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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)

**(1) MAJOR TRANSACTION IN RELATION
TO FINANCE LEASE ARRANGEMENT
AND
(2) EXEMPT CONNECTED TRANSACTIONS
IN RELATION TO GUARANTEES AND
SHARE PLEDGES**

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 6 to 15 of this circular.

The Company has obtained written Shareholders' approval for the Finance Lease Arrangement (December 2023) and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be held to approve the Finance Lease Arrangement (December 2023) and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

24 January 2024

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 22 December 2023 in relation to the Finance Lease Arrangement (December 2023)
“Beijing Tianma”	Beijing Tianma Intelligent Control Technology Co., Ltd.* (北京天瑪智控科技股份有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors of the Company
“BVI”	the British Virgin Islands
“CCTEG”	CCTEG Financial Leasing Co., Ltd.* (中煤科工金融租賃股份有限公司), a company established in the PRC with limited liability
“CCTEG Chongqing Research Institute”	CCTEG Chongqing Research Institute Co., Ltd.* (中煤科工集團重慶研究院有限公司), a company established in the PRC with limited liability
“CCTEG Shanghai”	CCTEG Shanghai Co., Ltd.* (中煤科工集團上海有限公司), a company established in the PRC with limited liability
“CCTEG Xi’an Research Institute”	CCTEG Xi’an Research Institute (Group) Co., Ltd.* (中煤科工西安研究院(集團)有限公司), a company established in the PRC with limited liability
“CNY”	Renminbi, the lawful currency of the People’s Republic of China
“Company”	Feishang Anthracite Resources Limited (飛尚無煙煤資源有限公司), a company incorporated in the BVI with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Consultancy Agreement (December 2023)”	the consultancy agreement dated 22 December 2023 and entered into between Guizhou Yongfu and CCTEG for the provision of certain consultancy services relating to the Finance Lease Arrangement (December 2023) by CCTEG to Guizhou Yongfu

DEFINITIONS

“Corporate Guarantee (December 2023)”	the corporate guarantee dated 22 December 2023 and executed by Feishang Enterprise in favour of CCTEG to secure the performance obligations of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Agreement (December 2023)
“Director(s)”	the director(s) of the Company
“Feishang Enterprise”	Feishang Enterprise Group Co., Ltd.* (飛尚實業集團有限公司), a company established in the PRC with limited liability which is directly wholly-owned by Mr. Li and his associates
“Finance Lease Agreement (December 2023)”	the finance lease agreement dated 22 December 2023 and entered into between Guizhou Puxin and Guizhou Yongfu (as lessees) and CCTEG (as lessor) for the lease of the Relevant Coal Machinery and Equipment (December 2023)
“Finance Lease Arrangement (December 2023)”	the transactions contemplated under the Finance Lease Agreement (December 2023), the Sale and Purchase Agreements (December 2023) and the Consultancy Agreement (December 2023)
“Group”	the Company and its subsidiaries
“Guizhou Puxin”	Guizhou Puxin Energy Co., Ltd.* (貴州浦鑫能源有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Guizhou Yixi”	Guizhou Yixi Technology Co., Ltd.* (貴州一希科技有限公司), a company established in the PRC with limited liability
“Guizhou Yongfu”	Guizhou Yongfu Mining Co., Ltd.* (貴州永福礦業有限公司), a company established in the PRC with limited liability and an indirect majority-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	person or company which is independent of and not connected with any of the connected persons of the Company and any of its subsidiaries or any of their respective associates within the meaning of the Listing Rules
“Latest Practicable Date”	means 24 January 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
“Lease Period (December 2023)”	36 months commencing from the date on which CCTEG pays to the Vendors the first instalment of the consideration for acquiring the Relevant Coal Machinery and Equipment (December 2023)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Mr. Li”	Mr. Li Feilie, a controlling Shareholder
“Ms. Wang”	Ms. Wang Jing, the spouse of Mr. Li
“Ningxia Tiandi”	Ningxia Tiandi Benniu Industrial Group Co., Ltd.* (寧夏天地奔牛實業集團有限公司), a company established in the PRC with limited liability
“Personal Guarantee (December 2023)”	the personal guarantee dated 22 December 2023 and executed by Mr. Li and Ms. Wang in favour of CCTEG to secure the performance obligations of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Agreement (December 2023)
“PRC” or “China”	the People’s Republic of China which, in this circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Relevant Coal Machinery and Equipment (December 2023)”	certain coal mining machinery and equipment to be leased by Guizhou Puxin and Guizhou Yongfu under the Finance Lease Arrangement (December 2023)
“Relevant Group Company(ies) III”	Guizhou Puxin and Guizhou Yongfu

DEFINITIONS

“Repurchase Option (December 2023)”	the option granted to Guizhou Puxin and Guizhou Yongfu under the Finance Lease Agreement (December 2023) to repurchase the Relevant Coal Machinery and Equipment (December 2023) after the expiry of the Lease Period (December 2023)
“Sale and Purchase Agreements (December 2023)”	the sale and purchase agreements dated 22 December 2023 and entered into among (a) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and CCTEG Xi’an Research Institute (as vendor); (b) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and CCTEG Chongqing Research Institute (as vendor); (c) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and CCTEG Shanghai (as vendor); (d) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and Ningxia Tiandi (as vendor); (e) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and Tiandi (Changzhou) (as vendor); (f) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and Beijing Tianma (as vendor); and (g) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and Guizhou Yixi (as vendor), for the sale and purchase of the Relevant Coal Machinery and Equipment (December 2023)
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tiandi (Changzhou)”	Tiandi (Changzhou) Automation Co., Ltd.* (天地(常州)自动化股份有限公司), a company established in the PRC with limited liability
“Vendor(s)”	CCTEG Xi’an Research Institute, CCTEG Chongqing Research Institute, CCTEG Shanghai, Ningxia Tiandi, Tiandi (Changzhou), Beijing Tianma and Guizhou Yixi

