety and environmental regulatory environment; and (iii) the streamlining of mining teams and the temporary suspension of coal mining caused by delay in excavation work. The average selling price (net of value-added tax) of self-produced anthracite coal fell from CNY431.4 per tonne in 2023 to CNY352.5 per tonne in 2024, representing a decrease of approximately 18.3%, mainly as a result of the drop in coal quality of the Group's coal mines and the overall price of coal market in Chinese Mainland.

The Group's revenue from sales of processed coal (including coal screening and/or coal washing and coal blending), amounting to approximately 58.0% and 51.8% of total revenue in 2023 and 2024, respectively, decreased from approximately CNY575.1 million (approximately 0.91 million tonnes sales volume) in 2023 to approximately CNY159.7 million (approximately 0.26 million tonnes sales volume) in 2024. The decrease in revenue from sales of processed coal was mainly due to the decrease of 0.65 million tonnes in sales volume. The reasons for the decrease have been discussed above.

In 2023 and 2024, the Group respectively derived approximately 57.4% and 57.5% of its revenue from anthracite coal sales to its five largest customers, of which one or two customers who purchased thermal coal from the Group made onward sales to power producers in Guizhou province. The management of the Group believes that by further expanding the product mix through coal washing and coal blending, the dependency on a limited number of large customers will decrease gradually and the Group's profit margin will increase.

Cost of Sales

The Group's cost of sales from continuing operations decreased by approximately 59.4% from approximately CNY758.3 million in 2023 to approximately CNY308.0 million in 2024. The decrease in cost of sales was mainly due to the drop of approximately 61.9% in sales volume of self-produced anthracite coal.

Cost of Sales for Coal Mining

Labour costs in 2024 were approximately CNY101.8 million, representing a decrease of approximately CNY100.0 million, or approximately 49.6%, as compared with approximately CNY201.8 million in 2023. The decrease in labour costs was proportionally lower than the decrease in sales volume of self-produced anthracite coal in 2024 mainly because the Group's coal mines were not able to achieve economies of scale following the production decline. The reasons for the decrease in the production volume have been discussed above.

Material, fuel and energy costs in 2024 were approximately CNY76.4 million, representing a decrease of approximately CNY108.4 million or approximately 58.6%, as compared with approximately CNY184.8 million in 2023. The decrease in material, fuel and energy costs were proportionally lower than the decrease in sales volume of self-produced anthracite coal in 2024 because the Group incurred additional repair and maintenance works due to the additional stringent safety supervision measures, several incidents of gas overruns and the geological complexities of current mine faces.

Depreciation and amortisation in 2024 were approximately CNY70.7 million, representing a decrease of approximately CNY140.0 million, or approximately 66.4%, as compared with approximately CNY210.7 million in 2023. The decrease in depreciation and amortisation in 2024 was mainly caused by the decrease in production volume and impairment losses on property, plant and equipment recognised in Liujiaba Coal Mine in 2023.

Taxes and levies in 2024 were approximately CNY13.8 million, representing a decrease of approximately CNY47.6 million or approximately 77.5% as compared with approximately CNY61.4 million in 2023. The decrease in the sales tax and levies, which mainly consisted of ad valorem resource tax imposed on coal mines, was mainly due to the decrease in the revenue of anthracite coal in 2024.

Cost of Sales for Coal Processing

Coal processing costs, which included coal screening costs and/or coal washing costs and coal blending costs, decreased from approximately CNY68.2 million in 2023 to approximately CNY27.2 million in 2024. This was mainly due to the decrease in production output of Yongsheng Coal Mine, Dayun Coal Mine and Baiping Coal Mine, which in turn led to a decrease 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	**2024** ***CNY/tonne***	2023 *CNY/tonne*
Labour costs	**116.4**	87.9
Raw materials, fuel and energy	**87.4**	80.5
Depreciation and amortisation	**80.9**	91.8
Taxes & levies payable to governments	**15.8**	26.7
Other production-related costs	**20.7**	13.7
Total unit cost of sales for coal mining	**321.2**	300.6

