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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

Key Financial Highlights

	2017 *RMB'000*	2016 *RMB'000*	Change
RESULTS			
Revenue	**42,540**	12,909	229.5%
Gross profit	**9,930**	9,104	9.1%
Loss before tax	**(42,397)**	(10,905)	288.8%
Income tax expense	**(831)**	(1,004)	(17.2%)
Loss for the year	**(43,228)**	(11,909)	263.0%
Loss attributable to owners of the Parent	**(43,171)**	(11,909)	262.5%
Basic and diluted loss per share	**RMB1.16 cents**	RMB0.34 cents	241.2%

	2017 *RMB'000*	2016 *RMB'000*	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Parent	**129,695**	85,897	51.0%
Total assets	**143,644**	100,355	43.1%
Net assets per share	**RMB0.035**	RMB0.024	45.8%

- Revenue increased by 229.5% to approximately RMB42.54 million.
- Gross profit increased by 9.1% to approximately RMB9.93 million.
- Gross profit margin decreased by 66.9% to approximately 23.34%.
- Loss attributable to owners of the Parent increased by 262.5% to approximately 43.17 million.
- Basic and diluted loss per share was RMB1.16 cents (2016: RMB0.34 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Future Bright Mining Holdings Limited (the "**Company**") hereby presents the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2017 (the "**Year**") as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	**2017**	2016
		RMB'000	*RMB'000*
Revenue	*5*	**42,540**	12,909
Cost of sales		**(32,610)**	(3,805)
Gross profit		**9,930**	9,104
Other income and gain	*5*	**2,109**	536
Selling and distribution expenses		**(2,251)**	(2,108)
Administrative expenses		**(48,927)**	(16,341)
Other expenses		**(3,188)**	(2,030)
Finance costs	*6*	**(70)**	(66)
Loss before tax	*7*	**(42,397)**	(10,905)
Income tax expense	*8*	**(831)**	(1,004)
Loss for the year	*9*	**(43,228)**	(11,909)
Loss attributable to:			
Owners of the Parent	*9*	**(43,171)**	(11,909)
Non-controlling interests		**(57)**	—
		(43,228)	(11,909)
Loss per share attributable to owners of the Parent	*9*		
Basic and diluted		**RMB1.16 cents**	RMB0.34 cents
Dividend		**Nil**	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**2017** *RMB'000*	2016 *RMB'000*
Loss for the year	*9*	**(43,228)**	(11,909)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(3,565)**	2,705
Other comprehensive income for the year, net of tax		**(3,565)**	2,705
Total comprehensive income/(loss) for the year		**(46,793)**	(9,204)
Attributable to:			
Owners of the Parent		**(46,736)**	(9,204)
Non-controlling interests		**(57)**	—
		(46,793)	(9,204)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December	
		2017	2016
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**19,420**	20,224
Long-term prepayment		**754**	541
Goodwill		**4,249**	—
Intangible asset		**35,940**	37,908
Total non-current assets		**60,363**	58,673
Current assets			
Inventories	*10*	**2,387**	2,211
Trade receivables	*11*	**34,285**	15,719
Prepayments, deposits and other receivables	*12*	**9,998**	1,111
Equity investments at fair value through profit or loss	*13*	**11,489**	—
Loan receivables	*14*	**5,852**	—
Cash and cash equivalents		**19,270**	22,641
Total current assets		**83,281**	41,682
Current liabilities			
Trade payables	*15*	**150**	—
Other payables and accruals	*16*	**2,464**	2,882
Tax payable		**474**	582
Total current liabilities		**3,088**	3,464
Net current assets		**80,193**	38,218
Total assets less current liabilities		**140,556**	96,891
Non-current liabilities			
Deferred tax liabilities		**9,810**	9,956
Provision for rehabilitation		**1,108**	1,038
Total non-current liabilities		**10,918**	10,994
NET ASSETS		**129,638**	85,897
Equity			
Equity attributable to owners of the Parent			
Share capital		**3,087**	2,782
Reserves		**126,608**	83,115
		129,695	85,897
Non-controlling interests		**(57)**	—
TOTAL EQUITY		**129,638**	85,897

NOTES TO FINANCIAL STATEMENTS

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 at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 16/F., Guangdong Finance Building, 88 Connaught Road West, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The Group is principally engaged in the excavation and sale of marble blocks; production and sale of marble and marble related products; and trading of mineral commodities.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Financial Reporting Standards Board (the "IASB") and International Accounting Standards ("IASs") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for investment properties, certain buildings classified as property, plant and equipment, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has applied its accounting policies consistently throughout the financial period ended 31 December 2016 and 2017.

3. APPLICATION OF REVISED STANDARDS AND NEW INTERPRETATION

The Group has adopted the following revised IFRSs for the first time for the current year's financial statements.

