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## **Future Bright Mining Holdings Limited**

**高鵬礦業控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2212)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017**

The board (the “**Board**”) of directors (the “**Directors**”) of Future Bright Mining Holdings Limited (the “**Company**”) hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2017 (the “**Period**”) together with the comparative figures for the corresponding period in 2016 as follows:–

#### **INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2017*

|                                   |              | <b>For the six months<br/>ended 30 June</b> |                    |
|-----------------------------------|--------------|---------------------------------------------|--------------------|
|                                   |              | <b>2017</b>                                 | <b>2016</b>        |
|                                   | <i>Notes</i> | <b>RMB’000</b>                              | <b>RMB’000</b>     |
|                                   |              | <b>(unaudited)</b>                          | <b>(unaudited)</b> |
| <b>Revenue</b>                    | 4            | <b>358</b>                                  | 3,654              |
| Cost of sales                     |              | <b>(113)</b>                                | (1,059)            |
| <b>Gross profit</b>               |              | <b>245</b>                                  | 2,595              |
| Other income and gains            | 4            | <b>752</b>                                  | 262                |
| Selling and distribution expenses |              | <b>(473)</b>                                | (364)              |
| Administrative expenses           |              | <b>(9,940)</b>                              | (9,147)            |
| Other expenses                    |              | <b>(342)</b>                                | (343)              |
| Finance costs                     | 5            | <b>(35)</b>                                 | (33)               |

|                                                                                 |              | <b>For the six months<br/>ended 30 June</b> |                       |
|---------------------------------------------------------------------------------|--------------|---------------------------------------------|-----------------------|
|                                                                                 |              | <b>2017</b>                                 | <b>2016</b>           |
|                                                                                 | <i>Notes</i> | <b><i>RMB'000</i></b>                       | <b><i>RMB'000</i></b> |
|                                                                                 |              | <b>(unaudited)</b>                          | <b>(unaudited)</b>    |
| <b>Loss before tax</b>                                                          | 6            | <b>(9,793)</b>                              | <b>(7,030)</b>        |
| Income tax                                                                      | 7            | <u><b>(713)</b></u>                         | <u><b>(159)</b></u>   |
| <b>Loss for the period</b>                                                      |              | <u><b>(10,506)</b></u>                      | <u><b>(7,189)</b></u> |
| <b>Attributable to:<br/>owner of the parent</b>                                 | 8            | <u><b>(10,506)</b></u>                      | <u><b>(7,189)</b></u> |
| <b>Loss per share attributable to<br/>ordinary equity holders of the parent</b> |              |                                             |                       |
| Basic and diluted                                                               |              |                                             |                       |
| – For loss for the period (RMB cents)                                           | 8            | <u><b>(0.29)</b></u>                        | <u><b>(0.20)</b></u>  |
| <b>Dividend</b>                                                                 | 9            | <u><b>Nil</b></u>                           | <u><b>Nil</b></u>     |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the six months ended 30 June 2017*

|                                                                                              | For the six months<br>ended 30 June |                       |
|----------------------------------------------------------------------------------------------|-------------------------------------|-----------------------|
|                                                                                              | 2017                                | 2016                  |
|                                                                                              | <i>RMB'000</i>                      | <i>RMB'000</i>        |
|                                                                                              | (unaudited)                         | (unaudited)           |
| <b>Loss for the period</b>                                                                   | <b><u>(10,506)</u></b>              | <b><u>(7,189)</u></b> |
| <b>Other comprehensive (loss)/income</b>                                                     |                                     |                       |
| Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period: |                                     |                       |
| Exchange differences on translation of foreign operations                                    | <u>(1,651)</u>                      | <u>854</u>            |
| <b>Other comprehensive (loss)/income for the period, net of tax</b>                          | <b><u>(1,651)</u></b>               | <b><u>854</u></b>     |
| <b>Total comprehensive loss for the period attributable to owners of the parent</b>          | <b><u>(12,157)</u></b>              | <b><u>(6,335)</u></b> |
| <b>Attributable to:</b>                                                                      |                                     |                       |
| owners of the parent                                                                         | <b><u>(12,157)</u></b>              | <b><u>(6,335)</u></b> |

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2017

|                                                  |       | 30 June<br>2017<br>RMB'000<br>(unaudited) | 31 December<br>2016<br>RMB'000<br>(audited) |
|--------------------------------------------------|-------|-------------------------------------------|---------------------------------------------|
|                                                  | Notes |                                           |                                             |
| <b>Non-current assets</b>                        |       |                                           |                                             |
| Property, plant and equipment                    | 10    | 20,866                                    | 20,224                                      |
| Long-term prepayment                             | 10    | 817                                       | 541                                         |
| Intangible assets                                | 10    | 37,705                                    | 37,908                                      |
| <b>Total non-current assets</b>                  |       | <b>59,388</b>                             | <b>58,673</b>                               |
| <b>Current assets</b>                            |       |                                           |                                             |
| Cash and cash equivalents                        |       | 25,889                                    | 22,641                                      |
| Investments at fair value through profit or loss |       | 12,682                                    | —                                           |
| Trade receivables                                | 11    | 13,510                                    | 15,719                                      |
| Prepayments, deposits and other receivables      | 12    | 2,465                                     | 1,111                                       |
| Inventories                                      | 13    | 2,604                                     | 2,211                                       |
| <b>Total current assets</b>                      |       | <b>57,150</b>                             | <b>41,682</b>                               |
| <b>Current liabilities</b>                       |       |                                           |                                             |
| Tax payable                                      |       | —                                         | 582                                         |
| Other payables and accruals                      | 14    | 1,573                                     | 2,882                                       |
| <b>Total current liabilities</b>                 |       | <b>1,573</b>                              | <b>3,464</b>                                |
| <b>Net current assets</b>                        |       | <b>55,577</b>                             | <b>38,218</b>                               |
| <b>Total assets less current liabilities</b>     |       | <b>114,965</b>                            | <b>96,891</b>                               |
| <b>Non-current liabilities</b>                   |       |                                           |                                             |
| Deferred tax liabilities                         |       | 10,097                                    | 9,956                                       |
| Provision for rehabilitation                     | 15    | 1,073                                     | 1,038                                       |
| <b>Total non-current liabilities</b>             |       | <b>11,170</b>                             | <b>10,994</b>                               |
| <b>Net assets</b>                                |       | <b>103,795</b>                            | <b>85,897</b>                               |
| <b>Equity</b>                                    |       |                                           |                                             |
| Equity attributable to owners of the parent      |       |                                           |                                             |
| Share capital                                    | 16    | 2,933                                     | 2,782                                       |
| Reserves                                         |       | 100,862                                   | 83,115                                      |
| <b>Total equity</b>                              |       | <b>103,795</b>                            | <b>85,897</b>                               |