Cost Items for Coal Processing Activities	**2024**	2023
	CNY/tonne	*CNY/tonne*
Labour costs	**18.0**	10.3
Materials, fuel and energy	**34.4**	32.0
Depreciation	**49.6**	11.0
Taxes & levies payable to governments	**2.4**	3.0
Transportation fee	**0.1**	16.4
Other coal processing related costs	**2.0**	2.4
Total unit cost of sales for coal processing	**106.5**	75.1

Gross Profit and Gross Margin

As a result of the foregoing, the overall gross profit from continuing operations decreased by approximately 99.9% from approximately CNY232.5 million in 2023 to approximately CNY0.3 million in 2024. The overall gross margin from continuing operations, which is equal to gross profit divided by revenue, decreased from approximately 23.5% in 2023 to approximately 0.1% in 2024. The decrease in overall gross profit and gross margin was primarily caused by the decrease in sales volume and the drop in the average selling price of anthracite coal as discussed above.

Selling and Distribution Expenses

The selling and distribution expenses from continuing operations, primarily consisting of transportation fee in connection with the sales of thermal coal and salaries and benefits, decreased by approximately 75.9% from approximately CNY99.7 million in 2023 to approximately CNY24.1 million in 2024. The decrease was mainly due to the decrease in transportation fee for delivery of thermal coal.

Administrative Expenses

The administrative expenses from continuing operations decreased by approximately 17.6% from approximately CNY165.1 million in 2023 to approximately CNY136.0 million in 2024. The decrease was mainly due to the decrease in entertainment expenses and staff cost resulting from stringent cost and expense control measures.

Impairment Losses on Financial Assets

The Group made the provision for impairment of financial assets from continuing operations of approximately CNY5.6 million in 2024 compared to approximately CNY4.4 million in 2023. The increase in impairment was mainly due to the impairment of trade receivables resulting from the change in expected credit losses.

Impairment Losses on Property, Plant and Equipment and Right-of-use Assets

The Group had impairment losses on property, plant and equipment from continuing operations of approximately CNY262.7 million in Liujiaba Coal Mine in 2023, and impairment losses on property, plant and equipment and right-of-use assets with an aggregate amount of approximately CNY160.1 million in Liujiaba Coal Mine and Baiping Coal Mine in 2024, in connection with the decline in coal quality.

Other Operating Expenses, Net

Other operating expenses primarily consist of the compensation paid to local residents for repairing the damaged houses and/or relocation affected by the mines' operations of the Group, the accrual of tax surcharges, safety security fines, loss arising from temporary suspension of production and service fees for other operating business. Other operating income primarily consist of government grants related to the price subsidy for supply of thermal coal to power plants and intelligent mechanization transformation. The net other operating expenses from continuing operations increased to approximately CNY65.9 million in 2024 from approximately CNY48.5 million in 2023. This was mainly caused by the additional expense arising from failure to meet the supply quantity agreed upon in the sales contract and the decrease in government grants.

Finance Costs

The finance costs from continuing operations, which primarily consist of interest expenses on interest-bearing bank and other borrowings and lease liabilities, increased by approximately 7.4% from approximately CNY142.6 million in 2023 to approximately CNY153.1 million in 2024. The increase in finance costs was mainly due to the high interest rates of certain interest-bearing bank and other borrowings in 2024 compared with in 2023.

Income Tax Expense

The Group's income tax expense from continuing operations decreased to approximately CNY24.8 million in 2024 from approximately CNY30.5 million in 2023. The decrease in income tax expense in 2024 was mainly due to the increase in deferred income tax benefit resulting from the increase in unutilised tax losses.