Amendments to IAS 7	*Disclosure Initiative*
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to IFRS 12 included in *Annual Improvements to IFRSs 2014–2016 Cycle*	*Disclosure of Interests in Other Entities:* Clarification of the Scope of IFRS 12

The nature and the impact of the amendments are described below:

(a) Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

(b) Amendments to IAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, 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. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

(c) Amendments to IFRS 12 clarify that the disclosure requirements in IFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of IFRS 12, 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 as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements.

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[1]
IFRS 9	*Financial Instruments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensations*[2]
Amendments to IFRS 10 and IAS 28	*Sales or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 15	*Revenue from Contracts with Customers*[1]
Amendments to IFRS 15	*Classifications to IFRS 15 Revenue from Contracts with Customers*[1]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 40	*Transfers of Investment Property*[1]
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Amendments to IAS 28	*Long-term interests in Associates or Joint Ventures*[1]
Amendments to IAS 19	*Employee benefits*[2]
Annual Improvements 2014–2016 Cycle	*Amendments to IFRS 1 and IAS 28*[1]
Annual Improvements 2015–2017 Cycle	*Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23*[2]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but available for adoption

The Group expects to adopt those new and revised IFRSs upon mandatory effective dates and is in the process of making an assessment of the impact of these new and revised IFRSs on the Group's results of operations and financial position upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

(a) the marble blocks segment is a supplier of marble blocks mainly for further processing, construction or trading;

(b) the commodity trading segment conducts trading business of commodities; and

(c) the "others" segment comprises, principally, the Group's money lending services, which provide loans to customers and generate interest income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that interest income, finance costs, dividend income, fair value gains/losses from the Group's financial instruments as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, tax recoverable, pledged deposits, cash and cash equivalents, equity investments at fair value through profit or loss, derivative financial instruments and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude derivative financial instruments, interest-bearing bank and other borrowings, an amount due to the ultimate holding company, convertible bonds, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Year ended 31 December 2017	**Marble blocks** *RMB'000*	**Commodity trading** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Segment revenue:				
Sales to external customers	**15,079**	**27,461**	**—**	**42,540**
Intersegment sales	**1,133**		**—**	**1,133**
	16,212	**27,461**	**—**	**43,673**
Reconciliation:				
Elimination of intersegment sales				**(1,133)**
Revenue				**42,540**
Segment results	**1,384**	**(2,766)**	**(37)**	**(1,419)**
Reconciliation:				
Elimination of intersegment results				**(570)**
Interest income				**517**
Finance costs				**(70)**
Corporate and other unallocated expenses				**(40,855)**
Loss before tax				**(42,397)**

Year ended 31 December 2017	Marble blocks *RMB'000*	Commodity trading *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment assets	**80,812**	**39,094**	**6,551**	**126,457**
Reconciliation:				
Elimination of intersegment receivables				**(18,301)**
Corporate and other unallocated assets				**35,488**
Total assets				**143,644**
Segment liabilities	**21,654**	**337**	**4**	**21,995**
Reconciliation:				
Elimination of intersegment payables				**(18,301)**
Corporate and other unallocated liabilities				**10,312**
Total liabilities				**14,006**
Other segment information:				
Depreciation and amortisation	**4,694**	**367**	**—**	**5,061**
Capital expenditure*	**4**	**1,099**	**432**	**1,535**

* Capital expenditure consists of additions to property, plant and equipment, investment properties and intangible assets including assets from the acquisition of a subsidiary.

In the year ended 31 December 2016, the Group's revenue and contribution to consolidated results were derived from its sale of marble related products, which was regarded as a single reportable segment in a manner consistent with the way in which information is reported internally to the Group's senior management for the purposes of resource allocation and performance assessment.

Geographical information

(a) Revenue from external customers

	2017	2016
	RMB'000	*RMB'000*
Hong Kong	**25,526**	—
Mainland China	**17,014**	12,909
	42,540	12,909

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2017	2016
	RMB'000	*RMB'000*
Mainland China	**54,286**	58,662
Hong Kong	**6,077**	11
	60,363	58,673

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

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

	2017	2016
	RMB'000	*RMB'000*
Customer A	**14,463**	—
Customer B	**8,017**	—
Customer C	**7,551**	—
Customer D	**—**	7,403
Customer E	**—**	3,572
Customer F	**—**	1,934

5. REVENUE, OTHER INCOME AND GAIN

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discount.

