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

References are made to the announcement of the Company dated 3 August 2021 on discloseable transactions in relation to finance lease arrangement and sale and leaseback arrangement and exempt connected transactions in relation to guarantees and share pledges, the supplemental announcement of the Company dated 16 August 2021 (the “**2021 Announcements**”), and the announcement of the Company dated 28 January 2022 on discloseable transaction in relation to sale and leaseback arrangement and exempt connected transactions in relation to guarantees and share pledges (the “**Jan 2022 Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the 2021 Announcements and the Jan 2022 Announcement.

The Board is pleased to announce that further on 22 April 2022 (after trading hours):

FINANCE LEASE ARRANGEMENT (APRIL 2022)

- (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 (April 2022), pursuant to which CCTEG agreed to acquire the Relevant Coal Machinery and Equipment (April 2022) as per the instructions given by Guizhou Puxin and Guizhou Yongfu and CCTEG agreed to lease the Relevant Coal Machinery and Equipment (April 2022) to Guizhou Puxin and Guizhou Yongfu at the total rental amount of CNY33,262,245 (equivalent to approximately HK\$40,706,335) for a term of 36 months;
- (b) Guizhou Puxin, Guizhou Yongfu and CCTEG entered into the Sale and Purchase Agreements (April 2022) with CCTEG (Shanghai) and Beijing Heman, respectively, pursuant to which CCTEG agreed to acquire the Relevant Coal Machinery and Equipment (April 2022) from CCTEG (Shanghai) and Beijing Heman as per the instructions given by Guizhou Puxin and Guizhou Yongfu at a total consideration of CNY30,107,700 (VAT inclusive) (equivalent to approximately HK\$36,845,803); and

- (c) Guizhou Yongfu and CCTEG entered into the Consultancy Agreement (April 2022), pursuant to which Guizhou Yongfu agreed to engage CCTEG for providing certain consultancy services relating to the Finance Lease Arrangement (April 2022) for a service fee of CNY1,354,847 (equivalent to approximately HK\$1,658,062).

On the same date, the Share Pledge Agreement (April 2022) was executed by Guizhou Puxin, and the Corporate Guarantee (April 2022) and the Personal Guarantees (April 2022) 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 (April 2022).

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, the Finance Lease Arrangement (April 2022), the Sale and Leaseback Arrangement (January 2022) entered in January 2022, and the Finance Lease Arrangement entered in August 2021 are aggregated. As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangement (April 2022), the Sale and Leaseback Arrangement (January 2022) and the Finance Lease Arrangement, when aggregated, exceed 5% but are less than 25%, the Finance Lease Arrangement (April 2022), together with the Sale and Leaseback Arrangement (January 2022) and the Finance Lease Arrangement, constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Mr. Li, being the controlling shareholder of the Company, 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 (April 2022) and the Personal Guarantees (April 2022) 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 (April 2022) and the Personal Guarantees (April 2022) are all 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.

1. FINANCE LEASE ARRANGEMENT (APRIL 2022)

A. Finance Lease Agreement (April 2022)

The principal terms of the Finance Lease Agreement (April 2022) are set out below:

Date	:	22 April 2022
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
Lease assets	:	Relevant Coal Machinery and Equipment (April 2022).
Lease Period (April 2022)	:	36 months commencing from the date of the Finance Lease Agreement (April 2022).
Rent and payment terms	:	The total rental amount of CNY33,262,245 (equivalent to approximately HK\$40,706,335) (comprising total lease principal of CNY30,107,700 (equivalent to approximately HK\$36,845,803) and total lease interest of CNY3,154,545 (equivalent to approximately HK\$3,860,532)) is payable to CCTEG quarterly in 12 instalments of CNY2,771,854 (equivalent to approximately HK\$3,392,195) each. The lease principal was equal to the purchase price of the Relevant Coal Machinery and Equipment (April 2022) paid or to be paid by CCTEG (which was determined with reference to the market price). The lease interest rate was 6.175%, which was equal to the latest five-year Loan Prime Rate set by the People's Bank of China plus 1.525%.
Ownership of the Relevant Coal Machinery and Equipment (April 2022)	:	During the Lease Period (April 2022), CCTEG will have legal ownership of the Relevant Coal Machinery and Equipment (April 2022).
Repurchase Option (April 2022)	:	Upon expiry of the Lease Period (April 2022), subject to Guizhou Puxin and Guizhou Yongfu having paid all the amounts and payables (if any) due under the Finance Lease Agreement (April 2022), Guizhou Puxin and Guizhou Yongfu shall be entitled to exercise the Repurchase Option (April 2022) to repurchase the Relevant Coal Machinery and Equipment (April 2022) from CCTEG at the nominal price of CNY100 (equivalent to approximately HK\$122).

Security deposit : In order to protect the rights of CCTEG under the Finance Lease Agreement (April 2022), Guizhou Puxin and Guizhou Yongfu shall pay to CCTEG a security deposit in the sum of CNY602,154 (equivalent to approximately HK\$736,916) within one (1) business day upon signing of the Finance Lease Agreement (April 2022) which shall be used to set-off any rental in arrears, interest, penalty or other expenses accrued during the Lease Period (April 2022), 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 (April 2022).

