

Unless otherwise defined, terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus of Feishang Non-metal Materials Technology Limited (the “**Company**”) dated 18 December 2015 (the “**Prospectus**”).

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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.



Feishang Non-metal Materials Technology Limited
飛尚非金屬材料科技有限公司

(Incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING**

- Number of Placing Shares : 125,000,000 Placing Shares**
**Placing Price : HK\$0.32 per Placing Share (payable in full
upon application, plus brokerage of 1%, SFC
transaction levy of 0.0027% and Stock Exchange
trading fee of 0.005%)**
Nominal value : HK\$0.01 each
Stock code : 8331

Sole Sponsor, Sole Bookrunner and Sole Lead Manager



- The Placing Price has been determined at HK\$0.32 per Placing Share (excluding brokerage of 1.00%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.32 per Placing Share, the net proceeds to be received by the Company from the Placing (after deducting the underwriting fees and other expenses) are estimated to be approximately HK\$12.4 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set out in “Future plans and use of proceeds” of the Prospectus.
- The 125,000,000 Placing Shares offered by the Company under the Placing are moderately over-subscribed.
- The Offer Size Adjustment Option has not been exercised by the Sole Lead Manager and has lapsed.
- The 125,000,000 Placing Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Placing) have been conditionally allocated to a total of 120 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief: (i) all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates; (ii) none of the placees is a person or a group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing; (iii) none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; and (iv) none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing. The Directors also confirm that there will not be any new substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately after completion of the Placing.

- The Directors confirm that, immediately after completion of the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, 29 December 2015. The Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8331.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

Pursuant to the Price Determination Agreement entered into between the Company and the Sole Lead Manager (for itself and in its capacity as the Underwriter) dated 21 December 2015, the Placing Price was agreed to be HK\$0.32 per Placing Share (excluding brokerage of 1.00%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

The net proceeds to be received by the Company from the Placing, after deducting underwriting fees and other expenses, are estimated to be approximately HK\$12.4 million. The Directors intend to apply such net proceeds from the Placing in the following manner:

- approximately HK\$6.7 million (or approximately 53.9%) of the net proceeds for development of production technology for new products; and
- approximately HK\$5.7 million (or approximately 46.1%) of the net proceeds for improvement of plant and equipment.

Further details are set out in “Future plans and use of proceeds” of the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 125,000,000 Placing Shares offered by the Company under the Placing are moderately over-subscribed. The Offer Size Adjustment Option has not been exercised by Sole Lead Manager and has lapsed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 125,000,000 Placing Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Placing) have been conditionally allocated to a total of 120 selected professional, institutional and other investors. The distribution of the Placing Shares is set forth as below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing
Top placee	18,500,000	14.8%	3.7%
Top 5 placees	74,600,000	59.7%	14.9%
Top 10 placees	107,100,000	85.7%	21.4%
Top 25 placees	122,600,000	98.1%	24.5%

Number of Placing Shares allocated

Number of placees

10,000 to 100,000	91
100,001 to 1,000,000	15
1,000,001 to 5,000,000	6
5,000,001 to 10,000,000	2
10,000,001 and above	6

Total:

120

The Directors confirm that, to the best of their knowledge and belief: (i) all the placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates; (ii) none of the placees is a person or a group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing; (iii) none of the Placing Shares subscribed by the placees has been financed directly or indirectly by a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them; and (iv) none of the placees is accustomed to taking instructions from a Director, chief executive, Controlling Shareholder or substantial shareholder of the Company or any of its subsidiaries or a close associate of any of them in relation to the acquisition, disposal, voting or other disposition of Shares registered in his/her/its name or otherwise held by him/her/it. No placee, individually, has been or will be placed with more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing. The Directors also confirm that there will not be any new substantial shareholder (as defined under the GEM Listing Rules) of the Company immediately after completion of the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Placing, the Company will comply with the public float requirements under Rule 11.23(7) and Rule 11.23(8) of the GEM Listing Rules that the public float of the Company will be at least 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Tuesday, 29 December 2015) or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies for the Placing Shares. No temporary documents or evidence of title will be issued by the Company.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or before Monday, 28 December 2015 for credit to the respective CCASS participants' stock accounts or investor participants' stock accounts of the Underwriter, the placees or their respective agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sole Lead Manager (for itself and in its capacity as the Underwriter) is entitled to terminate the Underwriting Agreement by giving notice in writing to the Company upon the occurrence of any of the events set out in "Underwriting – Underwriting arrangements and expenses – Grounds for termination" of the Prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Tuesday, 29 December 2015). In the event that the Underwriting Agreement is terminated, the Placing will lapse and thereafter, all monies received will be refunded to applicants of the Placing without interests and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.fsnmmaterials.com accordingly.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms and conditions prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Tuesday, 29 December 2015).

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Tuesday, 29 December 2015. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.fsnmmaterials.com. Shares will be traded in board lots of 10,000 Shares each. The stock code for the Shares is 8331.

By order of the Board
Feishang Non-metal Materials Technology Limited
Xu Chengyin
Chairman and Executive Director

Hong Kong, 28 December 2015

As at the date of this announcement, the executive Directors are Mr. Xu Chengyin, Mr. Zhang Pingwu and Mr. Chen Gongbao, and the independent non-executive Directors are Mr. Chan Chiu Hung Alex, Mr. Zheng Shuilin and Mr. Duan Xuechen.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 herein or this announcement misleading.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company's website at www.fsnmmaterials.com.