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

GLOBAL OFFERING

Sole Sponsor

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Capital Limited

Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager

國泰君安國際
GUOTAI JUNAN INTERNATIONAL

Guotai Junan Securities (Hong Kong) Limited

If you are in any doubt about the contents of this prospectus, you should obtain independent professional advice.

Future Bright Mining Holdings Limited
高鵬礦業控股有限公司

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GLOBAL OFFERING

Number of Offer Shares	:	**88,000,000 Shares (subject to the Offer Size Adjustment Option)**
Number of Hong Kong Offer Shares	:	**8,800,000 Shares (subject to reallocation)**
Number of International Placing Shares	:	**79,200,000 Shares (subject to the Offer Size Adjustment Option and reallocation)**
Offer Price	:	**Not more than HK$1.00 and expected to be not less than HK$0.80 per Offer Share (payable in full upon application in Hong Kong dollars and subject to refund on final pricing), plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%**
Par value	:	**HK$0.01 per Share**
Stock code	:	**2212**

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies and available for inspection" in Appendix VII to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between us and the Sole Lead Manager (acting for itself and on behalf of the other Underwriters) on the Price Determination Date or such later date as may be agreed between us and the Sole Lead Manager (acting for itself and on behalf of the other Underwriters) but in any event no later than Wednesday, 7 January 2015. The Offer Price will be not more than HK$1.00 per Offer Share and is currently expected to be not less than HK$0.80 per Offer Share. The Sole Lead Manager (acting for itself and on behalf of the other Underwriters) may reduce the number of Hong Kong Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, a notice of the reduction of the number of the Hong Kong Offer Shares and/or the indicative Offer Price range will be published in The Standard (in English) and the Hong Kong Economic Journal (in Chinese) not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, if the number of Hong Kong Offer Shares and/or the indicative Offer Price range is so reduced, the applicants will be allowed to subsequently withdraw their applications. If, for any reason, the Offer Price is not agreed between our Company and the Sole Lead Manager (on behalf of the Underwriters) on or before Wednesday, 7 January 2015, the Global Offering will not become unconditional and will lapse immediately.

We are incorporated under the laws of the Cayman Islands and our businesses are located in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between these countries and Hong Kong. Potential investors should also be aware that the regulatory frameworks in these countries are different from the regulatory framework in Hong Kong and should take into consideration the different market nature of the Shares. Such differences and risk factors are set out in the sections headed "Risk Factors" and "Appendix V – Summary of the Constitution of our Company and the Cayman Islands Companies Law" in this prospectus.

Pursuant to the force majeure provisions contained in the Underwriting Agreement in respect of the Offer Shares, the Sole Lead Manager (on behalf of itself and the Underwriters) has the right in certain circumstances, in the sole and absolute discretion of the Sole Lead Manager, to terminate the obligations of the Underwriters pursuant to the Underwriting Agreement at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is currently expected to be Friday, 9 January 2015. Further details of the terms of the force majeure provisions are set out in the section headed "Underwriting – Underwriting arrangements and expenses – (a) Hong Kong Public Offering – Grounds for termination" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or transferred within the United States.

29 December 2014

Latest time to complete electronic applications through the **White Form eIPO** service through the designated website at www.eipo.com.hk *(Note 2)*	11:30 a.m. on Friday, 2 January 2015
Application lists of the Hong Kong Public Offering open at *(Note 3)*	11:45 a.m. on Friday, 2 January 2015
Latest time for lodging **WHITE** and **YELLOW** Application Forms and giving **electronic application instructions** to HKSCC *(Notes 3 and 4)*	12:00 noon on Friday, 2 January 2015
Latest time to complete payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Friday, 2 January 2015
Application Lists of the Hong Kong Public Offering close *(Note 2)*	12:00 noon on Friday, 2 January 2015
Expected Price Determination Date *(Note 5)*	Monday, 5 January 2015
Announcement of the final Offer Price, level of indication of interest in the International Placing, level of applications of the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published (a) in The Standard (in English) and the Hong Kong Economic Journal (in Chinese); (b) on the website of the Stock Exchange at www.hkexnews.hk; and (c) on the website of our Company at www.futurebrightltd.com	Thursday, 8 January 2015
Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers or Hong Kong business registration numbers, where appropriate) to be available through a variety of channels, including the website of the Stock Exchange at www.hkexnews.hk, the website of our Company at www.futurebrightltd.com and the designated website at www.iporesults.com.hk as described in the section headed "How to Apply for the Hong Kong Offer Shares – Publication of results" of this prospectus from	Thursday, 8 January 2015
Despatch of share certificates in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before *(Notes 7 to 12)*	Thursday, 8 January 2015

Despatch of White Form e-Refund payment instructions/ refund cheques in respect of wholly successful (where applicable) or wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering on or before *(Notes 6, 8 to 12)* . . . . .Thursday, 8 January 2015

Dealings in Shares on the Stock Exchange to commence on. . . . . .9:00 a.m. on Friday, 9 January 2015

Notes:

1. All times refer to Hong Kong local time. Details of the Structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

2. You will not be permitted to submit your application to the **White Form eIPO** Service Provider through the designated website at www.eipo.com.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website at or before 11:30 a.m., the applicant will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

3. If there is a "black" rainstorm warning or a tropical cyclone warning signal number eight or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 2 January 2015 the application lists will not open on that day. Further information is set out in the section headed "How to Apply for the Hong Kong Offer Shares – Effect of bad weather on the opening of the application lists" in this prospectus. If the application lists do not open and close on Friday, 2 January 2015, the dates mentioned in "Expected Timetable" may be affected. An announcement will be made by us in such event.

4. Applicants who apply for Hong Kong Offer Shares by giving electronic application instructions to HKSCC should refer to the section headed "How to Apply for the Hong Kong Offer Shares – Applying by giving electronic application instructions to HKSCC via CCASS" in this prospectus.

5. The Price Determination Date is expected to be on or about Monday, 5 January 2015, and in any event will be on or before 5:00 p.m. on Wednesday, 7 January 2015 (Hong Kong time). If, for any reason, the Offer Price is not agreed on or before 5:00 p.m. on Wednesday, 7 January 2015 (Hong Kong time), the Global Offering will not proceed.

6. e-Refund payment instruction/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before cashing the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may lead to delays in encashment of, or may invalidate, the refund cheque.

7. Share certificates for the Hong Kong Offer Shares will become valid certificates of title at 8:00 a.m. on Friday, 9 January 2015 (Hong Kong time), provided that (i) the Global Offering has become unconditional in all respects; and (ii) neither of the Underwriting Agreements has been terminated in accordance with its terms. If the Global Offering does not become unconditional or the Underwriting Agreements are terminated in accordance with terms, the Global Offering will not proceed. In such a case, our Company will make an announcement as soon as possible thereafter.

8. Applicants who have applied on **WHITE** Application Forms or through the **White Form eIPO** service for 1,000,000 Hong Kong Offer Shares or more under the Hong Kong Public Offering and have provided all information required by Application Form may collect any refund cheque(s) (where applicable) and/or Share certificate(s) in person from our Hong Kong Share Registrar, Computershare Hong Kong Investor Services

Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 8 January 2015. Applicants being individuals who are applying for 1,000,000 Hong Kong Offer Shares or more and opt for personal collection must not authorise any other person to make collection on their behalf. Applicants being corporations who are applying for 1,000,000 Hong Kong Offer Shares or more and opt for personal collection must attend by their authorised representatives bearing letters of authorisation from their corporations stamped with the corporations' chop. Identification and (where applicable) authorisation documents acceptable to our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, must be produced at the time of collection.

9. Applicants who have applied on **YELLOW** Application Forms for 1,000,000 Hong Kong Offer Shares or more under the Hong Kong Public Offering may collect their refund cheque(s), where applicable, in person but may not elect to collect their Share certificate(s), which will be deposited into CCASS for the credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedures for collection of refund cheque(s) for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants specified in note (8) above.

10. For applicants who have applied for Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC, their refund (if any) will be credited to their designated bank account or the designated bank account of the designated CCASS Participant through which they made their application on Thursday, 8 January 2015. For applicants who have instructed their designated CCASS Participant (other than CCASS Investor Participant) to give **electronic application instructions** on their behalf, they can check the amount of refund (if any) payable to them with that designated CCASS Participant. For applicants who have applied as CCASS Investor Participant, they can check the amount of refund (if any) payable to them via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 8 January 2015 or in the activity statement showing the amount of refund money credited to their designated bank account made available to them by HKSCC immediately after the credit of refund money to their bank account. Please refer to the section headed "How to Apply for the Hong Kong Offer Shares – Despatch/Collection of share certificates and refund monies" in this prospectus for details.

11. For applicants who have applied through the **White Form eIPO** service and paid the application monies from a single bank account, refund monies (where applicable) will be despatched to their application payment bank account in the form of e-Refund payment instructions on Thursday, 8 January 2015. For applicants who have applied through **White Form eIPO** service and paid the application monies from multiple bank accounts, refund monies (where applicable) in the form of refund cheque(s) will be despatched on Thursday, 8 January 2015 by ordinary post at their own risk. Please refer to the section headed "How to Apply for the Hong Kong Offer Shares – Despatch/Collection of share certificates and refund of application monies" in this prospectus for details.

12. Uncollected share certificate(s) and refund cheque(s) will be despatched by ordinary post at the applicants' own risk to the addresses specified in the relevant applications. Further details are set out in the section headed "How to Apply for the Hong Kong Offer Shares – Despatch/Collection of share certificates and refund of application monies" in this prospectus.

For details of the structure of the Global Offering, including conditions thereof, please refer to the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for the Hong Kong Offer Shares" in this prospectus.

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security other than Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to buy any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdiction are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. We have not authorised anyone to provide you with information which is different from that contained in this prospectus. Any information or representation not made in this prospectus must not be relied upon by you as having been authorised by us, the Sole Sponsor, the Sole Lead Manager, the Underwriters, any of their respective directors or any other person or party involved in the Global Offering.

Page

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all of the information which may be important to you. You should read the whole document before you decide to invest in the Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Shares are summarised in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Shares.

BUSINESS OVERVIEW

We are a marble mining company and have been focusing on developing our Yiduoyan Project, which is an open pit mine located in Hubei Province of China. We commenced limited commercial production in September 2014. Marble blocks mined from our Yiduoyan Project are our principal product.

We currently hold the mining permit of our Yiduoyan Project for a term of 10 years granted on 30 December 2011, which will expire on 30 December 2021, covering an area of approximately 0.5209km^2 with an elevation from 420mRL to 550mRL. The mining permit of our Yiduoyan Project can be extended for another 10 years to 30 December 2031, subject to the applicable PRC laws and regulations and we intend to further renew the term of the mining permit thereafter. As advised by our PRC Legal Advisers, based on the current applicable PRC laws and regulations, we have the right to apply to further renew the term of the mining permit thereafter. As at the Latest Practicable Date, the mining permit of our Yiduoyan Project had not been pledged to secure our banking facilities.

As at the Latest Practicable Date, the remaining mine life of our Yiduoyan Project was estimated to be 47 years given the defined Reserve as at 1 July 2014 and the anticipated annual production rate in accordance with our development plan. The strip ratio over the life of the mine is 0.54.

OUR RESOURCE AND RESERVE

Resource and Reserve estimates prepared in accordance with JORC Code:

	White marble V-1 *(million m^3)*	**Grey marble V-2** *(million m^3)*	**Total** *(million m^3)*
Yiduoyan Project Resource Statement as at 1 July 2014			
Resource Category *(Note)*			
Inferred	1.8	1.5	3.4
Indicated	5.6	1.8	7.3
Total	7.4	3.3	10.7
Yiduoyan Project Reserve Statement as at 1 July 2014			
Reserve Category *(Note)*			
Probable	0.87	0.04	0.91

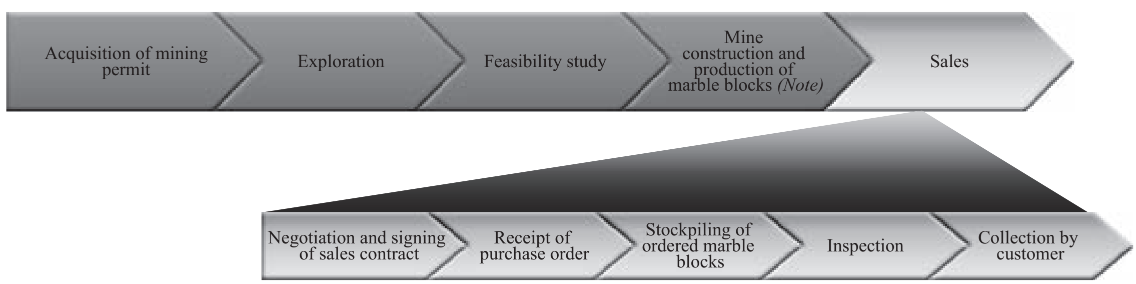
Note: Marble blocks produced prior to 1 July 2014 have been deducted from the estimated Resource and Reserve.

As at 1 July 2014, there were no Measured Resources or Proved Reserves in the Resource and Reserve estimates of our Yiduoyan Project prepared in accordance with JORC Code.

Our mining method comprises the use of diamond wire saw to extract the marble blocks. Our operation's cycle is composed of primary cuts to isolate a large block from the main rock mass, secondary cuts to produce slices which are then tilted into a horizontal position for final cutting into individual blocks.

BUSINESS MODEL

The following diagram is a brief illustration of our business model:



Note: We had only commenced limited commercial production but not full scale commercial production of our Yiduoyan Project in September 2014.

LOCATION AND ACCESS TO OUR YIDUOYAN PROJECT

Our Yiduoyan Project is located in Xiaoyan Township, Nanzhang County, Xiangyang, Hubei Province of the PRC.

The project area from Nanzhang can be accessed through Provincial Highway S306 for 13km and then S251 for approximately 30km. The mining area is close to the S251 provincial road. The project site is 900m away from the provincial road making the transportation cost of the marble blocks low within the mining area and thereby reducing the production cost. The provincial highways are two-way well-maintained paved roads.

CAPITAL COSTS AND OPERATING COSTS

As stated in the Independent Technical Report, the capital costs by category and a brief description of each cost centre are summarised in the table below:

Capital costs by category

	Actual		Forecasted				
	September 2012-December 2013	January 2014-June 2014	July 2014-December 2014	2015	2016	Total	Forecasted capital costs per cubic metre over the life of the mine ("Costs per Cubic Metre") *(Note 1)*
(RMB'000)							*(RMB/m³)*
Mine construction	5,407	284	2,700	1,505	2,321	12,217	13.43
Equipment and installation	3,815	919	4,036	7,143	8,618	24,531	97.95 *(Note 2)*
Engineering, procurement and construction management	2,454	3	302	508	2,690	5,957	6.55
Land use fees	499	50	2,000	–	2,551	5,100	5.60
Mining right fees	294	–	–	–	–	294	0.32
Contingency	–	–	994	916	1,295	3,205	3.52
Total	12,469	1,256	10,032	10,072	17,475	51,304	127.37

Notes:

1. Calculated based on the total capital expenditure divided by the total volume of marble blocks expected to be produced throughout the 47-year life of the mine, which is expected to be equivalent to the estimated Probable Reserve of approximately 0.91 million m^3 as at 1 July 2014.

2. To calculate the costs per cubic metre for the capital costs classified in the "Equipment and installation" category, other than the capital costs of approximately RMB24.53 million required to be spent to achieve the production volume of 20,000m^3 per annum according to the development plan, an equipment replacement cost of a total amount of approximately RMB64.6 million was added in the calculation of such Costs per Cubic Metre. This is because an additional amount of approximately RMB32.3 million of sustaining capital cost is expected to be incurred in 2026 and 2036 respectively for equipment replacement.

The total capital costs for development of our Yiduoyan Project is estimated to be approximately RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million had already been incurred. Approximately RMB10.0 million will be spent in the second half of 2014 and approximately RMB27.6 million will be spent between 2015 and 2016. The total remaining capital costs for development of our Yiduoyan Project in the sum of approximately

RMB37.6 million will be funded by the net proceeds from the Global Offering. According to the Independent Technical Report, the unit capital costs over the life of the mine is estimated to be approximately RMB127.37 per m^3. A part of the net proceeds from the Global Offering in the sum of HK$47.0 million which is equivalent to approximately RMB37.6 million, representing 81.3% of the total net proceeds from the Global Offering, has been allocated to fund the future capital requirement. For further details, please refer to the section headed "Future Plans and Use of Proceeds" on pages 300 to 301 of this prospectus.

The table below sets forth a summary of the actual operating costs between January and June 2014 and the forecasted operating costs between July 2014 and 2018 onwards for our Yiduoyan Project, as stated in the Independent Technical Report:

Actual and forecasted operating costs

		Actual	Forecasted				
	Unit	January-June 2014	July-December 2014	2015	2016	2017	2018 onwards
Variable costs							
Consumables	RMB/m^3	231	197	232	232	232	232
Fuel, electricity and other services	RMB/m^3	206	171	205	205	205	205
Workforce employment*(Note)*	RMB/m^3	617	928	787	502	402	402
Environmental protection monitoring	RMB/m^3	–	19	8	4	3	3
Non-income taxes, royalties and other governmental charges	RMB/m^3	16	109	110	110	110	110
Product marketing	RMB/m^3	202	340	207	121	107	107
Transportation of workforce	RMB/m^3	–	–	–	–	–	–
Contingency allowances	RMB/m^3	–	–	–	–	–	–
Total variable costs		1,272	1,764	1,549	1,174	1,059	1,059
Fixed costs							
On- and off-site administration	RMB/m^3	733	985	950	445	356	356
Environmental protection equipment	RMB/m^3	–	44	19	9	7	7
Total fixed costs		733	1,029	969	454	363	363
Unit cash operating cost	RMB/m^3	2,004	2,793	2,518	1,628	1,423	1,423
Total cash operating cost	RMB	4,544,801	4,189,445	18,882,546	26,052,792	28,485,445	28,458,445

Note: The average monthly salary of workers in Hubei Province, the PRC increased from approximately RMB1,800 in 2009 to approximately RMB3,300 in 2013 according to the Antaike Report. Based on the historical rate of increase of the average salary of workers in Hubei from 2009 to 2013, even though the salary of workers is expected to increase with a CAGR of 12.9% from 2015, it is expected that the number of workers required for the mining operation will increase at a slower rate than the rate of increase in the volume of production due to the reliance of the production on the use of machineries, the automisation of the production process and increase of productivity of the workers through provision of training. As such, it is estimated that the forecasted unit operating costs for workforce employment, which is equal to the total forecasted operating costs for workforce employment divided by the volume of marble blocks to be produced, will decrease as the volume of production increases.