DEFINITIONS

“Xinsong Coal”	Liuzhi Xinsong Coal Mining Co., Ltd.* (六枝特區新松煤業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

The English names of the PRC entities mentioned in this circular which are marked with “” are translation, or transliteration from their Chinese names and are for identification purposes only. If there is any inconsistency between the Chinese name of the PRC entities mentioned in this circular and their English translation, the Chinese version shall prevail.*

The exchange rate adopted in this circular for illustration purpose only is CNY1.00 = HK\$1.0991 and should not be construed as a representation that the currency could actually be converted at that rate.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. WANG Xinhua (*Chairman*)

Mr. FU Jianguan

Mr. HE Jianhu

Mr. TAM Cheuk Ho

Mr. WONG Wah On Edward

Mr. YANG Guohua

Registered Office:

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Sheung Wan

Hong Kong

Independent non-executive Directors:

Mr. CHAN Him Alfred

Mr. LO Kin Cheung

Mr. WANG Xiufeng

24 January 2024

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION IN RELATION
TO FINANCE LEASE ARRANGEMENT
AND
(2) EXEMPT CONNECTED TRANSACTIONS
IN RELATION TO GUARANTEES AND
SHARE PLEDGES**

1. INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is to provide you with, among other things, (i) further details of the Finance Lease Arrangement (December 2023); (ii) financial information of the Group; and (iii) other information required to be disclosed under the Listing Rules.

LETTER FROM THE BOARD

2. FINANCE LEASE ARRANGEMENT (DECEMBER 2023)

On 22 December 2023 (after trading hours):

- (a) Guizhou Puxin (an indirect wholly-owned subsidiary of the Company) and Guizhou Yongfu (an indirect majority-owned subsidiary of the Company), and CCTEG entered into the Finance Lease Agreement (December 2023), pursuant to which CCTEG agreed to acquire the Relevant Coal Machinery and Equipment (December 2023) as per the instructions given by Guizhou Puxin and Guizhou Yongfu and CCTEG agreed to lease the Relevant Coal Machinery and Equipment (December 2023) to Guizhou Puxin and Guizhou Yongfu at the total rental amount of CNY75,016,493 (equivalent to approximately HK\$82,450,627) for a term of 36 months;
- (b) Guizhou Puxin, Guizhou Yongfu and CCTEG entered into the Sale and Purchase Agreements (December 2023) respectively with CCTEG Xi'an Research Institute, CCTEG Chongqing Research Institute, CCTEG Shanghai, Ningxia Tiandi, Tiandi (Changzhou), Beijing Tianma and Guizhou Yixi (the "Vendors"), pursuant to which CCTEG agreed to acquire the Relevant Coal Machinery and Equipment (December 2023) from the Vendors as per the instructions given by Guizhou Puxin and Guizhou Yongfu at a total consideration of CNY68,632,512 (VAT inclusive) (equivalent to approximately HK\$75,433,994); and
- (c) Guizhou Yongfu and CCTEG entered into the Consultancy Agreement (December 2023), pursuant to which Guizhou Yongfu agreed to engage CCTEG for providing certain consultancy services relating to the Finance Lease Arrangement (December 2023) for a service fee of CNY3,088,463 (equivalent to approximately HK\$3,394,530).

On the same date, the Corporate Guarantee (December 2023) and the Personal Guarantee (December 2023) were executed by Mr. Li and certain associates of him in favour of CCTEG to secure the performance obligations (including among others, payment obligations) owed by the Relevant Group Companies III to CCTEG under the Finance Lease Agreement (December 2023).

A. Finance Lease Agreement (December 2023)

The principal terms of the Finance Lease Agreement (December 2023) are set out below:

Date : 22 December 2023

Parties : Lessees: (1) Guizhou Puxin (an indirect wholly-owned subsidiary of the Company); and
(2) Guizhou Yongfu (an indirect majority-owned subsidiary of the Company)

Lessor: CCTEG

LETTER FROM THE BOARD

- Lease assets** : Relevant Coal Machinery and Equipment (December 2023).
- Lease Period (December 2023)** : 36 months commencing from the date on which CCTEG pays to the Vendors the first instalment of the consideration for acquiring the Relevant Coal Machinery and Equipment (December 2023).
- Rent and payment terms** : The total rental amount of CNY75,016,493 (equivalent to approximately HK\$82,450,627) (comprising total lease principal of CNY68,632,512 (equivalent to approximately HK\$75,433,994) and total lease interest of CNY6,383,981 (equivalent to approximately HK\$7,016,634)) is payable to CCTEG quarterly in 12 instalments of CNY6,251,374 (equivalent to approximately HK\$6,870,885) each. Both the rental amount and the lease interest will be settled in cash.
- The lease principal was equal to the purchase price of the Relevant Coal Machinery and Equipment (December 2023) paid or to be paid by CCTEG (which was determined with reference to the market price). The lease interest rate was 5.5%, which was equal to the latest five-year Loan Prime Rate set by the People's Bank of China plus 1.3%.
- Ownership of the Relevant Coal Machinery and Equipment (December 2023)** : During the Lease Period (December 2023), CCTEG will have legal ownership of the Relevant Coal Machinery and Equipment (December 2023).
- Repurchase Option (December 2023)** : Upon expiry of the Lease Period (December 2023), subject to Guizhou Puxin and Guizhou Yongfu having paid all the amounts and payables (if any) due under the Finance Lease Agreement (December 2023), Guizhou Puxin and Guizhou Yongfu shall be entitled to exercise the Repurchase Option (December 2023) to repurchase the Relevant Coal Machinery and Equipment (December 2023) from CCTEG at the nominal price of CNY100 (equivalent to approximately HK\$110).

