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
UPDATE ON THE FIRST QUARTERLY FINANCIAL PERFORMANCE OF THE GROUP

This announcement is made by Feishang Non-metal Materials Technology Limited ("**Company**" together with its subsidiaries, the "**Group**") pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the Growth Enterprise Market ("**GEM**") of The Stock Exchange of Hong Kong Limited ("**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 ("**Board**") of directors ("**Directors**") of the Company wishes to inform the shareholders of the Company ("**Shareholders**") and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2016 ("**Unaudited Management Accounts**") and the information currently available to the Board, the Group is expected to record a moderate net profit for the three months ended 31 March 2016, as compared to a slight net loss for the same period in 2015. Notwithstanding the above, the Board would like to draw to the attention of the Shareholders that:

(i) the slight net loss for the three months ended 31 March 2015 was mainly due to a portion of the professional fees and expenses for the listing of Company's shares being charged to the Group's consolidated statements of profit or loss and other comprehensive income for the three months ended 31 March 2015 ("**Listing Expenses**");

(ii) the expected moderate net profit for the three months ended 31 March 2016 was mainly due to the Group's receipt of a monetary award in the sum of RMB2.0 million from 繁昌縣人民政府 (Fanchang County People's Government*) in the first quarter of 2016 ("**Monetary Award**") for successful listing of Company's shares on GEM in December 2015; and

(iii) the Listing Expenses and Monetary Award are one-off in nature and will not occur as a constant part of the Group's expenses or revenue, respectively, in future.

Assuming the absence of the Listing Expenses and the Monetary Award, the Group is expected to record a moderate decline in net profit for the three months ended 31 March 2016 as compared to the net profit for the same period in 2015 mainly due to:

(i) the current decline in the selling price of the Group's pelletising clay as a result of the continued slowdown of the iron and steel industries in China; and

(ii) professional fees and expenses of approximately RMB0.5 million incurred in respect of ongoing compliance with, among others, the relevant regulatory requirements for listed companies, which is charged to the Group's consolidated statements of profit or loss and other comprehensive income for the three months ended 31 March 2016 ("**Ongoing Compliance Expenses**").

It should be noted that the Ongoing Compliance Expenses are recurring in nature.

As the Company is still in the process of finalising the results of the Group for the three months ended 31 March 2016, the information contained in this announcement is only a preliminary assessment based on the Unaudited Management Accounts and the information currently available to the Board, which has not been audited or reviewed by the auditors of the Company. Details of the results of the Group for the three months ended 31 March 2016 is expected to be published in mid-May 2016.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 15 April 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 7 days from the day of its publication and on the Company's website at www.fsnmmaterials.com.

* *for identification purpose only*