Loss for the year from Continuing Operations

The loss from continuing operations increased from approximately CNY519.1 million in 2023 to approximately CNY568.7 million in 2024. The increase in loss from continuing operations in 2024 was mainly caused by (i) the decrease of approximately CNY232.1 million in gross profit resulting from the decrease in sales volume of self-produced anthracite coal and the drop in average selling price; (ii) the increase of approximately CNY17.4 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 decrease in government grants; and (iii) the increase of approximately CNY10.5 million in finance costs due to the high interest rates of certain interest-bearing bank and other borrowings in 2024 compared with in 2023. The increase in loss was partially offset by (i) the decrease of approximately CNY102.6 million in impairment losses on property, plant and equipment and right-of-use assets; (ii) the decrease of approximately CNY75.7 million in selling expenses mainly due to the decrease in transportation cost for delivery of thermal coal; (iii) the decrease of approximately CNY29.1 million in administrative expenses mainly due to the decrease in entertainment expenses and staff cost resulting from stringent cost and expense control measures; and (iv) the decrease of approximately CNY5.7 million in income tax expense mainly due to the increase in deferred income tax benefit resulting from the increase in unutilised tax losses.

Loss Attributable to Owners of the Parent from Continuing Operations

The loss attributable to owners of the parent from continuing operations increased from approximately CNY492.8 million in 2023 to approximately CNY538.6 million in 2024. The reasons for the increase in the loss attributable to owners of the parent from continuing operations in 2024 have been discussed above.

Discontinued Operation

Discontinued operation of Gouchang Coal Mine

Since March 2013, the operations of Gouchang Coal Mine had been suspended pending the acquisition of a nearby coal mine and achieving certain production targets in accordance with Guizhou Province's coal mine consolidation policy. The Group closed 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.

In 2024, 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 2023 and 31 December 2024, the Group had net current liabilities of approximately CNY3,537.5 million and approximately CNY3,888.9 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 year ended 31 December 2024. As at 31 December 2024, the Group had cash and cash equivalents of approximately CNY4.1 million.

The interest-bearing loans consist of short-term and long-term bank and other borrowings. As at 31 December 2024, 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 CNY1,686.6 million. As at 31 December 2024, the Group had total outstanding long-term bank borrowings (excluding the current portion) of approximately CNY33.9 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 31 December 2024, the Group had loans amounting to approximately CNY1,193.9 million with fixed interest rates, out of which CNY1,163.9 million with fixed interest rates ranging from 3.38% to 9.13% per annum. The remaining loans held by the Group as at 31 December 2024 had floating interest rates ranging from 6.775% to 14.6% per annum.

As at 31 December 2024, the Group had overdue interest-bearing bank and other borrowings (including principal and interest) amounting to approximately CNY110.9 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 CNY145.1 million 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 2023 and 31 December 2024, the amount of outstanding bank borrowings that were guaranteed by Mr. LI Feilie were approximately CNY1,614.3 million and approximately CNY1,506.7 million, respectively, and the amount of outstanding bank borrowings that were guaranteed by certain associates of Mr. LI Feilie were approximately CNY1,584.3 million and approximately CNY1,527.2 million, respectively.

As at 31 December 2023 and 31 December 2024, certain mining rights of the Group with carrying amounts of approximately CNY453.3 million and approximately CNY383.0 million, respectively, were pledged to secure bank loans with carrying amounts of approximately CNY1,371.2 million and approximately CNY1,362.8 million, respectively.

As at 31 December 2023 and 31 December 2024, 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 CNY619.0 million and approximately CNY570.7 million, respectively.

As at 31 December 2023 and 31 December 2024, certain mining structure, machinery and equipment owned by the Group with carrying amounts of approximately CNY171.0 million and CNY21.5 million, respectively, were pledged to secure the loan with carrying amounts of approximately CNY109.6 million and CNY92.9 million, respectively.

As at 31 December 2023 and 31 December 2024, certain trade receivables (including inter-company trade receivables) owned by the Group with carrying amounts of approximately CNY52.3 million and approximately CNY52.0 million, respectively, were pledged to secure loans with carrying amounts of CNY48.5 million and CNY48.2 million, respectively.