LETTER FROM THE BOARD

Security deposit : In order to protect the rights of CCTEG under the Finance Lease Agreement (December 2023), Guizhou Puxin and Guizhou Yongfu shall pay to CCTEG a security deposit in the sum of CNY1,372,650 (equivalent to approximately HK\$1,508,680) before the date on which CCTEG pays to the Vendors the first instalment of the consideration for acquiring the Relevant Coal Machinery and Equipment (December 2023), which shall be used to set-off any rental in arrears, interest, penalty or other expenses accrued during the Lease Period (December 2023), and the remaining of such security deposit (if any) shall be returned to Guizhou Puxin and Guizhou Yongfu within five (5) business days upon expiry of the Lease Period (December 2023).

Nature of lease : Finance lease

B. Sale and Purchase Agreements (December 2023)

The principal terms of the Sale and Purchase Agreements (December 2023), which were determined after arm's length negotiations with reference to average market price of similar assets, are set out below:

Date : 22 December 2023

Parties : Lessees: Guizhou Puxin and Guizhou Yongfu
Lessor/Purchaser: CCTEG
Vendors: (a) CCTEG Xi'an Research Institute
(b) CCTEG Chongqing Research Institute
(c) CCTEG Shanghai
(d) Ningxia Tiandi
(e) Tiandi (Changzhou)
(f) Beijing Tianma
(g) Guizhou Yixi

Acquired assets : Relevant Coal Machinery and Equipment (December 2023).

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Consideration and payment terms : The consideration payable by CCTEG to CCTEG Xi'an Research Institute, CCTEG Chongqing Research Institute, CCTEG Shanghai, Ningxia Tiandi, Tiandi (Changzhou), Beijing Tianma and Guizhou Yixi for acquiring the Relevant Coal Machinery and Equipment (December 2023) as per the instructions given by Guizhou Puxin and Guizhou Yongfu is CNY1,493,000 (VAT inclusive) (equivalent to approximately HK\$1,640,956), CNY1,084,835 (VAT inclusive) (equivalent to approximately HK\$1,192,342), CNY6,716,100 (VAT inclusive) (equivalent to approximately HK\$7,381,666), CNY8,060,070 (VAT inclusive) (equivalent to approximately HK\$8,858,823), CNY1,750,000 (VAT inclusive) (equivalent to approximately HK\$1,923,425), CNY7,980,000 (VAT inclusive) (equivalent to approximately HK\$8,770,818) and CNY41,548,507 (VAT inclusive) (equivalent to approximately HK\$45,665,964), respectively, which amount to a total consideration of CNY68,632,512 (VAT inclusive) (equivalent to approximately HK\$75,433,994). Each amount shall be paid to the respective Vendor in cash in two (2) instalments of 90% and 10% of the respective consideration upon fulfilling certain conditions.

C. Consultancy Agreement (December 2023)

The principal terms of the Consultancy Agreement (December 2023), which were determined after arm's length negotiations with reference to the prevailing market fees for finance lease arrangements of similar assets, are set out below:

Date : 22 December 2023

Parties : Guizhou Yongfu and CCTEG

Services : Certain consultancy services relating to the Finance Lease Arrangement (December 2023) provided or to be provided by CCTEG to Guizhou Yongfu.

Consideration and payment terms : The service fee payable by Guizhou Yongfu to CCTEG for the provision of certain consultancy services relating to the Finance Lease Arrangement (December 2023) by CCTEG is CNY3,088,463 (equivalent to approximately HK\$3,394,530), which shall be settled in cash on an agreed date.

The service fee was determined after arm's length negotiation between the parties.

LETTER FROM THE BOARD

3. CORPORATE GUARANTEE (DECEMBER 2023) AND PERSONAL GUARANTEE (DECEMBER 2023)

Pursuant to the Finance Lease Agreement (December 2023), the Corporate Guarantee (December 2023) and the Personal Guarantee (December 2023) were required to be executed by Mr. Li and certain associates of him in favour of CCTEG to secure the performance obligations (including among others, payment obligations) owed by the Relevant Group Companies III to CCTEG under the Finance Lease Agreement (December 2023).

3.1 Corporate Guarantee (December 2023)

On 22 December 2023, Feishang Enterprise executed the Corporate Guarantee (December 2023) with CCTEG, pursuant to which Feishang Enterprise agreed to provide guarantee in favour of CCTEG to secure the performance obligations (including, among others, payment obligations) of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Agreement (December 2023).

3.2 Personal Guarantee (December 2023)

On 22 December 2023, Mr. Li and Ms. Wang (the spouse of Mr. Li) executed the Personal Guarantee (December 2023) with CCTEG, pursuant to which Mr. Li and Ms. Wang agreed to provide guarantee in favour of CCTEG to secure the performance obligations (including, among others, payment obligations) of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Agreement (December 2023).

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT (DECEMBER 2023)

The Group has incurred losses in many of the past financial years. As at 30 June 2023, the bank balance and the gearing ratio of the Group were CNY34.45 million and 140.4% respectively. In view of the tight cash position and the high gearing ratio of the Group, the Directors are of the view that the entering into of the Finance Lease Arrangement (December 2023) will help the Group obtain alternate medium term financing for the Group that might not otherwise be available, and to allow the Group to gain access to certain mining equipment as required for its operation. This will enhance the working capital positions of the Relevant Group Companies III and allow them to optimise their asset and debt structures by increasing the percentage of long-term financing and to support their business and operational activities.

