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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”)
OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK
EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 DECEMBER 2016

- Revenue down 8.7% to CNY26.3 million
- Profit attributable to the owners of the Company up 125.7% to CNY2.8 million
- Basic earnings per share was CNY0.56 cents

The board (the “Board”) of directors (the “Directors”) of Feishang Non-metal Materials Technology Limited (the “Company”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	CNY'000	CNY'000
Revenue	4	26,311	28,823
Cost of sales		<u>(14,791)</u>	<u>(15,463)</u>
Gross profit		11,520	13,360
Other income		3,245	1,229
Selling and distribution expenses		(1,413)	(1,314)
Administrative and other expenses		(8,932)	(21,956)
Finance costs	6	<u>(521)</u>	<u>(358)</u>
Profit (loss) before tax		3,899	(9,039)
Income tax expense	7	<u>(1,099)</u>	<u>(1,835)</u>
Profit (loss) and total comprehensive income (expense) for the year attributable to the owners of the Company	8	<u><u>2,800</u></u>	<u><u>(10,874)</u></u>
Earnings (loss) per share (CNY):			
Basic and diluted	9	<u><u>0.56 cents</u></u>	<u><u>(2.89) cents</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 CNY'000	2015 CNY'000
Non-current assets			
Property, plant and equipment	11	13,034	13,910
Prepaid lease payments	12	2,663	2,740
Intangible asset		5,209	3,850
Restricted bank balances		6,150	2,203
Deferred tax assets		612	722
		<u>27,668</u>	<u>23,425</u>
Current assets			
Inventories		2,887	2,253
Trade, bills and other receivables	13	8,617	16,361
Prepaid lease payments	12	77	77
Pledged bank deposit		–	15,000
Bank balances and cash		34,641	32,097
		<u>46,222</u>	<u>65,788</u>
Current liabilities			
Trade and other payables	14	3,162	7,543
Income tax payables		368	333
Secured bank borrowing	15	–	14,323
		<u>3,530</u>	<u>22,199</u>
Net current assets		<u>42,692</u>	<u>43,589</u>
		<u><u>70,360</u></u>	<u><u>67,014</u></u>
Capital and reserves			
Share capital		4,188	4,188
Reserves		58,548	55,748
		<u>62,736</u>	<u>59,936</u>
Non-current liabilities			
Asset retirement obligations		6,954	6,598
Deferred income		670	480
		<u>7,624</u>	<u>7,078</u>
		<u><u>70,360</u></u>	<u><u>67,014</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 15 July 2015 and its shares were listed on the GEM of the Stock Exchange on 29 December 2015 (“the Listing Date”). The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the address of the principal place of business of the Company is Xiao Keshan, Xingang Town, Fanchang County, Wuhu, Anhui Province, the People’s Republic of China (the “PRC”).

The immediate holding company and ultimate holding company of the Company are Feishang Group Limited and Laitan Investments Limited respectively, both of which were incorporated in the British Virgin Islands (the “BVI”).

The Company is an investment holding company while the principal subsidiary is mainly engaged in bentonite mining, production and sales of drilling mud and pelletising clay.

The consolidated financial statements are presented in Chinese Yuan (“CNY”), which is also the functional currency of the Company. CNY is the currency of the primary economic environment in which the principal subsidiary of the Company operates (the functional currency of the principal subsidiary).

Feishang International Holdings Limited (“Feishang International”), which is a holding company of Wuhu Feishang Non-metallic Material Co., Ltd. (蕪湖飛尚非金屬材料有限公司) (“Feishang Material”) and Shenzhen Zhuorui Business Management Consultant Company Limited* (深圳市卓瑞企業管理諮詢有限公司), is ultimately owned by Mr. LI Feilie, Laitan Investments Limited and Feishang Group Limited (the “Controlling Shareholders”) since August 2002.

Pursuant to the reorganisation (the “Reorganisation”) as set out in the section headed “History, Reorganisation and Group Structure” in the prospectus of the Company dated 18 December 2015 (the “Prospectus”), the Company became the holding company of the companies now comprising the Group on 17 September 2015.

The Reorganisation above involved interspersing a shell company, the Company, between Feishang International and the Controlling Shareholders, which did not represent combination of businesses. Therefore, the Group comprising the Company and its subsidiaries resulting from the Reorganisation was regarded as a continuing entity, accordingly, the consolidated financial statements of the Group had been prepared and presented on the basis as if the Company had always been the holding company of the companies now comprising the Group throughout the year ended 31 December 2015.

Accordingly, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows including the results and cash flows of the companies comprising the Group have been prepared as if the current group structure had been in existence throughout the year ended 31 December 2015.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

In the current year, the Group has applied the following new and revised International Accounting Standards (“IASs”), IFRSs, amendments and interpretations (hereinafter collectively referred to as “new and revised IFRSs”) issued by the International Accounting Standards Board (“IASB”).

Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle
Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants
Amendments to IAS 27	Equity Method in Separate Financial Statements
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the above new and revised IFRSs in the current year has no material impact on the Group’s financial performance and positions for the current year and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective.

IFRS 9 (2014)	Financial Instruments ²
IFRS 15	Revenue from Contracts with Customers ²
IFRS 16	Leases ³
IFRIC Interpretation 22	Foreign Currency Transactions and Advance Consideration ²
Amendments to IAS 7	Disclosure Initiative ¹
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to IAS 40	Transfers of Investment Property ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ²
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts ²
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016 Cycle ⁵

¹ Effective for annual periods beginning on or after 1 January 2017.