As at 31 December 2023, a bank deposit owned by the Group with a carrying amount of CNY15.0 million was pledged to secure a loan with a carrying amount of CNY30.0 million. And as at 31 December 2024, no bank deposit owned by the Group was pledged to secure loans.

Pledge of Shares by the Controlling Shareholder

As at 31 December 2024, 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.

CAPITAL COMMITMENTS AND EXPECTED SOURCE OF FUNDING

As at 31 December 2024, the Group had contractual capital commitments mainly in respect of machinery and equipment and materials purchased by coal mines for operations amounting to approximately CNY10.9 million. The Group plans to finance the capital commitments by internal resources, additional short-term and long-term bank and other borrowings, and/or possible equity financing.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group employed 2,107 full time employees (not including 516 workers provided by third party labour agencies) for its principal activities. Employees' costs (including Directors' emoluments) from continuing operations amounting to approximately CNY205.9 million (including payment to workers provided by third party labour agencies) for the year ended 31 December 2024 (2023: CNY315.8 million). The Group recognises the importance of retaining 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 approved share option scheme of the Company.

The emolument policy of the employees of the Group has been set up on the basis of their merit, qualifications and competence. The emoluments of the Directors are determined having regard to the Group's operating results, individual performance and comparable market statistics. No Director, or any of his associates, and executive is involved in dealing his own remuneration.

OUTLOOK

The supply-side reform in the coal industry has led to a marked increase in the concentration and quality of production capacity, which will facilitate mining mechanisation and intelligence, improve production efficiency and capacity utilisation rate, reduce production costs and enhance production safety. This will then facilitate overall production management and bring about higher quality and more stable domestic coal supply. However, against the backdrop of China's commitment to emission peak and carbon neutrality targets, and due to persistently low capital expenditures in new production capacity, long construction cycles, high development costs, as well as tight safety and environmental regulation becoming a new normal, the future expansion of production capacity and output in the coal industry is expected to remain mild and constrained. Nevertheless, major coal producing provinces, particularly Shanxi, have gradually restored production capacity, and Xinjiang has emerged as a main source of future capacity additions. Meanwhile, coal import is expected to remain at the current high level, with growth rate diminishing due to the narrowing international price advantage and the previous high base. Overall, coal supply in the near future is expected to remain stable and sufficient. Cyclical fluctuations in the coal industry will very likely diminish, which will be beneficial to supply-side stability and the profitability and healthy development of the coal industry.

On the demand side, the government has stepped up its efforts to introduce a package of incremental policies and has maintained a clear expansionary policy stance, including a more proactive fiscal policy and moderately loose monetary policy, to promote continued macroeconomic stabilisation and recovery in 2025. This will then lend steady support to total electricity consumption as well as coal demand. The coal chemical industry is expected to continue to benefit from the supportive policies, further boosting coal demand. The iron and steel industry and the building materials industry are expected to slowly recover, as the real estate industry would expect to see more policy support in various innovative ways and gradually stabilise. In the near future, coal supply and demand are expected to enjoy mild growth, and the price of coal is expected to see a slight decrease, reflecting a generally balanced market with limited volatility.

Looking ahead, the Group would expect to see a continuation in low production volume in the near future as compared to prior years. This is mainly caused by (i) the geological complexities of current mining faces which are expected to continue well into the near future and adversely affect production volume and coal quality; (ii) the streamlining of mining teams and the delays in excavation work which might further cause suspension of coal production; (iii) the trend of increasingly tight safety supervision and regulation, which is expected to further affect production and output; and, eventually, (iv) the destructive downward spiral in production, sales and cash flows of the Group. The Group will continue to attach great importance to production safety and environmental protection, while striving to address internal challenges, including optimising the mining process, stabilising and expanding production output, managing coal quality and adjusting product mix, to improve the competitiveness and average selling price of its coal products and restore revenue, gross profit and healthy cash flows. Facing the geological complexities of current mining faces, the Group will continue to make strategic preparations for concentrated mining of high-quality coal in the coming years, in order to place itself in an advantageous position for competing in the high-quality coal market in the future. The Group is committed to its business strategy through vigorously (i) promoting the expansion of high-quality production capacity, coal washing facilities and transportation system; (ii) realising comprehensive mining mechanisation and intelligent production management; (iii) enhancing production safety management and environmental compliance; and, most importantly, (iv) supplying customers with diversified and customised coal products to retain high-quality customers and to penetrate the surrounding coal market.