The Directors consider that the Finance Lease Arrangement (December 2023) was entered into on normal commercial terms after arm's length negotiation with reference to average market price of similar assets and the terms of the Finance Lease Arrangement (December 2023) are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

5. INFORMATION ON THE PARTIES TO THE FINANCE LEASE ARRANGEMENT (DECEMBER 2023)

5.1 The Group

The Group is based in Guizhou province of the PRC and is mainly engaged in the acquisition, construction and development of anthracite coal mines and the extraction and sale of anthracite coal in the PRC. As at the Latest Practicable Date, the Group's mining assets consist of four underground anthracite coal mines in Guizhou province, the PRC. Please refer to the 2022 annual report of the Company for more details of the Group's mining assets.

5.2 Guizhou Puxin

Guizhou Puxin is an indirect wholly-owned subsidiary of the Company and is engaged in investment holding and coal trading. It holds the mining rights to four anthracite coal mines.

5.3 Guizhou Yongfu

Guizhou Yongfu is an indirect majority-owned subsidiary of the Company and is principally engaged in coal development and mining.

5.4 CCTEG

CCTEG provides financial leasing services as well as other financial services to various industries and institutions in the PRC.

5.5 CCTEG Xi'an Research Institute

CCTEG Xi'an Research Institute is principally engaged in the scientific research, technical consultancy, technical services and technology development in the field of geological exploration and coal mine safety, the design and sale of various mechanical equipment, and relevant engineering design consultancy and construction services.

5.6 CCTEG Chongqing Research Institute

CCTEG Chongqing Research Institute is principally engaged in geological exploration, coal mine engineering consultancy and design, technical services, engineering survey, safety assessment and training, and the development and sale of mechanical and electrical equipment and various other equipment.

5.7 CCTEG Shanghai

CCTEG Shanghai is principally engaged in the design and sale of mechanical and electrical equipment and components, coal mine and material transportation engineering design services, and relevant engineering design consultancy and technology services.

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5.8 Ningxia Tiandi

Ningxia Tiandi is principally engaged in the manufacturing and sale of mining machinery, special equipment, micro motors and components, metal tools, and various metal and nonmetal materials and products.

5.9 Tiandi (Changzhou)

Tiandi (Changzhou) is principally engaged in the research and development, manufacturing, sale and services of coal mine production safety monitoring and control products, production process automation products and communication products.

5.10 Beijing Tianma

Beijing Tianma is principally engaged in the research and development, manufacturing, sale and technical services of hydraulic support electro-hydraulic control system, intelligent integrated liquid supply system, fully mechanized mining automation control system and other relevant technologies and equipment.

5.11 Guizhou Yixi

Guizhou Yixi is principally engaged in technology development, consultancy and transfer, and sale of machinery and equipment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) CCTEG is majority owned by (i) state-owned enterprises of the PRC, namely, China Coal Technology & Engineering Group Corporation* (中國煤炭科工集團有限公司) ("CCTEGC") and China Chengtong Holdings Group Ltd.* (中國誠通控股集團有限公司) ("CCTGC"), and (ii) a local government entity, namely, Tianjin Dongjiang Bonded Port Area Administration Commission* (天津東疆保稅港區管理委員會); (b) CCTEG Xi'an Research Institute is majority owned by the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC; (c) CCTEG Chongqing Research Institute is majority owned by the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC; (d) CCTEG Shanghai is majority owned by the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC; (e) Ningxia Tiandi is majority owned by (i) the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC, and (ii) Ningxia Hui Autonomous Region People's Government* (寧夏回族自治區人民政府); (f) Tiandi (Changzhou) is majority owned by the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC; (g) Beijing Tianma is majority owned by the above mentioned two state-owned enterprises of the PRC, namely, CCTEGC and CCTGC; (h) the ultimate beneficial owner of the above mentioned two state-owned enterprises is the State-owned Assets Supervision and Administration Commission of the State Council* (國務院國有資產監督管理委員會) of the PRC; and (i) Guizhou Yixi is wholly-owned by a natural person, namely, Mr. Zhao Yanggui. Each of CCTEG, CCTEG Xi'an Research Institute, CCTEG Chongqing Research Institute, CCTEG Shanghai, Ningxia Tiandi, Tiandi (Changzhou), Beijing Tianma and Guizhou Yixi and their respective ultimate beneficial owners are all Independent Third Parties.

LETTER FROM THE BOARD

6. IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, the Finance Lease Arrangement (December 2023), the Sale and Leaseback Arrangement (July 2023), the Finance Lease Arrangement (March 2023) and the Sale and Leaseback Arrangement (January 2023) entered in 2023 are aggregated. As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangement (December 2023), the Sale and Leaseback Arrangement (July 2023), the Finance Lease Arrangement (March 2023) and the Sale and Leaseback Arrangement (January 2023), when aggregated, exceed 25%, the Finance Lease Arrangement (December 2023), together with the Sale and Leaseback Arrangement (July 2023), the Finance Lease Arrangement (March 2023) and the Sale and Leaseback Arrangement (January 2023), constitutes a major transaction of the Company under the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or any of its close associates has any material interest in the Finance Lease Arrangement (December 2023) and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Finance Lease Arrangement (December 2023).

Mr. Li, being the controlling Shareholder, is a connected person of the Company under Chapter 14A of the Listing Rules. Given that Feishang Enterprise and Ms. Wang are both associates of Mr. Li, the provisions of the Corporate Guarantee (December 2023) and the Personal Guarantee (December 2023) for the benefit of the Relevant Group Companies III amount to financial assistance by Mr. Li for the benefit of the Group. As such financial assistance (i) is provided on normal commercial terms or better to the Group; and (ii) is not secured by the assets of the Group, the Corporate Guarantee (December 2023) and the Personal Guarantee (December 2023) are both considered as exempt connected transactions pursuant to Rule 14A.90 of the Listing Rules, which are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

7. WRITTEN SHAREHOLDERS' APPROVAL

As at the Latest Practicable Date, Mr. Li, the controlling Shareholder, is interested and deemed to be interested in an aggregate of 714,029,650 Shares representing approximately 51.72% of the total issued Shares. Such 714,029,650 Shares comprises of 15,000,000 Shares (representing approximately 1.09% of the total issued Shares) held by himself directly as beneficial owner, and 699,029,650 Shares (representing approximately 50.63% of the total issued Shares) held by Feishang Group Limited.

