

Takeovers Executive of the SFC publicly censures Zhang Qiang in relation to prohibited share acquisitions under the Takeovers Code

Public censure of Zhang Qiang

1. The Executive publicly censures Mr **Mr Zhang** for acquiring shares in Feishang Non-metal Materials Technology Limited **Company** within 6 months after the close of an offer **Restriction Period** at above the offer price in breach of Rule 31.3 of the Takeovers Code (Note).

Background

2. On 24 May 2017 Mr Zhang made an unconditional mandatory general offer in cash for the shares of the Company at HK\$0.70 per Share. The offer closed on 14 June 2017.
3. On 25 July 2017 during the Restriction Period, Mr Zhang made a series of on-market acquisitions of a total of 2,000,000 Shares at prices ranging from HK\$1.47 to HK\$1.50 per Share (**Acquisitions**). After becoming aware of the possible breach of the Takeovers Code, Mr Zhang sold all the 2,000,000 Shares on-market on 24 October 2017.

Breach of Rule 31.3 of the Takeovers Code

4. Rule 31.3 of the Takeovers Code prohibited Mr Zhang and his concert parties from buying Shares at prices higher than the offer price of HK\$

Note:

Except with the consent of the Executive, if a person, together with any person acting in concert with him, holds more than 50% of the voting rights of a company, neither that person nor any person acting in concert with him may, within 6 months after the end of the offer period of any previous offer made by him to the shareholders of that company which became or was declared unconditional, make a second offer to, or acquire any shares from, any shareholder in that company at a higher price than that made available under the previous offer. For this purpose the value of a securities exchange offer shall be calculated as at the day the offer became, or was declared, unconditional.

20 December 2017