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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)

**I. SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE;
II. DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
A PROPERTY IN THE PRC;
III. UPDATE ON RECENT BUSINESS DEVELOPMENT;
IV. APPOINTMENT OF EXECUTIVE DIRECTOR AND
INDEPENDENT NON EXECUTIVE DIRECTORS;
AND
V. POSSIBLE EXTRAORDINARY GENERAL MEETING**

THE SUBSCRIPTION

On 5 December 2017 (after the trading hours), 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, an aggregate of 50,000,000 Subscription Shares at the Subscription Price of HK\$1.45 per Subscription Share. The Subscription Shares represent approximately 9.09% of the existing number of issued shares of the Company as at the date of this announcement and approximately 8.33% of the total number of issued shares of the Company as enlarged by the Subscription.

THE ACQUISITION

On 5 December 2017, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Property, at the Consideration of RMB12,020,000 (equivalent to approximately HK\$13,800,000) which shall be satisfied by the proceeds from the Subscription upon Acquisition Completion. The Board intends to acquire the Property as the main operation office of Bangchung Longxin's business.

UPDATE ON RECENT BUSINESS DEVELOPMENT

The Board wishes to update Shareholders on recent business development of the Company:

- (i) The Company and Shandong Gold Investment, a subsidiary of Shandong Gold Group have entered into a cooperation agreement to form a joint venture company to (a) acquire potential resource company or resources projects in the PRC; (b) invest in the non-metal materials resources projects which related in processing and trading business; and (c) processing of non-metal materials resources. Shandong Gold Group is one of the largest state-owned enterprises and one of the top 500 Chinese enterprises. Shandong Gold Mining Co., Ltd., a subsidiary of Shandong Gold Group is listed on the Shanghai Stock Exchange (600547.SH).
- (ii) The Company in the process of studying the feasibility of acquiring a graphite mine in Danfeng, Shanxi Province, PRC. Based on the information available to the Company, the exploitation permit and the exploration certificate of the graphite mine have been obtained. In addition, SRK Consulting China Ltd has issued a technical report on the indicated resources and inferred resources of the mine. As at the date of the announcement, the legal framework for overseas structure has been established.
- (iii) The Company has established a resources trading business and has entered into a preliminary contract for trading of Nigeria's crude oil and other production materials.

Further announcement(s) in respect of any major update will be made by the Company in compliance with the Listing Rules as and when appropriate.

APPOINTMENT OF DIRECTORS

The Board announces that with effect from 5 December 2017, Mr. Tsai Nam Lun has been appointed as executive director of the Company, Ms. Chan Shuk Kwan, Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi have been appointed as independent non-executive directors of the Company.

Each of Ms. Chan Shuk Kwan, Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi has been appointed as member of the Audit Committee, Nomination Committee and Remuneration Committee.

POSSIBLE EXTRAORDINARY GENERAL MEETING

On 27 November 2017, Mr. Zhang wrote to the Company requesting the Company to convene an extraordinary general meeting to replace the Board. The Company is seeking professional advice in relation to the Request including but is not limited to its authenticity and the actions to be taken by the Board. The Company will further inform shareholders and potential investors by way of announcement as and when appropriate.

GENERAL

As the applicable percentage ratio(s) in relation to the Acquisition exceeds 5% but falls below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 17 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that (i) 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; and (ii) the Acquisition Completion is subject to the satisfaction of the conditions precedent to the Sale and Purchase Agreement. As the Subscription and the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

A. SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

On 5 December 2017 (after the trading hours), 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, an aggregate of 50,000,000 Subscription Shares at the Subscription Price of HK\$1.45 per Subscription Share. Major terms of the Subscription Agreement are set out below.

The Subscription Agreement

Principal terms of the Subscription Agreement are set out as follows:

Date: 5 December 2017 (after trading hours)

Issuer: The Company

Subscriber: Mr. Zhuang Shibin

To the best of the knowledge and belief of the Directors, the Subscriber is an experienced investor who 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 50,000,000 Subscription Shares to be allotted and issued under the Subscription represent (i) approximately 9.09% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 8.33% 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 Subscription Completion other than as a result of the allotment and issue of the Subscription Shares).

The aggregate nominal value of the Subscription Shares is HK\$500,000.