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

	2017	2016
	RMB'000	*RMB'000*
Revenue		
Sales of goods	**42,540**	12,909
Other income		
Interest income from loans receivable	**496**	—
Bank interest income	**21**	21
Rendering of services	**382**	476
Others	**29**	—
	928	497
Gain		
Foreign exchange differences, net	**1,181**	—
Gain on disposal of subsidiaries	**—**	39
	2,109	536

6. FINANCE COSTS

	2017	2016
	RMB'000	*RMB'000*
Interest on discounted provision for rehabilitation	**70**	66

7. LOSS BEFORE TAX

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

	2017 *RMB'000*	2016 *RMB'000*
Cost of inventories sold	**32,610**	3,805
Staff costs (including directors' emoluments):		
Wages and salaries	**7,998**	6,390
Equity-settled share option expense	**29,105**	—
Pension scheme contributions	**372**	200
	37,475	6,590
Auditors' remuneration	**1,155**	1,050
Amortisation of intangible asset	**2,386**	1,733
Amortisation of a long-term prepayment	**92**	57
Depreciation of items of property, plant and equipment	**2,916**	1,722
Fair value losses of equity investments at fair value through profit or loss	**1,073**	—
Foreign exchange differences, net	**(1,181)**	1,158
Minimum lease payments under operating leases	**1,950**	1,205

8. 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 year ended 31 December 2017.

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 year ended 31 December 2017. The Group's subsidiaries located in Mainland China are subject to the PRC CIT rate of 25% during the year ended 31 December 2017.

The major components of income tax expense for the year ended 31 December 2017 are as follows:

	2017	2016
	RMB'000	*RMB'000*
Current — Mainland China		
Charge for the year	**1,030**	582
Under provision in prior years	**16**	18
Deferred	**(215)**	404
Total tax charge for the year	**831**	1,004

A reconciliation of income tax credit applicable to loss before tax at the applicable income tax rate in the PRC to income tax expense of the Group at the effective tax rate is as follows:

	2017	2016
	RMB'000	*RMB'000*
Loss before tax	**(42,397)**	(10,905)
Tax at the statutory tax rate of 25%	**(10,599)**	(2,726)
Tax effect of different taxation rates in other tax jurisdictions	**9,381**	2,644
Adjustments in respect of current tax of previous years	**16**	18
Expenses not deductible for tax	**1,115**	474
Tax losses not recognised	**918**	594
Income tax charges at the Group's effective rate	**831**	1,004

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,734,684,932 (2016: 3,520,000,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2017 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented (FY2106: Nil).

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

	2017	2016
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(43,171)**	(11,909)

	Number of shares	
	2017	2016
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,734,684,932**	3,520,000,000

10. INVENTORIES

	2017	2016
	RMB'000	*RMB'000*
Finished goods	**718**	2,170
Materials and supplies	**1,669**	41
Total	**2,387**	2,211

11. TRADE RECEIVABLES

	2017	2016
	RMB'000	*RMB'000*
Trade receivables	**34,285**	15,719
Impairment	**—**	—
	34,285	15,719

The Group's trading terms with its customers are mainly on credit, except for commodity trading customers, where letter of credit (L/C) payment terms are required. The credit period is generally three to six months. 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.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 3 months	**12,673**	8,052
3 months to 6 months	**16,346**	3,081
Over 6 months	**5,266**	4,586
Total	**34,285**	15,719

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

	2017	2016
	RMB'000	*RMB'000*
Neither past due nor impaired	**29,019**	8,052
1 to 3 months past due	**—**	3,081
3 to 6 months past due	**—**	2,337
Over 6 months past due	**5,266**	2,249
	34,285	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 a number of independent customers that have 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

	2017	2016
	RMB'000	*RMB'000*
Prepayments	**2,938**	533
Deposits and other receivables	**6,700**	548
Interests receivables	**234**	—
Others	**126**	30
Total	**9,998**	1,111

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. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	RMB'000	*RMB'000*
Listed equity investments, at market value	**11,489**	—

The above equity investments at 31 December 2017 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

14. LOAN RECEIVABLES

		2017	2016
	Note	*RMB'000*	*RMB'000*
Loans receivable due from			
— Third parties	*(a)*	**5,852**	—
Less: Impairment		**—**	—
		5,852	—
Less: Due within 12 months		**(5,852)**	—
Due after 12 months		**—**	—

(a) Imperial Dragon Finance Limited (currently known as Future Bright Finance Limited), a subsidiary within the Group, signed loan agreements to provide two loans, each loan amounting to HKD3,500,000 (equivalent to approximately RMB2,926,000), to two third parties. These loans are pledged by each borrower's securities accounts, within which the value of share is not less than HKD5,000,000, bear interest at a fixed rate of 24% per annum and have a maturity date on 16 February 2018 and 17 February 2018, respectively.

15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017	2016
	RMB'000	*RMB'000*
Within 1 month	**150**	—

The trade payables are non-interest-bearing and is normally settled on terms ranging from 1 to 60 days.