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 August 2013 under the Companies Law, Chapter 22 of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. During the six months ended 30 June 2017 (the “Period”), the Group was involved in the following principal activities:

- excavate and sale of marble blocks;
- produce and sale of marble related products.

### Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

| Name                                                                              | Place of incorporation/<br>registration<br>and business | Issued<br>ordinary/<br>registered<br>share capital | Percentage<br>of equity<br>attributable<br>to the Company |          | Principal<br>activities                                  |
|-----------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|-----------------------------------------------------------|----------|----------------------------------------------------------|
|                                                                                   |                                                         |                                                    | Direct                                                    | Indirect |                                                          |
| Gold Title Investments Limited                                                    | British Virgin Islands                                  | US\$50,000                                         | 100                                                       | –        | Investment holding                                       |
| Future Bright (H.K.) Investments Limited                                          | Hong Kong                                               | HK\$10,000                                         | –                                                         | 100      | Investment holding                                       |
| Future Bright Enterprise Group Limited                                            | Hong Kong                                               | HK\$1                                              | –                                                         | 100      | Investment holding                                       |
| Xiangyang Future Bright Mining Limited*                                           | PRC                                                     | RMB20,000,000                                      | –                                                         | 100      | Mining, ore processing and sale of marble products       |
| Guangdong Future Bright Materials Limited**                                       | PRC                                                     | RMB10,000,000                                      | –                                                         | 100      | Wholesaling construction and sale of decoration material |
| GoGo Education Group Limited                                                      | Hong Kong                                               | HK\$1                                              | –                                                         | 100      | Education                                                |
| Future Bright Huan Shuo (Xiamen) Building Materials Technology Company Limited*** | PRC                                                     | RMB23,000,000                                      | –                                                         | 60       | Trading                                                  |

- \* Xiangyang Future Bright Mining Limited is registered as a wholly-foreign-owned enterprise under PRC law.
- \*\* Guangdong Future Bright Materials Limited is a limited liability company wholly owned by Xiangyang Future Bright Mining Limited under PRC law.
- \*\*\* Future Bright Huan Shuo (Xiamen) Building Materials Technology Company Limited is a subsidiary of a non-wholly-owned subsidiary of the Company and accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

GoGo Education Group Limited and Future Bright (Xiamen) Building Materials Technology Company Limited were newly established during the Period.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## **2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2017 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the Period, have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (the "IASB").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2016.

### **2.2 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017. The Group has not early adopted any other standards, interpretation or amendments that have been issued but are not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2017, they do not have a material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group. The nature and the impact of each new standards or amendments are described below:

#### ***Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative***

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Group is not required to provide additional disclosures in its condensed interim consolidated financial statements, but will disclose additional information in its annual consolidated financial statements for the year ended 31 December 2017.

#### ***Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised losses***

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group applied the amendments retrospectively. However, their application has no effect on the Group's financial position and performance as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

#### **Annual improvements cycle – 2014-2016**

##### ***Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12***

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products during current period, and has only one reportable operating segment which is the production and sale of marble and marble related products.

The Group conducts its principal operation in Mainland China. Management monitors the operating results of its business unit for the purpose of making decisions about resources allocation and performance assessment.

#### Geographical information

The Group's revenue from external customers is derived solely from its operation in Mainland China, and no material non-current assets of the Group are located outside Mainland China.

#### Information about major customers

Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

|            | <b>For the six months<br/>ended 30 June</b> |                          |
|------------|---------------------------------------------|--------------------------|
|            | <b>2017</b>                                 | <b>2016</b>              |
|            | <b><i>RMB'000</i></b>                       | <b><i>RMB'000</i></b>    |
|            | <b>(unaudited)</b>                          | <b>(unaudited)</b>       |
| Customer A | <b>358</b>                                  | –                        |
| Customer B | <b>–</b>                                    | <b>3,654</b>             |
|            | <b><u>          </u></b>                    | <b><u>          </u></b> |



#### 4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered.

An analysis of revenue, other income and gains from continuing operations is as follows:

|                       | <b>For the six months<br/>ended 30 June</b> |                       |
|-----------------------|---------------------------------------------|-----------------------|
|                       | <b>2017</b>                                 | <b>2016</b>           |
|                       | <b><i>RMB'000</i></b>                       | <b><i>RMB'000</i></b> |
|                       | <b>(unaudited)</b>                          | <b>(unaudited)</b>    |
| <b>Revenue</b>        |                                             |                       |
| Sales of goods        | <u>358</u>                                  | <u>3,654</u>          |
| <b>Other income</b>   |                                             |                       |
| Foreign exchange gain | 548                                         | —                     |
| Rendering of services | 194                                         | 251                   |
| Bank interest income  | <u>10</u>                                   | <u>11</u>             |
|                       | <u>752</u>                                  | <u>262</u>            |