² Effective for annual periods beginning on or after 1 January 2018.

³ Effective for annual periods beginning on or after 1 January 2019.

⁴ Effective date not yet been determined.

⁵ Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

4. REVENUE

Revenue represents the amounts received and receivable from sales of goods in the normal course of business, net of sales related tax.

5. SEGMENT INFORMATION

Information reported to the chief operating decision maker (being the Directors), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

For management purpose, the Group operates in one business unit based on their products, and has one reportable and operating segment: bentonite mining, production and sales of drilling mud and pelletising clay. The Directors monitor the revenue of its business unit as a whole based on the monthly sales and delivery reports for the purpose of making decisions about resource allocation and performance assessment.

Information about geographical areas

As all of the Group’s revenue is derived from the customers based in the PRC (country of domicile) and all of the Group’s non-current assets are located in the PRC, no geographical information is presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2016 <i>CNY’000</i>	2015 <i>CNY’000</i>
Customer A	6,890	8,349
Customer B	6,822	8,199
Customer C	<u>6,124</u>	<u>5,295</u>

Information from major products

The following is an analysis of the Group's revenue from sales of its major products to external customers:

	2016 CNY'000	2015 CNY'000
Drilling mud	14,729	18,493
Pelletising clay	11,582	9,854
Unprocessed clay	—	476
	<u>26,311</u>	<u>28,823</u>

6. FINANCE COSTS

	2016 CNY'000	2015 CNY'000
Interest expenses on secured bank borrowing	165	15
Unwinding of discount on provision for dismantlement	356	343
	<u>521</u>	<u>358</u>

7. INCOME TAX EXPENSE

	2016 CNY'000	2015 CNY'000
Current tax:		
PRC Enterprise Income Tax ("EIT")	1,029	1,261
Over-provision in previous year	(40)	—
	<u>989</u>	<u>1,261</u>
Deferred taxation:		
Current year	110	57
Attributable to change in tax rate (note d)	—	517
	<u>1,099</u>	<u>1,835</u>

Notes:

- (a) Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (b) No provision for Hong Kong Profits Tax has been made for both years as the Group did not have any assessable profits subject to Hong Kong Profits Tax.
- (c) Under the Law of the PRC on EIT (the “EIT Law”) and implementation regulation of the EIT Law, the tax rate of the subsidiary established in the PRC other than Feishang Material is 25% for both years.
- (d) On 2 July 2014, Feishang Material was recognised as a High Technology Enterprise and subject to PRC income tax at 15% in accordance with the EIT Law effective from 1 January 2015.
- (e) As at 31 December 2016, the aggregate amount of temporary differences associated with the PRC subsidiary’s undistributed retained earnings for which deferred tax liabilities have not been recognised were approximately CNY2,914,500 (2015: CNY2,829,800). No deferred tax liabilities have been recognised in respect of these temporary differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such temporary differences will not be reversed in the foreseeable future.

The income tax expense for the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2016	2015
	CNY’000	CNY’000
Profit (loss) before tax	<u>3,899</u>	<u>(9,039)</u>
Tax at the tax rate of 25%	975	(2,260)
Preferential income tax rates applicable to a subsidiary	(751)	(840)
Tax effect of expenses not deductible for tax purpose	916	4,418
Tax effect of income not taxable for tax purpose	(1)	–
Over-provision in previous year	(40)	–
Decrease in opening deferred tax assets resulting from a decrease in applicable tax rate	<u>–</u>	<u>517</u>
Income tax expense	<u>1,099</u>	<u>1,835</u>

8. PROFIT (LOSS) FOR THE YEAR

	2016 CNY'000	2015 CNY'000
Profit (loss) for the year has been arrived at after charging:		
Directors' and chief executive's emoluments	814	297
Salaries, wages, allowances and other benefits	2,615	2,832
Contributions to retirement benefits scheme (excluding directors' and chief executive's emoluments) (note a)	619	188
	<u>4,048</u>	<u>3,317</u>
Staff costs included in inventories	716	412
Total staff costs	<u>4,764</u>	<u>3,729</u>
Auditor's remuneration	617	554
Amortisation of intangible asset	57	44
Amortisation of prepaid lease payments	77	46
Professional expenses incurred in connection with the Company's listing	–	15,352
Amount of inventories recognised as an expense	14,386	15,149
Exchange loss, net	–	700
Depreciation of property, plant and equipment	1,252	1,330
Loss on disposal/written off of property, plant and equipment	8	25
Impairment loss on trade receivables	–	50
Research and development cost (note b)	1,799	1,882
Lease payments paid under operating lease in respect of plant and equipment	<u>1,869</u>	<u>2,376</u>

Notes:

- (a) Contributions to retirement benefits scheme of Feishang Material mainly comprised cost of approximately CNY1,019,000 (2015: CNY952,000) offset by the reversal of provision for prior years of approximately CNY349,000 (2015: CNY726,000). The Group reversed the provision for retirement benefits costs after considering respective relevant local rules and regulations.
- (b) Staff cost of approximately CNY304,000 (2015: CNY344,000) are included in the research and development cost for the year ended 31 December 2016.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following:

	2016 <i>CNY'000</i>	2015 <i>CNY'000</i>
Earnings (loss)		
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	<u>2,800</u>	<u>(10,874)</u>
	2016	2015
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share (<i>'000 shares</i>)	<u>500,000</u>	<u>376,370</u>
Basic and diluted earnings (loss) per share (<i>CNY</i>)	<u>0.56 cents</u>	<u>(2.89) cents</u>

The weighted average number of ordinary shares in issue during the year ended 31 December 2016 represents 500,000,000 ordinary shares in issue during the year ended 31 December 2016.