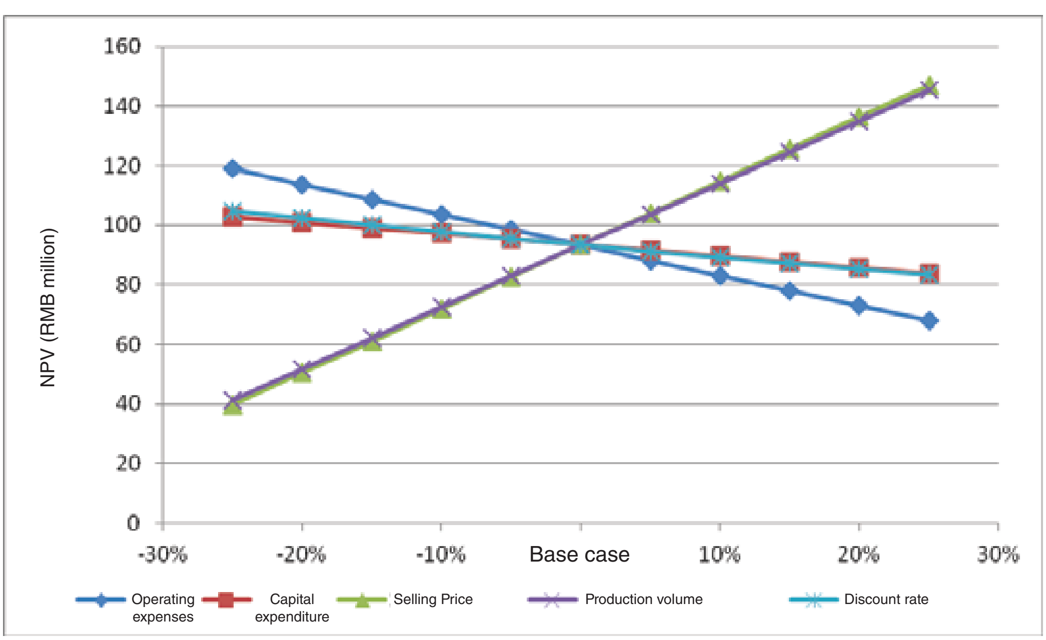
Save for the actual operating costs between January 2014 to June 2014, the above table is an estimate only and is subject to change.

For further details of the capital costs and operation costs, please refer to the paragraph headed "Business – Planned production schedule and development plan" on pages 128 to 135 of this prospectus.

SENSITIVITY ANALYSIS

A sensitivity analysis of the net present value ("NPV") after tax has been undertaken in the Independent Technical Report with respect to the capital and operating costs, production rate, selling price and discount rate. The NPV had been calculated using a discount rate of 10%. The discount rate used in the base case analysis was based on the considerations of the real, risk-free, long term interest rate of 4% for the 5-year PRC Government Bond Rate, mining project risk that includes the consideration of the operating expenditure contingency allowance of 2% to 4% and country risk of 2% to 4%. The results show that the selling price is the most sensitive parameter, followed by the production volume. The least sensitive parameter is capital expenditure. Overall, the economic analysis for the first 7.1 years of our Yiduoyan Project, until the expiry date of the current mining permit, together with the sensitivity analysis have demonstrated that our Yiduoyan Project is economically viable and justified the reporting of Reserve determined in the Independent Technical Report, as shown below:

Sensitivity analysis of our Yiduoyan Project



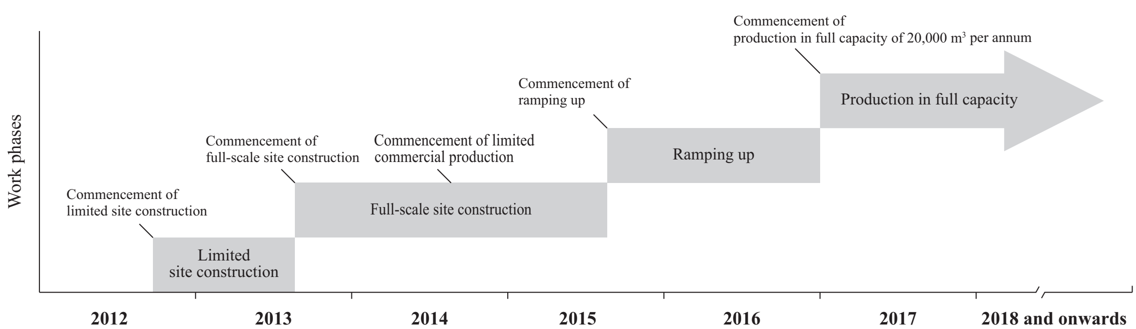
After-tax NPV variation *(RMB million)*

Parameters	+25%	+20%	+15%	+10%	+5%	Base Case	-5%	-10%	-15%	-20%	-25%
Operating expenses	67.8	72.9	78.0	83.1	88.2	93.3	98.4	103.6	108.7	113.8	118.9
Capital expenditure	83.8	85.7	87.6	89.5	91.4	93.3	95.2	97.2	99.1	101.0	102.9
Selling price	147.1	136.3	125.6	114.8	104.1	93.3	82.6	71.8	61.1	50.4	39.6
Production volume	145.3	134.9	124.5	114.1	103.7	93.3	82.9	72.6	62.2	51.8	41.4
Discount rate	83.3	85.2	87.2	89.2	91.2	93.3	95.5	97.7	100.0	102.4	104.9

Please also refer to the sensitivity analysis which sets forth the impact of an increase in (i) labour cost; (ii) consumable cost; (iii) fuel and power cost; and (iv) the impact of a decrease in the price of marble blocks on our unit cash operating cost for the years and cash position as of the dates indicated on page 136 of this prospectus.

DEVELOPMENT PLAN OF OUR YIDUOYAN PROJECT

The timeline chart below summarises the key development stages of our Yiduoyan Project:



The table below summarises the volume of marble blocks expected to be produced between 2014 and 2020:

	Year						
Marble type	2014	2015	2016	2017	2018	2019	2020
White (m^3)	3,000	7,475	15,800	19,750	19,000	18,800	18,500
Grey (m^3)	–	25	200	250	1,000	1,200	1,500
Expected total production volume of marble blocks (m^3) *(Note 1)*	3,000 *(Note 2)*	7,500	16,000	20,000	20,000	20,000	20,000

Notes:

1. The designed production capacity of our Yiduoyan Project is equivalent to our expected production volume of marble blocks. From 2017 onwards, we expect to reach an annual production capacity of 20,000m^3 which is our maximum permitted and designed production capacity under our mining permit. We currently project that our designed production capacity will be fully utilised from 2014 to 2020.

2. As of the end of June 2014, 1,742m^3 of marble blocks had been produced during the construction phase of our Yiduoyan Project.

For further details, please refer to the paragraph headed "Business – Planned production schedule and development plan" on pages 128 to 131 of this prospectus.

PARTICULARS OF MINING PERMIT

The following table sets out the details of the mining permit obtained for our Yiduoyan Project:

Permit holder:	Future Bright (Xiangyang)
Permitted mining right area:	0.5209km^2
Mining permit number:	C4206242011127130122010
Valid period of the mining permit:	From 30 December 2011 to 30 December 2021
Mining depth:	Elevation of 420mRL to 550mRL
Mining method:	Open-pit
Permitted production capacity:	20,000m^3 per annum
Type of mineral:	Marble

Note: We obtained a written confirmation from Nanzhang Land and Resources Bureau, a PRC competent authority to issue such confirmation as advised by our PRC Legal Advisers, on 14 October 2013 which confirmed that it is lawful for us to conduct marble mining activities from 420mRL to 589mRL without having to pay any additional fee. Please refer to paragraph headed "Business – Our mineral resources and mining rights" on page 151 of this prospectus.

For further information on the mining permit, please refer to the paragraph headed "Business – Our mineral resources and mining rights" on page 151 of this prospectus.

Major licences, permits and approvals obtained

The following table summarises certain major licences, permits and approvals we have obtained in the PRC for our mining operation. For further details, please also refer to pages 154 to 155 of this prospectus.

Name of licence/ permit/approval	Authority granting licence/permit/approval	Date of issue	Validity period	Particulars
Mining permit	Nanzhang Land and Resources Bureau (南漳縣國土資源局)	30 December 2011	30 December 2011 – 30 December 2021	Area: 0.5209km^2 Please also refer to the paragraph headed "Our mineral resources and mining rights – Overview" in the section headed "Business" on page 151 of this prospectus for further information.
Safety production permit	Hubei Province Safety Production Inspection Bureau (湖北省安全生產監督管理局)	28 September 2012	28 September 2012 – 27 September 2015	N/A
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	29 February 2012 (renewed on 28 February 2014)	28 February 2014 – 27 February 2016	Area: 0.8085ha (equivalent to approximately 0.008085km^2)
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	15 December 2013	15 December 2013 – 14 December 2015	Area: 0.887ha (equivalent to approximately 0.00887km^2)
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	2 September 2014	2 September 2014 – 1 September 2016	Area: 1.9614ha (equivalent to approximately 0.019614km^2)
Notice of temporary land-use	Nanzhang Land and Resources Bureau (南漳縣國土資源局)	10 September 2014	10 September 2014 – 9 September 2016	Area: 36,569m^2 (equivalent to approximately 0.037km^2)
8,000m^3 Approval	Nanzhang Environmental Protection Bureau (南漳縣環保局)	5 September 2014	N/A	Inspection and acceptance approval of completion of the environmental protection facilities for production at a production rate of 8,000m^3 per annum.
Pollution and discharge permit	Nanzhang Environmental Protection Bureau (南漳縣環保局)	9 September 2014	9 September 2014 – 9 September 2017	• Type of major pollutants discharged: Particles • Concentration of major pollutants discharged: Particles $\leqslant$1.0mg/m^3

Please refer to page 155 of this prospectus for advice of our PRC Legal Advisers on the status of licences, permits and approvals for our current operation and production at a production rate of 8,000m^3 per annum.

Outstanding approval to be obtained before production at full production rate of 20,000m^3 per annum

Outstanding approval	Relevant authority to issue the approval	Summary of key requirements and conditions necessary to obtain the approval	Status as at the Latest Practicable Date
20,000m^3 Approval	Nanzhang Environmental Protection Bureau (南漳縣環保局)	(i) Completion of environmental protection facilities project examination and approval procedures. Records of data in respect of environmental protection are in order; (ii) environmental protection facilities should be built and completed according to the environment impact assessment report which has been approved by the relevant environmental protection bureau; (iii) the environmental protection facilities should comply with relevant standards and requirements; (iv) the environmental protection facilities should function properly; and (v) the management and monitor system with respect to the environmental protection should meet the requirements stipulated in the environment impact assessment report. Please also refer to page 156 of this prospectus for further information.	We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. In line with our mine development plan, we will make the application for the 20,000m^3 Approval by the end of 2015 and we expect to obtain such approval prior to the increase in our expected production rate to 20,000m^3 per annum in the beginning of 2016. Once we obtain the 20,000m^3 Approval, it will replace and supersede the 8,000m^3 Approval.

Please refer to page 160 of this prospectus for advice of our PRC Legal Advisers on status of licences, permits and approvals for full production at a production rate of 20,000m^3 per annum.

COMPETITIVE STRENGTHS

Our Directors believe that our Group possesses the following competitive strengths, which are described in the section headed "Business – Competitive strengths" on pages 125 to 127 of this prospectus:

- *Our marble resources has expansion potential*. According to the Independent Technical Report, as at 1 July 2014, the estimated Resource was approximately 10.7 million m^3, comprising 7.3 million m^3 of Indicated Resource and 3.4 million m^3 of Inferred Resource and further exploration works are likely to increase the Resource.

- *Our Yiduoyan Project contains white series marble which is a popular colour series*. According to the Independent Technical Report, the marble from our Yiduoyan Project is light coloured marble that is fine textured and takes a good polish and hence is regarded as a relatively high grade dimension stone.

- *Our open-pit mining method allows low operating costs and reduces safety and environmental pollution concerns*. This allows us to enhance our mining efficiency which in turn contributes to our low operating costs and improves the efficiency of our operations, and also reduces the risk of accidents caused by collapsed mine roofs, mine floods and leakage of harmful gases.

- *We have an experienced core technical team with extensive industry and management experience*. Our core technical team is led by one executive Director and three members of our senior management team who individually have approximately nine to 30 years of relevant industry experience in the stone mining industry.

MAJOR MILESTONES

The following table summaries various milestones in the development of our business:

April 2011	Incorporation of Future Bright (H.K.), as the holding company of Future Bright (Xiangyang)
July 2011	Establishment of Future Bright (Xiangyang), our principal operating subsidiary
December 2011	Future Bright (Xiangyang) obtained the mining permit with permitted annual production capacity of 20,000m^3
September 2012	Our Group commenced limited site construction at our Yiduoyan Project

October 2012	Team 932 commenced the exploration programme for our Yiduoyan Project
August 2013	Sinoma completed the Feasibility Study Report for our Yiduoyan Project
	Our Company was established in the Cayman Islands
	Our Group commenced full-scale site construction at our Yiduoyan Project
September 2014	Our Group commenced limited commercial production of our Yiduoyan Project

BUSINESS STRATEGY

Our vision is to become a well-known marble blocks supplier in China. We plan to accomplish this goal by pursuing the following strategies:

(i) developing our Yiduoyan Project to achieve production at a production rate of 20,000m^3 per annum in the beginning of 2017 and complete our development plan;

(ii) developing product recognition through increasing exposure of our product;

(iii) expanding our Resource through further exploration of our Yiduoyan Project and selective acquisitions; and

(iv) recruiting more talents with established industry expertise.

For information regarding our business strategies please refer to the paragraph headed "Business – Business strategies" on pages 127 to 128 of this prospectus.

CUSTOMERS

We plan to sell our marble blocks mined from our Yiduoyan Project to dimension stone processors and construction and decoration companies in the PRC. During the Relevant Period, the Track Record Period and as at the Latest Practicable Date, we had entered into four sales contracts with a construction and decoration company and three dimension stone processors in Guangdong Province, which specify the terms including the marble block's quality and appearance, price range, payment terms and annual quantity of marble blocks to be supplied and purchased. These sales contracts provide an aggregate annual contracted sales quantity of 3,000m^3, 7,500m^3 and 16,000m^3 of marble blocks in 2014, 2015 and 2016, respectively. Under these sales contracts, we are required to supply to our customers not less than 90% of the aforementioned annual sales quantity. If we fail to supply such minimum quantity, we will be required to pay a penalty which equals to the sum of RMB500 per m^3 times the difference between the minimum annual quantity set out in the sales contracts and the actual quantity supplied by us. In addition, our customers are entitled to terminate the sales contracts without any further obligation if (i) the quality of the marble block produced is substantially different from that of the sample we provided to our customers; and (ii) we failed to reach an agreement with our customers on adjustment of sales quantity and/or sales price. Please refer to the paragraph headed "Business – Sales and marketing – major terms of the sales contracts – sales quantity" on pages 173 to 174 of this prospectus for further details.

We are currently focusing on mine construction and development of our Yiduoyan Project. As we had only commenced limited commercial production in September 2014, our sales had been relatively low. We sold 267.2 m^3 of marble blocks to one of our customers, which were produced during the construction phase of our Yiduoyan Project, in June 2014 with an average sale price of RMB3,500 per m^3 (including 6% VAT) and generated sales proceeds of approximately RMB0.9 million which have been credited to construction in progress. According to the Antaike Report, the price of our marble blocks is at the lower end of the market price range in the PRC.

SUPPLIERS AND RAW MATERIALS

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we had a total of eight, 16, 19, 30 and 34 suppliers, respectively. During the Relevant Period and the Track Record Period, our suppliers were mainly machinery and equipment suppliers and suppliers of consumables used in our production process which included diamond beaded wire lubricant, gasoline, drill rod, drill bits and parts of our equipment. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, purchase from our five largest suppliers, which are Independent Third Parties, amounted to approximately RMB0.74 million, RMB0.87 million, RMB0.73 million, RMB5.43 million and RMB1.79 million, representing 82.7%, 80.0%, 92.4%, 77.0% and 51.9%, respectively, of our total purchases from our suppliers.

CONTRACTORS

During the Relevant Period and the Track Record Period, in the course of developing our Yiduoyan Project, we engaged two contractors which were an explosive handling company to carry out explosive assignments and a mining construction service company to carry out mine construction services. Currently, we do not outsource any part of our mining process to external contractors.

MARKET AND COMPETITIVE LANDSCAPE

According to the Antaike Report, the dimension stone industry in China is highly fragmented. In 2012, there were approximately 30,000 stone enterprises in China, about 6,000 of which are stone block enterprises according to CSMA. According to the Antaike Report, as the market of the stone industry is highly fragmented in China, the market share of the top eight market manufacturers accounted for less than 10% of the total marble market in terms of production capacity in 2013. We face competition from domestic and international marble producers, who might have longer history, more comprehensive sales network or better financial resources than us. The principal competitive factors include quality appearance such as unique colour series and textures that are popular among customers, vertically integrated business structure which includes stone quarrying, slab production and further processing, completeness of sales network, product quality, branding and pricing.