Subscription Price

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

- (i) a discount of approximately 9.38% to the closing price of \$1.60 per Share as quoted on the Stock Exchange on 5 December 2017, being the date of the Subscription Agreement;

- (ii) a discount of approximately 9.38% to the average of the closing prices of approximately HK\$1.60 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreement; and
- (iii) a discount of approximately 8.81% to the average of the closing prices of approximately HK\$1.59 per Share as quoted on the Stock Exchange for the last ten 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) all the representations, warranties and undertakings given by the Company in the Subscription Agreement remaining true, accurate and not misleading in all respects;
- (c) all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscription and the transactions contemplated hereunder having been obtained by the Company;
- (d) there having been no material breach by the Company of the terms and conditions of the Sales and Purchase Agreement before the Completion Date; and
- (e) trading of the Shares on the GEM not being suspended for more than ten consecutive trading days prior to the Completion Date (excluding any suspension in connection with the clearance of the announcement in relation to the Subscription (if any)).

The Subscriber has the right to waive all of the above conditions in part or in full, except for conditions (a) and none of the conditions above is waivable by the Company.

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 28 February 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.

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.

Application for Listing

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

General Mandate

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 to allot, issue and otherwise deal with a maximum of 100,000,000 Shares by the Directors. As at the date of this announcement, 50,000,000 Shares has been issued and allotted under the General Mandate. As a result, the General Mandate is sufficient for the allotment and issue of the Subscription Shares. Accordingly, no separate approval of Shareholders is required for the Subscription.

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 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 Subscription Completion other than as a result of the allotment and issue of the Subscription Shares):

	As at the date of this announcement		Immediately upon Subscription Completion	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Shareholders				
Mr. Zhang	275,000,000	50.00	275,000,000	45.83
The Subscriber	3,320,000	0.60	53,320,000	8.89
Other public Shareholders	<u>271,680,000</u>	<u>49.40</u>	<u>271,680,000</u>	<u>45.28</u>
Total	<u><u>550,000,000</u></u>	<u><u>100.00</u></u>	<u><u>600,000,000</u></u>	<u><u>100.00</u></u>

Notes

1. The Subscriber is interested in 3,320,000 Shares as at the date of this announcement.
2. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Subscriber is an Independent Third Party.

Reasons for and Benefits of the Subscription and Use of Proceeds

The principal activity of the Company is 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 Subscription is required for the development of the Company's resources processing and trading business.

The gross proceeds of the Subscription will be HK\$72,500,000 and the net proceeds of the Subscription, after deduction of expenses, are estimated to be approximately HK\$72,500,000, representing a net issue price of approximately HK\$1.45 per Subscription Share.

As disclosed in the announcement of the Company dated 20 November 2017, the Company intends to develop the resources processing and trading business in PRC by entering into a cooperation agreement with Jianping County Longxin Gravel Company Limited* (建平縣隆新碎石有限公司) (“Longxin”), a company incorporated in the PRC. Pursuant to which, Chaoyang Bangchuang Longxin Non-Metal Materials Company Limited* (朝陽市邦創隆新非金屬材料股份有限公司) (“Bangchuang Longxin”), a joint venture of which the Company is interested in 51% and Longxin is interested in 49% has been established. Bangchuang Longxin shall engage in the processing, sale and trading of gravel and bentonite. The target customers of Bangchuang Longxin includes China Railway Bureau and other PRC state-owned enterprises participating in the railway construction of Kazuo to Chifeng railway line and Chaoyang to Chengde railway line.

On 26 November 2017, Bangchuang Longxin entered into an agreement with China Railway 19 Bureau to supply 860,000 m³ of railroad gravel and on 28 November 2017, Bangchuang Longxin has entered into an agreement with Jianping County Park Ceramic Materials Supply Office* (建平縣園區陶瓷原料供應處) to supply 200,000 m³ of porcelain clay. As such, Bangchuang Longxin requires further investment in order to fulfill the abovementioned new contracts.

The net proceeds from the Subscription is intended to be used as to (i) RMB27,200,000 (approximately HK\$31,300,000) for the purchase of machineries for processing of gravel, including hydraulic excavators, wheel loaders and trucks; (ii) RMB19,500,000 (approximately HK\$22,400,000) for the purchase of raw materials; (iii) RMB12,020,000 (approximately HK\$13,800,000) for the acquisition of an office building and the land it is erected on, as the main operation office of Bangchuang Longxin’s business; and (iv) remaining amount for working capital and settlement of professional fees.

Accordingly, the Board considers that the terms of the Subscription are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Fund Raising Activities in the Past Twelve Months

Save as disclosed below, the Company has not conducted any fund raising exercise involving the issue of securities in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Event	Net proceeds and intended use	Actual use of proceeds
31 October 2017	Placing of 40,000,000 new Shares and subscription of 10,000,000 new Shares at the price of HK\$1.45 per Share	HK\$71.04 million intended to be used for (i) the future resources trading business development; (ii) formation of joint venture company with potential strategic partners; (iii) the potential investment in mining resources projects; and (iv) acquire potential resources companies.	Approximately HK\$52.43 million of the net proceeds of the placing and subscription have been used as intended

B. THE ACQUISITION

On 5 December 2017, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Property. Major terms of the Sale and Purchase Agreement are set out below.