The weighted average number of ordinary shares in issue during the year ended 31 December 2015 represented 376,370,000 ordinary shares assuming in issue during the year ended 31 December 2015 after taking into account the ordinary shares issue pursuant to the Reorganisation as stated in note 1 and the placing of shares in connection with the listing of the Company.

The dilutive earnings (loss) per share is equal to the basic earnings (loss) per share as there were no dilutive potential ordinary shares outstanding during the years ended 31 December 2016 and 2015.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2016, nor has any dividend been proposed since the end of the reporting period (2015: nil).

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings <i>CNY'000</i>	Machinery and equipment <i>CNY'000</i>	Dismantlement asset <i>CNY'000</i>	Motor vehicles <i>CNY'000</i>	Construction in progress <i>CNY'000</i>	Total <i>CNY'000</i>
COST						
At 1 January 2015	9,857	13,911	2,572	401	–	26,741
Asset retirement obligations adjustment	–	–	1,134	–	–	1,134
Additions	22	334	–	261	1,242	1,859
Transfer	559	683	–	–	(1,242)	–
Disposal/written off	(21)	(311)	–	–	–	(332)
At 31 December 2015	10,417	14,617	3,706	662	–	29,402
Additions	75	47	–	80	190	392
Transfer	137	53	–	–	(190)	–
Disposal/written off	–	(120)	–	(80)	–	(200)
At 31 December 2016	<u>10,629</u>	<u>14,597</u>	<u>3,706</u>	<u>662</u>	<u>–</u>	<u>29,594</u>
ACCUMULATED DEPRECIATION						
At 1 January 2015	3,383	10,526	232	318	–	14,459
Charge for the year	452	807	29	42	–	1,330
Eliminated on disposal/written off	(10)	(287)	–	–	–	(297)
At 31 December 2015	3,825	11,046	261	360	–	15,492
Charge for the year	479	648	42	83	–	1,252
Eliminated on disposal/written off	–	(111)	–	(73)	–	(184)
At 31 December 2016	<u>4,304</u>	<u>11,583</u>	<u>303</u>	<u>370</u>	<u>–</u>	<u>16,560</u>
CARRYING VALUES						
At 31 December 2016	<u>6,325</u>	<u>3,014</u>	<u>3,403</u>	<u>292</u>	<u>–</u>	<u>13,034</u>
At 31 December 2015	<u>6,592</u>	<u>3,571</u>	<u>3,445</u>	<u>302</u>	<u>–</u>	<u>13,910</u>

The above items of property, plant and equipment other than the dismantlement asset, are depreciated on a straight-line method over their estimated useful lives as follows:

Buildings	20 years
Machinery and equipment	10 years
Motor vehicles	5 years

The dismantlement asset is depreciated on a units-of-production basis over the total proved and probable reserves in the mine.

12. PREPAID LEASE PAYMENTS

The carrying amount of prepaid lease payments of the Group analysed for reporting purposes as:

	2016 CNY'000	2015 CNY'000
Current assets	77	77
Non-current assets	<u>2,663</u>	<u>2,740</u>
	<u>2,740</u>	<u>2,817</u>

The prepayments for land use right are held under medium-term lease in the PRC and are amortised over the useful lives of 37 years on a straight-line basis.

13. TRADE, BILLS AND OTHER RECEIVABLES

	2016 CNY'000	2015 CNY'000
Trade receivables	5,478	4,760
Less: allowance for impairment of trade receivables	<u>—</u>	<u>(50)</u>
	5,478	4,710
Bills receivables	2,548	3,893
Trade deposits paid	35	54
Prepayments	228	121
Other receivables (Note)	<u>328</u>	<u>7,583</u>
	<u>8,617</u>	<u>16,361</u>

Note:

As at 31 December 2015, included in other receivables was an amount of approximately HK\$8,667,000 (equivalent to approximately CNY7,259,000) (2016: nil) which represented the net proceeds from issue and placing of shares due from the underwriter in connection with the listing of the Company's shares on GEM. The amount was fully settled in January 2016.

The Group offers revolving credit to two of its customers amounted approximately CNY988,000 (2015: CNY914,000) as at 31 December 2016. This revolving credit provides for a predetermined credit limit that may be outstanding at any one time based on their background, credit history, length of business relationship and historical transaction amounts. The Group generally evaluates the credit limits granted to the customers annually upon renewal of the relevant sales agreements and upon special request from the customers. The Group held charges on such customers' buildings and motor vehicles as collaterals over the balance of approximately CNY988,000 (2015: CNY914,000) as at 31 December 2016. Such collateral is not transferable and rentable and can be realised by the Group at first priority upon the liquidation or deregistration of such customer. For the remaining balances of approximately CNY4,490,000 (2015: CNY3,796,000) as at 31 December 2016, the Group does not hold any collateral over these amounts.