LETTER FROM THE BOARD

In accordance with Rule 14.44 of the Listing Rules, a written Shareholders' approval from Mr. Li has been obtained and accepted in lieu of holding a general meeting of the Company to approve the terms of, and the transactions contemplated under, the Finance Lease Arrangement (December 2023). As such, no general meeting of the Company will be convened.

8. RECOMMENDATION

The Board (including all of the independent non-executive Directors) consider that the terms of the Finance Lease Arrangement (December 2023) are (i) fair and reasonable; (ii) on normal commercial terms; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, although, as explained above, no general meeting of the Company will be convened for the purpose of approving the Finance Lease Arrangement (December 2023), if a general meeting were to be convened, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the Finance Lease Arrangement (December 2023) at such general meeting. The above recommendation is for the Shareholders' reference only.

9. ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2022, and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 have been disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fsanthracite.com) respectively:

- The annual report of the Company for the year ended 31 December 2020 (pages 65 to 153): <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600334.pdf>
- The annual report of the Company for the year ended 31 December 2021 (pages 69 to 157): <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0426/2022042600461.pdf>
- The annual report of the Company for the year ended 31 December 2022 (pages 68 to 161): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042600751.pdf>
- The interim report of the Company for the six months ended 30 June 2023 (pages 21 to 58): <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0921/2023092100484.pdf>

2. INDEBTEDNESS

As at the close of business on 30 November 2023, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, the Group had outstanding indebtedness as summarized below:

Borrowings

The Group's borrowings primarily consisted of short-term and long-term bank borrowings and other borrowings.

As at the close of business on 30 November 2023, the Group had total outstanding borrowings of approximately CNY1,792.1 million, further details of which are set out below:

	<i>CNY'000</i>
Current	
Bank and other borrowings – guaranteed	150,000
Bank and other borrowings – secured	48,500
Bank and other borrowings – secured and guaranteed	1,300,302

CNY'000

Current portion of long-term bank and other borrowings	
– guaranteed	3,278
Current portion of long-term bank and other borrowings	
– secured and guaranteed	117,406
Non-current	
Bank and other borrowings – guaranteed	2,148
Bank and other borrowings – secured and guaranteed	170,508
Total	1,792,142

Pledged assets

As at the close of business on 30 November 2023, the Group had borrowings of approximately CNY1,636.7 million in aggregate which were secured by pledges of mining rights with carrying amounts of approximately CNY492.5 million, certain mining structure, machinery and equipment with carrying amounts of approximately CNY171.2 million, certain trade receivables (including inter-company trade receivables) with carrying amounts of approximately CNY343.9 million, a bank deposit with a carrying amount of CNY15.0 million as well as the Company's equity interests.

Lease liabilities

As at the close of business on 30 November 2023, the Group, as a lessee, had lease liabilities for the remainder of the relevant lease terms amounting to approximately CNY74.2 million, in aggregate, approximately CNY68.9 million of which were secured and approximately CNY71.0 million of which were guaranteed.

Mining right payables

As at the close of business on 30 November 2023, the Group had mining right payables to the Guizhou Provincial Department of Land and Resources amounting to approximately CNY93.0 million, in aggregate, all of which were unsecured and unguaranteed.

Commitment

As at the close of business on 30 November 2023, the Group had contractual capital commitments in respect of purchase of materials, machinery and equipment amounting to approximately CNY32.9 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 November 2023.

3. SUFFICIENCY OF WORKING CAPITAL

As at 30 November 2023, the Group had net current liabilities of approximately CNY3,430 million and shareholders' deficit of approximately CNY705 million. In view of these circumstances, the Company's directors have given consideration to the future liquidity, performance of the Group and its available sources of finance (including entering into certain finance lease arrangements) in assessing whether the Group will have sufficient financial resources to continue as a going concern. Feishang Enterprise has undertaken to provide continuous financial support to the Group to enable it to have sufficient liquidity to finance its operations.

In the opinion of the Directors, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the improvement of operating results; (ii) the successful renewal of loan agreements with banks and entering into certain finance lease arrangements; and (iii) the success in obtaining the continual financial support and funding from Feishang Enterprise.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the following measures: (i) focusing 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; (ii) continuing to expand production output in pursuit of economies of scale and opportunities for better product diversification; (iii) taking measures to tighten cost controls over various production costs and expenses; (iv) entering into loan renewal discussions with banks; (v) entering into certain finance lease arrangements; and (vi) obtaining continual financial support and funding from Feishang Enterprise, accordingly, the Group is expected to have sufficient working capital to satisfy its requirements for at least 12 months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

Save for the possible impact resulting from the temporary suspension of production of two major coal mines of the Group, details of which have been disclosed in the announcement of the Company dated 8 December 2023 and in the paragraph headed "Financial and Trading Prospects of the Company" in this Appendix, the Directors confirm that there was no material adverse change in the financial or trading position or outlook of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE COMPANY

As disclosed in the previous annual reports of the Company and the announcement of the Company dated 8 December 2023, the Group has encountered geological complexities of current mining faces. The geological complexities have continued well into 2023 and will continue in 2024, and two major coal mines of the Group, Yongsheng coal mine and Dayun coal mine, have respectively since 4 October 2023 and 21 October 2023 experienced several incidents of gas overruns caused by untimely gas discharge in the mining process which exceeded the applicable regulatory limits. The Jinsha County Energy Bureau has required these two major coal mines to temporarily suspend production for rectification and carried out several rectification acceptance inspections. As of the date of this circular, the Group has received the official production resumption approval from Jinsha County Energy Bureau on Yongsheng coal mine only. The Group is taking proactive measures to complete the rectification requirements and resume production of Dayun coal mine and believes that the official production resumption approval will be forthcoming in February 2024. The Company is assessing the impact of this longer-than-expected suspension of production on the Group's financial results for the year ended 31 December 2023 and will make further disclosure as and when appropriate.