#### 5. FINANCE COSTS

|                                                     | <b>For the six months<br/>ended 30 June</b> |                       |
|-----------------------------------------------------|---------------------------------------------|-----------------------|
|                                                     | <b>2017</b>                                 | <b>2016</b>           |
|                                                     | <b><i>RMB'000</i></b>                       | <b><i>RMB'000</i></b> |
|                                                     | <b>(unaudited)</b>                          | <b>(unaudited)</b>    |
| Interest on discounted provision for rehabilitation | <u>35</u>                                   | <u>33</u>             |

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging:

|                                                                                      | <b>For the six months<br/>ended 30 June</b> |             |
|--------------------------------------------------------------------------------------|---------------------------------------------|-------------|
|                                                                                      | <b>2017</b>                                 | 2016        |
|                                                                                      | <b>RMB'000</b>                              | RMB'000     |
|                                                                                      | <b>(unaudited)</b>                          | (unaudited) |
| Cost of inventories sold                                                             | <b>113</b>                                  | 1,059       |
| Staff costs (including directors' emoluments):                                       |                                             |             |
| Wages and salaries                                                                   | <b>3,318</b>                                | 3,192       |
| Pension scheme contributions                                                         | <b>108</b>                                  | 105         |
|                                                                                      | <b>3,426</b>                                | 3,297       |
| Auditors' remuneration                                                               | <b>540</b>                                  | 510         |
| Amortisation of intangible assets                                                    | <b>203</b>                                  | –           |
| Amortisation of a long-term prepayment                                               | <b>29</b>                                   | 29          |
| Depreciation of items of property, plant and equipment                               | <b>938</b>                                  | 570         |
| Loss on fair value adjustment of investments at fair value<br>through profit or loss | <b>339</b>                                  | –           |
| Foreign exchange loss                                                                | –                                           | 338         |
| Minimum lease payments under operating leases<br>– Office                            | <b>887</b>                                  | 557         |

## 7. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the Period.

Provision for the PRC corporate income tax ("CIT") is based on the CIT rate applicable to the subsidiary located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the Period. The Group's subsidiary located in Mainland China is subject to the PRC CIT rate of 25% during the Period.

The major components of income tax expense for the Period are as follows:

|                                  | <b>For the six months<br/>ended 30 June</b> |                    |
|----------------------------------|---------------------------------------------|--------------------|
|                                  | <b>2017</b>                                 | <b>2016</b>        |
|                                  | <b>RMB'000</b>                              | <b>RMB'000</b>     |
|                                  | <b>(unaudited)</b>                          | <b>(unaudited)</b> |
| Current – Mainland China         |                                             |                    |
| Charge for the Period            | –                                           | 18                 |
| Under provision in prior years   | 572                                         | –                  |
| Deferred                         | 141                                         | 141                |
|                                  | <u>          </u>                           | <u>          </u>  |
| Total tax expense for the Period | <u><b>713</b></u>                           | <u><b>159</b></u>  |

#### **8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT**

The calculation of the basic loss per share amounts is based on the loss for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,645,856,354 (six months ended 30 June 2016: 3,520,000,000) in issue during the Period, as adjusted to reflect the rights issue during the Period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

The calculations of basic and diluted earnings per share are based on:

|                                                            | <b>For the six months<br/>ended 30 June</b> |                       |
|------------------------------------------------------------|---------------------------------------------|-----------------------|
|                                                            | <b>2017</b>                                 | <b>2016</b>           |
|                                                            | <b>RMB'000</b>                              | <b>RMB'000</b>        |
|                                                            | <b>(unaudited)</b>                          | <b>(unaudited)</b>    |
| <b>Loss</b>                                                |                                             |                       |
| Loss attributable to ordinary equity holders of the parent | <u><b>(10,506)</b></u>                      | <u><b>(7,189)</b></u> |

|                                                                                                                    | <b>Number of shares<br/>For the six months<br/>ended 30 June</b> |                             |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-----------------------------|
|                                                                                                                    | <b>2017</b>                                                      | <b>2016</b>                 |
| <b>Shares</b>                                                                                                      |                                                                  |                             |
| Weighted average number of ordinary shares in issue during the Period used in the basic loss per share calculation | <u><b>3,645,856,354</b></u>                                      | <u><b>3,520,000,000</b></u> |

## 9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2016: Nil).

## 10. PROPERTY, PLANT AND EQUIPMENT, LONG-TERM PREPAYMENT AND INTANGIBLE ASSETS

Movements in property, plant and equipment, long-term prepayment and intangible assets during the six months ended 30 June 2017 are as follows:

|                                                     | <b>Property,<br/>Plant and<br/>equipment</b><br><i>RMB'000</i><br>(unaudited) | <b>Long-term<br/>prepayment</b><br><i>RMB'000</i><br>(unaudited) | <b>Intangible<br/>assets</b><br><i>RMB'000</i><br>(unaudited) |
|-----------------------------------------------------|-------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------|
| Carrying amount at 1 January 2017                   | 20,224                                                                        | 541                                                              | 37,908                                                        |
| Additions                                           | 1,580                                                                         | 305                                                              | –                                                             |
| Depreciation/amortization charged<br>for the period | (938)                                                                         | (29)                                                             | (203)                                                         |
| Carrying amount at 30 June 2017                     | <u>20,866</u>                                                                 | <u>817</u>                                                       | <u>37,705</u>                                                 |

The long-term prepayment represents the prepayment made to villagers for the use of parcels of forest land for mining activity at Yiduoyan marble mine.

The intangible assets represent the right for the mining of marble reserves in Yiduoyan mine which is located in Nanzhang county, Hubei Province, the PRC. The local government granted the mining permit to Xiangyang Future Bright Mining Limited for a term of 10 years from 30 December 2011 to 30 December 2021 with a production capacity of 20,000 cubic meters per annum.