The Group allows credit period ranging from 5 days upon receipt of invoice to three months from the receipt of goods by or invoices to its trade customers. The following is an ageing analysis of trade receivables, net of allowance for impairment of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period.

	2016 CNY'000	2015 CNY'000
Within 30 days	3,210	1,734
31 to 60 days	846	935
61 to 90 days	447	1,048
91 to 180 days	809	563
More than 180 days	166	430
Total	5,478	4,710

As at 31 December 2016 and 2015, all of the bills receivables were aged within 180 days.

The movement in the allowance for impairment of trade receivables is set out below:

	2016 CNY'000	2015 CNY'000
At the beginning of the year	50	–
Impairment loss recognised on trade receivables	–	50
Reversal on impairment of trade receivables	(50)	–
At the end of the year	–	50

Included in the allowance for impairment of trade receivables are individually impaired trade receivables with an aggregate balances of approximately CNY50,000 (2016: nil) as at 31 December 2015, due to long outstanding and unsatisfactory repayment record.

The Group's neither past due nor impaired trade receivables mainly represented sales made to creditworthy customers for whom there was no recent history of default.

The ageing analysis of trade receivables which are past due but not impaired is as follows:

	2016 <i>CNY'000</i>	2015 <i>CNY'000</i>
Past due but not impaired:		
Within 30 days	448	1,118
31 to 60 days	314	555
61 to 90 days	358	397
More than 90 days	828	449
Total	1,948	2,519

Included in the Group's trade receivables are debtors with aggregate carrying amount of approximately CNY1,948,000 (2015: CNY2,519,000) as at 31 December 2016 which were past due as at the end of the reporting period for which the Group has not provided for impairment loss as these balances were either subsequently settled or there has not been a significant change in credit quality and the amounts are still considered recoverable. The average age of these receivables as at 31 December 2016 was 109 days (2015: 121 days).

14. TRADE AND OTHER PAYABLES

	2016 <i>CNY'000</i>	2015 <i>CNY'000</i>
Trade payables	1,254	952
Other payables and accruals	1,679	6,511
Accrued directors' remunerations	57	–
Advance from customers	172	80
	3,162	7,543

The following is an ageing analysis of trade payable presented based on invoice date at the end of the reporting period.

	2016 <i>CNY'000</i>	2015 <i>CNY'000</i>
Within 30 days	1,042	725
31 to 60 days	64	76
61 to 90 days	26	60
91 to 365 days	57	46
Over 1 year	<u>65</u>	<u>45</u>
Total	<u><u>1,254</u></u>	<u><u>952</u></u>

The average credit period granted is 30 days. The Group has financial risk management in place to ensure that all payables are settled within the credit timeframe.

15. SECURED BANK BORROWING

	2016 <i>CNY'000</i>	2015 <i>CNY'000</i>
Secured bank borrowing and repayable within one year	<u><u>–</u></u>	<u><u>14,323</u></u>

Notes:

- (a) No bank borrowing was obtained by the Group during the year ended 31 December 2016.
- (b) During the year ended 31 December 2015, the Group obtained a bank borrowing of HK\$17,100,000 (equivalent to approximately CNY14,323,000) (2016: nil) to repay the outstanding amount due to a controlling shareholder incurred during the year ended 31 December 2015 before the listing of the Company. The loan has been fully settled in December 2016.
- (c) The bank borrowing carried floating rate at HIBOR effectively 1.89% per annum as at 31 December 2015 (2016: nil).
- (d) At 31 December 2015, the secured bank borrowing was secured by the Group's pledged bank deposit of CNY15,000,000 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2016, China's economy managed to maintain a steady growth. The growth rate of China's gross domestic product in 2016 was 6.7%, which was comparable to 6.9% in 2015. The Chinese government has promoted policies of supply-side reform, deleveraging, addressing overcapacity and reducing inventory, and the effect of these policies has emerged in the fourth quarter of 2016. The increased demand for commodities led to a sharp recovery in most of the commodity prices in the fourth quarter of 2016.

Although the Group's downstream steel industry has turned around in the fourth quarter of 2016, the profitability of the steel makers was relatively low. And the direct impact of addressing overcapacity policy implemented by the Chinese government has caused pressure on sales of pelletising clay of the Group. The impact on sales of the Group in 2016 was exacerbated by the depression in the energy industry as investments in oil and gas transportation pipelines construction projects decreased.

In addition, the severe floods in eastern China in June 2016 (the "2016 Floods") also led to the poor performance of the Group in the second half of 2016. Due to the 2016 Floods, the Group's mining operations was temporarily suspended. Both production and sales volumes of drilling mud were decreased and there were increases in water drainage expenses incurred for the mining site and production costs as a result of increased reliance on rotary drum-drying in the third quarter of 2016. Details of the impact of the 2016 Floods have been disclosed in the Company's announcement dated 11 July 2016 and the Company's 2016 interim report and the third quarterly report.

In view of the various market pressures, the Group adhered to the policy of "selling more with lower margin" strategy, making the sales volume of pelletising clay increased by approximately 28.9% in 2016 as compared to 2015.

Key Performance

While many factors contribute to the results of the Group's businesses, the Group also considered trade receivables collection period as one of the most important key performance indicators to assess the performance and financial position of its business. The Group continues to monitor the collection days of trade receivables on a continuing basis to reduce the potential credit risk.