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, as well as further strengthened safety and environmental regulations, the future expansion of production capacity and output in the coal industry is expected to remain mild and constrained. The policy of securing coal supply is expected to remain in place to stabilise and increase domestic coal production. Meanwhile, the growth of coal imports is expected to slow down as compared to 2023.

On the demand side, the government has determined to step up policy efforts to stimulate the economy. A series of targeted expansionary fiscal and monetary policies and highly supportive industrial policies are expected to be successively implemented and support China's economy to stabilise and speed up recovery, which will 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 supports in various innovative ways. In the near future, coal supply and demand are expected to both enjoy mild growth and achieve a tight balance, and the price of coal is expected to fluctuate in a narrow range.

In view of the stringent safety and environmental regulatory environment and increasingly intensified competition from both local and northern coal producers, the Group will continue to attach great importance to production safety and environmental protection, while actively focusing on high-quality production capacity expansion, coal quality management and product mix adjustment to improve the competitiveness and average selling price of its coal products and maintain high-end customers. The Group will also continue to improve production efficiency and intelligence and enhance refined management and cost

control. Facing the longer-than-expected temporary deterioration in coal quality caused by 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 Company will also consider other 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.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS IN SHARES**Interests of Directors and Chief Executives of the Company**

As at the Latest Practicable Date, the interests and short positions of each Director, chief executive and their respective close associates in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); or were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, are set out below:

The Company

Name of Director	Long/short Position	Capacity	Number of Shares	Percentage of the issued Shares (%)
Mr. WONG Wah On Edward	Long position	Beneficial owner	20,000,000	1.45
Mr. TAM Cheuk Ho	Long position	Beneficial owner	14,096,300	1.02

Associated Corporations (within the meaning of the SFO)***China Natural Resources, Inc.***

Name of Director	Long/short Position	Capacity	Number of Shares	Percentage of the issued Shares (%)
Mr. WONG Wah On Edward	Long position	Beneficial owner	80,000	0.95
Mr. TAM Cheuk Ho	Long position	Beneficial owner	56,386	0.67

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors, chief executives or their respective close associates had any interest or short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he has taken or deemed to have under such provisions of the SFO); or were required, pursuant to Section 352 of the SFO to be entered into the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as it is known to the Directors and chief executives of the Company, the following persons, other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholders	Long/short Position	Capacity	Number of Shares	Notes	Percentage of the issued Shares (%)
Mr. Li Feilie	Long position	Beneficial owner	15,000,000		
	Long position	Interest held by his controlled corporation	699,029,650	1, 3	
			714,029,650		51.72
Laitan Investments Limited	Long position	Interest held by its controlled corporation	699,029,650	1, 3	50.63
Feishang Group Limited	Long position	Beneficial owner	699,029,650	1, 3	50.63
Guizhou Province Development Investment Company Limited (貴州省物資開發投資有限責任公司)	Long position	Person having a security interest in shares	600,000,000	3	43.46
Mr. Li Zongyang	Long position	Interest held by his controlled corporation	133,000,000	2	9.63
Shenzhen Feishang Industry Investment Holding Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63

Name of Shareholders	Long/short Position	Capacity	Number of Shares	Notes	Percentage of the issued Shares (%)
Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63
Shenzhen Qianhai Feishang Investment Co., Ltd.	Long position	Interest held by its controlled corporation	133,000,000	2	9.63
Feishang Heyuan Investments Limited	Long position	Beneficial owner	133,000,000	2	9.63

Notes:

- (1) The 699,029,650 Shares are directly held by Feishang Group Limited, which is wholly owned by Laitan Investments Limited, which is in turn wholly owned by Mr. LI Feilie. According to the SFO, both Mr. LI Feilie and Laitan Investments Limited are deemed to have interests in the 699,029,650 Shares held by Feishang Group Limited.
- (2) Mr. LI Zongyang is Mr. LI Feilie's son. The 133,000,000 Shares are directly held by Feishang Heyuan Investments Limited, which is wholly owned by Shenzhen Qianhai Feishang Investment Co., Ltd., which is in turn wholly owned by Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd., which is in turn wholly owned by Shenzhen Feishang Industry Investment Holding Co., Ltd., which is 99% owned by Mr. LI Zongyang. According to the SFO, Mr. LI Zongyang, Shenzhen Feishang Industry Investment Holding Co., Ltd., Shenzhen Qianhai Feishang Industry Investment Holding Co., Ltd. and Shenzhen Qianhai Feishang Investment Co., Ltd. are deemed to have interests in the 133,000,000 Shares held by Feishang Heyuan Investments Limited.
- (3) Feishang Group Limited has entered into a share charge agreement dated 19 May 2023 whereby it has agreed to pledge 600,000,000 Shares held by it in favour of Guizhou Province Development Investment Company Limited* (貴州省物資開發投資有限責任公司) ("GPDIC") as security for working capital facilities of up to CNY200,000,000 to be advanced by GPDIC from time to time to Guizhou Puxin, an indirect wholly-owned subsidiary of the Company. With regard to GPDIC, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) GPDIC is owned by three state-owned enterprises, namely, Central Enterprise Rural Industry Investment Fund Co., Ltd.* (中央企業鄉村產業投資基金股份有限公司), Guizhou Modern Logistics Industry (Group) Co., Ltd.* (貴州現代物流產業(集團)有限責任公司) and Guizhou Qiansheng State-owned Capital Operation Co., Ltd.* (貴州省黔晟國有資本運營有限公司); (b) the ultimate beneficial owner of Central Enterprise Rural Industry Investment Fund Co., Ltd.* (中央企業鄉村產業投資基金股份有限公司) is State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會); (c) the ultimate beneficial owner of Guizhou Modern Logistics Industry (Group) Co., Ltd.* (貴州現代物流產業(集團)有限責任公司) and Guizhou Qiansheng State-owned Capital Operation Co., Ltd.* (貴州省黔晟國有資本運營有限公司) is State-owned Assets Supervision and Administration Commission of the People's Government of Guizhou (貴州省人民政府國有資產監督管理委員會); and (d) the above mentioned ultimate beneficial owners are independent of and not connected with any of the connected persons of the Company and any of its subsidiaries or any of their respective associates within the meaning of the Listing Rules.