Date 5 December 2017

Parties

Purchaser: Lucky Investments Holdings Limited, a wholly owned subsidiary of the Company

Vendor: Mr. Song Zhi Gang

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

Assets to be Acquired

The Property is a 5-stories commercial property located in Chaoyang City, Jianping County, Liaoning Province, PRC, with the land use rights relating thereto. The total gross floor area of the building complex is approximately 1,335.3 square meters, while the land where the building is erected on is approximately 297.9 square meters. The Property is legally and beneficially owned by the Vendor.

Consideration

The Consideration of RMB12,020,000 (equivalent to approximately HK\$13,800,000) shall be satisfied by cash.

The Consideration was determined after arm's length negotiations between the Company and the Vendor with the reference to, among other things, the preliminary valuation from a valuer obtained by the Company.

Conditions precedent

The Acquisition Completion shall be conditional upon and subject to the fulfillment (or waiver, as the case may be) of the following conditions precedent:

- (i) the Purchaser having received a legal opinion relating to the Property, including the legal title of the Property, issued by a PRC law firm approved by the Purchaser in form and substance and in all respects satisfactory to the Purchaser;
- (ii) the Purchaser having received a valuation report issued by a qualified valuer approved by the Purchaser showing the value of the Property being not less than RMB12,020,000 based on methodology, assumptions, criteria and other terms as may be accepted by the Purchaser; and
- (iii) the representations, warranties and undertakings of the Vendor remaining true and accurate and not misleading at Acquisition Completion as if repeated at Acquisition Completion and at all times between the date of the Sale and Purchase Agreement and the date of Acquisition Completion.

The Purchaser may waive any or all of the conditions precedent above except (iii) at any time by notice in writing to the Vendor. In the event that all the conditions above shall not have been fulfilled or waived at or before the Long Stop Date, the Sale and Purchase Agreement shall cease and determine and none of the parties shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Acquisition Completion

Acquisition Completion shall take place within three Business Days after the fulfilment or waiver (as the case may be) of the conditions or such later date as may be agreed between the Vendor and the Company.

Reasons for the Acquisition

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.

As stated in the paragraph headed “Reasons for and Benefits of the Subscription and Use of Proceeds” above, Bangchuang Longxin, a joint venture has been established by the Company and Longxin and it is mainly engaged in processing, sale and trading of gravel and bentonite.

As the suppliers of gravel, bentonite and other materials are remotely located, the Board intends to acquire the Property, which is located in Chaoyang City, Jianping County, Liaoning Province with a total gross floor area of approximately 1,335.3 square meters as the main operation office of Bangchuang Longxin's business for more direct and effective management and supervision.

The Consideration of the Property is determined with preliminary valuation obtained by the Company and that Acquisition Completion is subject to receipt of a valuation report issued by a qualified valuer approved by the Purchaser showing the value of the Property being not less than RMB12,020,000 based on methodology, assumptions, criteria and other terms as may be accepted by the Company.

Accordingly, the Board considers that the Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

General

As the applicable percentage ratio(s) in relation to the Acquisition exceeds 5% but falls below 25%, the Acquisition constitutes a discloseable transaction of the Company under the GEM Listing Rules and is therefore subject to reporting and announcement requirements under Chapter 17 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that (i) 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; (ii) the Acquisition Completion is subject to the satisfaction of the conditions precedent to the Sale and Purchase Agreement. As the Subscription and the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

C. UPDATE ON RECENT BUSINESS DEVELOPMENT

The Board wishes to update Shareholders on recent business development of the Company:

- (i) The Company and Shandong Gold Investment, a subsidiary of Shandong Gold Group have entered into a cooperation agreement to form a joint venture company to (a) acquire potential resource company or resources projects in the PRC; (b) invest in the non-metal materials resources projects which related in processing and trading business; and (c) processing of non-metal materials resources. Shandong Gold Group is one of the largest state-owned enterprises and one of the top 500 Chinese enterprises. Shandong Gold Mining Co., Ltd., a subsidiary of Shandong Gold Group is listed on the Shanghai Stock Exchange (600547.SH).
- (ii) The Company in the process of studying the feasibility of acquiring a graphite mine in Danfeng, Shanxi Province, PRC. Based on the information available to the Company, the exploitation permit and the exploration certificate of the graphite mine have been obtained. SRK Consulting China Ltd has issued a technical report on the indicated resources and inferred resources of the mine. As at the date of the announcement, the legal framework of overseas structure has been established.
- (iii) The Company has established a resources trading business and has entered into a preliminary contract for trading of Nigeria's crude oil and other production materials.