		2016	2015	Variance
Revenue	<i>CNY'000</i>	26,311	28,823	(8.7%)
Profit (loss) attributable to shareholders	<i>CNY'000</i>	2,800	(10,874)	125.7%
Basic earnings (loss) per share	<i>CNY</i>	0.56 cents	(2.89) cents	119.4%
Return on equity	<i>%</i>	4.5	(18.1)	124.9%
Net assets per share	<i>CNY</i>	0.13	0.16	(18.8%)
Trade receivables collection period	<i>Days</i>	76	60	26.7%

Business Strategies Review with Progress of Implementation

The Group is aware of the risk of concentrated customer base as stated in "Risk factors" of the Prospectus, and has worked positively to expand customer base and improve market position. The Group aims to strengthen its market position in the PRC. In order to achieve this objective, the Group intends to pursue the following strategies. The following table sets out a comparison of the Group's business strategies as disclosed in the Prospectus with the actual progress of implementation as of 31 December 2016.

Business Strategy	Implementation Plan	Progress of Implementation as of 31 December 2016
Broaden customer base and develop product recognition	(i) Collaborating with external institutions in the PRC for the development of new technologies and new bentonite products to cater for high-valued downstream markets other than iron ore pelletising and civil engineering; (ii) attending and participating in industry forums and events to network with other industry professionals and potential customers; and (iii) expanding sales and marketing team to further enhance sales and marketing activities.	The Group (i) has completed techno-economic viability study of two new bentonite products as mentioned below. The external institutions are currently conducting laboratory-scale testing of the two products. In addition, the internal research and development team was working on the multifunctional pelletising clay; and it was also working with the external institutions on the techno-economic viability of several other new bentonite products and processing technologies; (ii) has established contacts with several industry experts and potential customers to explore cooperation opportunities and there were four new drilling mud customers starting their purchases with the Group in 2016; and (iii) was in the process of recruiting more experienced personnel for sales and marketing.
Development of new production technology and new products	Signing collaboration agreements with two universities and one research institute	Completed techno-economic viability study of two new products: (a) polyaniline/montmorillonitenano-composite conductive coating materials and (b) titanium dioxide/montmorillonitenano-composite materials and photocatalytic.
Recruitment of more talents	Recruiting more experienced personnel who possess abundant knowledge and rich experience in various aspects of the business, including mine design and construction, mining, processing, sales and marketing and research and development of principal products	The Group was in the process of recruiting more experienced personnel for processing, sales and marketing, and research and development.

Business Strategy	Implementation Plan	Progress of Implementation as of 31 December 2016
Acquisition of other non-metal mines	Evaluating any potential targets meeting the criteria when opportunities arise	The Company did not identify any qualified targets as of 31 December 2016. However, the Company entered into a non-legally binding memorandum of undertaking (the “MOU”) with an independent individual (the “Potential Vendor”) to acquire certain equity interest in a company in the PRC principally engaging in mining, processing and sale of black marble (dolerite). For further details, please refer to the Company’s announcement dated 14 February 2017.
Improvement of plant and equipment	Upgrading current processing plant by, among others, purchasing new processing equipment such as Raymond mill, modifying the rotary drum dryer and construction of new storage bins for storing pelletising clay.	Completed the feeding system for one pelletising clay production line; completed the construction of new storage facilities for pelletising clay; completed the expansion of storage facilities for dried bentonite ore to be processed into drilling mud; replaced the old forklift truck; replaced a transformer in the processing plant; and completed the modification of existing rotary drum dryer.

The Group had entered into collaboration agreements with two universities and one research institute for the development of new technologies and new bentonite products to cater for high-valued downstream markets other than iron ore pelletising and civil engineering. However, there is no assurance that research and development activities undertaken will be successful or yield the anticipated benefits. Although the techno-economic viability study of two new products have been completed, the Group may not be able to apply the new technologies or launch the new products in a timely manner. Market demand anticipated at the initial stages of the research and development cycle may not materialise by the end of research, and the anticipated benefits may be adversely affected and undermined by other competitors’ rampant replication of similar technologies or products. The Directors will continue to closely monitor the progress of the Group’s research and development activities and review the terms and conditions of collaboration agreements if necessary.

FINANCIAL REVIEW

Items of the Consolidated Statement of Profit or Loss

Items	For the year ended 31 December 2016 <i>CNY'000</i>	For the year ended 31 December 2015 <i>CNY'000</i>	Change (%)
Revenue	26,311	28,823	(8.7%)
Cost of sales	(14,791)	(15,463)	(4.3%)
Gross profit	11,520	13,360	(13.8%)
Other income	3,245	1,229	164.0%
Selling and distribution expenses	(1,413)	(1,314)	7.5%
Administrative and other expenses	(8,932)	(21,956)	(59.3%)
Finance costs	(521)	(358)	45.5%
Income tax expense	(1,099)	(1,835)	(40.1%)
Profit (loss) and total comprehensive income (expense) attributable for the year to the owners of the Company	<u>2,800</u>	<u>(10,874)</u>	<u>125.7%</u>

Revenue

Breakdown of the Group's Revenue by Products

	2016		2015	
	<i>CNY'000</i>	%	<i>CNY'000</i>	%
Drilling mud	14,729	56.0	18,493	64.2
Pelletising clay	11,582	44.0	9,854	34.2
Unprocessed clay	<u>—</u>	<u>—</u>	<u>476</u>	<u>1.6</u>
Total revenue	<u>26,311</u>	<u>100.0</u>	<u>28,823</u>	<u>100.0</u>