* For identification purposes only

Save as disclosed above, as at the Latest Practicable Date, there was no other person so far as it is known to the Director and chief executive of the Company, other than a Director or chief executive of the Company as having an interest or a short position in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up, and there is no contract or arrangement entered into by any member of the Group subsisting as at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or determinable by the Group within one year without payment of compensation other than statutory compensation.

5. COMPETING INTERESTS

Mr. Wang Xiufeng, an independent non-executive Director, is an independent non-executive director of Perennial Energy Holdings Limited (a company listed on the Main Board of the Stock Exchange) (stock code: 2798), whose group's businesses consists of exploration and mining of coking coal and coal refinery in the PRC.

As at the Latest Practicable Date, save for Mr. Wang Xiufeng's interest as disclosed above, none of the Directors and their respective close associates (as defined in the Listing Rules) had any competing interests in any business that competed or was likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. FINANCIAL EFFECTS OF THE TRANSACTIONS CONTEMPLATED UNDER THE FINANCE LEASE ARRANGEMENT (DECEMBER 2023)

As at 30 June 2023, the unaudited consolidated total assets of the Group amounted to approximately CNY3,473,379,000 and the unaudited consolidated total liabilities of the Group amounted to approximately CNY4,040,188,000.

The Directors consider that the Finance Lease Arrangement (December 2023) will not give rise to any gain or loss to be recorded by the Group and there is no significant immediate impact to the Group's net asset value and earnings upon implementation of the Finance Lease Arrangement (December 2023).

Save as disclosed above, the Finance Lease Arrangement (December 2023) is not expected to have any material impact on the assets and liabilities and the earnings of the Group. The final financial impact on the Group will be subject to the final audit to be performed by the auditors of the Company.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular:

- (a) the sale and leaseback agreement dated 28 January 2022 entered into between Guizhou Puxin, Jinsha County Baiping Mining Co., Ltd.* (金沙縣白坪礦業有限公司) and CCTEG, for (i) the sale of the relevant coal machinery and equipment to CCTEG for an aggregate consideration of CNY30,000,000 and (ii) the leaseback of the relevant coal machinery and equipment from CCTEG for an aggregate consideration of CNY33,135,778. For further details, please refer to the announcement of the Company dated 28 January 2022;
- (b) the finance lease agreement dated 22 April 2022 entered into between Guizhou Puxin, Guizhou Yongfu and CCTEG, pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment and CCTEG agreed to lease the relevant coal machinery and equipment to Guizhou Puxin and Guizhou Yongfu at the total rental amount of CNY33,262,245 for a term of 36 months. For further details, please refer to the announcement of the Company dated 22 April 2022;
- (c) the sale and purchase agreements dated 22 April 2022 entered into between Guizhou Puxin, Guizhou Yongfu, CCTEG, CCTEG Shanghai and Beijing Heman Safety and Environmental Technology Co., Ltd., respectively, pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment from CCTEG Shanghai and Beijing Heman Safety and Environmental Technology Co., Ltd. at a total consideration of CNY30,107,700. For further details, please refer to the announcement of the Company dated 22 April 2022;

- (d) the share pledge agreement dated 22 April 2022 entered into between Guizhou Puxin and CCTEG, pursuant to which Guizhou Puxin agreed to pledge all of its equity interests in Xinsong Coal to secure the performance obligations of Guizhou Puxin and Guizhou Yongfu to CCTEG. For further details, please refer to the announcement of the Company dated 22 April 2022;
- (e) the sale and purchase agreements dated 28 July 2022 entered into between Guizhou Puxin, Guizhou Yongfu and CCTEG, and Shandong Tiansheng Machinery Equipment Co., Ltd., Beijing Tianma, Tiandi (Changzhou) and Guizhou Zechang Industry Co., Ltd. respectively, pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment from Shandong Tiansheng Machinery Equipment Co., Ltd., Beijing Tianma, Tiandi (Changzhou) and Guizhou Zechang Industry Co., Ltd. at a total consideration of CNY39,030,550. For further details, please refer to the announcement of the Company dated 28 July 2022;
- (f) the finance lease agreement dated 28 July 2022 entered into among Guizhou Puxin, Guizhou Yongfu and CCTEG, pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment and CCTEG agreed to lease the relevant coal machinery and equipment to Guizhou Puxin and Guizhou Yongfu at the total rental amount of CNY43,131,398 for a term of 36 months. For further details, please refer to the announcement of the Company dated 28 July 2022;
- (g) the sale and leaseback agreement dated 11 January 2023 entered into between Guizhou Puxin, Xinsong Coal and CCTEG for (i) the sale of the relevant coal machinery and equipment to CCTEG for an aggregate consideration of CNY30,000,000 and (ii) leaseback of the relevant coal machinery and equipment from CCTEG for an aggregate consideration of CNY33,140,439. For further details, please refer to the announcement of the Company dated 11 January 2023;
- (h) the pledge agreement dated 11 January 2023 entered into by Xinsong Coal, pursuant to which Xinsong Coal agreed to pledge the relevant coal machinery and equipment in favour of CCTEG. For further details, please refer to the announcement of the Company dated 11 January 2023;
- (i) the share pledge agreements dated 11 January 2023 and entered into between Guizhou Puxin, Hainan Yangpu Dashi Industrial Co., Ltd.* (海南洋浦大石實業有限公司) and CCTEG, pursuant to which Guizhou Puxin agreed to pledge all of its equity interests in Guizhou Dayun Mining Co., Ltd.* (貴州大運礦業有限公司), Guizhou Yongfu, Jinsha County Baiping Mining Co., Ltd.* (金沙縣白坪礦業有限公司) and Xinsong Coal, and Yangpu Dashi agreed to pledge all of its equity interests in Guizhou Dayun, in favour of CCTEG. For further details, please refer to the announcement of the Company dated 11 January 2023;