RECENT DEVELOPMENT

Subsequent to the Track Record Period and up to the Latest Practicable Date, we continued to implement our development plan on our Yiduoyan Project. We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. In terms of capital costs for development of our Yiduoyan Project, a total of RMB13.7 million had been incurred during the Track Record Period, and a further RMB10.0 million is expected to be incurred by the end of December 2014.

On 15 September 2014, we entered into a sales contract with Guangdong Yunfu Fangyuan Store Decoration Co., Ltd. (廣東省雲浮市方圓石業裝飾有限公司), which is a dimension stone processor and an Independent Third Party. This customer has agreed to purchase 350m^3, 1,350m^3 and 4,350m^3 of marble blocks from us for each of the three years ending 31 December 2016.

As far as we are aware, subsequent to the Track Record Period and up to the Latest Practicable Date, there had been no change in the general economic and market conditions in the marble mining industry in the PRC that had materially and adversely affected our business operations or financial condition.

As a result of recognition of the listing expenses in the amount of approximately RMB11.4 million, we expect that there would be an increase in our administrative expenses in the second half of 2014. Our Directors confirm that save for the listing expenses as disclosed in the paragraph "Listing Expenses" below, subsequent to the Track Record Period and up to the Latest Practicable Date, there was no material adverse change of our financial or trading position.

According to the Independent Technical Report, up to the Latest Practicable Date, there had been no material change of the Mineral Resource and Ore Reserve estimates of our Yiduoyan Project since 1 July 2014, being the effective date of the Independent Technical Report.

RISK FACTORS

There are certain risks involved in our operations, many of which are beyond our control. We have a very limited operating history in a highly regulated industry which inherently has a high level of risk. We generate our revenue entirely from our operation on a single mining project by selling one single product to a very limited number of customers and the demand for our only product is subject to change as a result of consumer preference or the level of demand in other industry such as the real estate development industry. The success of our development plan, which is capital intensive and exposed to uncertainties, is crucial on whether we can supply the contracted sales quantity to our customers or else we will need to pay a penalty. The Resource and Reserve of our Yiduoyan Project and the quality of our only product are estimations and the accuracy of which may be affected by many factors. Our customers may also terminate the sales contracts if the quality of the marble blocks produced is substantially different from that of the samples we provided to them. We may fail to obtain or renew the licences, permits and approvals we require for our operation due to material change in PRC laws and regulations on government policies.

In particular, as at the Latest Practicable Date, we had only obtained the 8,000m^3 Approval but not the 20,000m^3 Approval. In accordance with our development plan, we will be required to obtain the 20,000m^3 Approval before our annual production capacity exceeds the

8,000m^3 threshold. In addition, if we fail to obtain or experience a delay in obtaining the 20,000m^3 Approval or we fail to obtain or renew the consent letters and the notice of temporary land-use in a timely manner, there will be a negative impact on our revenue, profitability, sustainability, cash flow from operating activities, liquidity and our business and results of operations could be materially and adversely affected.

You should refer to the section headed "Risk Factors" on pages 42 to 65 of this prospectus for further details in respect of the risks relating to our business, risks relating to the industry in which we operate, risks relating to the PRC and risks relating to the Global Offering.

SHAREHOLDERS' INFORMATION

Immediately upon completion of the Global Offering (excluding any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option or options which may be granted under the Share Option Scheme), Future Bright (International) and Easy Flourish will respectively own approximately 38.25% and 36.75% of the issued share capital of our Company.

Future Bright (International) is a private investment holding company with limited liability incorporated in BVI and wholly-owned by Mr. Guo. Easy Flourish is a private investment holding Company with limited liability established for the purpose of the Pre-IPO Investment and owned as to 80% by Guangzhou Yicheng, a private investment holding company established under the laws of the PRC which is in turn owned as to 62.5% by Mr. Hu and controlled by him. Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu are our Controlling Shareholders. For details, please refer to the section headed "Relationship with Controlling Shareholders" on pages 214 to 218 of this prospectus. For details of the Pre-IPO Investment, please refer to the paragraph headed "History, Development and Reorganisation – The Pre-IPO Investment" on pages 113 to 117 of this prospectus.

Mr. Guo and Mr. Hu are also our executive Director and non-executive Director respectively. Please refer to the section headed "Directors and Senior Management – Directors" on pages 219 to 232 of this prospectus for details of their background.

SELECTED FINANCIAL INFORMATION

During RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we focused on constructing and developing our Yiduoyan Project for the purpose of commercial production, we incurred losses of approximately RMB0.3 million, RMB0.6 million, RMB2.0 million, RMB9.8 million, and RMB4.0 million, respectively. You should refer to the accountants' reports set forth in Appendices IA and IB, including the notes thereto, to this prospectus for more information.

The following table sets forth the summary of consolidated statements of comprehensive income of Future Bright (H.K.) and our Group for the period indicated:

	Future Bright (H.K.)		Our Group			
					Six months ended 30 June	
	RP	RP	TRP	TRP		
	2011	2012	2012	2013	2013	2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue	–	–	–	–	–	–
Loss before tax	(395)	(731)	(2,431)	(11,226)	(5,891)	(4,694)
Income tax benefit	87	176	410	1,428	650	720
Loss for the period/year	(308)	(555)	(2,021)	(9,798)	(5,241)	(3,974)

The following table sets forth the summary of consolidated statements of financial position of Future Bright (H.K.) and our Group for the period indicated:

	Future Bright (H.K.)		Our Group		
	As at 31 December	As at 20 September	As at 31 December		As at 30 June
	2011	2012	2012	2013	2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Current assets	1,939	3,396	14,572	6,583	13,070
Current liabilities	830	944	1,640	3,828	9,639
Net current assets	1,109	2,452	12,932	2,755	3,431
Non-current assets	1,866	3,405	45,838	54,134	56,477
Non-current liabilities	–	–	9,904	10,524	9,575
Net assets	2,975	5,857	48,866	46,365	50,333

KEY FINANCIAL RATIOS

The following table sets forth our certain key financial ratios as of the date and for the period indicated:

	As at 31 December	As at 20 September	As at 31 December		As at 30 June
	2011	2012	2012	2013	2014
Current ratio*(Note 1)*	2.3	3.6	8.9	1.7	1.4
Quick ratio*(Note 2)*	2.3	3.6	8.9	1.7	1.4
Gearing ratio*(Note 3)*	0.17	0.09	0.01	0.05	0.03

Notes:

1. Current assets divided by current liabilities.
2. Current assets less inventories and divided by current liabilities.
3. Total debt divided by total equity. Total debt includes interest-bearing bank borrowings, amount due to related parties, other payables and accruals, deferred tax liabilities and provision for rehabilitation.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised and assuming an Offer Price of HK$0.90 per Share, being the mid-point of the Offer Price range stated in this prospectus, the total estimated listing expenses in connection with the Global Offering comprising principally professional fees are expected to amount to approximately RMB26.8 million, of which approximately RMB8.0 million is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity. The remaining estimated listing expenses which cannot be so deducted will be charged to the profit and loss of our Group. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, listing expenses charged to the profit and loss of our Group amounted to approximately nil, nil, nil, RMB5.5 million and RMB1.9 million, respectively, and approximately nil, nil, nil, RMB1.6 million, and RMB0.7 million, respectively, will be charged against equity upon successful listing according to relevant accounting standard. For the year ending 31 December 2014, we estimate that the listing expenses will amount to approximately RMB17.1 million, of which approximately RMB11.4 million will be charged to the profit and loss for the year and the remaining RMB5.7 million will be charged against equity upon successful listing, according to relevant accounting standard.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that the net proceeds from the Global Offering (after deducting the underwriting commission, fees and anticipated expenses payable by us in connection with the Global Offering) will be approximately HK$57.8 million, assuming an Offer Price of HK$0.90 per Share (being the mid-point of the Offer Price range) and assuming that the Offer Size Adjustment Option is not exercised.

We intend to use the net proceeds from the Global Offering for the following purposes:

Purpose	Amount of net proceeds from the Global Offering *(HK$ million)*	Approximate percentage of the total net proceeds from the Global Offering *(%)*
Capital costs for development of our Yiduoyan Project		
– purchase of equipment and machinery	24.7	42.7
– mine construction	8.2	14.2
– payment of land use fee	5.7	9.9
– engineering, procurement and construction management	4.4	7.6
– contingency allowance in case of any unforeseen events which may include severe adverse weather conditions resulting in additional development work and minor change of development plan and hyper-escalation in civil work cost	4.0	6.9
Development of our sales channels and marketing	5.2	9.0
Working capital and other general corporate purposes	5.6	9.7

For the expected timing of the use of proceeds for development of our Yiduoyan Project, please refer to paragraph headed "Capital costs and operating costs" on page 3 of this section.

For further details, please refer to the section headed "Future Plans and Use of Proceeds" on pages 300 to 301 of this prospectus.

OFFER STATISTICS

We expect to issue 88,000,000 new Shares under the Global Offering assuming that the Offer Size Adjustment Option is not exercised.

	Based on an Offer Price of HK$0.80 per Share	Based on an Offer Price of HK$1.00 per Share
Market capitalisation of the Shares *(Note 1)*	HK$281.6 million	HK$352.0 million
Unaudited pro forma adjusted net tangible asset value per Share *(Note 2)*	RMB0.13	RMB0.17

Notes:

1. The calculation of the market capitalisation of the Shares is based on the respective Offer Price of HK$0.80 and HK$1.00 per Share and 352,000,000 Shares in issue immediately after completion of the Capitalisation Issue and the Global Offering but it does not take into account any Shares which may be issued upon the exercise of the Offer Size Adjustment Option or of any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the Issuing Mandate and the Repurchase Mandate.

2. Please see the section headed "Unaudited pro forma financial information" on pages II-1 to II-5 of this prospectus for further details regarding the assumptions used and the calculation method.

DIVIDEND POLICY

During the Relevant Period and the Track Record Period, our Company did not declare any dividends to our then shareholders.

Following completion of the Global Offering, our Shareholders will be entitled to receive any dividends we declare. The payment and amount of any dividends will be at the discretion of our Board and will depend on our general business condition and strategies, cash flows, financial results and capital requirements, interests of our Shareholders, taxation conditions, statutory restrictions, and other factors that our Board deems relevant. The payment of any dividends will also be subject to the Cayman Islands Companies Law and our constitutional documents. For further details, please refer to the paragraph headed "Financial Information – Dividend Policy" on page 297 of this prospectus. Cash dividends on our Shares, if any, will be paid in Hong Kong dollars. Other distributions, if any, will be paid to our Shareholders in compliance with relevant laws and regulations. We do not intend to declare or pay any dividend for the financial year ending 31 December 2014.

NON-COMPLIANCE INCIDENTS

During the Relevant Period and the Track Record Period, we had certain non-compliance incidents. Future Bright (Xiangyang)'s social insurance and housing fund contribution were insufficient. In addition, Future Bright (Xiangyang) failed to obtain the notice of temporary land-use from the Nanzhang Land and Resources Bureau for using a parcel of land with an area of 1.6955ha which is equivalent to approximately 0.017km^2. As at the Latest Practicable Date, we had taken actions to rectify these non-compliance incidents. For more details on non-compliance incidents, please refer to the paragraph headed "Business – Legal proceedings and compliance" on pages 208 to 209 of this prospectus.

WAIVER AND EXEMPTION APPLICATIONS

We have applied for and the Stock Exchange has granted us with (i) a waiver from strict compliance with Rules 4.04(1) and 8.05(1) of the Listing Rules in accordance with Rules 8.05B and 18.04 of the Listing Rule; and (ii) a waiver from strict compliance with Rule 8.12 of the Listing Rules.

We have also applied for and the SFC has granted us a certificate of exemption from strict compliance with Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

For details, please refer to the section headed "Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding up and Miscellaneous Provisions) Ordinance" on pages 66 to 70 of this prospectus.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"8,000m^3 Approval"	the inspection and acceptance approval of completion of environmental production facilities (for stage one) for production at a production rate of 8,000m^3 per annum issued by Nanzhang Environmental Protection Bureau on 5 September 2014;
"20,000m^3 Approval"	the inspection and acceptance approval of completion of environmental production facilities for production at a full production rate of 20,000m^3 per annum to be obtained from, and issued by Nanzhang Environmental Protection Bureau;
"Antaike Report"	a commissioned market research report dated 29 December 2014 prepared by the Independent Industry Consultant;
"Application Form(s)"	**WHITE** application form(s), **YELLOW** application form(s) or **GREEN** application form(s), individually or collectively, as the context requires;
"Articles of Association" or "Articles"	the articles of association of our Company conditionally adopted on 8 December 2014, as amended from time to time;
"associate(s)"	has the meaning ascribed thereto in the Listing Rules;
"Audit Committee"	the audit committee of our Company established by the Board;
"Board"	the board of directors of our Company;
"Business Day"	any day (other than a Saturday or a Sunday) on which banks in Hong Kong are generally open for normal banking business;
"BVI"	the British Virgin Islands;
"BVI Legal Advisers"	Conyers Dill & Pearman, the legal advisers to our Company as to BVI laws;

"CAGR"	compound annual growth rate;
"Caiyu Company"	Nanzhang Caiyu Mining Construction Service Co., Ltd (南漳彩玉礦山工程服務有限公司), a contractor engaged by us during the Track Record Period to carry out mine construction services at our Yiduoyan Project and an Independent Third Party;
"Capitalisation Issue"	the issue of 263,999,800 Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of our Company upon completion of the Global Offering referred to in the paragraph headed "Further information about our Company – Written resolutions of our Shareholders passed on 8 December 2014" in Appendix VI to this prospectus;
"Cayman Islands"	the Cayman Islands, a British Overseas Territory;
"Cayman Islands Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
"Cayman Islands Legal Advisers"	Conyers Dill & Pearman (Cayman) Limited, the legal advisers to our Company as to Cayman Islands laws;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC;
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant;
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant;
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
"CCASS Operation Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operation and functions of CCASS, as from time to time in force;
"CCASS Participant"	a CCASS Clearing Participant, CCASS Custodian Participant or a CCASS Investor Participant;

"China" or "PRC"	the People's Republic of China, but for the purposes of this prospectus and for geographical reference only (unless otherwise indicated), excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"China Customs"	General Administration of Customs of the PRC (中華人民共和國海關總署);
"Code on Share Repurchases"	The Hong Kong Code on Share Buy-backs (as amended, supplemented or otherwise modified from time to time);
"Companies Ordinance"	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time;
"Company", "our Company", "we" or "us"	Future Bright Mining Holdings Limited (高鵬礦業控股有限公司), a company incorporated in the Cayman Islands on 23 August 2013 as an exempted company with limited liability;
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules;
"connected transaction(s)"	has the meaning ascribed thereto in the Listing Rules;
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules, and in case of our Company, means Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu;
"Covenantor(s)" or "Indemnifier(s)"	the Controlling Shareholders or any one of them;
"CSMA"	China Stone Material Association (中國石材協會);
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets;

"Deed of Indemnity"	the deed of indemnity dated 8 December 2014 and executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for each of our subsidiaries stated therein), details of which are set out in the paragraph headed "Other information – Indemnities" in Appendix VI to this prospectus;
"Deed of Non-competition"	the deed of non-competition undertaking executed by our Controlling Shareholders in favour of our Company on 8 December 2014, details of which are set out in the section headed "Relationship with Controlling Shareholders – Non-competition undertaking from our Controlling Shareholders" of this prospectus;
"Director(s)"	the director(s) of our Company;
"Easy Flourish"	Easy Flourish Limited (逸興有限公司), a company incorporated in the BVI with limited liability on 18 April 2012 and one of our Controlling Shareholders. As at the Latest Practicable Date, it was owned as to 80% by Guangzhou Yicheng and 20% by Ms. Jiang;
"EIT"	the PRC Enterprise Income Tax;
"EIT Law"	the PRC Enterprise Income Tax Law (中華人民共和國企業所得稅法) enacted by the PRC National People's Congress;
"EIT Rules"	the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例);
"Equity Transfer Agreement"	the equity transfer agreement entered into between World Allied and Easy Flourish dated 8 March 2014 in relation to the transfer of 49% of the then issued share capital of our Company from World Allied to Easy Flourish;
"Feasibility Study Report"	the feasibility study report prepared by Sinoma in August 2013;
"Future Bright (H.K.)"	Future Bright (H.K.) Investment Limited (高鵬(香港)投資有限公司), a company incorporated in Hong Kong with limited liability on 7 April 2011, an indirect wholly-owned subsidiary of our Company and a direct wholly-owned subsidiary of Gold Title;

"Future Bright (International)"	Future Bright International Limited (高鵬國際有限公司), a company incorporated in the BVI with limited liability on 28 August 2012 and one of our Controlling Shareholders. As at the Latest Practicable Date, it was wholly-owned by Mr. Guo, one of our Controlling Shareholders;
"Future Bright (Xiangyang)"	Xiangyang Future Bright Mining Limited (襄陽高鵬礦業有限公司), an WFOE established in the PRC on 8 July 2011, an indirect wholly-owned operating subsidiary of our Company and directly wholly-owned by Future Bright (H.K.);
"GDP"	gross domestic product;
"Global Offering"	the Hong Kong Public Offering and the International Placing;
"Gold Title"	Gold Title Investments Limited (金標投資有限公司), a company incorporated in the BVI with limited liability on 16 August 2012 and a direct wholly-owned subsidiary of our Company;
"Gold Title Share Subscription Agreement"	a share subscription agreement entered into between World Allied, Future Bright (International), Gold Title, Future Bright (H.K.) and Ms. Guo (on behalf of Mr. Guo) on 11 September 2012 in relation to the allotment and issue of 49% of the issued share capital of Gold Title as enlarged to World Allied as a result of the subscription in Gold Title;
"**GREEN** Application Form(s)"	the application form(s) to be completed by **White Form eIPO** Service Provider, Computershare Hong Kong Investor Services Limited;
"Group", "our Group", "our", "we" or "us"	our Company and our subsidiaries at the relevant time, or where the context refers to any time prior to our Company becoming the holding company of the present subsidiaries, the present subsidiaries and the business carried on by the subsidiaries or, as the case may be, the predecessors;