16. OTHER PAYABLES AND ACCRUALS

	2017	2016
	RMB'000	*RMB'000*
Payroll accruals	**770**	581
Other payables	**1,694**	2,301
	2,464	2,882

Other payables are unsecured, non-interest-bearing and repayable on demand.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Year, the Group's operating revenue was approximately RMB42.54 million, which represented a significant increase of approximately 229.54% as compared to the operating revenue of approximately RMB12.91 million for the year of 2016 (the "FY2016"). The increase in revenue was mainly due to the increase in revenue generated from commodity trading during the Year. In order to diversify the existing business of the Group, the Group commenced its trading of commodities business during the Year. The following table sets forth the breakdown of the Group's revenue by product categories for the Year:

	2017			2016		
			Gross profit			Gross profit
	RMB'000	*Percentage*	*margin*	*RMB'000*	*Percentage*	*margin*
Marble blocks	15,079	35.45%	55.50%	12,909	100%	70.52%
Commodity trading	27,461	64.55%	5.68%	—	—	—
Total	42,540	100%	23.34%	12,909	100%	70.52%

Cost of Sales

The Group's cost of sales increased from approximately RMB3.81 million for FY2016 to approximately RMB32.61 million for the Year, representing a significant increase of approximately 757.03%. This was in line with higher sales recorded for the Year. The cost of sales represented costs of products purchased from third parties, which represented approximately 79.42% of the total cost of sales, and the marble blocks mining costs, which represented approximately 20.58% of the total cost of sales and mainly included mining labour costs, materials consumption, fuel, electricity, depreciation of production equipment and amortization of mining rights.

Gross Profit and Gross Profit Margin

The gross profit of the Group amounted to approximately RMB9.93 million and the gross profit margin was approximately 23.34% for the Year, which represented a slight increase of approximately 9.07% as compared with gross profit for FY2016 of approximately RMB9.10 million (FY2016: gross profit margin of approximately 70.52%). The significant decrease in gross profit margin was mainly due to the sales of commodities which accounted for 64.55% of total sales, but with a lower gross profit margin which in turn lead to the decrease in average gross profit margin of the Group.

Other Income and Gains

Other income and gains for the Year were approximately RMB2.11 million, which represented a significant increase of approximately RMB1.57 million as compared to the other income and gains of approximately RMB0.54 million for the FY2016. The increase was mainly due to the foreign exchange gain of approximately RMB1.18 million during the Year (FY2016: foreign exchange loss of approximately RMB1.16 million) and the interest income generated from the money lending business in the Year amounted to approximately RMB0.50 million (FY2016: Nil). Other income and gains mainly comprised the interest income, the foreign exchange gain and rendering of services income during the Year.

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 RMB2.25 million for the Year (FY2016: approximately RMB2.11 million), representing approximately 5.29% of the revenue for the Year (FY2016: approximately 16.33%).

Administrative Expenses

Administrative expenses significantly increased by approximately RMB32.59 million or 199.41% from approximately RMB16.34 million for the FY2016 to approximately RMB48.93 million for the Year. The increases was mainly due to the increase in staff costs including the equity-settled share option expenses of approximately RMB29.11 million during the Year. Administrative expenses mainly included the legal and professional fees, consultancy fees, rental and salaries of staff.

Other Expenses

Other expenses mainly included charitable donations and fair value losses of equity investments at fair value through profit or loss for the Year. Charitable donations made by the Group during the Year amounted to approximately HK$2.40 million (FY2016: HK$1.00 million). In addition, as at 31 December 2017, the Group had current equity investments at fair value through profit or loss of approximately RMB11.49 million which were investments in various listed shares. The Group recorded net fair value loss of the equity investments of approximately RMB1.07 million for the Year (FY2016: nil).

Loss Attributable to Owners of the Parent

In view of the above factors, loss attributable to owners of the Parent was approximately RMB43.17 million for the Year (FY2016: loss of approximately RMB11.91 million). The increase of loss was mainly attributable to the increase in the administrative expenses including the share option expenses during the Year.

Consolidated Statements of Financial Position of the Company

As at 31 December 2017, the Group had net current assets of approximately RMB80.19 million (as at 31 December 2016: net current assets of approximately RMB38.22 million) and total assets less current liabilities of approximately RMB140.56 million (as at 31 December 2016: approximately RMB96.89 million). The increase in net assets was mainly attributable to the net proceeds raised from the placement of shares of the Company during the Year.

MARKET REVIEW

In 2017, social and economic development in China encountered an important transformation period, as growth in national economy shifted from a fast pace to a moderately fast pace as the new norm. In line with the fact that the environmental awareness increased and the Chinese government continued to deepen environmental policies, marble blocks as part of the traditional resource-driven industry were somehow affected by the relevant governmental policies in 2017.

Currently, plastics, ceramic and other building materials, which are widely applied in the market, also enjoy certain market share among the merchants of building decors. However, marbles remain as the primary choice for building decor projects due to its uniquely natural strength. In particular, in line with booming building and decor businesses in the domestic market, marble products undoubtedly represent the primary choice for outdoor landscape designs and interior decors and renovation projects. Due to a growing market demand for various types and specifications of marble products, the marble industry should capitalize on the advantages of the clustering effects to improve its industrial and market position based on the requirements of the environmental ecosystem and sustainable development.

Looking into the future, we believe that the "Belt and Road" initiative represents a potential to drive global trading activities in the future, and may generate positive effects on the trading of commodities, which in return will create favorable market conditions for the industry of marble products in China.