## 11. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The credit period is generally two months, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The aging analysis of trade receivables, based on the invoice date, is as follows:

|                      | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|----------------------|-----------------------------------------------------|-------------------------------------------------------|
| Within 3 months      | <b>191</b>                                          | 8,052                                                 |
| 3 months to 6 months | –                                                   | 3,081                                                 |
| Over 6 months        | <b>13,319</b>                                       | 4,586                                                 |
| Total                | <b>13,510</b>                                       | 15,719                                                |

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

|                               | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|-------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Neither past due nor impaired | <b>191</b>                                          | 8,052                                                 |
| 1 months to 3 months past due | –                                                   | 3,081                                                 |
| 3 months to 6 months past due | <b>8,052</b>                                        | 2,337                                                 |
| Over 6 months past due        | <b>5,267</b>                                        | 2,249                                                 |
| Total                         | <b>13,510</b>                                       | 15,719                                                |

Receivables that were neither past due nor impaired relate to a customer for whom there was no recent history of default.

Receivables that were past due but not impaired relate to an independent customer that has a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

|                                | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|--------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Prepayments                    | <b>1,730</b>                                        | 533                                                   |
| Deposits and other receivables | <b>729</b>                                          | 548                                                   |
| Others                         | <b>6</b>                                            | 30                                                    |
| Total                          | <b><u>2,465</u></b>                                 | <b><u>1,111</u></b>                                   |

None of the above assets is either past due or impaired. The financial assets included in the above relate to receivables for which there was no recent history of default.

## 13. INVENTORIES

|                        | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Finished goods         | <b>2,549</b>                                        | 2,170                                                 |
| Materials and supplies | <b>55</b>                                           | 41                                                    |
| Total                  | <b><u>2,604</u></b>                                 | <b><u>2,211</u></b>                                   |

## 14. OTHER PAYABLES AND ACCRUALS

|                  | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|------------------|-----------------------------------------------------|-------------------------------------------------------|
| Payroll accruals | <b>611</b>                                          | 581                                                   |
| Other payables   | <b>962</b>                                          | 2,301                                                 |
| Total            | <b><u>1,573</u></b>                                 | <b><u>2,882</u></b>                                   |

## 15. PROVISION FOR REHABILITATION

|                            | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|----------------------------|-----------------------------------------------------|-------------------------------------------------------|
| At the beginning of Period | <b>1,038</b>                                        | 972                                                   |
| Unwinding of discount      | <b>35</b>                                           | 66                                                    |
| At the end of Period       | <b><u>1,073</u></b>                                 | <b><u>1,038</u></b>                                   |

A provision for rehabilitation is mainly recognised for the present value of estimated costs to be incurred for the restoration of tailing ponds and the removal of the processing plants in complying with the Group's obligations for the closure and environmental restoration and clean-up on completion of the Group's mining activities. These costs are expected to be incurred on mine closure, based on the estimated rehabilitation expenditures at the mine when the mining permit expires, and are discounted at a discount rate of 6.55%. Changes in assumptions could significantly affect these estimates. Over the time, the discounted provision is increased for the change in present value based on the discount rate that reflects current market assessments and risks specific to the provision. The periodic unwinding of the discount is recognised in profit or loss as part of the interest expenses.

## 16. SHARE CAPITAL

### Shares

|                                                                    | <b>30 June<br/>2017<br/>RMB'000<br/>(unaudited)</b> | <b>31 December<br/>2016<br/>RMB'000<br/>(audited)</b> |
|--------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|
| Issued and fully paid:                                             |                                                     |                                                       |
| 3,690,000,000 (31 December 2016: 3,520,000,000)<br>ordinary shares | <b><u>2,933</u></b>                                 | <b><u>2,782</u></b>                                   |

A summary of movements in the Company's share capital is as follows:

|                        | Number of<br>shares<br>in issue | Share<br>capital<br>RMB'000 | Share<br>premium<br>account<br>RMB'000 | Total<br>RMB'000 |
|------------------------|---------------------------------|-----------------------------|----------------------------------------|------------------|
| At 1 January 2017      | 3,520,000,000                   | 2,782                       | 58,174                                 | 60,956           |
| Share Placing (a)      | 170,000,000                     | 151                         | 30,799                                 | 30,950           |
| Share Placing expenses | —                               | —                           | (876)                                  | (876)            |
| At 30 June 2017        | <u>3,690,000,000</u>            | <u>2,933</u>                | <u>88,097</u>                          | <u>91,030</u>    |

(a) A total of 170,000,000 placing shares have been placed on 16 February 2017 at the placing price of HK\$0.205 per placing share.

## 17. COMMITMENTS

At the end of the Period, the Group did not have any significant commitments.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### *Revenue*

For the Period, the operating revenue of the Group was approximately RMB0.36 million, which represented a significant decrease of approximately 90.16% as compared to the operating revenue of approximately RMB3.65 million for the six months ended 30 June 2016. The decrease was mainly due to the decrease in sale revenue resulting from the difficult situation of macro economy and real estate industry of the People's Republic of China (the "PRC") in the first half of 2017. The revenue represented sale of marble blocks income derived from our Yiduoyan Project located in the PRC.

#### *Cost of Sales*

The Group's cost of sales decreased from approximately RMB1.06 million for the six months ended 30 June 2016 to approximately RMB0.11 million for the Period representing a decrease for approximately 89.55%. This was in line with lower sales rendered for the Period under review. The cost of sales represented marble blocks mining costs, which mainly include mining labour costs, materials consumption, fuel, electricity, depreciation of production equipment and amortization of mining rights.