Energy security and stable power supply are essential to economic and social development, and coal as the primary source of energy in China is still the cornerstone of energy security. Although new energy will play an important role in achieving long-term climate goals and long-term energy security, its development cannot be achieved overnight. At the present stage it is still important to focus on stable supply of coal and how to utilise coal energy in a more efficient and climate-friendly way to meet existing energy demand. Therefore, the Company is cautiously positive about the coal industry in the medium to long term. The Company will also consider other potential business projects that can provide its shareholders with promising returns and benefit the Group as a whole when suitable opportunities arise. In particular, against the backdrop of emission peak and carbon neutrality targets, the Company will actively leverage the resources and experience of its major shareholder in the new energy sector to explore investment opportunities in the new energy sector.

PURCHASE, SALE OR REDEMPTION OF THE SHARES OF THE COMPANY

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its own corporate governance code. Throughout the year ended 31 December 2024, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision A.2.1 as set out below.

Chairman and Chief Executive

Mr. HAN Weibing was the chairman and chief executive officer of the Company during the year until his resignation which came into effect on 12 January 2024. He was mainly responsible for the Group's overall strategies, planning, management and business development.

Code provision A.2.1 of the CG Code stipulates that the roles of the chairman and the chief executive should be separate and should not be performed by the same individual. The Company deviated from this code provision of the CG Code with Mr. HAN Weibing being the chairman and chief executive officer of the Company from 1 January 2024 to 12 January 2024. The Board considered that this arrangement was in the best interests of the Group as it allowed for efficient discharge of the executive functions of the chief executive officer. The Board believed that the balance of power and authority was adequately ensured by the operations of the Board, which comprised experienced and high-calibre individuals including three independent non-executive Directors offering independent advice from different perspectives. In addition, major decisions were made after consultation with the Board and senior management as well as the relevant Board committees. The Board was therefore of the view that during the year 2023 there were adequate measures in place to balance power and safeguard Shareholders' interests.

Mr. WANG Xinhua was appointed as the Chairman of the Company with effect from 12 January 2024.

REVIEW OF ANNUAL RESULTS

The figures in relation to the results of the Group for the year ended 31 December 2024 in this preliminary announcement have been reviewed by the audit committee of the Company and have been agreed to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024 by the Group's auditors, Ernst & Young. The work of Ernst & Young, in this respect, did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

ANNUAL GENERAL MEETING

The 2025 annual general meeting of the Company is scheduled to be held on 30 May 2025 (the "**2025 AGM**"). The notice of 2025 AGM will be published on the website of the Company at www.fsanthracite.com and the designated website of the Stock Exchange at www.hkexnews.hk in due course.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

Pursuant to the requirements of the Listing Rules, the 2024 annual report of the Company will set out all information required by the Listing Rules and will be published on the website of the Company (www.fsanthracite.com) and the designated website of the Stock Exchange (www.hkexnews.hk) on or before 30 April 2025.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 27 May 2025 to Friday, 30 May 2025 (both days inclusive) during which period no transfer of shares of the Company will be effected. In order to determine the entitlement to attend and vote at the 2025 AGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 17, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 26 May 2025.

APPRECIATION

The chairman of the Company would like to take this opportunity to express his appreciation to the staff and management team of the Group for their hard work and dedication during the year. The chairman of the Company would also like to express his sincere gratitude to all its shareholders for their continuous support.

By Order of the Board
Feishang Anthracite Resources Limited
WANG Xinhua
Chairman

Hong Kong, 31 March 2025

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