BUSINESS REVIEW

Marble and Marble-related Business

During the Year, we have been focusing on the development of the Yiduoyan Project, which is an open pit mine located in Hubei Province of the People's Republic of China (the "**PRC**"). A total of 4,912 m^3 of marble blocks had already been produced and 6,485 m^3 of marble blocks had already been sold. Moreover, the Group has been actively exploring to enhance the variety of marble and marble-related products provided by the Group by acquiring companies that hold mining licenses for marble projects in the PRC. The Group entered into memorandum of understanding to acquire 51% equity interest in a company engaged in mining, processing and sales of marble, and provision of consultation on stone-related knowledge to private enterprises. The proposed acquisition enables the Group: (i) to enhance the variety of marble and marble-related products provided by the Group; and (ii) to leverage on the network and expertise of the management team under both companies with the view to facilitating the business of trading of marble-related products by the Group as a whole. The revenue generated from this business segment in the year amounted to approximately RMB15.08 million.

Trading of Commodities Business

During the Year, 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 and granite slabs and the revenue generated from commodity trading business in the year amounted to approximately RMB27.46 million. In the meantime, the Group has established three joint venture companies in Hong Kong and the PRC (details of which are set out in the announcements of the Company dated 5 April 2017 and 31 August 2017) which are principally engaged in the trading of commodities. We expect that the commodities trading business will become one of the principal businesses of the Group in the future.

Money Lending Business

During the Year, in order to diversify the existing business of the Group, the Group acquired a company which is principally engaged in money lending business as a holder of the Money Lenders License under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong). We expect the money lending business would generate reasonable interest income that serves as a steady source of cash flow for the Group. The other income generated from this business segment during the Year amounted to approximately RMB0.50 million.

We will increase product exposure and recognition through industry exchanges. In addition, we will be actively seeking new business opportunities from time to time and conduct selective acquisitions in order to diversify our business. We will strive to recruit more talents with extensive industry expertise to further enhance our competitiveness. Our vision is to become a well-known marble blocks supplier in the PRC.

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 Year, 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 staff of the Company 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 staff 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 year ended 31 December 2017, the Group recoded safety production expenditure of approximately RMB61,700 with respect to the expansion of Yiduoyan marble mine, which mainly comprised the procurement and preparation of production safety signs in 2017, monthly distribution of labour protection supplies, regular education and training for production safety, expertise training for specialized operations, expenses for mining safety and rescue arrangement under agreement, education and training for occupational health, and training programs for safety management personnel.

The detailed classification of development expenditures is as follows:

	RMB' 000
Production safety signs	8
Labour protection supplies	10
Education and training for production safety	20
Expertise training for specialized operations	5
Expenses for mining safety and rescue arrangement under agreement	5
Education and training for occupational health	2
Training programs for safety management personnel	5
Computers	6.7
	61.7

Mining Operation

During 2017, we carried out the destocking of marble block inventories of the mine. As at 31 December 2017, we had realized sales of 6,485 m^3 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 respectively and two mining benches. During the Year, our Yiduoyan marble mine block production amounted to 4,912 m^3. It also laid a solid foundation for the commencement of mining in the second half of the year.

During the Year, the expenditure on mining activities of the Group was approximately RMB5,144,776. The expenditure of mining activities was approximately RMB1,047 per m^3 (2016: approximately RMB931 per m^3).

RESOURCE AND RESERVE

Our 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^3 per annum for a term of 10 years (which will expire on 30 December 2021 and can be extended for another 10 years to 30 December 2031 according to applicable PRC laws and regulations), covering an area of approximately 0.5209 km^2. The Yiduoyan Project contains marble resources with resource expansion potential through exploration according to the independent technical report dated 29 December 2014 (the "**Independent Technical Report**") prepared by SRK Consulting (Hong Kong) Limited set out in Appendix IV to the prospectus of the Company dated 29 December 2014 (the "**Prospectus**").

Yiduoyan Project's marble resource statement as at 31 December 2017

Resource Category	**White marble V-1** *(million m^3)*	**Grey marble V-2** *(million m^3)*	**Total** *(million m^3)*
Inferred	1.8	1.5	3.3
Indicated	5.5	1.8	7.3
Total	7.3	3.3	10.6

Yiduoyan Project's marble reserve statement as at 31 December 2017

Resource Category	**White marble V-1** *(million m^3)*	**Grey marble V-2** *(million m^3)*	**Total** *(million m^3)*
Probable	0.86	0.04	0.90

Note:

(1) The above table summarizes the marble resource and reserve estimates prepared in accordance with JORC Code (2012 Edition) and are based on the Independent Technical Report.

(2) There was no material change in these estimates during the period from 30 June 2014 to 31 December 2017.

(3) Please refer to the Prospectus for the assumptions and methods used for making the above estimated resources and reserves.

MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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 "**First 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 "**First 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 First 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 First 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 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 in the PRC ("**GoGo Education**"). GoGo Education will have a registered capital of RMB5 million which is expected to be paid up by the Group's internal resources. GoGo Education is 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 more details.