"Guangzhou Yicheng"	Guangzhou Yicheng Investment Limited (廣州藝成投資有限公司), a company established in the PRC with limited liability on 24 February 2014 and one of our Controlling Shareholders. As at the Latest Practicable Date, it was owned as to 62.5% by Mr. Hu, 25% by Mr. Lu and 12.5% by Mr. Chen;
"Guotai Junan Capital" or "Sole Sponsor"	Guotai Junan Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activity as defined under the SFO, acting as the sponsor to the Listing;
"Guotai Junan Securities" or "Sole Global Coordinator" or "Sole Lead Manager" or "Sole Bookrunner"	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to engage in type 1 (dealing in securities) and type 4 (advising on securities) of the regulated activities as defined under the SFO, acting as the sole global coordinator, sole bookrunner and sole lead manager of the Global Offering;
"HK$" or "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited;
"HKSCC Nominees"	HKSCC Nominees Limited;
"Hong Kong" or "HK"	The Hong Kong Special Administrative Region of the PRC;
"Hong Kong Legal Advisers"	Stevenson, Wong & Co., the legal advisers to our Company as to Hong Kong laws;
"Hong Kong Offer Shares"	the 8,800,000 Shares initially offered by us for subscription pursuant to the Hong Kong Public Offering subject to re-allocation as described in the section headed "Structure of the Global Offering" in this prospectus;

"Hong Kong Public Offering"	the offering by our Company of the Hong Kong Offer Shares for subscription by the public in Hong Kong for cash at the Offer Price (plus brokerage of 1% of the Offer Price, SFC transaction levy of 0.0027% of the Offer Price and Stock Exchange trading fee of 0.005% of the Offer Price) on the terms and conditions described in this prospectus and the Application Forms;
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited;
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering listed in the section headed "Underwriting" in this prospectus;
"Hong Kong Underwriting Agreement"	the underwriting agreement dated 24 December 2014 relating to the Hong Kong Public Offering entered into by, amongst other parties, our Company, the Sole Sponsor, the Sole Lead Manager and the Hong Kong Underwriters as further described in the section headed "Underwriting" in this prospectus;
"Huilong"	Yunfu Huilong Stone Material Co., Ltd. (雲浮市匯龍石材有限公司), a company established in the PRC on 1 March 2010, a stone processor which had entered into a sales contract with us and is owned as to approximately 33.33% by Mr. Chen and approximately 66.67% by Ms. Zhu Xiujuan (朱秀娟) who is an Independent Third Party;
"IFRS"	International Financial Reporting Standards;
"Independent Industry Consultant" or "Antaike"	Beijing Antaike Information Development Co., Ltd. (北京安泰科信息開發有限公司), an Independent Third Party, a professional market research and consulting firm based in the PRC;
"Independent Technical Consultant" or "SRK"	SRK Consulting (Hong Kong) Limited, an Independent Third Party that specialises in providing expert advice and solutions for clients requiring specialised services in the fields of mining, geotechnics, water, waste, energy and the environment;
"Independent Technical Report"	the independent technical report dated 29 December 2014 prepared by the Independent Technical Consultant as set out in Appendix IV to this prospectus;

"Independent Third Party(ies)"	a person or persons or a company or companies which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquires, is not or are not our connected person(s) within the meaning ascribed under the Listing Rules;
"International Placing"	the conditional placing of the International Placing Shares by the International Underwriters on behalf of our Company with professional and institutional investors for cash at the Offer Price as further described in the section headed "Underwriting" in this prospectus;
"International Placing Shares"	the 79,200,000 Shares initially offered pursuant to the International Placing subject to Offer Size Adjustment Option and re-allocation as described in the section headed "Structure of the Global Offering" in this prospectus;
"International Underwriters"	the underwriters expected to enter into the International Underwriting Agreement to underwrite the International Placing;
"International Underwriting Agreement"	the underwriting agreement expected to be entered into on or before the Price Determination Date by, amongst other parties, our Company, the Sole Sponsor, the Sole Lead Manager and the International Underwriters in respect of the International Placing, as further described in the section headed "Underwriting" in this prospectus;
"Issuing Mandate"	the general unconditional mandate given to our Directors by the Shareholders relating to the issue of new Shares, details of which are set out in the paragraph headed "Further information about our Company – Written resolutions of our Shareholders passed on 8 December 2014" in Appendix VI to this prospectus;
"Latest Practicable Date"	19 December 2014, being the latest practicable date for the inclusion of certain information in this prospectus prior to its publication;
"Listing"	listing of the Shares on the Main Board;
"Listing Committee"	the listing subcommittee of the board of directors of the Stock Exchange;

"Listing Date"	the date, expected to be on or about 9 January 2015, on which our Shares are listed and dealings in our Shares commence on the Main Board;
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, (as amended, supplemented or otherwise modified from time to time);
"M&A Rules"	the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), jointly promulgated by MOFCOM, SASAC, SAT, SAIC, CSRC and SAFE on 8 August 2006 and re-issued by MOFCOM on 22 June 2009;
"Main Board"	the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market of the Stock Exchange (excluding the options market) and which continues to be operated by the Stock Exchange in parallel with the Growth Enterprise Market of the Stock Exchange;
"Memorandum of Association" or "Memorandum"	the memorandum of association of our Company, as amended from time to time;
"MEP"	Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部);
"Mineral Company"	has the meaning ascribed thereto in the Listing Rules;
"Ministry of Finance"	Ministry of Finance of the PRC (中華人民共和國財政部);
"MLR"	Ministry of Land and Resources of the PRC (中華人民共和國國土資源部);
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules;
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部) or its predecessor, the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外貿易經濟合作部);

"Mr. Chen"	Mr. Chen Wei Ming (陳偉明), a minority shareholder of Guangzhou Yicheng and a minority shareholder of Huilong;
"Mr. Cheung"	Mr. Cheung Yue Kwong (張裕光), a director and sole shareholder of World Allied;
"Mr. Guo"	Mr. Guo Xiao Ping (郭小平), an executive Director and a Controlling Shareholder;
"Mr. Hu"	Mr. Hu Jin Xiong (胡錦雄), a non-executive Director and a Controlling Shareholder;
"Mr. Lu"	Mr. Lu Yongliang (盧永亮), a minority shareholder of Guangzhou Yicheng;
"Ms. Guo"	Ms. Guo Liyun, the younger sister of Mr. Guo;
"Ms. Jiang"	Ms. Jiang Miner (江敏兒), a minority shareholder of Easy Flourish;
"Nanzhang Environmental Protection Bureau"	Environmental Protection Bureau of Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣環境保護局);
"Nanzhang Forestry Bureau"	Forestry Bureau of Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣林業局);
"Nanzhang Land and Resources Bureau"	Land and Resources Bureau of Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣國土資源局);
"Nanzhang Production Safety Bureau"	Production Safety Supervision and Management Bureau of Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣安全生產監督管理局);
"Nanzhang Water Resources Bureau"	Water Resources Bureau of Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣水利局);
"NBSC"	National Bureau of Statistics of the People's Republic of China (中華人民共和國國家統計局);
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會);

"Nomination Committee"	the nomination committee of our Company established by the Board;
"NPC"	National People's Congress of the People's Republic of China (中華人民共和國全國人民代表大會), the national legislative body of the PRC;
"Offer Price"	the final offer price per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$1.00 and expected to be not less than HK$0.80, at which the Offer Shares are to be offered for subscription pursuant to the Global Offering, to be agreed upon by the Sole Lead Manager (acting for and on behalf of the Underwriters) and us on or before the Price Determination Date;
"Offer Share(s)"	the Hong Kong Offer Shares and the International Placing Shares, collectively, and where relevant, together with any additional Shares issued pursuant to the exercise of the Offer Size Adjustment Option;
"Offer Size Adjustment Option"	the option granted by us to the International Underwriters exercisable by the Sole Global Coordinator (for itself and on behalf of the International Underwriters) with the prior written consent of our Company, pursuant to which we may be required to allot and issue up to an aggregate of 13,200,000 additional Shares, representing 15% of the initial size of the Global Offering to cover over-allocations in the International Placing as described in the section headed "Structure of the Global Offering" in this prospectus;
"PBOC"	the People's Bank of China (中國人民銀行);
"Planned Mining Land Area"	the mining area of approximately 0.116km^2 within the mining right area of 0.5209km^2 as permitted by the mining permit currently held by us and where our planned mining activities will take place in accordance with the development plan of our Yiduoyan Project;
"PRC GAAP"	the generally accepted accounting principles in the PRC;

"PRC Government" or "State"	the central government of the PRC including all government subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them;
"PRC Legal Advisers"	Jingtian & Gongcheng Law Firm, the legal advisers to our Company as to PRC laws;
"Pre-IPO Investment"	the investment by Easy Flourish in our Group under the Equity Transfer Agreement;
"Price Determination Agreement"	the agreement to be entered into between our Company and the Sole Lead Manager (for ourselves and on behalf of the Underwriters) on or before the Price Determination Date to record and fix the Offer Price;
"Price Determination Date"	the date expected to be on or before Monday, 5 January 2015 or such later time as Sole Lead Manager (for itself and on behalf of the Underwriters) may agree but in any event not later than Wednesday, 7 January 2015 on which the Offer Price is determined;
"Property Valuer"	Cushman & Wakefield Valuation Advisory Services (HK) Limited, an Independent Third Party that specialises in property valuation, which prepared the letter, summary of valuations and valuation certificates relating to the properties of our Group, the text of which is set out in Appendix III to this prospectus;
"Regulation S"	Regulation S under the U.S. Securities Act;
"Relevant Period"	the period comprising RP2011 and RP2012;
"Remuneration Committee"	the remuneration committee of our Company established by the Board;
"Reorganisation"	the reorganisation arrangements undergone by our Group in preparation for the Listing as described in the section headed "History, Development and Reorganisation" of this prospectus and in the paragraph headed "The Reorganisation" in Appendix VI to this prospectus;

"Repurchase Mandate"	the general unconditional mandate to repurchase Shares given to the Directors by the Shareholders, further details of which are contained in the paragraph headed "Further information about our Company – Written resolutions of our Shareholders passed on 8 December 2014" in Appendix VI to this prospectus;
"RMB" and "Renminbi"	the lawful currency of the PRC;
"RP2011"	the financial period beginning 7 April 2011 and ending 31 December 2011;
"RP2012"	the financial period beginning 1 January 2012 and ending 20 September 2012;
"SAFE"	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration;
"SAFE Circular No. 37"	Circular of the State Administration of Foreign Exchange on Issues Concerning the Administration of Foreign Exchange in Offshore Investments and Financing and Return Investments by Domestic Residents through Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) issued on 4 July 2014 by the SAFE;
"SAFE Circular No. 75"	Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments through Overseas Special Purpose Vehicles (國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) issued in October 2005 by the SAFE and replaced by SAFE Circular No. 37;
"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局);
"SASAC"	the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會);
"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家税務總局);

"SAWS"	the State Administration of Work Safety of the PRC (中華人民共和國國家安全生產監督管理總局);
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
"Share(s)"	ordinary share(s) in the share capital of our Company, with a nominal value of HK$0.01 each;
"Share Option Scheme"	the share option scheme conditionally approved and adopted by our Company on 8 December 2014, the principal terms of which are summarised in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus;
"Shareholder(s)"	holders of the Shares;
"Shareholders' Agreement"	a shareholders' agreement dated 28 April 2014 entered into among Future Bright (International), Easy Flourish and our Company;
"Sinoma"	Suzhou Sinoma Design & Research Institute of Non-metallic Minerals Industry Co., Ltd. (蘇州中材非金屬礦工業設計研究院有限公司). The principal business of Sinoma includes, amongst other things, the mining, processing, design and overall sub-contracting of stone projects, and the provision of technical consultancy to non-metallic mineral companies;
"State Council"	the State Council of the PRC (中華人民共和國國務院);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed thereto in section 15 of the Companies Ordinance;
"Substantial Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules;
"Takeovers Code"	The Hong Kong Code on Takeovers and Mergers issued by SFC (as amended, supplemented or otherwise modified from time to time);

"Team 932"	Team 932 of Nonferrous Metals Geological Bureau of Guangdong Province (廣東省有色金屬地質局), an industrial mineral exploration entity with a Class A exploration licence for solid minerals issued by the MLR;
"Track Record Period"	the period comprising TRP2012, TRP2013 and TRP2014;
"TRP2012"	the financial period beginning 21 September 2012 and ending 31 December 2012;
"TRP2013"	the year ended 31 December 2013;
"TRP2014"	the six months ended 30 June 2014;
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time;
"Underwriters"	the Hong Kong Underwriters and the International Underwriters;
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement;
"United States" or "U.S."	the United States of America;
"Unplanned Mining Land Area"	the area of approximately $0.4049km^2$ within the mining right area of $0.5209km^2$ as permitted by the mining permit currently held by us that is not covered by the Planned Mining Land Area;
"US$" or "U.S. dollars"	the lawful currency for the time being of the United States;
"VAT"	value-added tax;
"Weili Company"	Nanzhang County Weili Explosive Co., Ltd (南漳縣威力爆破有限責任公司, a contractor engaged by us during the Track Record Period to carry out explosive assignment at our Yiduoyan Project and an Independent Third Party;
"WFOE"	wholly foreign owned enterprise;

"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO www.eipo.com.hk**;
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited;
"World Allied"	World Allied Investments Limited (旺聯投資有限公司), a company incorporated in the BVI with limited liability on 12 June 2012. As at the Latest Practicable Date, it was wholly-owned by Mr. Cheung;
"Xiangyang Land and Resources Bureau"	Land and Resources Bureau of Xiangyang City, Hubei Province (湖北省襄陽市國土資源局);
"**YELLOW** Application Form(s)"	the application form(s) for use by the public who require(s) such Hong Kong Offer Shares to be deposited directly into CCASS;
"Yiduoyan Project"	the Yiduoyan mine, a marble mine located in Xiaoyan Town, Nanzhang County, Xiangyang City, Hubei Province, PRC; and
"%"	per cent.

The English names of the PRC entities, the PRC laws or regulations or the PRC government authorities mentioned in this prospectus are translation or transliteration from their Chinese names and are for identification purpose only. If there is any discrepancy or inconsistency, the Chinese version shall prevail.

"block yield"	the percentage of the marble resources that can be mined out as marble blocks;
"bulk density"	property of mineral components which is defined by the weight of an object or material divided by its volume, including the volume of its pore spaces;
"cm^3"	cubic centimetres;
"compressive strength"	the capacity of a material or structure to withstand loads tending to reduce size. It can be measured by plotting applied force against deformation in a testing machine. The maximum compressive stress that can be applied to a material, such as a rock, under given conditions, before failure occurs;
"dimension stone"	natural stone or rock that has been selected and fabricated to specific sizes or shapes;
"drilling"	a technique or process of making a circular hole in the ground with a drilling machine, which is typically used to obtain a cylindrical sample of rock or soil material;
"exploration"	activity to prove the location, volume and quality of a mine body;
"fault"	a planar fracture or discontinuity in the rocks along which displacement has occurred;
"flexural strength"	a mechanical parameter for brittle material, defined as a material's ability to resist deformation under load;
"gloss"	surface shininess or lustre;
"ha"	hectare, one hectare equals to $0.01km^2$;
"hauling"	the drawing or conveying of the product of the mine from the working places to the bottom of the hoisting shaft, or slope;

"Indicated Resource"	mineral resource that has been sampled by drill holes or other sampling procedures at locations too widely spaced to ensure continuity, but close enough to give a reasonable indication of continuity and where geo-scientific data are known with a reasonable level of reliability;
"in-situ"	in its natural position;
"Iγ"	external exposure index;
"IRa"	internal exposure index;
"joint"	a planar fracture in the rocks that lacks any visible or measureable displacement;
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), December 2012;
"karst"	a type of topography that is formed on limestone, gypsum, and other rocks by dissolution, and that is characterised by sinkholes, caves, and underground drainage;
"km"	kilometres;
"km^2"	square kilometres;
"KVA"	kilovolt amperes;
"kw"	kilowatt;
"limestone"	rocks of sedimentary origin that primarily are composed of calcium carbonate without or with limited magnesium. Certain polishable crystalline limestone is commercially classified as marble in the dimension stone industry. Many decorative marbles are of this class;
"m"	metres;

"m^2" or "sq.m."	square metres;
"m^3"	cubic metres;
"marble"	rock geologically defined as metamorphosed limestone or dolomite that is thoroughly recrystallised and much or all of the sedimentary and biologic textures are obliterated. Commercially in the dimension stone industry, and as used in this prospectus, marble also includes limestone and dolomite that is polishable. Many decorative marbles are of this class;
"marble block"	marble dimension stones of certain specifications, which are processed from untrimmed marble units which are stones of irregular shape directly separated from mines, and used for further processing into slabs;
"marble slab"	marble dimension stones of certain specifications, which are processed from cutting, burnishing and polishing the marble blocks;
"Measured Resource"	mineral resource that has been intersected and tested by drill holes or sampling procedures at locations close enough to confirm continuity and where geo-scientific data are reliably known;
"mine life"	the number of years that a mine is expected to continue operations based on the current mine plan;
"mining rights"	the rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed;
"mm"	millimetres;
"mpa"	megapascal;
"mRL"	metres reduced level which refers to the distance above or below a Chinese height datum;
"mu"	mu, one mu equals to approximately $0.00067km^2$;
"open-pit mining"	mining of a deposit from a pit open to surface and usually carried out by stripping of overburden materials;

"Probable Reserve"	the economically mineable part of an Indicated Resource, and in some circumstances, the part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mine contract can be estimated with a high level of confidence;
"Reserve"	the economically mineable part of a Measured and/or Indicated Resource;
"Resource"	concentration or occurrence of material of intrinsic economic interest upon or inside the earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge;
"sedimentary rock"	a rock formed from the accumulation and consolidation of sediment, usually in layered deposits and which may consist of rock fragments of various sizes, remains or products of animals or plants, products of chemical action or of evaporation, or mixtures of these;
"strip ratio"	the ratio of the volume of waste material required to be handled in order to extract some volume of ore;
"tailings"	the materials left over during the process that separates the valuable ore from the waste rocks;
"texture"	the visible characteristics of a rock which include its grain size, grain orientation, rounding, angularity or presence of vesicles;
"waste"	the part of an ore deposit that is too low in grade to be of economic value at the time of mining, but which may be stored separately for possible treatment later;
"weathering"	a natural process that disintegrates natural materials including rocks and soil at the earth surface; and
"white series marble"	a colour series of marble which includes white marble and grey marble.