### ***Gross Profit and Gross Profit Margin***

For the Period, the gross profit of the Group amounted to approximately RMB0.25 million and the gross profit margin was approximately 69.21%, which represented a decrease of approximately 90.41% as compared with gross profit for the six months ended 30 June 2016 of approximately RMB2.60 million (six months ended 30 June 2016: gross profit margin of approximately 71.02%).

### ***Other Income and Gains***

For the Period, other income was approximately RMB0.75 million, which represented a significant increase of approximately RMB0.49 million as compared to the other income of approximately RMB0.26 million for the six months ended 30 June 2016. The increase was mainly due to the foreign exchange gain of approximately RMB0.55 million during the Period (six months ended 30 June 2016: foreign exchange loss of approximately RMB0.34 million).

### ***Selling and Distribution expenses***

Selling and distribution expenses (which mainly consisted of salaries and wages of the Group's sales and distribution staff and their entertainment and travelling expenses) were approximately RMB0.47 million during the Period (six months ended 30 June 2016: approximately RMB0.36 million), representing approximately 132.12% of the revenue for the Period (six months ended 30 June 2016: approximately 9.96%).

### ***Administrative expenses***

Administrative expenses increased slightly by RMB0.79 million or 8.67% from approximately RMB9.15 million for the six months ended 30 June 2016 to RMB9.94 million for the Period. The increases was mainly attributable to increase in motor vehicle expenses, donation and entertainment expenses incurred during the Period. Administrative expenses mainly included the legal and professional fees, donation, rental and salaries of staff.

### ***Other expenses***

As at 30 June 2017, the Group had current equity investments at fair value through profit or loss of approximately RMB12.68 million which were investments in various listed shares. The Group recorded net fair value loss of the equity investments of approximately RMB0.34 million for the Period (six months ended 30 June 2016: nil).

### *Profit attributable to owners of the Company*

In view of the above factors, loss attributable to owners of the Company was approximately RMB10.51 million for the Period (six months ended 30 June 2016: loss of approximately RMB7.19 million). The loss is mainly resulted from the significant decrease in sale revenue resulting from the difficult situation of macro economy and real estate industry of the PRC in the first half of 2017.

### **BUSINESS REVIEW**

During the Period, apart from sale of marble blocks, we have been actively exploring other business opportunities in order to diversify the existing business of the Group. As disclosed in the announcement of the Company dated 23 May 2017, we commenced a new business segment on the trading of commodities which are mainly metal ore products. We expect that the new trading business will contribute positively to the Group's overall results for the financial year ending 31 December 2017 and the commodities trading business will become one of the principal businesses of the Group in the future. During the Period, 438 m<sup>3</sup> marble blocks had been produced in the first half of 2017. Marble blocks mined from our Yiduoyan Project are our principal products.

On 5 April 2017, Future Bright (H.K.) Investments Limited ("**Future Bright (H.K.)**"), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement (the "**Joint Venture Agreement**") with Xiamen Huan Shuo Trading Company Limited\* (廈門環碩貿易有限公司) ("**Xiamen Huan Shuo**") in relation to the establishment of a joint venture company in Xiamen, Fujian Province, the PRC (the "**JV Company**") with a registered capital of RMB23,000,000 to engage in the wholesale of non-metallic ore, mineral products and construction materials and the retail sale of ceramic and stone decoration materials. Pursuant to the terms of the Joint Venture Agreement, Xiamen Huan Shuo and Future Bright (H.K.) will contribute RMB9,200,000 and an amount in United States dollars or Hong Kong dollars equivalent to RMB13,800,000 respectively to the registered capital of the JV Company which will be owned as to 40% by Xiamen Huan Shuo and 60% by Future Bright (H.K.). Please refer to the Company's announcement dated 5 April 2017 for more details of this transaction.

On 5 May 2017, the Company was in the process of establishing a wholly-owned subsidiary, namely, GoGo Education Limited\* (勾勾教育有限公司) (subject to the final name as approved and registered by the relevant industry and commerce bureau in the PRC ("**GoGo Education**") in the PRC. GoGo Education will have a registered capital of RMB5 million which is expected to be paid up by the Group's internal resources. It is intended that GoGo Education will be principally engaged in the operation of the platform for online language teaching services. Please refer to the Company's announcement dated 5 May 2017 for details.

On 13 July 2017, GoGo Education Training (Shenzhen) Limited\* (勾勾教育培訓(深圳)有限公司) was registered as a wholly-foreign-owned enterprise under PRC law.

On 28 June 2017, Future Bright (H.K.), an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**First MOU**”) with Zhong Xi Int’l Holding Limited and Super Vison Development Co., Ltd. in respect of the possible formation of the joint venture company proposed to be named as Future Bright Lithium Technology Co., Ltd. (高鵬鋰業科技有限公司) (the “**First JV Company**”) which will engage in the trading and processing of lithium ores in the PRC. The terms of the formation of the First JV Company are subject to further negotiation and the signing of a formal legally binding joint venture agreement within 45 days after the date of the First MOU or such longer period as extended by mutual agreement between the parties. On 28 July 2017, the parties to the First MOU entered into a supplemental memorandum of understanding, pursuant to which the exclusivity period for the First MOU was extended from 28 July 2017 to 28 August 2017 (or such other dates as the parties may agree in writing). Please refer to the Company’s announcements dated 28 June 2017 and 28 July 2017 for more details of this proposed transaction.