Nature of lease : Finance lease

B. Sale and Purchase Agreements (April 2022)

The principal terms of the Sale and Purchase Agreements (April 2022) are set out below:

Date : 22 April 2022

Parties : Lessees: Guizhou Puxin and Guizhou Yongfu
Lessor/Purchaser: CCTEG
Vendors: (a) CCTEG (Shanghai)
(b) Beijing Heman

Acquired Assets : Relevant Coal Machinery and Equipment (April 2022).

Consideration and payment terms : The consideration payable by CCTEG to CCTEG (Shanghai) and Beijing Heman for acquiring the Relevant Coal Machinery and Equipment (April 2022) as per the instructions given by Guizhou Puxin and Guizhou Yongfu is CNY16,457,700 (VAT inclusive) (equivalent to approximately HK\$20,140,933) and CNY13,650,000 (VAT inclusive) (equivalent to approximately HK\$16,704,870), respectively, which amount to a total consideration of CNY30,107,700 (VAT inclusive) (equivalent to approximately HK\$36,845,803). The former amount shall be paid to CCTEG (Shanghai) in cash in two (2) instalments of CNY14,811,930 (equivalent to approximately HK\$18,126,840) and CNY1,645,770 (equivalent to approximately HK\$2,014,093) upon fulfilling certain conditions, and the latter amount shall be paid to Beijing Heman in cash in two (2) instalments of CNY12,285,000 (equivalent to approximately HK\$15,034,383) and CNY1,365,000 (equivalent to approximately HK\$1,670,487) upon fulfilling certain conditions.

C. Consultancy Agreement (April 2022)

The principal terms of the Consultancy Agreement (April 2022) are set out below:

Date	:	22 April 2022
Parties	:	Guizhou Yongfu and CCTEG
Services	:	Certain consultancy services relating to the Finance Lease Arrangement (April 2022) 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 (April 2022) by CCTEG is CNY1,354,847 (equivalent to approximately HK\$1,658,062), which shall be settled in cash upon signing of the Finance Lease Agreement (April 2022).

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

2. SHARE PLEDGE AGREEMENT (APRIL 2022), CORPORATE GUARANTEE (APRIL 2022) AND PERSONAL GUARANTEES (APRIL 2022)

Pursuant to the Finance Lease Agreement (April 2022), the Share Pledge Agreement (April 2022) was required to be executed by Guizhou Puxin, and the Corporate Guarantee (April 2022) and the Personal Guarantees (April 2022) 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 (April 2022).

2.1 Share Pledge Agreement (April 2022)

On 22 April 2022, Guizhou Puxin and CCTEG entered into the Share Pledge Agreement (April 2022), pursuant to which Guizhou Puxin agreed to pledge its equity interests in Xinsong Coal (an indirect wholly-owned subsidiary of the Company), representing 100% of the equity interests in Xinsong Coal, 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 (April 2022).

2.2 Corporate Guarantee (April 2022)

On 22 April 2022, Feishang Enterprise executed the Corporate Guarantee (April 2022) with CCTEG and Guizhou Puxin and Guizhou Yongfu, 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 (April 2022).

2.3 Personal Guarantees (April 2022)

On 22 April 2022, Mr. Li and Ms. Wang (the spouse of Mr. Li) executed the Personal Guarantees (April 2022), respectively, with CCTEG and Guizhou Puxin and Guizhou Yongfu, pursuant to which Mr. Li and Ms. Wang agreed to provide guarantees 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 (April 2022).

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE ARRANGEMENT (APRIL 2022)

The Directors are of the view that the entering into of the Finance Lease Arrangement (April 2022) 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 (April 2022) was entered into on normal commercial terms after arm's length negotiation between the parties and the terms of the Finance Lease Arrangement (April 2022) are fair and reasonable and are in the interest of the Company and its shareholders as a whole.

4. INFORMATION ON THE PARTIES TO THE FINANCE LEASE ARRANGEMENT (APRIL 2022)

4.1 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 date of this announcement, the Group's mining assets consist of four underground anthracite coal mines in Guizhou province, the PRC. Please refer to the 2020 annual report of the Company for more details of the Group's mining assets.

4.2 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.

4.3 Guizhou Yongfu

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

4.4 CCTEG

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

4.5 CCTEG (Shanghai)

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

4.6 Beijing Heman

Beijing Heman is principally engaged in the sales of safety precaution products, environmental protection equipment and mechanical equipment and accessories, engineering design, and relevant technology consultancy and technology services.

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"), China Chengtong Holdings Group Ltd.* (中國誠通控股集團有限公司) ("CCTGC") and China National Coal Group Corporation* (中國中煤能源集團有限公司) ("CNCGC"), 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 (Shanghai) is majority owned by the above mentioned three state-owned enterprises of the PRC, namely, CCTEGC, CCTGC and CNCGC; (c) the ultimate beneficial owner of the above mentioned three 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 (d) Beijing Heman is owned by two natural persons, namely, Mr. Song Yuchen and Mr. Ma Chengming. Each of CCTEG, CCTEG (Shanghai) and Beijing Heman and their respective ultimate beneficial owners are all Independent Third Parties.

5. IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rules 14.22 and 14.23(1) of the Listing Rules, the Finance Lease Arrangement (April 2022), the Sale and Leaseback Arrangement (January 2022) entered in January 2022, and the Finance Lease Arrangement entered in August 2021 are aggregated. As one or more of the applicable percentage ratios in respect of the Finance Lease Arrangement (April 2022), the Sale and Leaseback Arrangement (January 2022) and the Finance Lease Arrangement, when aggregated, exceed 5% but are less than 25%, the Finance Lease Arrangement (April 2022), together with the Sale and Leaseback Arrangement (January 2022) and the Finance Lease Arrangement, constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

Mr. Li, being the controlling shareholder of the Company, 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 (April 2022) and the Personal Guarantees (April 2022) 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 (April 2022) and the Personal Guarantees (April 2022) are all 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.

6. DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“Beijing Heman”	Beijing Heman Safety and Environmental Technology Co., Ltd.* (北京禾滿安環科技有限公司), a company established in the PRC with limited liability
“Board”	the board of Directors of the Company
“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 (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
“CNY” or “RMB”	Renminbi, the lawful currency of the PRC
“Company”	Feishang Anthracite Resources Limited (飛尚無煙煤資源有限公司), a company incorporated in the British Virgin Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Consultancy Agreement (April 2022)”	the consultancy agreement dated 22 April 2022 and entered into between Guizhou Yongfu and CCTEG for the provision of certain consultancy services relating to the Finance Lease Arrangement (April 2022) by CCTEG to Guizhou Yongfu
“Corporate Guarantee (April 2022)”	the corporate guarantee dated 22 April 2022 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 (April 2022)
“Directors”	the directors 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 (April 2022)”	the finance lease agreement dated 22 April 2022 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 (April 2022)
“Finance Lease Arrangement (April 2022)”	the transactions contemplated under the Finance Lease Agreement (April 2022), the Sale and Purchase Agreements (April 2022) and the Consultancy Agreement (April 2022)
“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 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
“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
“Lease Period (April 2022)”	36 months commencing from the date of the Finance Lease Agreement (April 2022)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Mr. Li”	Mr. Li Feilie, a controlling shareholder of the Company
“Ms. Wang”	Ms. Wang Jing, the spouse of Mr. Li
“Personal Guarantees (April 2022)”	the personal guarantees dated 22 April 2022 and executed by Mr. Li and Ms. Wang, respectively, in favour of CCTEG to secure the performance obligations of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Agreement (April 2022)
“PRC” or “China”	the People’s Republic of China which, in this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Relevant Group Company(ies) III”	Guizhou Puxin and Guizhou Yongfu
“Relevant Coal Machinery and Equipment (April 2022)”	certain coal mining machinery and equipment to be leased by Guizhou Puxin and Guizhou Yongfu under the Finance Lease Arrangement (April 2022)
“Repurchase Option (April 2022)”	the option granted to Guizhou Puxin and Guizhou Yongfu under the Finance Lease Agreement (April 2022) to repurchase the Relevant Coal Machinery and Equipment (April 2022) after the expiry of the Lease Period (April 2022)

“Sale and Purchase Agreements (April 2022)”	the sale and purchase agreements dated 22 April 2022 and entered into among (a) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and CCTEG (Shanghai) (as vendor) and (b) Guizhou Puxin and Guizhou Yongfu (as lessees), CCTEG (as lessor and purchaser) and Beijing Heman (as vendor), for the sale and purchase of the Relevant Coal Machinery and Equipment (April 2022)
“Share Pledge Agreement (April 2022)”	the share pledge agreement dated 22 April 2022 and entered into between Guizhou Puxin and CCTEG, pursuant to which Guizhou Puxin agreed to pledge all of its equity interests in Xinsong Coal, representing 100% of the equity interests of Xinsong Coal in favour of CCTEG to secure the performance obligations of Guizhou Puxin and Guizhou Yongfu to CCTEG under the Finance Lease Arrangement (April 2022)
“Shares”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

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

Hong Kong, 22 April 2022

As at the date of this announcement, the executive Directors are Mr. HAN Weibing, Mr. HE Jianhu, Mr. TAM Cheuk Ho, Mr. WANG Weidong, Mr. WONG Wah On Edward and Mr. YANG Guohua; and the independent non-executive Directors are Mr. CHAN Him Alfred, Mr. LO Kin Cheung and Mr. WANG Xiufeng.

The exchange rate adopted in this announcement for illustration purpose only is CNY1.00 = HK\$1.2238 and should not be construed as a representation that the currency could actually be converted at that rate.

The English names of the PRC entities mentioned in this announcement 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 announcement and their English translation, the Chinese version shall prevail.*