Further announcement(s) in respect of any major update will be made by the Company in compliance with the Listing Rules as and when appropriate.

D. APPOINTMENT OF DIRECTORS

The Board announces that with effect from 5 December 2017, Mr. Tsai Nam Lun has been appointed as executive director of the Company, Ms. Chan Shuk Kwan, Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi have been appointed as independent non-executive directors of the Company.

The biographical details of the New Directors are set out in the paragraphs below:

Mr. TSAI Nam Lun (“Mr. Tsai”)

Mr. Tsai, aged 46, has 15 years’ experience in corporate management and project analysis in the PRC. He has established a number of different type of industrial and investment companies and has a strong relationship with financial institutions in Hong Kong and PRC. He is currently a director of a joint venture of the Company and is also interested in 6,220,000 Shares.

Mr. Tsai obtained a Bachelor degree of Business Management Studies from The University of Waikato, New Zealand, and majors in both Finance and Marketing.

Pursuant to the service agreement entered into between Mr. Tsai and the Company on 5 December 2017, he is subject to retirement by rotation and re-election provisions of Articles of Association of the Company. Mr. Tsai is entitled to a director’s fee at a rate of HK\$10,000 per month which is determined by the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Ms. CHAN Shuk Kwan, Winnie (“Ms. Chan”)

Ms. Chan, aged 51, has over 20 years of experience in the banking and finance industry in Hong Kong, and specializes in credit analysis and loan administration. From January 1989 to August 1990, Ms. Chan was a credit analyst of OTB Card Company Limited, a company which was principally engaged in the credit card business. From August 1990 to August 1992, she was employed as credit analyst in the loans department of Sumitomo Mitsui Trust (Hong Kong) Limited (formerly known as The Sumitomo Trust Finance (H.K.) Limited), a company which was principally engaged in the business of debt investment, provision of securities, investment advisory and fund management services. From February 1996 to July 2013, Ms. Chan worked in Industrial & Commercial Bank of China (Asia) Limited (formerly known as Belgian Bank and Fortis Bank Asia HK), a licensed bank registered with the Hong Kong Monetary Authority and her last position was credit manager in the credit department. Since May 2016 up to the date of this announcement, Ms. Chan is an executive director of Wealthy Way Group Limited (stock code: 3848).

Ms. Chan obtained a Bachelor of Science degree from University of South Florida, USA.

Pursuant to the appointment letter entered into between Ms. Chan and the Company on 5 December 2017, she is subject to retirement by rotation and re-election provisions of Articles of Association of the Company. Ms. Chan is entitled to a director’s fee at a rate of HK\$10,000 per month which is determined by the Board with reference to her duties and responsibilities with the Company and the prevailing market situation.

Ms. CHEUK Tat Yee (“Ms. Cheuk”)

Ms. Cheuk, aged 30, is the company secretary of Wealthy Way Group Limited (stock code: 3848) since 12 May 2016 up to the date of this announcement. Ms. Cheuk worked at Ernst & Young as accountant from November 2009 to December 2013. She was an assistant accounting manager of Shing Future Holdings Limited, which is a subsidiary of Hoifu Energy Group Limited (stock code: 7), from December 2013 to October 2015. Ms. Cheuk was the company secretary of China Investment and Finance Group Limited (stock code: 1226) from August 2014 to March 2015. During the period from November 2015 to February 2017, she was the senior accountant at Taobao China Holding Limited. She has been the finance manager of Haifu International Finance Holding Group Limited since February 2017.

Ms. Cheuk obtained a Bachelor of Business Administration degree in Professional Accounting from The Hong Kong University of Science and Technology in November 2009. She has been a member of the Hong Kong Institute of Certified Public Accountants since November 2011.

Pursuant to the appointment letter entered into between Ms. Cheuk and the Company on 5 December 2017, she is subject to retirement by rotation and re-election provisions of Articles of Association of the Company. Ms. Cheuk is entitled to a director’s fee at a rate of HK\$10,000 per month which is determined by the Board with reference to her duties and responsibilities with the Company, the Company’s performance and the prevailing market situation.