On 28 June 2017, Future Bright (H.K.), an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**Second MOU**”) with China Africa Minerals Limited in respect of the possible formation of the joint venture company proposed to be named as Future Bright Manganese Co., Ltd. (高鵬錳業有限公司) (the “**Second JV Company**”) which will engage in the trading of non-ferrous metals ores in the PRC. The terms of the formation of the Second JV Company are subject to further negotiation and the signing of a formal legally binding joint venture agreement within 45 days after the date of the Second MOU or such longer period as extended by mutual agreement between the parties. On 28 July 2017, the parties to the Second MOU entered into a supplemental memorandum of understanding, pursuant to which the exclusivity period for the Second MOU was extended from 28 July 2017 to 28 August 2017 (or such other dates as the parties may agree in writing). Please refer to the Company’s announcements dated 28 June 2017 and 28 July 2017 for more details of this proposed transaction.

We will continue to develop the Yiduoyan Project and will increase product exposure and recognition through industry exchanges. In addition, we will expand our resource through further exploration of the Yiduoyan Project and selective acquisitions. We will strive to recruit more talents with established industry expertise to further enhance our competitiveness.

## **THE YIDUOYAN PROJECT**

The Yiduoyan Project is an open pit mine located in Hubei Province of the PRC. Currently, the Group holds the mining permit of the Yiduoyan Project with permitted production capacity of 20,000 m<sup>3</sup> per annum for a term of 10 years (which will expire on 30 December 2021 and may be extended for another 10 years to 30 December 2031 subject to the applicable PRC laws and regulations), covering an area of approximately 0.5209 km<sup>2</sup>. The Yiduoyan Project contains marble resources with expansion potential through exploration according to the independent technical report dated 29 December 2014 prepared by SRK Consulting (Hong Kong) Limited and set out in appendix IV to the prospectus of the Company dated 29 December 2014 (the “**Prospectus**”).

## **MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES**

### **Mineral Exploration**

We have completed the mineral exploration works before the Yiduoyan marble mine of the Company commenced commercial production on 1 September 2014. For the six months ended 30 June 2017, no further mineral exploration was carried out. As a result, there was no expenditure on mineral exploration.

### **Development**

In March 2017, we provided all the staffs of the Company’s with pre-job training related to production safety and occupational health as well as work resumption training, and conducted assessment before work resumption. Those who failed in the assessment were retrained and took exams again. Moreover, all staffs have undergone occupational health examination. As such, we further consummated the staff training and examination files and occupational health records. In April, we required all staffs to carry out self-examination and rectification on mining safety hazards, and carried on thorough inspection and maintenance for all production equipment to ensure that they operate safely in the production process; and we also screened, assessed and eliminated potential risks of the mine.

For the six months ended 30 June 2017, the Group incurred safety production expenditure of approximately RMB8,000 in respect of the expansion of Yiduoyan marble mine, which mainly represented the expenditures arising from production safety signs fully set up in the first half of 2017.

The detailed classification of development expenditures is as follows:

|                         | <i>RMB'000</i> |
|-------------------------|----------------|
| Production safety signs | 8              |
|                         | <u>8</u>       |

## **Mining Operation**

In the first half of 2017, we carried out the destocking of marble block inventories of the mine. As at 30 June 2017, we had realized sales of 112 m<sup>3</sup> of marble blocks. In the first half of the year, we had conducted detailed inspection, testing and preparation works on 540, 532, 524 horizontal platforms and two mining benches. For the six months ended 30 June 2017, our Yiduoyan marble mine block production amounted to 438 m<sup>3</sup>. It also laid a solid foundation for the commencement of mining in the second half of the year.

For the six months ended 30 June 2017, the expenditure on mining activities of the Group was approximately RMB580,130. The expenditure of mining activities was approximately RMB1,323 per m<sup>3</sup> (for the six months ended 30 June 2016: no production activity).

## **FUTURE PROSPECTS AND DEVELOPMENT**

Our vision is to become a well-known supplier of marble blocks in the PRC. In addition, the Group plans to develop potential new business such as trading of commodities business to increase its business revenue. We plan to accomplish these goals by pursuing the following strategies:

### **Develop the Yiduoyan Project**

We will continue to develop the Yiduoyan Project. However, in view of the slowdown in economic growth in the PRC, the Company has been slowing down the pace of development of the Yiduoyan Project. The Company did not carry out any exploration activities during the Period and up to the date of this announcement.

### **Develop product recognition**

We believe that recognition of our marble block product among industry professionals is critical to our development and success. As such, we intend to increase exposure of our marble block product in selected trade and other high-end decorative surfacing stone magazines, as well as attending industry forums, trade fairs and exhibitions to establish communications with industry professionals, major dimension stone processors and construction and decoration companies. Moreover, to achieve further recognition of our marble block product, we plan to market our marble block product for use in landmark construction projects, such as high-end hotels and major commercial buildings, where our marble block product can be prominently displayed and showcased. In doing so, we believe that we will be able to keep abreast of industry trends, which will enable us to strengthen our corporate profile, enhance our business and achieve product recognition among both industry professionals and end customers.

### **Expand our resource reserve through further and selective acquisitions**

As part of our future plans for acquisitive growth, we plan to continue to carefully evaluate and identify selective acquisition opportunities. In the long run, we intend to increase our marble resource and reserve further through the acquisition of additional mining permit of marble projects in the PRC.

### **Develop the commodities trading business**

We believe that the trading of commodities will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance.

## **SIGNIFICANT INVESTMENTS, MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Save as disclosed in the section headed “Business Review” above and in the announcements of the Company dated 5 April 2017, 5 May 2017 and 28 June 2017, there were no significant investments, material acquisitions and disposals of subsidiaries, associates or joint ventures by the Group during the Period.

## **LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO**

During the Period, the Group’s primary use of liquidity have been to invest in the development of our mine and for its operations and such funds were funded by a combination of capital contribution by shareholders as well as cash generated from operation.

As at 30 June 2017, the Group had cash and cash equivalents of approximately RMB25.89 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2016: approximately RMB22.64 million).

