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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)

(Stock Code: 8331)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

AND

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

 **KINGSTON SECURITIES**

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 31 October 2017 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best effort basis to currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 40,000,000 Placing Shares at the Placing Price of HK\$1.45 per Placing Share.

PLACING SHARES

The 40,000,000 Placing Shares to be allotted and issued under the Placing represent (i) 8.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.27% of the issued share capital of the Company as enlarged by the issue of the Placing Shares and the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Placing Completion Date and the Subscription Completion Date (other than as a result of the allotment and issue of the Placing Shares and the Subscription Shares)).

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by the shareholders of the Company at the Company's annual general meeting held on 30 June 2017, which has not been used since granted.

THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is also pleased to announced that on 31 October 2017 (after the trading hours of the Stock Exchange), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 10,000,000 Subscription Shares at the Subscription Price of HK\$1.45 per Subscription Share.

SUBSCRIPTION SHARES

The 10,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) 2.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.82% of the issued share capital of the Company as enlarged by the issue of the Placing Shares and Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Placing Completion Date and Subscription Completion Date (other than as a result of the allotment and issue of the Placing Shares and the Subscription Shares)).

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by the shareholders of the Company at the Company's annual general meeting held on 30 June 2017, which has not been used since granted.

USE OF PROCEEDS

The aggregate gross proceeds of the Placing will be HK\$58 million and the aggregate net proceeds of the Placing, after deduction of expenses, are estimated to be approximately HK\$56.69 million, representing a net issue price of approximately HK\$1.42 per Placing Share.

The aggregate gross proceeds of the Subscription will be HK\$14.5 million and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$14.35 million, representing a net issue price of approximately HK\$1.44 per Subscription Share.

The net proceeds from the Placing and the Subscription are intended to be used for (i) the future resources trading business development with our strategic parties; (ii) formation of joint venture company with potential strategic partners; (iii) the potential investment in mining resources projects; and (iv) acquire the potential resources companies from the industry.

Shareholders and potential investors of the Company should note that Placing Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Shareholders and potential investors of the Company should note that Subscription Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares, and is subject to fulfillment of other conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 31 October 2017 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, to procure on a best effort basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 40,000,000 Placing Shares at the Placing Price of HK\$1.45 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 31 October 2017

Parties: (i) the Company (as issuer); and
(ii) Kingston Securities Limited (as Placing Agent).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 2% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents.

The Directors consider that the placing commission in respect of the Placing are fair and reasonable.

Placees

The Placing Shares will be placed to currently expected to be not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties.

Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Placing Completion, a maximum of 40,000,000 Placing Shares represent (i) 8.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.27% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares and Subscription Shares. The aggregate nominal value of the maximum of 40,000,000 Placing Shares is HK\$400,000.

Placing Price

The Placing Price of HK\$1.45 per Placing Share represents:

- (i) a discount of approximately 14.71% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on 31 October 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 14.61% to the average of the closing prices of HK\$1.698 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Conditions of the Placing

The Placing Completion is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment and/or despatch of certificates for the Placing Shares) the listing of, and permission to deal in all of the Placing Shares; and
- (ii) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

Placing Completion

Placing Completion shall take place on a date falling within four Business Days after the day on which all the conditions set out in the Placing Agreement have been fulfilled (or such later date as may be agreed between the parties to the Placing Agreement in writing).

In the event that the above conditions to the Placing are not satisfied and/or waived (other than condition (i) above, which cannot be waived) in whole or in part by the Placing Agent on or before 5:00 p.m. on the Placing Long Stop Date, the Placing will be terminated and the Placing will not proceed and all obligations and liabilities of the parties thereunder will forthwith cease and determine and no party will have any claim against the others (save for any antecedent breaches thereof).

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2017. The maximum number of Shares that can be issued under the General Mandate is 100,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Placing Shares and the Subscription Shares. Accordingly, no separate approval of Shareholders is required for the Placing.

Application for listing

The Company will make application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Termination and force majeure

The Placing Agent may terminate the Placing Agreement by notice in writing prior to 9:00 a.m. on the Placing Completion Date, if in the absolute opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (i) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances (inclusive of any pandemics or epidemics) which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

If, at or prior to 9:00 a.m. on the Placing Completion Date,

- (i) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
- (ii) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing of any announcement(s) relating to the Placing Agreement or any announcements or circulars relating to the Placing; or
- (iii) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing.

The Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under the Placing Agreement.

Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

The Placing Agreement may be terminated by the Placing Agents at any time on or prior to the Placing Completion Date:

- (a) if there has come to the notice of the Placing Agent that:–
 - (i) any statement contained in this announcement was, when it was issued, or has become, untrue, incorrect or misleading in any material respect; or
 - (ii) any matter has been discovered which would, had it been discovered immediately before the date of this announcement, constitute a material omission therefrom; or
 - (iii) any breach of the undertakings, representations and warranties set out in the Placing Agreement; or

- (iv) any material breach of any of the obligations imposed upon any party to the Placing Agreement (other than the Placing Agent); or
 - (v) any of the undertakings, representations and warranties set out in the Placing Agreement would be untrue or inaccurate or misleading in any material respect if given at that time; or
 - (vi) any material adverse change in the financial or trading position of the Group taken as a whole; or
- (b) if there develops, occurs, or comes into effect the following events that, in the reasonable opinion of the Placing Agent, would prejudice the success of the Placing:
- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (iii) any change in conditions of local, national or international securities markets occurs; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong and if any such new law or change would materially and adversely affect the business or financial prospects of the Group; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
 - (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

THE SUBSCRIPTION AGREEMENT

The Company proposes to raise approximately HK\$14.5 million before expenses by way of the Subscription, principal terms of subscription agreement are set out as follows:

Date

31 October 2017 (after trading hours of the Stock Exchange)

Issuer

The Company

Subscriber

Mr. Cheong Weixiong (the “**Subscriber**”)

Mr. Cheong Weixiong (“**Mr. Cheong**”) holds a diploma in information studies at Temasek Polytechnic and executive master in business administration from the Singapore Management University.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, the Subscription Shares. The 10,000,000 Subscription Shares (of an aggregate nominal value of HK\$100,000) to be allotted and issued under the Subscription represent (i) approximately 2.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.82% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Placing Completion and Subscription Completion (other than as a result of the allotment and issue of the Placing Shares and the Subscription Shares)).

Subscription Price

The Subscription Price of HK\$1.45 per Subscription Share represents:

- (i) a discount of approximately 14.71% to the closing price of HK\$1.70 per Share as quoted on the Stock Exchange on 31 October 2017, being the date of the Subscription Agreement;
- (ii) a discount of approximately 14.61% to the average of the closing prices of HK\$1.698 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price will be payable by the Subscriber in cash upon Subscription Completion.

Conditions Precedent

Subscription Completion shall be subject to the following conditions being satisfied:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares pursuant to the Subscription Agreement);
- (b) the compliance with the applicable requirements under the Listing Rules by the Company;
- (c) all the representations, warranties and undertakings given by the Subscriber in the Subscription Agreement remaining true, accurate and not misleading in all respects; and
- (d) the execution of the Escrow Agreement by the parties thereto.

The Company has the right to waive the condition under paragraph (c) as specified above in part or in full, and none of the conditions set out above is waivable by the Subscriber.

If the conditions set out above have not been satisfied and/or waived (where applicable) (other than as a result of the default of the Company and/or, as the case may be, the Subscriber) at or before 15 January 2018, 5:00 p.m., the Subscription Agreement shall cease and determine (save and except for the provisions governing the confidentiality obligations and other miscellaneous provisions which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms of the Subscription Agreement.

Subscription Completion Date

Subscription Completion shall take place on the fifth Business Day after the satisfaction of, amongst others, all of the conditions precedent referred to above in accordance with the Subscription Agreement (or such other date as may be agreed by the Company and the Subscriber in writing).

Ranking

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 30 June 2017. The maximum number of Shares that can be issued under the General Mandate is 100,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of the Placing Shares and the Subscription Shares. Accordingly, no separate approval of Shareholders is required for the Subscriptions.

Application for listing

The Company will make application to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND THE SUBSCRIPTION

The principal activity of the Company is an investment holding while the principal subsidiary is mainly engaged in bentonite mining, production and sales of drilling mud and pelletising clay. The Board considers that the Placing and the Subscription represents a good opportunity to raise additional funds and to widen the Company's shareholder base, and the terms of the Subscription Agreement are on normal commercial terms. Accordingly, the Directors consider that the terms of the Placing and the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds of the Placing will be HK\$58 million and the aggregate net proceeds of the Placing, after deduction of expenses, are estimated to be approximately HK\$56.69 million, representing a net issue price of approximately HK\$1.42 per Placing Share.