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

These forward-looking statements include, without limitation, statements relating to:

- our business prospects;
- our capital needs;
- our future production levels;
- future developments, trends and conditions of the industry in which we conduct business;
- our strategies, plans, objectives and goals;
- general economic conditions;
- changes to regulatory or operating conditions in the market in which we operate;
- our future operating and other costs;
- our dividend policy;
- our capital expenditure plans;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors;
- certain statements in "Financial Information" with respect to trends in prices, volumes;
- operations, margins, overall market trends, risk management and exchange rates; and
- other statements in this prospectus that are not historical fact.

This prospectus contains certain statements that are "forward-looking" and uses forward-looking terminology such as "anticipate," "believe," "expect," "estimate," "may," "ought to," "should" or "will." Those statements include, among other things, the discussion of our growth strategy and expectations concerning our future operations, liquidity and capital resources. Purchasers of our Shares are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that, although we believe the assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The risks and uncertainties in this regard include those identified in the "Risk Factors" section in this prospectus. Actual results may differ materially from information contained in forward-looking statements as a result of numerous factors, including, without limitation, those described in the "Risk Factors" section and the following:

- supply and demand changes in white series marble;
- changes in prices of marble;
- uncertainties relating to the quality of our marble mine and hence our product;
- the exploration of marble resource and development of mining facilities;
- our plans and objectives for future operations and expansion;
- our relationship with, and other conditions affecting, our customers and suppliers;
- risks inherent to our mining and production;
- competition;
- the effects of changes in currency exchange rates;
- environmental laws and regulations;
- future legislation, including regulations and rules as well as changes in enforcement policies;
- changes in political, economic, legal and social conditions, including the government's specific policies with respects to the mining industry;
- economic growth, inflation, foreign exchanges and the availability of credit;
- our liquidity and financial condition; and
- the other risk factors discussed in this prospectus as well as other factors beyond our control.

Due to these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

Investing in the Offer Shares involves a high degree of risk. You should carefully consider all of the information set out in this prospectus, including the risks and uncertainties described below and in "Appendix IV – Independent Technical Report" in respect of, inter alia, our business and industry, when considering making an investment in the Offer Shares being offered in this Global Offering. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. As a result, the trading price of the Offer Shares being offered in this Global Offering could decline and you could lose all or part of your investment.

These risks can be broadly categorised into: (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to the PRC; and (iv) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS

Risks relating to our operation as a developing mining company

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

Our operating history is very limited. Future Bright (Xiangyang), our sole operating subsidiary in the PRC, was established in July 2011 and our Yiduoyan Project is still in a development stage where full-scale site construction is currently taking place. We plan to complete construction of our Yiduoyan Project in July 2015 and reach a full production capacity of 20,000m^3 per annum in the beginning of 2017. During the Relevant Period and the Track Record Period, our Yiduoyan Project had been under construction and no revenue was generated. As a result, we incurred a loss of approximately RMB0.3 million, RMB0.6 million, RMB2.0 million, RMB9.8 million and RMB4.0 million for RP2011, RP2012, TRP2012, TRP2013, and TRP2014, respectively. In addition, we had net operating cash outflow of approximately RMB0.6 million, RMB1.7 million and RMB13.0 million for RP2012, TRP2012 and TRP2013, respectively as a result of implementation of our development plan. Our limited operating history makes the evaluation of our business and prediction of our future operating results and prospects difficult. We believe that period-to-period comparisons of our operating results may not be meaningful and the results for any period should not be relied upon as an indication of our future performance.

Going forward, we may encounter risks and uncertainties frequently experienced by companies in the early stages of mine development, including those relating to:

- our ability to manage large-scale mining operations and to maintain effective control over operating costs and expenses;
- our ability to ramp up our mining capacities according to our development plan;
- the quality of our marble blocks;

- our ability to develop and maintain internal personnel, systems and procedures to ensure compliance with the extensive regulatory requirements applicable to mining industry in the PRC;

- our ability to respond to changes in our regulatory environment;

- our ability to manage the utility and supply needs of our expanded operations; and

- our ability to implement, monitor and enhance our internal control system.

Our business operation depends on a single mining project.

As at the Latest Practicable Date, we had only one mining project, our Yiduoyan Project. We expect our Yiduoyan Project to be our only operating mine in the near term upon which we will depend on for all of our operating revenue and cash flows. Our 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 elsewhere in this section. As such, the resources of our Yiduoyan Project may not ultimately be extracted at a profit. If we fail to derive the expected economic benefits from our 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 elsewhere in this section, our business, financial condition and results of operations could be materially and adversely affected.

Risks relating to our operation in the mining industry and the marble Resource and Reserve estimations made in the Independent Technical Report

We operate in the mining industry which inherently has a high level of risks our operation may be disrupted and we may be unable to bring our Yiduoyan Project into full-scale commercial production.

The mining industry which we operate in 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 our 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 our 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.

Amongst other risks identified, the Independent Technical Consultant also rated a risk rating of "medium" for a number of potential risks which include the following:

(i) joints closer than expected resulting in reduction in block yield;

(ii) karst and weathering effects greater than expected, resulting in reduction in block yield and will have a negative impact on production;

(iii) geotechnical conditions in the mine and associated infrastructure, including the approach road, are worse than anticipated, resulting in greater potential for injury/death, delays in production, reduction in block yield, lower production rate;

(iv) poor mine plan/management leading to failure to meet production targets;

(v) increase in operating costs or capital expenditure resulting in reduced profit margins;

(vi) hydrological and hydrogeological conditions leading to siltation and/or contamination of drainage, increase of pH in natural drainage, exhaustion of water supply and high intensity stormwater flows to cause disruption of operation;

(vii) the nearby building materials factory does not honour the contract to take the amount of waste rocks produced over the contract period (November 2013 and November 2018);

(viii) water management causing pollution of the surface water and ground water impacting on local water supply;

(ix) greater potential for injury or death due to substandard occupation, health and safety procedures and leading to loss of productivity;

(x) transport costs leading to reduction in block price; and

(xi) various market risk such as anticipated market prices not achieved, market growth not as fast as anticipated and Increased competition from new quarries.

For details, please refer to the paragraph headed "Section 11 – Risk assessments" of the Independent Technical Report, the text of which is set out in Appendix IV to this prospectus.

Should we fail to manage the risks identified by the Independent Technical Consultant or should any of the foregoing inherent risk materialise our operation may be disrupted and we may be unable to bring our Yiduoyan Project into full-scale commercial production, our business and results of operations could be materially and adversely affected. For further information please refer to the paragraph headed "Risks associated with the operation of our Yiduoyan Project" in the Business section of this prospectus.

We face risks and hazards associated with our mining operations.

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 for 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 to 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.

Our marble Resource and Reserve are estimates based on a number of assumptions, and we may produce less than our current estimates.

The marble Resource and Reserve estimates are based on a number of assumptions that have been made by the Independent Technical Consultant in accordance with the JORC Code. For details, please refer to the Independent Technical Report in Appendix IV to this prospectus. Resource and Reserve estimates involve expressions of judgment based on various factors such as knowledge, experience and industry practice, and the accuracy of these estimates may be affected by many factors, including quality of the results of exploration, drilling and analysis of marble samples, as well as the procedures adopted by and the experience of the person making the estimates.

In addition, the Independent Technical Consultant has classified our marble Resource as Indicated and Inferred category and our Reserve as Probable category. The level of geological knowledge and confidence of Indicated and Inferred category are lower than Measured Resource.

Estimates of the Resource, Reserve and the block yield at our Yiduoyan Project may change significantly when new information becomes available or new factors arise, and interpretations and deductions on which Resource, Reserve and block yield estimates are based may prove to be inaccurate. Should we encounter mineralisation different from that predicted by past drilling, sampling and similar examination, Resource and/or Reserve estimates may have to be adjusted downward. In addition, if the block yield is required to be adjusted downward based on actual mining results, our Reserve estimate will also need to be adjusted downward, which will lead to decreased mine life, and our production cost will increase if we were to maintain the same planned production volume. The occurrence of any of the foregoing could materially affect our development and mining plans, which could materially and adversely affect our business and results of operations.

In addition, the mineralogical and chemical composition, bulk density, hardness and water absorption, mechanical properties and radioactivities of marble ultimately mined may differ from those indicated by drilling results. There can be no assurance that the block yield rates derived from drilling and sampling will be duplicated under on-site conditions or in production scale operations. In the event that the marble mined is of a lower quality than expected, the demand for, and realisable price of, our marble may decrease which could materially and adversely affect our business and results of operations. The inclusion of Resource and Reserve estimates should not be regarded as a representation that all these amounts can be economically exploited and nothing contained herein (including, without limitation, the estimation of mine life) should be interpreted as assurance of the economic value of our Reserve and Resource or the profitability of our future operations.

Risk relating to use of land, government approvals, permit and licences

We may not be able to renew the existing consent letters and notice of temporary land-use or obtain new consent letters and notice of temporary land-use approval from the relevant government authorities or renew the existing lease agreements or enter into new lease agreements with the relevant villagers for temporary use of forestland within our project area.

The land within our permitted mining area is forestland collectively owned by the relevant village committees with the land use rights granted to certain villagers. In order to carry out our mining operations, we have entered into lease agreements to lease the relevant forestland from the villagers and also obtained the consent from Nanzhang Forestry Bureau and notice of temporary land-use from Nanzhang Land and Resource Bureau to use the forestland on a temporary basis according to the applicable PRC laws and regulations.

As at the Latest Practicable Date, we had leased 16 parcels of forestland located at our project area, with a total site area of approximately 172.3mu (equivalent to approximately 0.115km^2) for mining and ancillary purpose pursuant to the Lease Agreements. The term of each of the Lease Agreements is 20 years. We have also obtained three consent letters from Nanzhang Forestry Bureau and notice of temporary land-use from Nanzhang Land and Resource Bureau approving the temporary use of forestland for construction of mining project with an aggregate area of approximately 0.037km^2. The validity period of each of these consent letters is two years since the date of the respective consent letter. These consent letters will expire on 14 December 2015, 27 February 2016 and 1 September 2016, respectively while the notice of temporary land-use will expire on 9 September 2016.

To carry out our mining operation in accordance with our planned production schedule, our ability to (i) renew the existing consent letters and notice of temporary land-use from the relevant government authorities approving the temporary use of the certain portion of the leased forestland upon expiration; or (ii) obtain new consent letters and notice of temporary land-use from the afore-mentioned relevant government authorities approving the temporary use of the remaining leased forestland or other areas covered by the mining permit of our Yiduoyan Project; or (iii) renew existing lease agreements upon expiration, or (iv) enter into new lease agreements for the remaining areas covered by the mining permit of our Yiduoyan Project with the relevant land use rights holders, from time to time according to our production schedule is of vital importance.

However, since the renewal of the existing consent letters and notice of temporary land-use and the application of new consent letters and notice of temporary land-use approval are subject to the approval of the relevant PRC local authorities while extension of existing lease agreements and execution of new lease agreements are subject to the willingness of the relevant villagers to do so with us, if we fail to obtain such approval to renew the existing consent letters and notice of temporary land-use or apply for new consent letters and notice of temporary land-use or we fail to execute new or renew existing lease agreements, we may be unable to implement the development plan of our Yiduoyan Project and our operation might be substantially affected as a result.

Our failure or delay in obtaining the 20,000m^3 Approval or renew government approvals, permits and licences required for our mining activities could materially and adversely affect our business, financial condition and results of operations.

Under the Mineral Resources Law of the PRC (中華人民共和國礦產資源法), all mineral resources in China are owned by the State. Mining companies, including Future Bright (Xiangyang), are required to obtain certain government approvals, permits and licences prior to undertaking any exploration, mining and relevant production activities in the PRC. The mining permit is limited to a specific area and time period. Therefore, whether we can carry on mining activities depends on our ability to obtain mining permits and other approvals and permits from relevant PRC government authorities and to renew such approvals and permits upon their expiration. The relevant PRC government authorities willingness to issue, renew and not revoke the mining permits materially affects our operation.

As at the Latest Practicable Date, we had only obtained the 8,000m^3 Approval but not the 20,000m^3 Approval. In accordance with our development plan, we will be required to obtain the 20,000m^3 Approval before our annual production capacity exceeds the 8,000m^3 threshold.

We also hold a mining permit for our Yiduoyan Project. The mining permit will expire on 30 December 2021. Other permits and approvals necessary for our operations will expire from time to time. We intend to apply to the relevant government authorities to obtain the outstanding approval necessary to increase production at full production rate of 20,000m^3 per annum and for renewal of our permits, consent letters, licences and approvals upon their expiration. Our applications to obtain the 20,000m^3 Approval and for renewal of our permits, consent letters, licences and approvals, are subject to a certain degree of discretion of the relevant government authorities, and there is no guarantee that we will be able to obtain the 20,000m^3 Approval and renewal other permits, consent letters, licences or approvals without any delay or at all in the future. If there is any failure or delay the 20,000m^3 Approval or renew any of current permits, consent letters, licences or approvals upon their expiration, there will be negative impact on our revenue, profitability, sustainability of cash flow from operating activities, liquidity and our business and results of operations could be materially and adversely affected as a result.

Risks relating to our marble block product

We will derive revenue from one marble product and the demand for which is subject to change.

Our principal product will be marble blocks. Some of our marble blocks are expected to be processed into marble slabs by our customers and used as decorative surfacing materials for commercial buildings, such as hotels, office buildings and residential buildings. As a result, our business and profitability is dependent on our end customers' preference and the demand and supply of white series marble slabs. Any adverse change in market demand, customer preference or market prices for or excess supply of the white series marble slabs could have a material adverse effect on our results of operations.

We face uncertainties relating to the quality and characteristics of our marble product.

We estimated the colour, pattern, texture, quality and other characteristics of our marble resource in our Yiduoyan Project which is still in a development stage where full-scale site construction is currently taking place. The colour, pattern, texture, quality and other characteristics of marble mined may differ from those indicated by drillcore results and historical production. As a result, we cannot assure you that the colour, pattern, texture, quality and other characteristics of the marble blocks mined from our Yiduoyan Project will be consistent with or similar to the estimation made based on the Independent Technical Report.

We currently classify our products as white and grey marbles within the white series marble and we have provided samples of our marble to our customers under the sales contracts. The sales quantity and sales price may be adjusted if the quality of the marble block is not consistent with the sample. Further, we and our customers are entitled to terminate the sales contract without any further obligation if the quality of the marble block produced were substantially different from that of the sample and we failed to reach an agreement with our customers on adjustment of sales of quantity and/or sales price. If the colour, pattern and texture of marble blocks produced in the future are materially different from our estimates, we may not be able to perform our obligations under the sales contracts that we have entered into with our customers and we may have to re-position ourselves in the market. Any failure in doing so could materially and adversely affect our business, prospects, financial condition and results of operations.

Risk relating to our sales

We may be required to pay a penalty under our current sales contracts.

As at the Latest Practicable Date, we had entered into sales contracts separately with four customers in China. These sales contracts provide an aggregate annual contracted sales quantity of 3,000m^3, 7,500m^3 and 16,000m^3 of marble blocks in 2014, 2015 and 2016, respectively. Under these sales contracts, once we have commenced normal production, we are obligated to supply to our customers not less than 90% of the aforementioned annual sales quantity. If we fail to supply such minimum quantity, we will be required to pay a penalty which equals to the sum of RMB500 per m^3 times the difference between the minimum annual quantity set out in the sales contracts and the actual quantity purchased. On the basis that we are unable to supply all of the 90% of the annual purchase quantity set out in the sales contracts in the absence of any reasonable cause, the maximum penalty we will have to pay our customers for each of the three years ending 31 December 2014, 2015, 2016 are approximately RMB1.35 million, RMB3.38 million and RMB7.20 million, respectively. Please refer to the paragraph headed "Business – Sales and marketing – Major terms of the sales contracts – sales quantity" for further details.

As we are still developing our Yiduoyan Project and our plan to ramp up the production capacity of our Yiduoyan Project is subject to certain uncertainties which may be beyond our control. We cannot assure you that the quantity of marble blocks produced from our Yiduoyan Project will be sufficient to meet the minimum level of quantity we are obliged to supply to our customers as stipulated in those sales contracts without any significant delay, or at all. As a result, we may be required to pay a penalty due to any failure in supplying the minimum level of quantity as stipulated in those sales contracts and this could have a material and adverse effect on our business, financial condition and results of operations.

We rely on a very limited number of customers from whom we will derive our revenue.