Ms. YIN Yi (“Ms. Yin”)

Ms. Yin, aged 39, has 7 years’ experience in the operation and sales of the mineral industry. Ms. Yin is currently an associate director of Shanxi Datong Nanjiao Gaoshan Coal Industry Company Limited* (山西大同南郊高山煤業有限公司). She is proficient in the mining industry and has abundant connections in mineral field. Between 2002 and 2007, Ms. Yin worked at Chongqing Mythological Press Company Limited* (重慶神話傳媒有限公司) and she was an associate director when she left her position in 2007.

Ms. Yin graduated from Beijing Foreign Affairs University of Economy in September 1999 with a diploma in Accounting.

Pursuant to the appointment letter entered into between Ms. Yin and the Company on 5 December 2017, she is subject to retirement by rotation and re-election provisions of Articles of Association of the Company. Ms. Yin is entitled to a director's fee at a rate of HK\$10,000 per month which is determined by the Board with reference to her duties and responsibilities at the Company, the Company's performance and the prevailing market situation.

Save as disclosed above:

- (i) each of the New Directors has not held any other directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;
- (ii) as at the date of this announcement, each of the new Directors does not have, or is not deemed to have, any interest in the Shares (within the meaning of Part XV of the SFO);
- (iii) each of the New Directors (i) does not hold any other position in the Company or its subsidiaries; and (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined under the GEM Listing Rules); and
- (iv) there is no information which is required to be disclosed pursuant to the requirements under paragraphs 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the shareholders of the Company.

With effect from 5 December 2017, each of Ms. Chan, Ms. Cheuk and Ms. Yin has been appointed as a member of the Audit Committee, Nomination Committee and Remuneration Committee.

E. POSSIBLE EXTRAORDINARY GENERAL MEETING

On 27 November 2017, Mr. Zhang wrote to the Company requesting the Company to convene an extraordinary general meeting to replace the Board. The Company is seeking professional advice in relation to the Request including but is not limited to its authenticity and the actions to be taken by the Board. The Company will further inform shareholders and potential investors by way of announcement as and when appropriate.

DEFINITIONS

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

“Acquisition”	acquisition of the Property pursuant to the Sale and Purchase Agreement
“Acquisition Completion”	the completion of the Acquisition upon satisfaction of the conditions precedent under the Sale and Purchase Agreement
“Articles of Association”	the articles of association adopted by the Company, as amended from time to time by resolution of the Shareholders
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“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)
“Completion Date”	the date on which the 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)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the total consideration of RMB12,020,000 (equivalent to approximately HK\$13,800,000) payable by the Purchaser for the Acquisition

“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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
“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)”	a third party independent of and not connected with the Company and its connected persons
“Mr. Zhang”	Mr. Zhang Qiang, a shareholder of the Company holding 275,000,000 Shares
“New Directors”	Mr. Tsai Nam Lun, Ms. Chan Shuk Kwan, Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi
“PRC”	the People’s Republic of China, and for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Property”	land use right of 297.9 square meters together with a property complex with a total gross floor area of approximately 1,335.3 square meters located in Chaoyang City, Jianping County, Liaoning province, which is legally and beneficially owned by the Vendor
“Purchaser”	Lucky Investments Holdings Limited, a wholly owned subsidiary of the Company

“Request”	the written request dated 27 November 2017 sent by Mr. Zhang to the Company requesting to replace the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 December 2014 entered into between the Company and the Vendor in relation to the Acquisition
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shandong Gold Group”	Shandong Gold Group Co.
“Shandong Gold Investment”	Shandong Gold Investment Management Co., Ltd., a subsidiary of Shandong Gold Group
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mr. Zhuang Shibin
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5 December 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 Price”	the subscription price of HK\$1.45 per Subscription Share

“Subscription Share(s)”	50,000,000 new Shares to be allotted and issued under the Subscription Agreement to the Subscriber upon Completion
“Vendor”	Mr. Song Zhi Gang

* *For identification purposes only*

The exchange rate used for the purpose of this announcement is RMB1 = HK\$1.15. This does not mean that RMB could be converted into HK\$ based on such exchange rate, or vice versa.

By order of the Board
Feishang Non-metal Materials Technology Limited
DENG Li
Executive Director

Hong Kong, 5 December 2017

As at the date of this announcement, the Executive Directors are Mr. DENG Li, Mr. TSAI Nam Lun and Mr. ZHANG Yongmin; and the Independent Non-executive Directors are Mr. CHAN Chiu Hung Alex, Ms. CHAN Shuk Kwan Winnie, Ms. CHEUK Tat Yee, Mr. DUAN Xuechen, Ms. YIN Yi and Mr. ZHENG Shuilin.

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 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.