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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
STRATEGIC ALLIANCE FRAMEWORK AGREEMENT

This announcement is made by Feishang Non-metal Materials Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) 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 board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 23 June 2017 (after trading hours), the Group and 中泰信諾股權投資(深圳)有限公司 (Zhong Tai Xin Nuo Equity Investment (Shenzhen) Co., Ltd.*) (“**Zhong Tai Xin Nuo**”) entered into the Strategic Alliance Framework Agreement (the “**Strategic Alliance Framework Agreement**”), pursuant to which, the parties will establish a world-class investment platform and enhance return for their shareholders by leveraging their respective business resources and strengths and combining their experience and advantages accumulated through years of investment in various sectors in the People’s Republic of China (the “**PRC**”) (the “**Proposed Cooperation**”).

STRATEGIC ALLIANCE FRAMEWORK AGREEMENT

Pursuant to the Strategic Alliance Framework Agreement, the Proposed Cooperation shall include but not limited to:

1. The parties will jointly explore the formal modes of cooperation, such as establishment of the platform by the parties in the form of, among other things, joint ventures and/or fund companies (the “**Joint Venture Platform**”). This will directly enhance mutual trust and communication between the parties, allow them to access to the complementary resources of the strategic alliance, achieve economies of scale through resources and information complementation and sharing, and strengthen competitiveness;
2. Prior to establishment of the Joint Venture Platform, Zhong Tai Xin Nuo will undertake to give priority to the Company in using its best endeavour to identify suitable investment projects with investment value based on its existing arrangement in terms of fund and project investment strategy and invest in such projects with the Company;
3. The projects to be invested by the Joint Venture Platform shall include short-term, medium-term and long-term investment and adopt the diversified investment principle;
4. Focusing on the Joint Venture Platform, the parties will closely assess the future operation of the investment projects and actively assist the investment projects in enhancing their operating capability; and
5. The parties undertake to use their best endeavour to boost the profitability of investment project companies of the Joint Venture Platform in the future, thereby bringing generous return to the other party.

INFORMATION ABOUT ZHONG TAI XIN NUO

According to the preliminary information provided by Zhong Tai Xin Nuo, Zhong Tai Xin Nuo is a limited liability company established in the PRC, and is an integrated financial service company principally engaged in private equity, merger and assets management. 中泰信諾股權投資基金 (Zhong Tai Xin Nuo Equity Investment Fund*), which is one of the fund companies established by Zhong Tai Xin Nuo, has total assets of approximately RMB8.0 billion. The investment of Zhong Tai Xin Nuo primarily covers, among other things, consumer products and services, technology industry, media industry, communication industry, tourism, manufacturing industry, modern agriculture, energy saving and new energy, medical and healthcare, environmental technology, financial service and modern logistics.

To the best of knowledge, information and belief of the Directors after having made all reasonable inquiries, Zhong Tai Xin Nuo and its ultimate beneficial owner are independent third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE STRATEGIC ALLIANCE FRAMEWORK AGREEMENT

The Board is of the view that, through the Strategic Alliance Framework Agreement, a win-win and sustainable strategic partnership will be established by the parties, where both parties can combine their strengths and resources and plan to implement a number of specific proposals that create greater business value. The Group will diversify its investment strategy and seek for suitable investment opportunities with potential assets appreciation to generate better returns for the shareholders of the Group and the Company. The Group will also continue to adopt and maintain a prudent yet proactive approach and will closely monitor the operating performance. The Group remains positive on the prospects and is confident that the strategic partnership with Zhong Tai Xin Nuo will enhance the returns to shareholders of the Company.

Thus, the Board is of the view that the terms of the Strategic Alliance Framework Agreement are determined on normal commercial terms after arm's length negotiation among the parties, which are fair and reasonable, and the entering into of the Strategic Alliance Framework Agreement is in the interests of the Company and its shareholders as a whole.

GENERAL

The Strategic Alliance Framework Agreement shall be valid from the date of execution to 23 June 2020. The Strategic Alliance Framework Agreement is intended to set out the parties' intention to carry out the Proposed Cooperation and the preliminary results of negotiations. As at the date of this announcement, the specific terms and conditions of the Proposed Cooperation are still being negotiated. The Proposed Cooperation is subject to, among other things, the entering into of the formal agreement. The parties may enter into a new formal agreement or renew such agreement within 30 days prior to the expiry of the Strategic Alliance Framework Agreement. In the event that the parties enter into the formal agreement, the Proposed Cooperation is expected to constitute a notifiable transaction of the Company under the GEM Listing Rules. The Company will comply with the relevant requirements under the GEM Listing Rules and make further announcements as and when appropriate.

As there is still great uncertainty as to whether the Proposed Cooperation will proceed, shareholders and/or potential investors should note that the Proposed Cooperation, if proceed, may be subject to certain conditions. Thus, shareholders and/or potential investors are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
Feishang Non-metal Materials Technology Limited
FOK Chau Tung
Company Secretary

Hong Kong, 23 June 2017

As at the date of this announcement, the executive Directors of the Company are Mr. XU Chengyin, Mr. ZHANG Pingwu, Mr. CHEN Gongbao, Mr. DENG Li and Mr. ZHANG Yongmin; and the independent non-executive Directors of the Company 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 this announcement or any statement herein 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.

* *For identification purpose only*