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 (currently known as Future Bright Finance Limited) at a consideration of approximately HK$7,240,000 in cash. For details, please refer to the announcements of the Company dated 26 July 2017 and 17 October 2017.

On 31 August 2017, Future Bright (H.K.) entered into a joint venture agreement with Zhong Xi Int'l Holding Limited ("**Zhong Xi**") and Super Vision Development Co., Ltd. ("**Super Vison**") (the "**Second Joint Venture Agreement**") to establish a JV company (the "**Second JV Company**"). The total issued share capital of the Second JV Company shall be HK$10,000,000. Pursuant to the Second Joint Venture Agreement, Future Bright (H.K.), Zhong Xi and Super Vision shall contribute HK$5,100,000, HK$1,500,000 and HK$3,400,000 respectively in cash and shall hold the equity interests in the Second JV Company as to 51%, 15% and 34% respectively. For details, please refer to the announcement of the Company dated 31 August 2017.

On 31 August 2017, Future Bright (H.K.) entered into a joint venture agreement with China Africa Minerals Limited (the "**Third Joint Venture Agreement**") to establish a JV company (the "**Third JV Company**"). The total issued share capital of the Third JV Company shall be HK$10,000,000. Pursuant to the Third Joint Venture Agreement, Future Bright (H.K.) and China Africa Minerals Limited shall contribute HK$5,100,000 and HK$4,900,000 in cash and shall hold the equity interests in the Third JV Company as to 51% and 49% respectively. For details, please refer to the announcement of the Company dated 31 August 2017.

On 15 November 2017, Xiangyang Future Bright Mining Limited* (襄陽高鵬礦業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Jiangxi Yi Wang Mining Company Limited* (江西億旺礦業有限公司) ("**Target Company**"). The Target Company is a limited liability company established in the PRC on 2 March 2009 with registered capital of RMB10 million and with 150,000 m^2 of stone processing base and 0.474 km^2 of marble mines, and is engaged in mining, processing and sales of marble, and provision of consultation on stone-related knowledge to private enterprises in the PRC. The terms of the proposed acquisition are subject to further negotiation and the signing of a formal sale and purchase agreement within 180 days after the date of the memorandum of understanding or such longer period as extended by mutual agreement between the parties. For details, please refer to the Company's announcement dated 15 November 2017.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the Year.

PRINCIPAL RISKS AND UNCERTAINTIES

Limited operating history

The Yiduoyan Project is still in a development stage where full-scale site construction is currently taking place. Our limited operating history makes the evaluation of our business and prediction of our future operating results and prospects difficult.

As a developing mining company with a limited operating history, we cannot guarantee that we will generate revenue and grow our business as planned.

Single mining project

We have only one mining project, the Yiduoyan Project. We expect the Yiduoyan Project to be our only operating mine in the near term upon which we will depend on for the majority of our operating revenue and cash flows. The Yiduoyan Project is in a development stage where full-scale site construction is currently taking place, and its operations are subject to a number of operating risks and hazards as described below. As such, the resources of the Yiduoyan Project may not ultimately be extracted at a profit. If we fail to derive the expected economic benefits from the Yiduoyan Project due to any delay or difficulty in its development, the occurrence of any event that causes it to operate at less-than-optimal capacity or any other negative development as described below, our business, financial condition and results of operations could be materially and adversely affected.

Inherently high-risk industry

The mining industry in which we operate inherently has a high level of risk. The risk we face is an accumulated risk due to factors such as the nature of the ore body and surrounding rock, colour variation, quality variation, natural disasters, environmental, geotechnical and hydrological risks, health and safety and variations such as joints and fractures that may affect mining and processing.

Marble volume estimations are not exact calculations of the actual physical marble units but are rather an analysis of the returned results from drill core samples. In this respect, even if the sampling density is high, the sample population is still very small compared with the mass of the entire deposit. Therefore, any estimation of resource and reserve based on this sample data will have inherent errors. The final or actual mined volume may not precisely match the estimated results. In particular, in the Yiduoyan Project, the benches have provided a limited amount of information on colour and texture. Similarly, error factors exist in any calculations of capital and operating costs for the development phase of the Yiduoyan Project, as not all the parameters affecting these estimates can be accurately defined or valued for future events. Mining operation incomes are also affected by the variations of the price of marble, transport costs, fluctuations in the construction industry and other market instabilities.

Should we fail to manage the above risks or should any of the foregoing inherent risk materialise, our operation may be disrupted and we may be unable to bring the Yiduoyan Project into full-scale commercial production. In such case, our business and results of operations could be materially and adversely affected.