The Group had no borrowings as at 30 June 2017, therefore the gearing ratio (defined as long term debt divided by total shareholder's equity) is not applicable. The current ratio of the Group as at 30 June 2017 was about 36.33 times as compared to 12.03 times as at 31 December 2016, based on current assets of approximately RMB57.15 million (as at 31 December 2016: approximately 41.68 million) and current liabilities of approximately RMB1.57 million (as at 31 December 2016: approximately 3.46 million).

## **TREASURY POLICIES**

The Group generally finances its operations with internally generated funds. The Group's treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates on the Group's overall financial position and to minimise the Group's financial risks.

## **CHARGES ON GROUP ASSETS**

The Group had no charges on the Group's assets as at 30 June 2017.

## **CAPITAL STRUCTURE**

On 16 February 2017, a total of 170,000,000 new shares of the Company had been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.205 per placing share under the general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 7 June 2016. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 3,520,000,000 shares to 3,690,000,000.



## **SHARE OPTION SCHEME**

The Company conditionally adopted a share option scheme (the “Share Option Scheme”) on 8 December 2014 which became effective on 9 January 2015 (the “Listing Date”).

During the Period, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Share Option Scheme.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2017, the Group employed a total of 50 full-time employees who were located in Hong Kong and the PRC. The total staff costs (including directors’ emoluments) were approximately RMB3.43 million for the Period.

Employees’ remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries plus discretionary management bonus dependent on the performance of the Group and other employees’ benefits include contributions to statutory mandatory provident funds for our Hong Kong employees, and social insurance together with housing provident funds for our PRC employees. Share options may also be granted to eligible employees.

## **USE OF PROCEEDS FROM THE COMPANY’S INITIAL PUBLIC OFFERING**

The net proceeds (the “**Net Proceeds**”) from the listing (the “**Listing**”) of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on the Listing Date, after deducting the underwriting fees and commissions and other fees and expenses in relation to the Listing, amounted to approximately HK\$56 million (equivalent to approximately RMB45 million). The Net Proceeds have been applied in accordance with the proposed applications set out in the section headed “Future plans and use of proceeds” contained in the Prospectus.



Up to 30 June 2017, the Group had used the Net Proceeds as follows:

|                                                                                                                     | Original allocation of Net Proceeds |                                |                      | Change in use of<br>Net Proceeds (Note) |                                | Utilisation up to<br>30 June 2017 |                                               | Remaining balance of<br>unused Net Proceeds<br>as at 30 June 2017 |                                               |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|----------------------|-----------------------------------------|--------------------------------|-----------------------------------|-----------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------|
|                                                                                                                     | HK\$<br>(million)                   | RMB<br>Equivalent<br>(million) | % of Net<br>Proceeds | HK\$<br>(million)                       | RMB<br>Equivalent<br>(million) | HK\$<br>(million)<br>(unaudited)  | RMB<br>Equivalent<br>(million)<br>(unaudited) | HK\$<br>(million)<br>(unaudited)                                  | RMB<br>Equivalent<br>(million)<br>(unaudited) |
| Capital expenditure of<br>the Yiduoyan Project                                                                      | 45.6                                | 36.5                           | 81.3%                | (12.5)                                  | (10)                           | 11.8                              | 9.4                                           | 21.3                                                              | 17.1                                          |
| Development of<br>sales channels and<br>marketing                                                                   | 5                                   | 4.1                            | 9%                   | –                                       | –                              | 2.5                               | 2.1                                           | 2.5                                                               | 2.0                                           |
| Working capital<br>and other general<br>corporate purposes<br>including expenses<br>for our day-to-day<br>operation | 5.4                                 | 4.4                            | 9.7%                 | 12.5                                    | 10                             | 17.9                              | 14.4                                          | –                                                                 | –                                             |
| Total                                                                                                               | <u>56</u>                           | <u>45</u>                      | <u>100%</u>          | <u>–</u>                                | <u>–</u>                       | <u>32.2</u>                       | <u>25.9</u>                                   | <u>23.8</u>                                                       | <u>19.1</u>                                   |

During the Period, the utilized Net Proceeds were approximately RMB3.1 million (details as follow) and the remaining proceeds as at 30 June 2017 were approximately RMB19.1 million and they were deposited with licensed banks as saving deposits in Hong Kong and the PRC.

|                                                      | <b>Remaining<br/>Net Proceeds<br/>as at 30<br/>June 2017<br/><i>RMB million</i><br/>(unaudited)</b> | <b>Net Proceeds<br/>utilized for<br/>the Period<br/><i>RMB million</i><br/>(unaudited)</b> |
|------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Capital expenditure of Yiduoyan Project              | 17.1                                                                                                | –                                                                                          |
| Development of sales channels and marketing          | 2.0                                                                                                 | –                                                                                          |
| Working capital and other general corporate purposes | –                                                                                                   | 3.1                                                                                        |
|                                                      | <hr/>                                                                                               | <hr/>                                                                                      |
| Total                                                | 19.1                                                                                                | 3.1                                                                                        |
|                                                      | <hr/> <hr/>                                                                                         | <hr/> <hr/>                                                                                |

*Note:*

On 15 July 2016, the Board had resolved to allocate not more than RMB10 million out of the unutilized proceeds originally intended for the development of the Yiduoyan Project for working capital and other general corporate purposes including expenses for our day-to-day operation. For details, please refer to the announcement of the Company dated 15 July 2016.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at 30 June 2017, the Group's capital commitments which were authorized but not contracted for amounted to approximately RMB28.1 million, which were primarily for the construction and purchase of property, plant and equipment for our development purpose.