As at the Latest Practicable Date, we had only entered into sales contracts separately with four customers. The aggregate amount of annual purchase from these customers are 3,000m^3, 7,500m^3 and 16,000m^3 for the three years ending 31 December 2016 respectively and our revenue for the said period will be derived entirely from sales to these four customers. In addition, if the sales contracts with these customers are renewed and the aggregate annual quantity of marble blocks they will purchase from us is maintained at 16,000m^3 per annum, such annual aggregate sales will account for 80% of our expected annual production capacity of 20,000m^3 in 2017. We cannot assure you that we will be able to maintain or strengthen our relationships with our current customers. There is no assurance that we will be able to successfully broaden our customer base by increasing the number of customers. Any decline in our existing customers' businesses could lead to a decline in purchase orders of our marble blocks. If any of these customers were to substantially reduce the quantity of the orders they place with us or were to terminate their business relationship with us entirely, we may not be able to obtain orders from other customers to replace any such lost sales on comparable terms or at all or if there is any adverse event resulting from a general economic downturn, the entry of new competitors into our primary market, unanticipated shift in customer preference, government policies or any other factors affecting the demand for our products, our business, prospects, financial condition and results of operations would be materially and adversely affected.

Failure to compete effectively with our competitors may adversely affect our business and prospects.

We plan to focus on the domestic PRC white series marble blocks market, which is highly fragmented and competitive. We will not only face the competition from domestic marble producers, but also the marble producers and suppliers from overseas. Some of our competitors may have greater financial, marketing, distribution and other resources and technological capabilities than we do. In addition, as we have only sold a limited amount of our product produced during the construction phase of our Yiduoyan Project to one customer during the Relevant Period and the Track Record Period where the sales proceeds had been credited to our construction in progress, the marketability of our only product is yet to be tested by the market in general. Our failure to compete effectively or if our only product is not accepted by the market in general, it could materially and adversely affect our business, financial condition, results of operations and market position.

Risks relating to our development plan

Our business is exposed to uncertainties in relation to our development plan and there may be unforeseen delay in completing the development plan.

The development plan of our Yiduoyan Project may cause uncertainties to our business. It may take longer than we currently anticipate to complete the development plan of our Yiduoyan Project and there may be unforeseen delays before our mining facilities are able to operate at our planned capacity. We could also experience other unforeseeable difficulties in achieving our planned mining capacities. As a result, any delay in completing our development plan, cost overruns, failure to obtain the intended economic benefits from our development plan or other reasons may adversely and materially affect our business, financial condition and results of operations.

Our development plan is capital intensive and we may not have access to sufficient capital to fund our capital expenditure.

We require capital to fund our development plan and other expenditures associated with our Yiduoyan Project. We currently fund our capital expenditures with capital contributions from our Controlling Shareholders and bank borrowings. In the future, we expect to increasingly rely on cash flows from our operations to fund our capital expenditure. We expect the total capital expenditure for the development plan at our Yiduoyan Project to be approximately RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million had already been incurred. We planned to use approximately RMB37.6 million (which equals to approximately 81.3% of the total net proceeds from the Global Offering) to fund the remaining capital expenditure. However, such estimated capital expenditure may vary from actual capital expenditure especially for projects in the development stages, according to the Independent Technical Report. If the net proceeds from the Global Offering is insufficient to fund the future capital requirement of our development plan, we have to use our cash flow generated from operations in the future to fund our intended development plan.

We recorded an operating cash outflow of approximately RMB0.6 million, RMB1.7 million and RMB13.0 million for RP2012, TRP2012 and TRP2013 respectively as a result of implementation of our development plan. There can be no assurance that our business will generate sufficient cash flows from operations in the future to fund our intended development plan, or at all. In the event that we do not generate sufficient cash flows from our operation, we may be required to seek alternative financing.

Our ability to obtain additional financial resources on acceptable terms is subject to uncertainties with respect to, among others:

- investors' perception of the appetite for securities of companies engaged in the mining of marble resources and production of marble blocks;
- conditions in the capital and financial markets in which we may seek to raise funds;
- our future results of operations, financial condition and cash flows;
- the PRC government's approval and regulation of foreign and domestic investment in companies engaged in marble mining, production and processing;
- economic, political and other conditions in China and the rest of the world;
- the amount of capital that other Chinese entities may seek to raise in the foreign capital markets; and
- the PRC governmental policies relating to borrowings.

In the event that the actual capital expenditure exceeds the estimated capital expenditure and we are unable to obtain sufficient financing to fund our capital expenditures, the development plan of our Yiduoyan Project may be delayed or put to a halt and this could materially and adversely affect our business, financial condition, results of operations and market position.

Other risks relating to our business

We rely on contractors to provide certain services in respect of our Yiduoyan Project.

We engaged an explosive handling company and a mine construction service company to carry out explosive assignments and mine construction work, respectively, at our Yiduoyan Project during the Track Record Period. Going forward, we expect to outsource certain works which require specific technical expertise and experience or specific industrial equipment to contractors if necessary. We will monitor the works of our contractors but we cannot guarantee that we will be able to control at all times the quality, safety and environmental protection standards of the works to be performed by our contractors to the same extent as the works are performed by our own employees. Any under-performance or non-performance of our contractors leading to failure by these contractors to meet our quality, safety and environmental protection standards may result in our liability to third parties and will have a material adverse effect on our business, results of operations, financial condition and reputation.

In addition, since we have a limited operating history, we do not have long-term cooperative relationships with these contractors. Being able to engage suitable contractors to perform these services is critical to our business operation. Any failure to retain suitable contractors at reasonable cost or seek replacements on favorable terms, or at all, may also have a material adverse effect on our business and results of operations in timely manner.

Our business depends on the availability of reliable road network and transportation costs.

We anticipate that most of our potential customers in the future will be located in China and most of our product will be transported by road. Any increase in our sales volume could increase demand on the road networks connecting our Yiduoyan Project to these potential customers. If these roadways are blocked due to traffic accidents or significantly damaged or cut off due to landslides for an extended period of time, or otherwise there is any incidents which render the roadways inaccessible, the delivery of our products would be significantly affected, and we may have to pay penalty to our customers due to late delivery or even lose our customers.

As transportation costs are generally one of the components of the purchase costs for our customers, any fluctuation in transportation costs may have an adverse effect on the demand for our products. Any material increase in the transportation costs for products procured from our Yiduoyan Project would cause our customers to select suppliers who are closer to their operations and able to supply marble blocks with quality considerably similar to ours or to demand significant lower prices for our products. Any such adverse development could have a material adverse effect on our business, financial condition and results of operations.

Failure to retain our management team and other key personnel and maintain a stable workforce could harm our business.

We place substantial reliance on the experience and knowledge of our management team comprising two executive Directors, namely Mr. Guo, Mr. Zhang Decong and four members of our senior management, namely, Ms. Zhang Xiaomei, Mr. Yuan Shan, who is also an alternate Director to Mr. Zhang Decong, Mr. Liu Zhanghui and Mr. Ho Yuk Ming, Hugo, who had only joined the Group from 2011 to 2014. For further details, please refer to the section headed "Directors and Senior Management" in this prospectus. We cannot prevent employees from terminating their respective employment contracts in accordance with the relevant agreed conditions. Finding suitable replacements for such key personnel could be difficult and time-consuming, and competition for such personnel with rich experience is intense. The loss of the services of one or more members of our management team due to their departure or other reasons could materially and adversely affect our business, financial condition and results of operations.

Our success also depends on the ability of our management team to cooperate effectively as a group. Furthermore, our ability to recruit and train skilled personnel is a key factor to the success of our business activities. If we fail to recruit, train and retain such personnel or in the event of any shortage of labour or labour dispute such as labour strike may result in disruption of our business operations, our business, financial condition and results of operations could be materially and adversely affected.

Our future expansion, whether through organic growth or acquisitions, also requires us to maintain a stable workforce of qualified and skilled workers and efficiently allocate our resources. We must attract, recruit, train and retain qualified personnel effectively to guarantee a stable workforce. In addition, our future expansion may place significant strains on our managerial, operational, technical and financial resources. In order to better allocate our resources to manage our growth, we must hire, recruit and manage our workforce effectively and in a timely manner. The inability to manage our workforce effectively could have a material adverse effect on the output and quality of our products.

In addition, labour costs in the PRC have been increasing in recent years and our labour costs in the PRC could continue to increase as well. If labour costs in the PRC continue to increase, our production costs will increase and this may in turn affect the selling prices of our products. We may not be able to pass on these increased costs to consumers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease.

If the favourable tax treatment that we currently receive is altered or eliminated, our financial results may be adversely affected.

The rate of VAT payable by companies in the PRC may vary depending on the availability of preferential tax treatment or subsidies based on their industry or location. Our sole operating subsidiary, namely Future Bright (Xiangyang), is currently subject to a preferential VAT treatment as approved by Nanzhang National Tax Bureau on 28 October 2013 such that the VAT rate applicable to Future Bright (Xiangyang) is currently at 3% of the value of the goods with effect from 1 July 2014 instead of the standard rate of 17%. The preferential VAT treatment is due to expire on 31 October 2016. If such preferential VAT treatment is not renewed upon its expiry, we will be required to pay a greater amount of VAT, and this may materially and adversely affect our results of operations and financial condition.

Our current insurance cannot adequately cover all losses and liabilities arising from our operations.

Our existing insurance does not fully cover us from all potential risks and losses associated with our operation. According to the relevant PRC laws and regulations, we will be liable for losses and costs arising from accidents resulting from fault or omission on the part of us or our employees. Should any accidents happen due to negligence on the part of us or our employees, we could be confronted with civil litigation or criminal litigation and expect to incur substantial losses.

In addition, currently, we do not obtain any fire, earthquake insurance or property insurance with respect to our properties (other than the motor insurance), facilities or inventory. There is no assurance that the insurance coverage will be sufficient to cover all losses and liabilities associated with our operations. In the event that we incur substantial losses or liabilities but we are not insured against such losses or liabilities, or that our insurance is unavailable or inadequate to cover such losses or liabilities, our business, financial condition and results of operations could be materially and adversely affected.

Our Controlling Shareholders have substantial influence over us and their interests may not be aligned with the interests of our other Shareholders.

Immediately following completion of the Global Offering, Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu will remain as our Controlling Shareholders with substantial control over its issued share capital. We expect our Controlling Shareholders may have significant influence over our business and affairs, including, but not limited to, decisions with respect to: (i) mergers or other business combinations; (ii) acquisition or disposition of assets; issuance of additional shares or other equity securities; (iii) timing and amount of dividend payments; and (vi) appointment of managers.

Our Controlling Shareholders may cause us to, or prevent us from, entering into certain transactions, the result of which might not be in, or may conflict with, the best interests of our other Shareholders. We cannot assure you that our Controlling Shareholders will vote on Shareholders' resolutions in a way that will benefit all of our Shareholders.

We may incur impairment losses related to our mining rights and related assets, which may adversely affect our results of operations.

Based on our accounting policy, our mining rights are amortised over the estimated life of the mine, in accordance with the mining plans of the entities concerned and the Probable Reserve of the mine using the mining method. The process of Reserve estimate is inherently uncertain and complex and requires significant judgments and decisions based on available geological, engineering and economic data. If the value of our mining rights is over-estimated, the over-estimated amounts will be recognised as impairment losses, which in turn may have a material adverse effect on our result of operations.

The carrying amount of the property, plant and equipment, including mining infrastructure and mining rights, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this prospectus. Estimating the value in use requires us to estimate future cash flows from the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows. Any material decrease of our Reserve may result in impairment on the carrying value of our mining rights and related assets, and this may have a material adverse effect on our business, financial condition and results of operations.

Failure to protect our intellectual property rights may materially and adversely affect our competitive position and operations and we may be exposed to infringement or misappropriation claims by third parties.

As of the Latest Practicable Date, we had registered six trademarks in Hong Kong. We had also filed application for six trademarks in the PRC as of the Latest Practicable Date. We cannot assure you that the steps we have taken to protect our intellectual property rights are adequate to prevent or deter infringement or other misappropriation of our intellectual property. Any significant infringement of our intellectual property could weaken our competitive position and have an adverse effect on our operations. To protect our intellectual property rights, we may have to commence legal proceedings against any misappropriation or infringement. However, we cannot assure you that we will prevail in such proceedings. We may be subject to litigation or other proceedings involving the allegations of violations of intellectual property rights of third parties. The defense of such litigation or other proceedings can be both costly and time consuming. An adverse determination in any such litigation or proceedings to which we may become a party could materially and adversely affect our business, financial condition or results of operations.

RISKS RELATING TO OUR INDUSTRY

Fluctuations in the market price for the white series marble products could materially and adversely affect our business, financial condition and results of operations.

Our principal product will be marble blocks. The prices of our marble blocks will be determined mainly by the appearance, quality and size of the marble block. Nevertheless, the popularity and reputation of the white series marble products may substantially affect the prices of our marble blocks. In addition, the level the supply of and demand for the white series marble products in the PRC domestic and global markets could adversely affect the price of the white series marble. Government policies, macro-economic factors, global economic environment and other factors beyond our control could significantly result in an oversupply or decreased demand for marble products, which in turn would result in fluctuations in the market price. There can be no assurance that the market price of the white series marble products will not decline in the future or that such prices will otherwise remain at sufficiently high levels. A significant decline in the market prices of the white series marble products could materially and adversely affect our business, financial condition and results of operations.

We are affected by the level of demand in the real estate development industry.

Our customers may process our marble blocks into marble slabs for onsale to their customers such as property developers. The demand for marble slabs and thereby marble blocks is affected by the growth of the property market in China, which could in turn be affected by a number of factors, such as the strength of the construction and property market, the level of disposable income, consumer confidence, unemployment rate, interest rates, credit availability and volatility in the stock markets and the measures and policies implemented by the PRC Government to control the property market. The property market is also to a large extent affected by the monetary policy. Any policy designated to tighten liquidity, controlled money supply and credit and reduce capital available for property development and construction activities may adversely affect the growth rate of the property market. Any decrease in property development and construction activities in general will result in a decrease in demand and associated decrease in sales volume or selling prices of our marble blocks, reduced profit margin and tightened liquidity available to us, any of which may have a material adverse effect on our business, financial condition and results of operations.

Changes in legal requirements and governmental policies concerning environmental protection could impact our business.

We are subject to various PRC environmental protection regulations relating to a broad range of environmental protection matters, such as land rehabilitation, noise control, discharge of wastewater and pollution and waste disposal relating to our production activities. These environmental protection laws and regulations are complex and constantly evolving and are becoming more stringent. We are not always able to quantify the cost of complying with such laws and regulations. Any violation of the PRC environmental protection regulations could subject us to a substantial fine, damage our reputation, result in delays in production or result in a temporary or permanent closing of some or all of our production facilities. We cannot assure you that the national or local authorities will not enact additional laws or regulations or amend or enforce new regulations in a more rigorous manner or establish local practice to enforce the laws or regulations in any manner which is unfavourable to us. Changes in environmental protection regulations may require us to alter production processes, which could result in increased costs and could harm our financial condition and results of operations. In addition, environmental protection liability insurance is not mandatory in the PRC. Any significant environmental protection liability would harm our business, financial condition and results of operations.

Changes to the PRC laws, regulations and governmental policies for the mining industry could adversely affect our business, financial condition and results of operations.

The PRC local, provincial and central authorities exercise a substantial degree of control over the mining industry in the PRC. Our operations are governed by a wide range of PRC laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration and exploitation, production of stone products, production safety, environmental protection, taxation, labour, foreign investment and operation management. Any change to these laws, regulations, policies, standards and requirements or to the interpretation or implementation or establishment of any local practice in enforcing such laws, regulations, policies, standards and requirements may incur additional compliance efforts and increase in our operating costs and thus adversely affect our business, financial condition and results of operations.

Mining companies that fail to comply with the applicable laws and regulations may be subject to fines, penalties or even suspension of operations. At the same time, relevant government authorities regularly conduct inspections of the mines and facilities of mining enterprises. The timing and the outcome of such inspections, nevertheless, is hard to predict since their standards are somewhat obscure. Failure to pass the inspections may harm our corporate image, reputation and the credibility of our management, and thus have material adverse effect on our financial condition and results of operations.

There is no assurance that we will be able to fully comply with any new PRC laws, regulations, policies, standards and requirements applicable to the stone mining industry or any changes in existing laws, regulations, policies, standards and requirements economically or at all. Furthermore, any such new PRC laws, regulations, policies, standards and requirements or any such changes in existing laws, regulations, policies, standards and requirements may also constrain our development plan and adversely affect our profitability.

RISKS RELATING TO THE PRC

Changes in the PRC's economic, political and social conditions and government policies may have an adverse effect on us.

Substantially all of our assets and operations are located in the PRC and most of our revenue is derived from the PRC. Accordingly, our business operations and prospects are subject, to a significant degree, to the economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in a number of respects, including structure, degree of government involvement, level of development, control of capital investment, growth rate, control of foreign exchange and allocation of resources.

The PRC Government plays a significant role in regulating various industries by imposing industrial policies and continually adjusting economic reform measures. As such, we cannot assure that we may be able to benefit from all, or any, of the measures that are under continuous adjustments. In addition, we cannot predict whether changes in the political, economic and social conditions in the PRC or changes in the laws, regulations and policies promulgated by the PRC Government will have any adverse effect on our current or future business, financial condition and results of operations.

The legal system of the PRC may not be fully developed, and there may be inherent uncertainties which may affect the protection afforded to our business and our Shareholders.

Our sole operating subsidiary is located in the PRC and is governed by the legal system of the PRC. The PRC legal system is based on written statutes and their interpretations by the Standing Committee of the National People's Congress. Prior court decisions may be used for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations that had the effect of enhancing the protections afforded to corporate organisations and their governance, as well as various forms of foreign investments in the PRC. However, since these laws and regulations are relatively new and as the PRC legal system continues to evolve rapidly, the interpretation and enforcement of these laws, regulations and rules involves significant uncertainty and different degrees of inconsistency and in some cases depends on the local practice of the relevant government authorities to a large extent and thereby, limiting potentially the available legal protections to our business operations. In addition, the PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms. Therefore, it is difficult to evaluate the outcome of administrative and court proceedings and the actual level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our decisions on the measures and actions to be taken to fully comply therewith, and may affect our ability to realise our contractual and tort rights. Further, we cannot predict the effect of future legal developments in the PRC, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the pre-exemption of local regulations by national laws. We cannot therefore assure that we will enjoy the same level of legal protection in the future, nor such new laws and regulations will not affect our operations, causing adverse effects on our financial condition and results.