The aggregate gross proceeds of the Subscription will be HK\$14.5 million and the aggregate net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$14.35 million, representing a net issue price of approximately HK\$1.44 per Subscription Share.

The net proceeds from the Placing and the Subscription are intended to be used for (i) the future resources trading business development with our strategic parties; (ii) formation of joint venture company with potential strategic partners; (iii) the potential investment in mining resources projects; and (iv) acquire the potential resources companies from the industry. As at the date of this announcement, the Company has not entered into any agreement or arrangement in respect of any acquisitions of new business. Further announcement(s) in respect of any possible acquisition or any equity investment will be made by the Company in compliance with the Listing Rules as and when appropriate.

WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders and potential investors of the Company should note that Placing Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Shareholders and potential investors of the Company should note that Subscription Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Subscription Shares, and is subject to fulfillment of other conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon issue of the Placing Shares and Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Placing Completion and Subscription Completion (other than as a result of the allotment and issue of the Placing Shares and Subscription Shares)):

	As at the date of this announcement		Immediately upon Placing Completion and Subscription Completion	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Shareholders				
Mr. Zhang Qiang	275,000,000	55.00	275,000,000	50.00
Placees (<i>Note 1</i>)	–	–	40,000,000	7.27
Mr. Cheong Weixiong (<i>Note 2</i>)	–	–	10,000,000	1.82
Other public Shareholders	<u>225,000,000</u>	<u>45.00</u>	<u>225,000,000</u>	<u>40.91</u>
Total	<u><u>500,000,000</u></u>	<u><u>100.00</u></u>	<u><u>550,000,000</u></u>	<u><u>100.00</u></u>

Notes

1. The Placing Shares will be placed by the Placing Agent to currently expected not less than six independent Placees.
2. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is an Independent Third Party.
3. The percentages are subject to rounding errors.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

There has not been any fund raising exercise conducted by the Company in the past twelve months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong and in Singapore are generally open for business throughout their normal business hours (other than a Saturday, Sunday or public holiday in Hong Kong and Singapore, and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon
“Company”	Feishang Non-metal Materials Technology Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM board of the Stock Exchange (stock code: 8331)
“Director(s)”	director(s) of the Company
“Escrow Agreement”	the agreement entered into between the Company, the Subscriber and the escrow agent (which is an Independent Third Party) dated 31 October 2017
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 June 2017, among other things, to allot, issue and deal with up to 100,000,000 Shares, being 20% of the then issued share capital of the Company on 30 June 2017
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any persons or company(ies) and their respective ultimate beneficial owners, to the best of the Director’s knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Placee(s)”	any independent professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of 40,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Kingston Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agents dated 31 October 2017 in relation to the Placing
“Placing Completion”	the completion of the Placing in accordance with the terms and condition set out in the Placing Agreement

“Placing Completion Date”	within four Business Days after the fulfilment of the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Company and the Placing Agent in writing)
“Placing Long Stop Date”	21 November 2017 or such later date as may be agreed between the Company and the Placing Agent in writing
“Placing Price”	HK\$1.45 per Placing Share
“Placing Share(s)”	up to 40,000,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shares”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 31 October 2017 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Completion”	the completion of the Subscription upon satisfaction of, amongst others, the conditions precedent under the Subscription Agreement

“Subscription Completion Date”	The date on which the Subscription Completion shall take place and such day shall fall on the fifth Business Day after the satisfaction of all the conditions precedent as set out in the Subscription Agreement (or such other date as may be agreed by the Company and the Subscriber in writing)
“Subscription Price”	the subscription price of HK\$1.45 per Subscription Share
“Subscription Shares”	10,000,000 new Shares to be allotted and issued under the Subscription Agreement to the Subscriber upon Subscription Completion
“%” or “per cent.”	percentage or per centum

By order of the Board
Feishang Non-metal Materials Technology Limited
ZHANG Yongmin
Executive Director

Hong Kong, 31 October 2017

As at the date of this announcement, the executive Directors are Mr. DENG Li and Mr. ZHANG Yongmin; 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 aspects 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 Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.fsnmmaterials.com.