The Group had no significant contingent liabilities as at 30 June 2017.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

The Group's monetary assets and transactions are mainly denominated in Hong Kong dollars and Renminbi. The exchange rates of Renminbi against Hong Kong dollars were relatively stable during the Period. During the Period, the Group did not use financial instruments for hedging purposes. The Group will continue to monitor the exposures to fluctuation in exchange rate of Renminbi and will take necessary procedures to reduce the currency risks arising from the fluctuations in exchange rates at reasonable costs.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and to enhance the corporate value, accountability and transparency of the Company. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Except for the deviations from code provision A.4.1 of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code during the Period. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of its business.

According to code provision A.4.1 of the CG Code, non-executive Directors should be appointed for specific term, subject to re-election. The non-executive Directors and independent non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted the code of conduct with respect to the dealings in securities of the Company by the Directors as set out in Appendix 10 to the Listing Rules (the "**Model Code**").

Having made specific enquiry with the Directors, all the Directors confirmed that they had complied with the required standard set out in the Model Code during the Period.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

## EVENTS AFTER THE PERIOD

On 19 July 2017, Head & Shoulders Securities Limited as the placing agent (the “**Head & Shoulders**”) and the Company entered into a placing agreement (the “**Placing Agreement**”) pursuant to which the Company has conditionally agreed to place through Head & Shoulders, on a best effort basis, up to 180,000,000 placing shares (the “**Placing Shares**”) to expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties (the “**Placees**”) at the placing price of HK\$0.205 per Placing Share. The Placing Shares would be issued under the general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 8 June 2017. On 4 August 2017, due to market conditions, the Company and Head & Shoulders mutually agreed to terminate the Placing Agreement with immediate effect and all rights, obligations and liabilities of the parties under the Placing Agreement have ceased and determined and neither party shall have any claim against the others in respect of the Placing Agreement. Further details of the Placing Agreement and the termination were set out in the announcement of the Company dated 19 July 2017 and 4 August 2017.

On 26 July 2017, Gold Title Investment Limited, a direct wholly-owned subsidiary of the Company, entered into a share purchase agreement with Yi Feng Holding Group Limited to conditionally acquire 100% of the equity interest in Imperial Dragon Finance Limited at a consideration of approximately HK\$7,240,000 in cash. For details, please refer to the announcement of the Company dated 26 July 2017.

On 28 July 2017, Future Bright (H.K.) entered into two supplemental memoranda of understanding (the “**Supplemental MOUs**”) with each of the parties to the First MOU and the Second MOU, respectively. Pursuant to each of the Supplemental MOUs, both the exclusivity period for the First MOU and the exclusivity period for the Second MOU were extended from 28 July 2017 to 28 August 2017 (or such other dates as the parties may agree in writing).

On 4 August 2017, Kingston Securities Limited as the placing agent (“**Kingston**”) and the Company entered into a placing agreement (the “**New Placing Agreement**”) pursuant to which the Company has conditionally agreed to place through Kingston, on a best effort basis, up to 180,000,000 placing shares (the “**New Placing Shares**”) to expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties (the “**New Placees**”) at the placing price of HK\$0.210 per New Placing Share (the “**Placing**”). The New Placing Shares would be issued under the general mandate granted to the Directors by resolution of the shareholders of the Company passed at the annual general meeting of the Company held on 8 June 2017.

All conditions of the New Placing Agreement had been fulfilled and the completion of the Placing took place on 18 August 2017 in accordance with the terms and conditions of the New Placing Agreement. A total of 180,000,000 New Placing Shares had been successfully placed by Kingston to not less than six New Placees at the placing price of HK\$0.210 per New Placing Share pursuant to the terms and conditions of the New Placing Agreement. Details of the New Placing Agreement were set out in the announcements of the Company dated 4 August 2017 and 18 August 2017.

On 8 August 2017, the Company announced that, in August 2017, the Company had entered into two sales contracts for the sale of marble blocks (being part of the principal business of sale of marble-related products of the Group) with the total amount of approximately RMB4.1 million.

On 17 August 2017, Mr. Sin Ka King had resigned as an independent non-executive Director and ceased to be a member of the audit committee, the chairman of the remuneration committee and a member of the nomination committee of the Company. Please refer to the Company's announcement dated 18 August 2017.

On 18 August 2017, Imperial Dragon Finance Limited, a wholly-owned subsidiary of the Company and is principally engaged in the money lending business as a holder of the Money Lenders License under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong) had provided two loans in the amount of HK\$3.5 million each at an annual interest rate of 24%. Please refer to the Company's announcement dated 18 August 2017 for more details of these transactions.

On 18 August 2017, Mr. Lai Kwok Leung has been appointed as an independent non-executive Director, a member of the audit committee, the chairman of the remuneration committee and a member of the nomination committee of the Company. Please refer to the Company's announcement dated 18 August 2017.

Except as disclosed herein, since 30 June 2017 and up to the date of this announcement, no important events affecting the Group has occurred.

## **REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE**

The audit committee of the Board (the “**Audit Committee**”) consists of all the independent non-executive Directors, namely Mr. Chow Hiu Tung, Mr. Lau Tai Chim and Mr. Lai Kwok Leung. The major functions of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control of the Group. The Audit Committee had reviewed the unaudited financial results of the Group for the Period and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof under the requirement of the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS AND 2017 INTERIM REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.futurebrightltd.com](http://www.futurebrightltd.com)). The 2017 interim report will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board  
**Future Bright Mining Holdings Limited**  
**Liu Jie**  
*Chairperson*

Hong Kong, 25 August 2017

*As at the date of this announcement, the executive Directors are Ms. Liu Jie, Mr. Rao Dacheng, Mr. Wan Tat Wai David, Mr. Zheng Fengwei, Mr. Zhang Decong and Mr. Yuan Shan (alternate director to Mr. Zhang Decong); and the independent non-executive Directors are Mr. Chow Hiu Tung, Mr. Lau Tai Chim and Mr. Lai Kwok Leung.*

*\* for identification purpose only*