Government control of currency conversion and fluctuations in the exchange rate between RMB and other currencies could negatively affect our financial condition, operations and our ability to pay dividends.

Substantially all of our revenue is denominated and settled in RMB. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of China. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade related transactions, can be made in foreign currencies without prior approval from SAFE provided that certain procedural requirements are satisfied. However, approval from SAFE or its local counterpart is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC Government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Since a significant amount of our future cash flow from operations will be denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to purchase goods and services outside China or fund our business activities that are conducted in foreign currencies. This could also affect the ability of our subsidiaries in China to obtain foreign exchange through debt or equity financing, including by means of loans or capital contributions from us.

The exchange rate of the RMB against the U.S. dollar and other foreign currencies fluctuates and is affected by, among other things, the policies of the PRC Government and changes in the PRC's and international political and economic conditions. Any future exchange rate volatility relating to RMB may give rise to uncertainties in the value of our net assets, earnings and dividends.

An appreciation of RMB may result in increased competition from foreign competitors; a devaluation of RMB may adversely affect the value of our net assets, earnings and dividends in foreign currency terms. Moreover, to the extent that we need to convert the net proceeds from the Global Offering and future financing into the RMB for our operations, appreciation of the RMB against the relevant foreign currencies would have an adverse effect on the RMB amount we would receive from the conversion. On the other hand, because the dividends on our Shares, if any, will be paid in Hong Kong dollars, any devaluation of the RMB against the Hong Kong dollar could adversely affect the amount of any cash dividends on our Shares in Hong Kong dollar terms.

It may be difficult to effect service of process or to enforce foreign judgments in the PRC.

A substantial amount, of our assets are located in the PRC. Therefore, investors may encounter difficulties in effecting service of process from outside the PRC upon us or most of our Directors and officers. Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. A judgment of a court from a foreign jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty with the PRC or if the judgments of the PRC courts have been recognized before in that jurisdiction, subject to the satisfaction of other requisite requirements. However, the PRC does not have treaties with Japan, the United Kingdom, the United States and most other countries providing for the reciprocal enforcement of judgments. Also, Hong Kong has no arrangement for reciprocal enforcement of judgments with the United States, causing uncertainties in relation to the enforcement of foreign judgments.

We may be required to pay income tax on capital gains from the transfer of equity interests in our PRC subsidiary by our offshore subsidiaries.

In connection with the EIT Law which came into effect on 1 January 2008, jointly issued by Ministry of Finance and the SAT on 30 April 2009, the Circular on Issues Concerning Process of Enterprise Income Tax in Enterprise Restructuring Business (Cai Shui [2009] No. 59) (關於企業重組業務企業所得稅處理若干問題的通知(財稅[2009]59號)), became effective retrospectively on 1 January 2008. In preparation for the Global Offering, our Group commenced the Reorganisation. For more details of the Reorganisation, please refer to the paragraph headed "History, Development and Reorganisation – The Reorganisation" in this prospectus. The indirect transfer of equity interests in certain PRC subsidiaries through transfer of the relevant offshore holding companies is subject to an income tax of 10% on capital gains which may be determined as the difference between the fair value of the equity interests transferred and the cost of investment. On 10 December 2009, the SAT issued the Notice on Strengthening the Management on Enterprise Income Tax for Non-resident Enterprises Equity Transfer (Guo Shui Han [2009] No. 698) (關於加強非居民企業股權轉讓所得企業所得稅管理的通知(國稅函[2009]698號)), which became effective retrospectively on 1 January 2008. On 28 March 2011, the SAT released the SAT Public Notice [2011] No. 24 to clarify several issues related to Circular 698, which took effected on 1 April 2011. The notice clarified the definition of cost of investment and other relevant details on EIT management regarding the share transfer of a PRC resident enterprise by non-PRC resident enterprises directly or indirectly, where a non-resident enterprise transfers the equity interest in a PRC resident enterprise indirectly by disposition of the equity interests in an overseas non-public holding company, or an indirect transfer, and such overseas holding company is located in a tax jurisdiction that (i) has an effective tax rate of less than 12.5%, or (ii) does not impose income tax on foreign income of its residents, the non-resident enterprise, being transferor, must report to the competent tax authority of PRC resident enterprise this indirect transfer. We have not made any provision for the payment of any income tax on any capital gain that may arise under the above circular and notice as it is currently unclear how the relevant PRC tax authorities will implement or enforce the above circular and notice and whether such income tax on capital gains treatment will be subject to further change. In the event that we are required to pay the income tax on capital gains by the relevant PRC tax authorities, our tax liability may increase and our net profits and cash flow may be affected.

We may be deemed to be a PRC tax resident under the EIT Law and be subject to PRC taxation on our worldwide income.

Under the EIT Law, enterprises established outside the PRC whose "de facto management bodies" are located in the PRC are considered "resident enterprises" and will generally be subject to a uniform 25% EIT on their worldwide income. Under the EIT Rules, "de facto management bodies" are defined as bodies that have material and overall management control over the business, personnel, accounts and properties of an enterprise. Substantially all of our management is currently based in the PRC and may remain in the PRC. Therefore, we may be treated as a PRC resident enterprise for EIT purposes and thus be subject to EIT on our worldwide income. However, a PRC resident enterprise is exempt from dividend income received from qualified resident enterprises. The tax consequences of such treatment are currently unclear, as they will depend on the implementation regulations and how local tax authorities apply or enforce the EIT Law and the EIT Rules. Our business, financial condition and operating results may be materially and adversely affected if we are subject to PRC taxation on our worldwide income.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident Shareholders to personal liability and limit our ability to inject capital into our PRC subsidiary, limit our PRC subsidiary's ability to distribute profits to us, or otherwise adversely affect our financial position.

According to the SAFE Circular No. 37 issued by the SAFE on 4 July 2014 which replaced the SAFE Circular No. 75, the PRC individual residents establish the offshore special purpose vehicles with their legitimate onshore enterprises' assets or equities and offshore assets or equities for the purpose of offshore investments and financing, they must register with local SAFE branches. According to the relevant guidance with respect to the operational rules on such foreign exchange registration issued by SAFE, if any PRC shareholder of an offshore special purpose company fails to make the required SAFE registration and amendment, the PRC subsidiary of that offshore special purpose company may be prohibited from distributing their profits and the proceeds from any reduction in capital, share transfer, the principal and interests of shareholder's loans, advance recovery of investment or liquidation of the offshore special purpose company and could result in liability under PRC laws for evasion of applicable foreign exchange restrictions, which would materially and adversely affect our business. Mr. Guo, one of our Controlling Shareholders, who is a PRC resident, had registered with the local SAFE branch as required under the then effective SAFE Circular No. 75.

In addition, we cannot assure you that any PRC resident who may become our Shareholder or beneficial owner of our Shares who are PRC residents in the future will be able to comply with SAFE Circular No. 37 in a timely manner or at all. A failure by any of our Shareholders or beneficial owners of our Shares who are PRC residents to comply with these regulations and rules will subject us to fines or legal sanctions.

Our foreign corporate Shareholders may be subject to income tax upon any gains from transfer of their shares.

Under the EIT Law and EIT Rules, our foreign corporate Shareholders may be subject to a 10% income tax upon any gains realised from the transfer of their Shares and dividend distributable to such fore corporate Shareholder, if such income is regarded as income from "sources within the PRC". According to the EIT Rules, whether income generated from transferring equity investments is to be regarded as sources within the PRC or from foreign territory shall depend upon the locations in which the enterprises accepting the equity investment are located. However, it is unclear whether income received by our Shareholders will be deemed to be income from sources within the PRC and whether there will be any exemption or reduction in taxation for our foreign corporate Shareholders due to the promulgation of the EIT Law. If our foreign corporate Shareholders are required to pay PRC income tax on the transfers of our Shares that they hold, the value of our foreign corporate Shareholders' investments in our Shares may be materially and adversely affected.

We rely on dividends paid by our PRC subsidiary for our cash needs, and limitations on the ability of our PRC subsidiary to pay dividends to us could have a material adverse effect on our business, prospects, financial condition and results of operations.

We are a holding company incorporated in the Cayman Islands and conduct substantially all of our operations through our PRC subsidiary. We will rely on dividends paid by our PRC subsidiary for our future cash needs that cannot be provided by equity issuance or borrowings outside of the PRC, including the funds necessary to pay dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses in excess of such amounts will depend on dividends from our PRC subsidiary. Regulations in the PRC currently permit payment of dividends by the PRC subsidiary only out of accumulated profits as determined in accordance with the PRC generally accepted accounting principles. According to applicable PRC laws and regulations, our PRC subsidiary is required to set aside at least 10% of its after-tax profit each year for its statutory reserves until the amount of such reserves reach 50% of its registered capital. These reserves are not distributable as dividends. Contributions to such reserves are made from our PRC subsidiary's after-tax profit. In addition, if our PRC subsidiary incurs debt in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. As a result, our PRC subsidiary is restricted in its ability to transfer the net profits to us in the form of dividends. If our PRC subsidiary cannot pay dividends due to government policy and regulations or contractual restrictions, or because they cannot generate the requisite cash flow, we may not be able to pay dividends, service our debt or pay our expenses, which may have a material adverse effect on our business, prospects, financial condition and results of operations.

Restrictions on foreign investment in the PRC mining industry could materially and adversely affect our business and results of operations.

In China, foreign companies have been, and are currently, required to operate within a framework that differs from that imposed on domestic PRC companies. For example, the Guidance Catalogue for Foreign Investment Industries (2011 Version) (外商投資產業指導目錄(2011年修訂)) which took effective on 30 January 2012, clearly specifies the encouraged restricted, prohibited industries for foreign investment. Should the PRC Government imposes greater restrictions on foreign investment in China, or seeks to nationalise our operations in China, our business and results of operations could be materially and adversely affected.

PRC regulations relating to loans and direct investment by offshore holding companies in PRC entities may delay or prevent us from using the net proceeds from the Global Offering to contribute additional capital or make loans to our PRC subsidiary.

We are an offshore holding company conducting our operations in the PRC through our PRC subsidiary. In utilising the net proceeds from the Global Offering we expect to receive from the Global Offering for the purposes described in the section headed "Future Plans and Use of Proceeds" in this prospectus, we may make loans or additional capital contributions to our PRC subsidiary.

Any loans to our PRC operating subsidiary which is treated as a foreign invested enterprise under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, such loans cannot exceed statutory limits and must be registered with SAFE or its local counterpart. We may also determine to finance our PRC subsidiary or jointly controlled entity by means of capital contributions. These capital contributions may need be approved by the MOFCOM or its local counterpart.

In addition, SAFE promulgated the Circular on the Relevant Operating Issues concerning Administration Improvement of Payment and Settlement of Foreign Currency Capital of Foreign-invested Enterprises (關於完善外商投資企業外匯資本金支付結匯管理有關業務操作問題的通知), or Circular 142, on 29 August 2008. Under Circular 142, registered capital of a foreign invested company settled in RMB converted from foreign currencies may only be used within the business scope approved by the applicable governmental authority and may not be used for equity investments in the PRC. In addition, foreign-invested companies may not change how they use such capital without SAFE's approval, and may not in any case use such capital to repay RMB loans if proceeds of such loans have not been utilised. Violations of Circular 142 may result in severe penalties. As a result, Circular 142 may significantly limit our ability to transfer the net proceeds from the Global Offering and subsequent offerings or financings to our PRC subsidiary, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC.

We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our PRC subsidiary. If we fail to complete such registrations or obtain such approvals, our ability to use the net proceeds from the Global Offering to capitalise or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Inflation in the PRC could materially and adversely affect our profitability and growth.

While the PRC economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of the country. Rapid economic growth can lead to growth in the money supply and rising inflation. If prices for our products rise at a rate that is insufficient to compensate for the rise in our costs, our business may be materially and adversely affected. In order to control inflation in the past, the PRC Government has imposed controls on bank credits, limits on loans for fixed assets and restrictions on state bank lending. Such an austerity policy can lead to a slowing of economic growth. A slowdown in the PRC economy could also materially and adversely affect our business and prospects.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares, and an active trading market may not develop after the Global Offering.

Prior to the Global Offering, there has been no public market for our Shares. The Offer Price for our Shares will be determined by agreement between the Sole Lead Manager (acting for itself and on behalf of the Underwriters) and us on the Price Determination Date. The Offer Price may not be indicative of the price at which our Shares will trade following the active trading market for our Shares, or if it exists, that it can be sustained following the completion of the Global Offering, or that the price at which our Shares will trade will not decline below the Offer Price.

The trading volume and share price of our Shares may fluctuate.

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenue, earnings and cash flow, announcements of new technologies, strategic alliances or acquisitions, safety accidents suffered by us, loss of key personnel, changes in ratings by financial analysts and credit rating agencies, litigation or fluctuations in the market prices of our products could cause large and sudden changes in the volume and price at which our Shares will trade. We cannot assure that such development will not occur. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume fluctuations that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of the Shares.

We cannot guarantee the accuracy of facts, forecasts and other statistics with respect to the PRC and any provinces, cities or regions thereof contained in this prospectus, the reliability of which cannot be assumed or assured.

Certain facts and statistics in this prospectus relating to the PRC, its economy and the industries in which we operate within the PRC are derived from official government publications generally believed to be reliable. While we have taken reasonable care to reproduce such information, we cannot guarantee the quality or reliability of such materials. These facts and statistics have not been prepared or independently verified by us, the Sole Sponsor, the Sole Lead Manager or the Underwriters or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, or materials prepared based on such facts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other difficulties, the statistics presented in this prospectus may be inaccurate or may not be comparable from period to period or to statistics produced for other economics and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

In all cases, investors should give consideration as to how much weight or importance they should place upon all such facts and statistics.

Any options granted under the Share Option Scheme may dilute the Shareholders' equity interests.

The Company has conditionally adopted the Share Option Scheme. As at the Latest Practicable Date, no option had been granted to subscribe for Shares under the Share Option Scheme. Following the issue of new Shares upon exercise of the options that may be granted under the Share Option Scheme, there will be an increase in the number of issued Shares. As such, there may be a dilution or reduction of shareholding of the Shareholders which results in a dilution or reduction of the earnings per Share or net asset value per Share. In addition, the fair value of the options to be granted to the eligible participants under the Share Option Scheme will be charged to the consolidated income statement of the Group over the vesting periods of the options. The fair value of the options shall be determined on the date of granting of the options. Accordingly, the financial results and profitability of the Group may be adversely affected.

Future issuances or sales, or perceived issuances or sales, of substantial amounts of our Shares in the public market could materially and adversely affect the prevailing market price of our Shares and our Company's ability to raise capital in the future.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, including sales by our Substantial Shareholders, or the issuance of new Shares by our Company, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our Shares could also materially and adversely affect our ability to raise capital in the future at a time and at a price favorable to us, and the Shareholders would experience dilution in their holdings upon issuance or sale of additional securities in the future. We cannot assure that our existing Shareholders will not dispose of any Shares they own now or may own in the future.

You may face difficulties in protecting your interests under Cayman Islands laws or PRC laws, which law may provide different protection to minority shareholders than the laws of Hong Kong and other jurisdictions.

Our corporate affairs are governed by our Memorandum of Association and Articles and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differs in some respects from those established under statutes and under judicial precedents in other jurisdictions. As a result, remedies available to the minority Shareholders of our Company may be different from those they would have enjoyed under the laws in other jurisdictions. For further information, please see "Appendix V – Summary of the constitution of our Company and the Cayman Islands Companies Law" to this prospectus.

Investors should not rely on any information contained in the press articles or other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there might have been press articles and media coverage regarding us and the Global Offering which might include certain financial information, financial projections, and other information about us which do not appear in this prospectus. Such information might not be sourced from or authorised by us, hence, we do not accept any responsibility for the accuracy or completeness of such information. We cannot guarantee and make no representation as to the appropriateness, accuracy, completeness or reliability of such information. Potential investors are therefore cautioned to make their investment decisions based solely on the information contained in this prospectus.

WAIVERS FROM STRICT COMPLIANCE WITH RULES 4.04(1) AND 8.05(1) OF THE LISTING RULES PURSUANT TO RULES 8.05B AND 18.04 OF THE LISTING RULES

Pursuant to Rule 8.05 of the Listing Rules, we must satisfy one of the three tests in relation to: (i) profit; (ii) market capitalisation, revenue and cash flow; or (iii) market capitalisation and revenue requirements. Chapter 18 of the Listing Rules also applies to us as we are regarded as a Mineral Company as defined under Rule 18.01 of the Listing Rules. Under Rules 8.05B and 18.04 of the Listing Rules, the requirements of Rule 8.05(1) of the Listing Rules may not apply if the Stock Exchange is satisfied that our Directors and members of senior management relied on in respect of our mining activities, taken together, have sufficient experience of at least five years relevant to the exploration and/or extraction activities we are pursuing.

Pursuant to Rule 4.04(1) of the Listing Rules, we are required to include in this prospectus the consolidated results of our Group in respect of the three financial years preceding the issue of this prospectus.

