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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)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 25 July 2016.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) in respect of the high concentration of shareholding of Feishang Non-metal Materials Technology Limited (“**Company**”) in the hands of a limited number of shareholders of the Company (“**Shareholders**”) as at 25 July 2016.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (“**SFC Announcement**”) was published by the Securities and Futures Commission (“**SFC**”) on 3 August 2016.

As disclosed in the SFC Announcement, the SFC recently completed an enquiry into the shareholdings of the Company. The SFC’s findings suggested that as at 25 July 2016, a group of 19 Shareholders held an aggregate of 94,570,000 shares of the Company (“**Shares**”), representing 18.91% of the issued Shares. Such shareholding, together with 375,000,000 Shares (representing 75.00% of the issued Shares) held by a substantial Shareholder of the Company, represented 93.91% of the issued Shares as at 25 July 2016. Therefore, only 30,430,000 Shares (representing 6.09% of the issued Shares) were held by other Shareholders.

As at 25 July 2016, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Feishang Group Limited <i>(Note)</i>	375,000,000	75.00
A group of 19 Shareholders	94,570,000	18.91
Other Shareholders	<u>30,430,000</u>	<u>6.09</u>
 Total	 <u><u>500,000,000</u></u>	 <u><u>100.00</u></u>

Note: Feishang Group Limited is wholly owned by Laitan Investments Limited which is in turn wholly owned by Mr. Li Feilie.

The Company was listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange on 29 December 2015 by way of placing a total of 125,000,000 Shares (each a “**Placing Share**”) at HK\$0.32 per Placing Share (“**Placing Price**”). Price of the Shares reached a high of HK\$1.26, and then decreased to close at HK\$0.51 on the first day of listing.

On 11 July 2016, the Company made an announcement to provide information in relation to the potential adverse impact of the recent floods in eastern China on the Company’s assets, business operations and financial performance.

Nevertheless, the closing price of the Shares increased by 112.2% from HK\$0.49 on 11 July 2016 to HK\$1.04 on 22 July 2016. Between 25 July 2016 and 29 July 2016, the closing price of the Shares dropped by 54.8% to close at HK\$0.47 on 29 July 2016.

As at 1 August 2016, price of the Shares closed at HK\$0.47, which represented a drop of 54.8% from the closing price of HK\$1.04 on 22 July 2016, but still represented an increase of 46.9% from its Placing Price.

The information above is extracted from the SFC Announcement and the board (“**Board**”) of directors (“**Directors**”) of the Company has not independently verified such information. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Directors after making all reasonable enquiries, the Directors confirm that not less than 25% of the issued Shares were held in public hands as at 25 July 2016 and the date of this announcement, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”).

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By order of the Board
Feishang Non-metal Materials Technology Limited
XU Chengyin
Chairman

Hong Kong, 3 August 2016

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 Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the day of its publication and on the Company’s website at www.fsnmmaterials.com.