Breakdown of the Group's Sales Volume and Average Selling Price by Products

	2016		2015	
	Sales volume (tonnes)	Average selling price (CNY/tonne)	Sales volume (tonnes)	Average selling price (CNY/tonne)
Drilling mud	33,536	439.2	41,220	448.6
Pelletising clay	42,648	271.6	33,087	297.8
Unprocessed clay	–	–	8,695	54.7

The revenue decreased by approximately 8.7% from approximately CNY28.8 million in 2015 to approximately CNY26.3 million in 2016. Such decrease in revenue was mainly due to (i) the decrease in sales volume of drilling mud and unprocessed clay; and (ii) the decrease in average selling price of pelletising clay, which was partially offset by the increase in sales volume of pelletising clay. The drop in sales volume of drilling mud was mainly caused by the 2016 Floods and the general economic condition in the PRC. The general economic slowdown in China's iron and steel industry also exerted pressure on the average selling price of pelletising clay. Despite the adverse environment, the Group managed to boost the sales volume of pelletising clay by strengthening its marketing and sales effort.

Cost of Sales

Breakdown of the Group's Cost of Sales

Cost Items	2016		2015	
	CNY'000	%	CNY'000	%
Extraction costs	552	3.7	528	3.4
Processing costs				
– Air-drying costs	1,622	11.0	1,313	8.5
– Consumables, materials and supplies	2,925	19.8	3,088	20.0
– Depreciation and amortisation	1,086	7.3	1,184	7.7
– Staff costs	2,781	18.8	2,715	17.5
– Transportation costs	2,137	14.4	1,812	11.7
– Utility costs	2,511	17.0	2,970	19.2
– Others	350	2.4	604	3.9
Sales tax and surcharges	827	5.6	1,249	8.1
Total cost	14,791	100.0	15,463	100.0

Breakdown of the Group's Cost of Sales by Products

	Average cost of sales CNY/tonne	2016 Total cost of sales CNY'000	%	Average cost of sales CNY/tonne	2015 Total cost of sales CNY'000	%
Drilling mud	208.0	6,976	47.2	219.1	9,032	58.4
Pelletising clay	183.2	7,815	52.8	189.0	6,252	40.4
Unprocessed clay	–	–	–	20.6	179	1.2
		14,791	100.0		15,463	100.0

The total cost of sales decreased by approximately 4.3% from approximately CNY15.5 million in 2015 to approximately CNY14.8 million in 2016. The decrease in total cost of sales was mainly due to (i) a decrease in sales volume of drilling mud and unprocessed clay; and (ii) a decrease in the unit processing costs, which was partly offset by the increase in sales volume of pelletising clay. The drop in the unit processing costs was mainly contributed by: (i) the decrease in sales tax and surcharges because of the reduction in the resource tax and the cessation of resources compensation fee payment since 1 July 2016; and (ii) the decrease in repair expenses of the warehouse as the major repair was done and recognised in December 2015, which was partly offset by the increase in air-drying costs and transportation costs as a result of the use of one additional air-drying facility from the existing third party contractor which nevertheless counterbalanced the decrease in costs of consumables, materials and supplies and utility in 2016.

Cost of sales for drilling mud decreased by approximately 22.8% from approximately CNY9.0 million in 2015 to approximately CNY7.0 million in 2016. The decrease in cost of sales for drilling mud was mainly due to a decrease in the sales volume of drilling mud by approximately 18.6%, a reduction in the resource tax and a cessation in the payment of resources compensation fee since 1 July 2016, and a decrease in repair expenses of warehouse as the major repair was done and recognised in December 2015.

Cost of sales for pelletising clay increased by approximately 25.0% from approximately CNY6.3 million in 2015 to approximately CNY7.8 million in 2016. The increase in cost of sales for pelletising clay was mainly due to (i) the increase in the sales volume of pelletising clay by approximately 28.9%; (ii) the increase in depreciation for the new storage facilities for pelletising clay; and (iii) the higher product specification requirement of a pelletising clay customer, which was partly offset by the reduction in the resource tax and the cessation of resources compensation fee payment since 1 July 2016 and a decrease in repair expenses of warehouse as the major repair was done and recognised in December 2015.

Gross Profit and Gross Margin

Breakdown of the Group's Gross Profit and Gross Profit Margin by Products

	2016		2015	
	Gross profit	Gross profit	Gross profit	Gross profit
	profit	margin	profit	margin
	CNY'000	%	CNY'000	%
Drilling mud	7,753	52.6	9,461	51.2
Pelletising clay	3,767	32.5	3,602	36.6
Unprocessed clay	—	—	297	62.4
	11,520	43.8	13,360	46.4

The overall gross profit decreased by approximately 13.8% from approximately CNY13.4 million in 2015 to approximately CNY11.5 million in 2016, while the overall gross profit margin decreased from approximately 46.4% in 2015 to approximately 43.8% in 2016. The decrease in the overall gross profit was mainly caused by (i) the decrease in average selling price of pelletising clay; and (ii) the decrease in sales volume of drilling mud and unprocessed clay, partly offset by the increase in sales volume of pelletising clay. The decrease in overall gross profit margin was mainly due to (i) a decrease in the proportion of sales amount of drilling mud and unprocessed clay with relatively higher gross profit margin, which in aggregate, accounted for approximately 65.8% of total revenue in 2015 and decreased to approximately 56.0% of total revenue in 2016; and (ii) a decrease in gross profit margin for the sale of pelletising clay.

