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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)

**INSIDE INFORMATION
LEGAL PROCEEDINGS**

This announcement is made by Feishang Non-metal Materials Technology Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has received an originating summons (the “**OS**”) dated 18 December 2017 filed by Mr. Zhang Qiang as the plaintiff (the “**Plaintiff**”) against (i) the Company; (ii) Mr. Deng Li, an executive director of the Company (the “**Director**”); (iii) Mr. Tsai Nam Lun, an executive Director; (iv) Mr. Zhang Yongmin, an executive Director; (v) Mr. Chan Chiu Hung Alex, a former independent non-executive Director; (vi) Ms. Chan Shuk Kwan Winnie, an independent non-executive Director; (vii) Ms. Cheuk Tat Yee, an independent non-executive Director; (viii) Ms. Yin Yi, an independent non-executive Director; and (ix) the grantees of the share options (the “**Grantees**”) granted by the Company on 6 December 2017 (other than Mr. Deng Li, Mr. Zhang Yongmin and Mr. Tsai Nam Lun), (collectively, the “**Defendants**”) under a legal proceeding no. HCMP 2715/2017 (the “**Legal Proceeding**”) in the Court of First Instance of the High Court of Hong Kong (the “**Court**”).

Pursuant to the claims indorsed on the OS, the Plaintiff sought for:–

- (1) A declaration that the subscription agreement dated 5 December 2017 (“**Subscription Agreement**”) between the Company and Mr. Zhuang Shibin is voidable and is avoided by the commencement of this action.

- (2) An injunction restraining Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin, Mr. Chan Chiu Hung Alex, Ms. Chan Shuk Kwan Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi whether by themselves or their proxy or agent or servant or otherwise howsoever from carrying into effect, completing or otherwise performing the terms of the Subscription Agreement.
- (3) A declaration that the grant of the 50,000,000 share options to Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin and other Grantees by the Company on 6 December 2017 (“**Share Options**”) under the share option scheme adopted by the Company on 12 December 2015 (“**Share Option Scheme**”) is voidable and is avoided by the commencement of this action.
- (4) An injunction restraining Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin, Mr. Chan Chiu Hung Alex, Ms. Chan Shuk Kwan Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi, whether by themselves or their proxy or agent or servant or otherwise howsoever, from:–
 - a. granting any further options to any individuals or entities to subscribe for shares (“**Shares**”) under the Share Option Scheme;
 - b. issuing any further Shares to any grantees in respect of the Share Options; and/or
 - c. carrying out any further or other acts to facilitate any exercise of or any attempt to exercise the Share Options by any of the Grantees.
- (5) An injunction restraining Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin and other Grantees, whether by themselves or their proxy or agent or servant or otherwise howsoever, from exercising or transferring or otherwise disposing of the Share Options, and/or, selling, transferring or otherwise disposing of those Shares which they have obtained through the exercise of the Share Options.
- (6) Damages (to be assessed).
- (7) Costs.
- (8) Any other order as the Court deems fit.

The Plaintiff also sought an interlocutory injunction by way of an *ex parte* hearing. On 18 December 2017, the Court ordered (the “**Order**”) that:–

- (1) The Company, Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin, Mr. Chan Chiu Hung Alex, Ms. Chan Shuk Kwan Winnie, Ms. Cheuk Tat Yee and Ms. Yin Yi be restrained, whether by themselves or their proxy or agent or servant or otherwise howsoever, from:–
 - a. granting any further options to any individuals or entities to subscribe for Shares under the Share Option Scheme adopted by the Company on 12 December 2015;
 - b. issuing any further Shares to any grantees in respect of those Share Options granted by the Company on 6 December 2017 under the Share Option Scheme; and/or
 - c. carrying out any further or other acts to facilitate any exercise of or any attempt to exercise the Share Options by any of the grantees.
- (2) Mr. Deng Li, Mr. Tsai Nam Lun, Mr. Zhang Yongmin and other Grantees be restrained, whether by themselves or their proxy or agent or servant or otherwise howsoever, from:–
 - a. exercising or transferring or otherwise disposing of the Share Options; and/or
 - b. selling, transferring or otherwise disposing of those Shares which they have obtained through the exercise of the Share Options.
- (3) Paragraphs (1) to (2) to the Order will remain in force up to and including 29 December 2017, unless before then it is varied or discharged by a further order of the Court. The application in which the Order is made shall come back to the Court for further hearing on 29 December 2017.
- (4) The Company shall forthwith and in any event within 3 days of the service of the Order (or by such other time and date as may be agreed in writing between the Plaintiff and the Company) inform the Plaintiff’s solicitors in writing:–
 - a. The names, addresses and contact details of each of the Grantees (other than Mr. Deng Li, Mr. Zhang Yongmin and Mr. Tsai Nam Lun) that are known to the Company.
 - b. The address(es) and contact details of Mr. Zhuang Shibin (namely, the subscriber of 50,000,000 Shares pursuant to the Subscription Agreement entered into by the Company on 5 December 2017 (the “**Subscription**”)) that are known to the Company.

and shall within 7 days of the service of the Order file and serve an affidavit/affirmation verifying the said information.

- (5) The Plaintiff do have leave to use the information and documents obtained under Paragraph (4) of the Order for the purpose of pursuing existing legal proceedings or commencing and pursuing new legal proceedings on all matters concerning the Share Options and/or the Subscription, whether in Hong Kong or elsewhere.
- (6) The Plaintiff do have leave to serve the documents referred to in Paragraph (4) of the Plaintiff's undertakings and all subsequent court documents and orders in these proceedings (the "**Court Documents**") by ordinary post to Mr. Deng Li and Mr. Zhang Yongmin's addresses in the PRC.
- (7) The Plaintiff be directed to serve the Court Documents on the Grantees (other than Mr. Deng Li, Mr. Zhang Yongmin and Mr. Tsai Nam Lun) by leaving the same at the office of the Company.
- (8) Upon the Company providing such information set out in Paragraphs (4a) and (4b) above, the Plaintiff shall as soon as practicable join the Grantees (other than Mr. Deng Li, Mr. Zhang Yongmin and Mr. Tsai Nam Lun) and Zhuang Shibin as additional defendants in these proceedings and arrange for the service of the Court Documents on such additional defendants at such addresses provided by the Company.
- (9) The Defendants shall have liberty to apply to vary or discharge this Order upon giving prior written notice to the Plaintiff's solicitors.
- (10) Costs be reserved.

The Company is seeking legal advice in respect of the Legal Proceeding and will make further announcement(s) to keep its shareholders and investors informed of any significant development of the Legal Proceeding as and when appropriate.

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

Hong Kong, 19 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 Ms. CHAN Shuk Kwan Winnie, Ms. CHEUK Tat Yee and Ms. YIN Yi.

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.