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FEISHANG

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 1738)

INSIDE INFORMATION
UPDATE ON THE FINANCIAL PERFORMANCE OF THE GROUP
FOR THE YEAR ENDED 31 DECEMBER 2016

This announcement is made by Feishang Anthracite Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 (the “**Unaudited Management Accounts**”) and the information currently available to the Board, the Group is expected to record a significant increase in gross profit, as compared to a slight gross profit for the same period in 2015. Notwithstanding the net loss incurred for the year ended 31 December 2016, the Board would like to draw to the attention of the Shareholders that there is a significant reduction in the net loss of the Group for the year ended 31 December 2016 as compared to that for the same period in 2015. The significant improvement in the financial performance for the year ended 31 December 2016 was due to the following reasons:

- (i) the notable rebound in coal market sentiment in mainland China during the last quarter of 2016, which led to an increase in sales volume and average selling price of anthracite coal;
- (ii) the increase in the sales of processed coal with higher profit margin; and
- (iii) the reduction in the impairment loss on property, plant and equipment.

As the Company is still in the process of finalising the results of the Group for the year ended 31 December 2016, the information contained in this announcement is only a preliminary assessment based on the Unaudited Management Accounts and the information currently available to the Board, which has not been audited or reviewed by the auditors of the Company. Details of the results of the Group for the year ended 31 December 2016 is expected to be published in March 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Feishang Anthracite Resources Limited
HAN Weibing
Chairman and Chief Executive Officer

Hong Kong, 25 January 2017

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