Gross profit for the sale of drilling mud decreased by approximately 18.1% from approximately CNY9.5 million in 2015 to approximately CNY7.8 million in 2016. However, gross profit margin for the sale of drilling mud slightly increased from approximately 51.2% in 2015 to approximately 52.6% in 2016. The decrease in gross profit for the sale of drilling mud was mainly caused by the decrease of sales volume. The slight increase in gross profit margin was mainly caused by the decrease in the unit cost of drilling mud by approximately 5.1% from approximately CNY219.1 per tonne in 2015 to approximately CNY208.0 per tonne in 2016 primarily because of the reduction in resource tax and the cessation of resources compensation fee payment since 1 July 2016 and the decrease in repair expenses of warehouse as the major repair was done and recognised in December 2015, which was partly offset by the decrease in sales proportion of drilling mud with higher technical specifications.

Gross profit for the sale of pelletising clay slightly increased by approximately 4.6% from approximately CNY3.6 million in 2015 to approximately CNY3.8 million in 2016. However, the gross profit margin for the sale of pelletising clay decreased from approximately 36.6% in 2015 to approximately 32.5% in 2016. The increase in gross profit for the sale of pelletising clay was contributed by an increase in the sales volume of pelletising clay by approximately 28.9%. The decreases in gross profit margin for the sale of pelletising clay was primarily caused by a decrease in the average selling price of pelletising clay as discussed above.

Other Income

The rise in other income from approximately CNY1.2 million in 2015 to approximately CNY3.2 million in 2016 was mainly due to the Group's receipt of a monetary award in the sum of CNY2.0 million from Fanchang County People's Government* (繁昌縣人民政府) in the first quarter of 2016 for the successful listing of the Company's shares (the "Shares") on GEM on the Listing Date. The other income in 2015 mainly comprised net gain on financial assets and the government grants received from Fanchang County People's Government* (繁昌縣人民政府) and Fanchang County Science and Technology Bureau* (繁昌縣科學技術局) for the Group's contribution to the economy, research and development and technological innovation of Fanchang county.

Selling and Distribution Expenses

The selling and distribution expenses increased by approximately 7.5% from approximately CNY1.3 million in 2015 to approximately CNY1.4 million in 2016, primarily as a result of the increase in transportation fee arising from the increase in sales volume of pelletising clay, which the Group was responsible for the delivery.

Administrative and Other Expenses

The administrative and other expenses decreased by approximately 59.3% from approximately CNY22.0 million in 2015 to approximately CNY8.9 million in 2016. The decrease was mainly due to the one-off listing expenses amounting to approximately CNY15.4 million recognised in 2015, which was partially offset by (i) the professional fees and expenses amounting to approximately CNY2.2 million incurred in respect of ongoing compliance with, among others, the relevant regulatory requirements for listed companies in 2016; and (ii) the increase in staff cost amounting to approximately CNY0.8 million resulting from an increase in the headcount of administrative and management staff.

Finance Costs

The finance costs increased by approximately 45.5% from approximately CNY0.4 million in 2015 to approximately CNY0.5 million in 2016, primarily due to the increase in accrual of bank loan interest expense for a bank loan drawn down in December 2015.

Income Tax Expense

The Group had an income tax expense of approximately CNY1.1 million in 2016 as compared to approximately CNY1.8 million in 2015. The decrease was contributed by a decline in the opening deferred tax assets in 2015 resulting from a reduction of enterprise income tax rate applicable to Feishang Material, the indirect wholly-owned subsidiary of the Company, from 25% to 15% as it was categorised as a High Technology Enterprise on 2 July 2014 and effective from 1 January 2015.

Profit (Loss) and Total Comprehensive Income (Expense) for the Year

The profit and total comprehensive income attributable to the owners of the Company for the year was approximately CNY2.8 million in 2016, an increase of approximately CNY13.7 million from the loss of approximately CNY10.9 million in 2015. This was mainly contributed by (i) the CNY2.0 million monetary award from Fanchang County People's Government* (繁昌縣人民政府) in the first quarter of 2016; and (ii) the lack of one-off listing expenses recognised in 2015 amounting to approximately CNY15.4 million in 2016. The increase was partially offset by (i) the decrease of approximately CNY1.8 million in gross profit; (ii) the increase in administrative and management staff cost amounting to approximately CNY0.8 million; and (iii) the increase in professional fees and expenses amounting to approximately CNY2.2 million in respect of ongoing compliance with, among others, the relevant regulatory requirements for listed companies in 2016.