Limited number of customers

A limited number of customers have, historically, consistently accounted for a significant portion of our revenues. Accordingly, our success will depend on our continued ability to develop and manage relationships with significant customers, and we expect that the majority of our revenues will continue to depend on sales of our products to a limited number of customers for the foreseeable future. In the event that any of these customers are to substantially reduce the quantity of their purchase order notwithstanding the minimum quantity they are obliged to purchase or to terminate their business relation with us entirely, our business and results of operations may be materially and adversely affected if we are unable to find substitute customers in a timely manner.

Operating risks and hazards

Our mining operations are subject to a number of operating risks and hazards, some of which are beyond our control. These operating risks and hazards include: (i) unexpected maintenance or technical problems; (ii) interruptions to our mining operations due to unfavourable weather conditions and natural disasters (such as earthquakes, floods and landslides); (iii) accidents; (iv) electricity or water supplies interruptions; (v) critical equipment failures in our mining operations; and (vi) unusual or unexpected variations in the mine and geological or mining conditions, such as instability of the slopes and subsidence of the working areas. These risks and hazards may result in personal injury, damage to, or destruction of production facilities, environmental damages and could temporarily disrupt our operations and damage our business reputation.

Any disruption for a sustained period to the operations of our mine or production facilities may have a material adverse effect on our business, financial condition and results of operations.

For more details about the general risks and uncertainties facing the Group, please refer to the Prospectus.

In order to minimize the risk of exposure to market dynamic, we will seek to:

(i) broaden our potential customer base so that even if any of our existing customers are to terminate the sales contract, we can obtain orders from other potential customers to replace any such lost sales on comparable terms; and

(ii) lower production rate in response to possible weakening of market demand in order to minimize our risk of exposure to market dynamic.

FUTURE PROSPECTS AND DEVELOPMENT

Our vision is to become a well-known supplier of marble blocks in the PRC. We plan to accomplish this goal 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 Year and up to the date of this announcement.

Develop product recognition

We believe that recognition of our marble block products among industry professionals is critical to our development and success. As such, we intend to increase exposure of our marble block products in selected trade and other high-end decorative surfacing stone magazines, as well as attend 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 products, we plan to market our marble block products for use in landmark construction projects, such as high-end hotels and major commercial buildings, where our marble block products can be prominently displayed and showcased. In doing so, we believe that we will be able to keep abreast of the 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 and 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.

Money lending business

We believe that the money lending business would generate reasonable interest income that serves as a steady source of cash flow for the Group.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

During the Year, the Group's liquidity funds were primarily used 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 31 December 2017, the Group had cash and cash equivalents of approximately RMB19.27 million which were denominated in Hong Kong dollars and Renminbi (2016: approximately RMB22.64 million).

On 26 January 2017, Kingston Securities Limited as the placing agent (the "**Kingston**") and the Company entered into a placing agreement (the "**First Placing Agreement**") pursuant to which the Company has conditionally agreed to place through Kingston, on a best effort basis, up to 176,000,000 placing shares (the "**First Placing Shares**") at the placing price of HK$0.205 per First Placing Share (the "**First Placing**"). The completion of the First Placing took place on 16 February 2017. A total of 170,000,000 of the First Placing Shares had been successfully placed and issued under the general mandate granted to the Directors by resolution of the shareholders of the Company (the "**Shareholders**") passed at the annual general meeting of the Company held on 7 June 2016. The gross proceeds and net proceeds from the Placing amounted to approximately HK$35 million and HK$34 million respectively. The Company intends to apply the net proceeds in the following manner: (1) approximately HK$24 million for building a processing plant to produce slabs to add value to marble and provide greater flexibility in accessing markets; and (2) approximately HK$10 million for the general working capital of the Group. Details of the First Placing Agreement were set out in the announcements of the Company dated 26 January 2017 and 16 February 2017.

On 4 August 2017, Kingston and the Company entered into a placing agreement (the "**Second 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 "**Second Placing Shares**") at the placing price of HK$0.210 per Second Placing Share (the "**Second Placing**"). The completion of the Second Placing took place on 18 August 2017. A total of 180,000,000 of the Second Placing Shares had been successfully placed and issued under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 8 June 2017. The gross proceeds and net proceeds from the Second Placing amounted to approximately HK$37.8 million and HK$36.6 million respectively. The Board intends to apply the net proceeds in the following manner: (i) approximately HK$12 million for the possible formation of the two joint venture companies and (ii) approximately HK$24.6 million for replenishing the general working capital of the Group. Details of the Second Placing Agreement were set out in the announcements of the Company dated 4 August 2017 and 18 August 2017.

The Group had no borrowings as at 31 December 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 31 December 2017 was about 26.97 times as compared to 12.03 times as at 31 December 2016, based on current assets of approximately RMB83.28 million (as at 31 December 2016: approximately RMB41.68 million) and current liabilities of approximately RMB3.09 million (as at 31 December 2016: approximately RMB3.46 million).

CAPITAL STRUCTURE

During the Year, the changes of share capital structure of the Company were as follows:

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 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.

On 18 August 2017, a total of 180,000,000 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$0.210 per placing share under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 8 June 2017. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 3,690,000,000 shares to 3,870,000,000.