- (j) the sale and purchase agreement dated 3 March 2023 entered into between Guizhou Puxin, Xinsong Coal, CCTEG and Tiandi (Changzhou), pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment from Tiandi (Changzhou) at a total consideration of CNY30,000,000. For further details, please refer to the announcement of the Company dated 3 March 2023;
- (k) the finance lease arrangement dated 3 March 2023 entered into between Guizhou Puxin, Xinsong Coal and CCTEG, pursuant to which CCTEG agreed to acquire the relevant coal machinery and equipment and CCTEG agreed to lease the relevant coal machinery and equipment to Guizhou Puxin and Xinsong Coal at the total rental amount of CNY33,137,641 for a term of 36 months. For further details, please refer to the announcement of the Company dated 3 March 2023;
- (l) the sale and purchase agreement dated 10 March 2023 entered into between Xinsong Coal and Jiangxi Province Haiji Financial Leasing Co., Ltd, pursuant to which Jiangxi Province Haiji Financial Leasing Co., Ltd. agreed to acquire the relevant coal machinery and equipment from Xinsong Coal at a total consideration of CNY70,000,000 and to lease the same to Xinsong Coal under the relevant finance lease arrangement. For further details, please refer to the announcement of the Company dated 10 March 2023;
- (m) the finance lease arrangement dated 10 March 2023 entered into between Xinsong Coal and Jiangxi Province Haiji Financial Leasing Co., Ltd., pursuant to which Jiangxi Province Haiji Financial Leasing Co., Ltd agreed to lease the relevant coal machinery and equipment to Xinsong Coal at the total rental amount of CNY74,554,666 for a term of 12 months. For further details, please refer to the announcement of the Company dated 10 March 2023;
- (n) the pledge agreement dated 10 March 2023 and entered into by Xinsong Coal, pursuant to which Xinsong Coal agreed to pledge the relevant coal machinery and equipment to secure the performance obligations of Xinsong Coal to Jiangxi Province Haiji Financial Leasing Co., Ltd. For further details, please refer to the announcement of the Company dated 10 March 2023;
- (o) the sale and leaseback agreement dated 31 July 2023 entered into between Guizhou Puxin, Jinsha County Baiping Mining Co., Ltd.* (金沙縣白坪礦業有限公司) and CCTEG for (i) the sale of the relevant coal machinery and equipment to CCTEG for an aggregate consideration of CNY30,000,000 and (ii) the leaseback of the relevant coal machinery and equipment from CCTEG for an aggregate consideration of CNY33,144,301. For further details, please refer to the announcement of the Company dated 31 July 2023;

- (p) the corporate guarantee agreement dated 25 September 2023 entered into between Guizhou Puxin and Bank of Guizhou (Jinsha Branch) in favour of Bank of Guizhou (Jinsha Branch) in the maximum amount of CNY36,000,000 in respect of indebtedness which may arise from a loan facility in the principal amount of CNY300,000,000 during the period from 25 September 2023 to 24 September 2024 to be advanced by the Bank of Guizhou (Jinsha Branch) to Jinsha Economic Development Zone Trading Co., Ltd. For further details, please refer to the announcement of the Company dated 25 September 2023;
- (q) the Finance Lease Agreement (December 2023);
- (r) Sale and Purchase Agreements (December 2023); and
- (s) the Consultancy Agreement (December 2023).

9. MISCELLANEOUS

The registered office of the Company is located at Maples Corporate Services (BVI) Limited, Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands. The Hong Kong office and principal place of business of the Company in Hong Kong is located at Room 2205, Shun Tak Centre, 200 Connaught Road Central, Sheung Wan, Hong Kong.

The company secretary of the Company is Mr. Yue Ming Wai Bonaventure, who is a fellow member of the Hong Kong Chartered Governance Institute, the Hong Kong Institute of Certified Public Accountants, and the Institute of Chartered Accountants in England & Wales. He is also a member of Chartered Accountants Australia & New Zealand and a member accredited in business valuation of the American Institute of Certified Public Accountants.

The branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The English text of this circular shall prevail over the Chinese text in case of any inconsistency, except for the English names/translations of the companies established in the PRC and other Chinese terms used in this circular which are only translations of their official Chinese names.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are on display and are published on the website of Stock Exchange at <https://www.hkexnews.hk> and the website of the Company at www.fsanthracite.com for a period of 14 days from the date of this circular:

- (a) the Finance Lease Agreement (December 2023);
- (b) the Sale and Purchase Agreements (December 2023); and
- (c) the Consultancy Agreement (December 2023).