OUTLOOK

China's economy is in the L-type bottom stage and in the key stage which old growth model has weakened while the new growth model has yet to be established, and there is a series of new internal and external uncertainties superposition. Affected by the macro economy, the steel industry would continue to face the pressure of addressing overcapacity and rising costs and other unfavourable factors, therefore, the Board expects that the demand for and sales of pelletising clay will remain weak for the year ending 31 December 2017. Although the impact of 2016 Floods has passed, sales of drilling muds are still facing great pressure in 2017 as the real estate industry is facing severe regulations coupled with the uncertainty in investment prospects of the energy industry. In order to cope with unfavourable operating conditions, the Group intends to continue expanding its customer base and market share by boosting product awareness of its main products, refining its production technology and developing new products with a view to enhancing the Group's overall competitiveness. In addition, as disclosed in the Company's announcement dated 14 February 2017, the Group intends to acquire an operating black marble (dolerite) mine and entered into the MOU with the Potential Vendor. It is expected that the potential acquisition (if materialised) can diversify the Group's business. The potential acquisition may or may not proceed and, if materialised, may constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement(s) in respect of the potential acquisition will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

CAPITAL COMMITMENTS AND FINANCING NEEDS

As of 31 December 2016, apart from the implementation plans, capital needs and financing plans as stated in the section headed "Future Plans and Use of Proceeds" (adjusted as disclosed in the Company's announcement dated 21 March 2016) and "Financial Information" of the Prospectus, the Group had no other new implementation plans or financing plans.

FINAL DIVIDEND

In order to retain resources for the Group's business development, the Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group employed 83 full time employees (2015: 86) for its principal activities. Employees' costs (including Directors' emoluments) amounted to approximately CNY4.5 million for the year ended 31 December 2016 (2015: CNY3.3 million). The Group recognises the importance of high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other various

benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme adopted on 12 December 2015 (the “Share Option Scheme”).

The emolument policy of the employees of the Group is set up on the basis of their merit, qualifications and competence. The emoluments of the Directors are determined having regard to the Company’s operating results, individual performance and comparable market statistics. No Director, or any of his associates, and executive is involved in dealing his own remuneration.

The Company has adopted the Share Option Scheme as an incentive to Directors and eligible employees of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

There was no purchase, sale or redemption of the Company’s listed Shares by the Company or any of its subsidiaries during the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Company has adopted the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the “CG Code”) as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. During the year, the Company has complied with the code provisions as set out in the CG Code, save and except for code provision A.2.1, as set out below.

Chairman and Chief Executive

Mr. XU Chengyin is the chairman and chief executive officer of the Company. He is mainly responsible for formulating corporate strategies and supervising the business and marketing operations of the Group. Code provision A.2.1 of the CG Code stipulates that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from this code provision of the CG Code with Mr. XU Chengyin being the chairman and chief executive officer of the Company concurrently. The Board considers this arrangement is appropriate for the Group’s current situation and believes that such arrangement allows for efficient discharge of the executive functions of the chief executive officer. The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-calibre individuals including three independent non-executive Directors offering independent advice from different perspectives. In addition, major decisions are made after consultation with the Board and appropriate Board committees, as well as senior management. The Board is therefore of the view that there are adequate safeguards in place to ensure the balance of power and authority within the Company.

SUBSEQUENT EVENT

On 14 February 2017, the Company (as the potential purchaser) and the Potential Vendor entered into a MOU. Pursuant to the MOU, the Company intends to acquire and the Potential Vendor intends to sell certain equity interests in a limited liability company established in the PRC, which principally engaged in mining, processing and sale of black marble (dolerite) in the PRC, which is used in polished slabs, shaped stones and construction materials. Details of the MOU have been disclosed in the Company's announcement dated 14 February 2017.

Save for the entering into the MOU, there is no material event undertaken by the Company or the Group subsequent to 31 December 2016 and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS

The figures in this preliminary announcement of the results of the Group for the year ended 31 December 2016, which have been reviewed by the audit committee of the Company, have been agreed to the amounts set out in the Group's draft consolidated financial statements for the year by the Group's auditors, SHINEWING (HK) CPA Limited. The work of SHINEWING (HK) CPA Limited, in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

INTEREST OF COMPLIANCE ADVISER

The Company has received confirmation from its former compliance adviser, Celestial Capital Limited (terminated on 1 March 2017) (the "Former Compliance Adviser"), that as at 31 December 2016, except for the compliance adviser's agreement entered into between the Company and the Former Compliance Adviser, neither the Former Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

CHANGE OF COMPLIANCE ADVISER

The Company and the Former Compliance Adviser have mutually agreed to terminate the compliance adviser's agreement between them with effect from 1 March 2017 due to the consideration of fee levels. Zhaobangji International Capital Limited has been appointed as the replacement compliance adviser pursuant to Rule 6A.27 of the GEM Listing Rules with effect from 1 March 2017. For further details, please refer to the announcement of the Company dated 28 February 2017.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“AGM”) is scheduled to be held on Friday, 26 May 2017. The notice of AGM will be published on the website of the Company at www.fsnmmaterials.com and the GEM website at www.hkgem.com in due course.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE STOCK EXCHANGE

Pursuant to the requirements of the GEM Listing Rules, the 2016 annual report of the Company will set out all information required by the GEM Listing Rules and will be published on the website of the Company at www.fsnmmaterials.com and the GEM website at www.hkgem.com on or before 30 March 2017.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 May 2017 to Friday, 26 May 2017 (both days inclusive) during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the AGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 May 2017.

APPRECIATION

The chairman of the Group would like to take this opportunity to express his appreciation to the staff and management team of the Group for their hard work and dedication throughout the year. The chairman of the Group would also like to express his sincere gratitude to all the shareholders for their continuous support.

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

Hong Kong, 17 March 2017

As at the date of this announcement, the executive Directors are Mr. XU Chengyin, Mr. ZHANG Pingwu, Mr. CHEN Gongbao and Mr. DENG Li; 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. This announcement will also be published on the Company’s website at www.fsnmmaterials.com.

* For identification purposes only