EMPLOYEES

As at 31 December 2017, the Group employed a total of 46 full time employees in Hong Kong and the PRC. The total staff costs (including directors' emoluments) were approximately RMB37.48 million (including share option expenses of RMB29.11 million) for the Year.

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 and other employees' benefits including 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.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2017, the Group had authorized, but not contracted for capital commitments of approximately RMB28 million primarily for the construction and purchase of property, plant and equipment for our development purpose.

The Group had no significant contingent liabilities as at 31 December 2017.

CHARGES ON GROUP ASSETS

The Group had no charges on the Group's assets as at 31 December 2017.

SIGNIFICANT INVESTMENTS HELD

Except for investments in the subsidiaries of the Company, the Group did not hold any significant investments during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus, there was no specific plan for material investments or capital asset as at 31 December 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 Year. During the Year, the Group did not use financial instruments for hedging purposes. The Group continues to monitor the exposures to Renminbi and will take necessary procedures to reduce the currency risks arising from the fluctuations in exchange rates at reasonable costs.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") was set up on 8 December 2014 with written terms of reference, which was amended and revised on 10 December 2015 and 25 August 2016, in accordance with the requirements of the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Mr. Chow Hiu Tung, Mr. Hu Minglong, Mr. Lai Kwok Leung and Mr. Lau Tai Chim. It is chaired by Mr. Chow Hiu Tung.

The Audit Committee had, amongst other things, reviewed the audited results of the Group for the Year.

OTHER COMMITTEES

Besides the Audit Committee, the Board has also established a remuneration committee and a nomination committee. Each Committee has its defined scope of duties and written terms of reference.

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, saved as disclosed below, confirmed that they have complied with the required standard set out in the Model Code during the Year.

According to code provision A.3(a) of the Model Code, a Director must not deal in any securities of the Company on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results. An executive Director, Mr. Hu Guoan, during the period from 22 January 2018 to 27 February 2018, had dealt in the securities of the Company which was not allowed under code provision A.3(a) of the Model Code.

According to code provision B.8 of the Model Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. An executive Director, Mr. Hu Guoan, during the period from 7 December 2017 to 27 February 2018, had dealt in the securities of the Company without first notifying the chairman and receiving a dated written acknowledgement.

CORPORATE GOVERNANCE PRACTICES

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 Listing Rules. Except for the deviations from code provisions 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 Year. 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. Except for Mr. Hu Minglong who is appointed for a specific term of three years, the other 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.

EVENTS AFTER THE REPORTING PERIOD

Two additional executive Directors, namely Ms. Yang Xiaoqiu and Mr. Chen Gang, and one additional independent non-executive Director, namely Mr. Hu Minglong, were appointed on 8 February 2018.

On 15 March 2018, Imperial Dragon Finance Limited (currently known as Future Bright Finance Limited) (a wholly-owned subsidiary of the Company), signed loan extension agreements to extend the term of the two loans, each loan amounting to HKD3,500,000, to two third parties. These loans are pledged by each borrower's securities accounts, bear interest at a fixed rate of 24% per annum and have a maturity date (as extended by the extension agreements) on 28 August 2018. Please refer to the Company's announcement dated 15 March 2018 for more details of these transactions.

The Group disposed on-market of a total of 11,940,000 shares of Basetrophy Group Holdings Limited in a series of transactions conducted between 20 October 2017 and 9 February 2018, at the price between HK$0.17 and HK$0.25 per share for an aggregate gross sale proceeds of HK$2,573,440 (excluding transaction costs). The above disposal constituted a discloseable transaction of the Company as one of the applicable percentage ratios under Rule 14.07 of the Listing Rules exceeded 5% but was less than 25%, and was therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 20 February 2018.

Except as disclosed in this announcement, since 31 December 2017 and up to the date hereof, no important events has occurred affecting the Group.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, 8 June 2018 (the "**2018 AGM**"). A notice convening the 2018 AGM will be published and despatched to the shareholders of the Company in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Tuesday, 5 June 2018 to Friday, 8 June 2018, both days inclusive, during which period no transfer of the Shares can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 4 June 2018.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment at the 2018 AGM. A resolution will be submitted to the 2018 AGM to re-appoint Messrs. Ernst & Young as auditors of the Company.

The Company has not changed its external auditors during each of the years ended 31 December 2014, 2015, 2016 and 2017.

PUBLICATION OF FINAL RESULTS AND 2017 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (*www.hkexnews.hk*) and the Company (*www.futurebrightltd.com*). The 2017 annual report of the Company 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, 28 March 2018

As at the date of this announcement, the executive Directors are Ms. Liu Jie, Mr. Chen Gang, Mr. Hu Guoan, Mr. Rao Dacheng, Mr. Wan Tat Wai David, Ms. Yang Xiaoqiu, 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, Mr. Lai Kwok Leung and Mr. Hu Minglong.

* *for identification purpose only*