We have applied for, and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.05(1) of the Listing Rules pursuant to Rules 8.05B and 18.04 of the Listing Rules on the grounds as follows:

(a) the primary activity of our Company is exploration and extraction of natural resources;

(b) we have demonstrated to the satisfaction of the Stock Exchange that our inability to comply with the profit, revenue or cash flow tests of Rule 8.05 of the Listing Rules is due to the fact that, throughout the Track Record Period, we had been in pre-production, exploration and/or development phase;

(c) based on our Company's development plan, our Company is able to demonstrate a clear path to commercial production as our Company obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. We will continue to implement our development plan on our Yiduoyan Project and our mining capacity for marble blocks is expected to increase from 3,000m^3 per annum (which represents 15% of our expected full production rate) in 2014 to 7,500m^3 per annum (which represents 37.5% of our expected full production rate) in 2015 and to 16,000m^3 per annum (which represents 80% of our expected full production rate) in 2016. In line with our development plan, we expect to obtain the 20,000m^3 Approval in the beginning of 2016. Following the completion of our development plan, our mining capacity for marble blocks is expected to reach full production rate of 20,000m^3 per annum at the beginning of 2017; and it is the Independent Technical Consultant's opinion that our Company's development plan which includes, among others, the aspects of environmental protection and the associated environmental protection facilities, and scheduled production and cost estimates, supported by the Feasibility Study prepared by Sinoma which illustrates that the Yiduoyan Project is technically and economically viable, are generally appropriate and achievable. Based on the estimated operating cash costs for our Yiduoyan Project as stated in the Independent Technical Report, our Company believes that we have presented a demonstrable path to profitability;

(d) our Group has two executive Directors and four members of senior management, four of them, including one executive Director, namely, Mr. Zhang Decong, and three members of senior management, namely, Mr. Yuan Shan, Ms. Zhang Xiaomei and Mr. Liu Zhanghui who have more than five years of experience relevant to the extraction activities of our Company. Our Directors and senior management, taken together, have sufficient experience relevant to the extraction activities that we are pursuing, and their relevant experience and biographies have been disclosed in this prospectus. Please refer to the section headed "Directors and Senior Management" of this prospectus for further details of the relevant industry experience of our executive Directors and members of senior management; and

(e) our Directors confirmed that all the information that is necessary for the public to make an informed assessment of our Company's activities and financial position has been included in this prospectus.

We have further applied for and the Stock Exchange has also granted us a waiver from strict compliance with Rule 4.04(1) of the Listing Rules on the condition that (i) we have obtained a certificate of exemption from SFC from strict compliance with Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and (ii) our Directors have confirmed that they have ensured sufficient due diligence has been carried out and that, save as disclosed in this prospectus, there has been no material adverse change in the financial or trading position of our Group since 30 June 2014 and there has been no event since 30 June 2014 which would materially affect the information shown in the accountants' report on our Group set out in Appendix IA to this prospectus; and on the following grounds that:

(a) it is inappropriate and irrelevant for our Company to strictly comply with the relevant requirements as our Company is a Mineral Company under Chapter 18 of the Listing Rules and will have a track record period of less than three financial years immediately preceding the issue of this prospectus; and

(b) our Directors have confirmed that all information necessary for the public to make an informal assessment of the activities, assets and liabilities, financial positions, management and prospects of our Group has been included in this prospectus.

EXEMPTION PURSUANT TO SECTION 342A OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

The Companies (Winding Up and Miscellaneous Provisions) Ordinance requires all prospectuses to include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance. Paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance specifically requires a statement as to the gross trading income or sales turnover (as may be appropriate) of our Company during each of the three financial years immediately preceding the issue of this prospectus, including an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities. Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires us to include in this prospectus a report by the auditors of our Company with respect to profits and losses and assets and liabilities of our Group in respect of each of the three financial years immediately preceding the issue of this prospectus.

The accountants' report on our Group set out in Appendix IA to this prospectus includes financial information of our Group for the period from 21 September 2012 to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014, and the accountants' report on Future Bright (H.K.) set out in Appendix IB includes financial information for the period from 7 April 2011 to 31 December 2011 and the period from 1 January 2012 to 20 September 2012.

We have applied for, and SFC has granted us an exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the inclusion of the accountants' report for the full three years ended 31 December 2013 in this prospectus on the following grounds that:

(a) it is inappropriate and irrelevant for us to strictly comply with the relevant requirements as our Company is a Mineral Company under Chapter 18 of the Listing Rules and will have a track record period of less than three financial years immediately preceding the issue of this prospectus;

(b) our Directors have confirmed that all information necessary for the public to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group has been included in this prospectus; and

(c) our Directors have confirmed that they have ensured sufficient due diligence has been carried out and that, save as otherwise disclosed in this prospectus, there has been no material change in the financial or trading position of our Group since 30

June 2014 and there has been no event since 30 June 2014 which would materially affect the information shown in the accountants' report on our Group and the accountants' report on Future Bright (H.K.) set out, respectively, in Appendix IA and Appendix IB to this prospectus.

Our Directors undertake to include the above confirmations in this prospectus and believe that waiver from strict compliance with Rule 4.04(1) of the Listing Rules and exemption from strict compliance with Paragraph 27 of Part I and Paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will not prejudice the interests of the investing public.

WAIVER PURSUANT TO RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally requires us to have at least two of our executive Directors to be ordinarily resident in Hong Kong. However, our Company would not be able to satisfy the requirements under Rule 8.12 of the Listing Rules for the following reasons:

(a) none of our executive Directors has been or will be ordinarily resident in Hong Kong;

(b) the business and operation of our Group are located, managed and conducted in the PRC;

(c) for the purposes of the operations and management of our Group, appointing additional executive Directors who are ordinarily resident in Hong Kong would increase the administrative expenses of our Group and the appointment of new executive Directors who may not be familiar with the operations of our Group may not be in the best interest of our Group and Shareholders; and

(d) relocating any of our existing PRC-based executive Directors to Hong Kong would be burdensome and costly and may not enable the relevant executive Directors to perform their strategic roles in our Group.

We do not and will not, in the foreseeable future, have sufficient management presence in Hong Kong.

Accordingly, we have applied to and obtained from the Stock Exchange a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, and the Stock Exchange has granted us the waiver, subject to the following conditions:

(a) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange and ensure that our Group complies with the Listing Rules at all times. The two authorised representatives are Mr. Leung Kar Fai, our non-executive Director and Mr. Ho Yuk Ming, Hugo, the chief financial officer and company secretary of our Company. Each of the authorised representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable time if and when required by the Stock Exchange and is readily contactable by telephone, facsimile or email;

(b) we will promptly inform the Stock Exchange if there are any changes to our authorised representatives;

(c) each of the authorised representatives has means to contact all members of our Board, including our independent non-executive Directors, and our senior management team promptly at all times and as and when the Stock Exchange wishes to contact our Directors on any matters. To enhance the communication between the Stock Exchange, the authorised representatives and our Directors, we have implemented a policy whereby:

   (i) each of our Directors will provide his mobile phone numbers, residential phone numbers, office phone numbers, fax numbers (if available) and email addresses (if available) to the authorised representatives;

   (ii) each of our executive Directors will provide valid phone numbers or means of communication to the authorised representatives when he is travelling outside Hong Kong;

   (iii) each of our Directors and authorised representatives will provide their respective mobile phone numbers, residential phone numbers, office phone numbers, fax numbers (if available) and email addresses (if available) to the Stock Exchange; and

(d) all of our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess valid travel documents or will be able to apply for valid travel documents to travel to Hong Kong and will be able to meet the Stock Exchange within a reasonable period.

In addition, in compliance with Rule 3A.19 of the Listing Rules, we have appointed Guotai Junan Capital as the compliance adviser of our Company to act as the additional channel of communication with the Stock Exchange in accordance with the requirements of the Listing Rules.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance the Securities and Futures (Stock Market Listing) Rules, the SFO and the Listing Rules for the purposes of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the related Application Forms contain the terms and conditions of the Hong Kong Public Offering. The Global Offering comprises the Hong Kong Public Offering of initially 8,800,000 Offer Shares and the International Placing of initially 79,200,000 Offer Shares (subject, in each case, to reallocation on the basis described in the section headed "Structure of the Global Offering" in this prospectus).

The listing of the Shares on the Stock Exchange is sponsored by Guotai Junan Capital. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is underwritten by the Hong Kong Underwriters and the International Placing is managed by the Sole Lead Manager and is underwritten by the International Underwriters. The International Underwriting Agreement is expected to be entered into on or about the Price Determination Date, subject to the execution of Price Determination Agreement in relation to fixing the Offer Price between our Company and the Sole Lead Manager, on behalf of the Underwriters. If, for any reason, the Offer Price is not agreed between our Company and the Sole Lead Manager, for itself and on behalf of the Underwriters, the Global Offering will not proceed and shall lapse.

Further details about the Underwriters and the underwriting arrangements are contained in the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company on or about on Monday, 5 January 2015, or such later date as may be agreed between the Sole Lead Manager (for itself and on behalf of the Underwriter) and our Company but in any event no later than on Wednesday, 7 January 2015, by entering into the Price Determination Agreement.

If the Sole Lead Manager (for itself and on behalf of the Underwriters) and our Company are unable to reach an agreement on the Offer Price on or before the Price Determination Date, the Global Offering will not become unconditional and will lapse.

RESTRICTIONS ON OFFER AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to confirm, or be deemed by his acquisition of Hong Kong Offer Shares to confirm, that he is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus and the Application Forms.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the related Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. The Offer Shares are offered for subscription solely on the basis of the information contained and representations made in this prospectus. No person is authorised in connection with the Global Offering to give any information, or to make any representation, not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Sole Lead Manager, the Underwriters, any of their respective directors or any other persons or parties involved in the Global Offering.

APPLICATION FOR LISTING OF SHARES ON THE STOCK EXCHANGE

Application has been made to the Listing Committee for the listing of, and permission to deal in, Shares in issue and to be issued pursuant to the Capitalisation Issue and the Global Offering (including Shares which may fall to be issued pursuant to the exercise of the Offer Size Adjustment Option) and upon the exercise of options which may be granted under the Share Option Scheme, being up to 10% of the Shares in issue on the Listing Date.

Save as disclosed herein, no part of the Share of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or is proposed to be sought in the near future.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be void if the listing of, and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to us by the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of listing of, and permission to deal in, the Shares on the Stock Exchange and our Company's compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as HKSCC chooses.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

PROFESSIONAL TAX ADVICE RECOMMENDED

Applicants for the Offer Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding and dealing in the Shares. It is emphasised that none of our Company, the Underwriters, the Sole Sponsor, any of their respective directors, supervisors, agents or advisers or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities of holders of Shares resulting from the subscription, purchase, holding or disposal of Shares.

OFFER SIZE ADJUSTMENT OPTION

Details of the arrangements relating to the Offer Size Adjustment Option are set out in the section headed "Structure of the Global Offering" in this prospectus.

PROCEDURES FOR APPLICATION FOR SHARES

The procedures for applying for the Hong Kong Offer Shares are set out in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus and on the relevant Applications Forms.

STRUCTURE OF THE GLOBAL OFFERING

Details of the Structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

HONG KONG SHARE REGISTER AND STAMP DUTY

All Shares in issue or to be issued pursuant to the Global Offering will be registered on our Company's register of members to be maintained in Hong Kong. Our Company's principal register of members will be maintained by our Company's principal share registrar in the Cayman Islands.

Dealings in the Shares registered in our register of members in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in HK dollars in respect of the Shares will be paid to the Shareholders listed on our Company's register of members in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder.

EXCHANGE RATE CONVERSIONS

For exchange rate conversions throughout this prospectus, unless otherwise specified, translations of (i) HK$ into RMB and RMB into HK$; (ii) HK$ into US$ and US$ into HK$ and (iii) RMB into US$ and US$ into RMB in this prospectus are based on the rates set out below respectively (for the purpose of illustration only):

HK$1.00	:	RMB0.80
HK$7.8	:	US$1.00
RMB1.00	:	US$0.16

No representation is made that any amounts in RMB and HK$ and/or US$ and HK$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. As a result, any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr. Guo Xiao Ping (郭小平)	Room 802, No. 154 Siyouxin Road Guangzhou Guangdong Province the PRC	Chinese
Mr. Zhang Decong (張德聰)	Room 201, Block 67 Xintai Flower Garden Shishan Road Suzhou New District Suzhou Jiangsu Province the PRC	Chinese
Mr. Yuan Shan (袁山) (alternate director to Mr. Zhang Decong)	Room 103, Block 70 Xin Kang Garden Cang Lang District Suzhou Jiangsu Province the PRC	Chinese
Non-Executive Directors		
Mr. Li Ethan Jing (李靖)	Room 301, Building 15 Fenghuang Garden Nanzhang County Xiangyang Hubei Province the PRC	Australian
Mr. Hu Jin Xiong (胡錦雄)	Block 5, Number 8 Dongsha Villa Shiqiao City Panyu District Guangzhou Guangdong Province the PRC	Chinese
Mr. Leung Kar Fai (梁嘉輝)	6th Floor, Flat C, Block 1 Highland Park 11 Lai Kong Street Kwai Chung Hong Kong	Chinese

Independent Non-Executive Directors

Mr. Lau Tai Chim (劉大潛)	G/F, 28E O Pui Village Mang Kung Uk Clear Water Bay Hong Kong	Chinese
Mr. Sin Ka King (冼家勁)	Flat F, 5th Floor, Block 2 The Seacrest 1 Hang Kwai Street Tuen Mun Hong Kong	Chinese
Mr. Chow Hiu Tung (周曉東)	Flat A, 2nd Floor Cado Building 39 Cadogan Street Kennedy Town Hong Kong	Chinese

Further information of the aforementioned Directors is disclosed in the section headed "Directors and Senior Management" of this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	Guotai Junan Capital Limited (A licensed corporation to carry on type 6 (advising on corporate finance) regulated activity as defined under the SFO) 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Sole Global Coordinator, Sole Bookrunner and Sole Lead Manager	Guotai Junan Securities (Hong Kong) Limited (A licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities as defined under the SFO) 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong
Co-managers	CNI Securities Group Limited 10/F., Sun's Group Centre 200 Gloucester Road Wanchai Hong Kong
	Ever-Long Securities Company Limited 18th Floor, Dah Sing Life Building 99-105 Des Voeux Road Central Hong Kong
Auditors and reporting accountants	Ernst & Young *Certified Public Accountants* 22nd Floor CITIC Tower 1 Tim Mei Avenue Central Hong Kong

Legal advisers to our Company	*As to Hong Kong laws:* Stevenson, Wong & Co. 4/F, 5/F & 1602, Central Tower 28 Queen's Road Central Hong Kong *As to PRC laws:* Jingtian & Gongcheng Law Firm Suite 1202-1204 K.Wah Centre 1010 Huaihai Road (M), Xuhui District Shanghai the PRC *As to Cayman Islands laws:* Conyers Dill & Pearman (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands *As to BVI laws:* Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong
Legal advisers to the Sole Sponsor and the Underwriters	*As to Hong Kong laws:* Li & Partners 22/F., World-Wide House Central Hong Kong *As to PRC laws:* Guangxin Junda (ETR Law Firm) 7th Floor, Bank of Guangzhou Square No. 30 Zhujiang Dong Road Guangzhou Guangdong Province the PRC

Property valuer	Cushman & Wakefield Valuation Advisory Services (HK) Limited 9th Floor, St. George's Building No. 2 Ice House Street Central Hong Kong
Independent Industry Consultant	Beijing Antaike Information Development Co., Ltd. 7th Floor, 31 Suzhou Street Haidian District Beijing the PRC
Independent Technical Consultant	SRK Consulting (Hong Kong) Limited Suite A1, 11/F, One Capital Place 18 Luard Road Wanchai Hong Kong
Receiving bank	Bank of Communications Co., Ltd. Hong Kong Branch 20 Pedder Street Central Hong Kong

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business in the PRC	Room 718, No. 189 Shuijing Road Nanzhang County Xiangyang City Hubei Province the PRC
Principal place of business in Hong Kong	16/F, Guangdong Finance Building 88 Connaught Road West Hong Kong
Company's website	www.futurebrightltd.com *(information contained in this website does not form part of this prospectus)*
Company secretary	Mr. Ho Yuk Ming, Hugo, *HKICPA* Flat H, 6th Floor Kai Tak Garden 121 Choi Hung Road Wong Tai Sin Kowloon Hong Kong
Authorised representatives	Mr. Ho Yuk Ming, Hugo Flat H, 6th Floor Kai Tak Garden 121 Choi Hung Road Wong Tai Sin Kowloon Hong Kong Mr. Leung Kar Fai 6th Floor, Flat C, Block 1 Highland Park 11 Lai Kong Street Kwai Chung Hong Kong
Audit committee	Mr. Chow Hiu Tung (周曉東) *(Chairman)* Mr. Lau Tai Chim (劉大潛) Mr. Sin Ka King (冼家勁)

Remuneration committee	Mr. Sin Ka King (冼家勁) *(Chairman)* Mr. Lau Tai Chim (劉大潛) Mr. Chow Hiu Tung (周曉東)
Nomination committee	Mr. Lau Tai Chim (劉大潛) *(Chairman)* Mr. Sin Ka King (冼家勁) Mr. Chow Hiu Tung (周曉東)
Principal share registrar and transfer office	Codan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal bankers	Australia and New Zealand Banking Group Limited 22/F, Three Exchange Square 8 Connaught Place Central Hong Kong Industrial and Commercial Bank of China Nanzhang Branch No. 612 Shuijing Avenue Changguan Town Nanzhang County Xiangyang Hubei Province the PRC
Compliance adviser	Guotai Junan Capital Limited (A licensed corporation to carry on type 6 (advising on corporate finance) regulated activity as defined under the SFO) 27/F, Low Block Grand Millennium Plaza 181 Queen's Road Central Hong Kong

This section contains certain information which is derived from the Antaike Report. Our Directors believe that sources of the information extracted from the Antaike Report are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information extracted from the Antaike Report has not been independently verified by us, or any of our affiliates or advisers, nor by the Sole Sponsor, the Sole Lead Manager, the Underwriters or any of their respective directors, affiliates or advisers or any party involved in the Global Offering. We, our affiliates or advisers, the Sole Sponsor, the Sole Lead Manager, the Underwriters or their respective directors, affiliates or advisers, or any party involved in the Global Offering do not make any representation as to the accuracy, completeness or fairness of such information and, accordingly, you should not unduly rely on such information.

SOURCES AND RELIABILITY OF INFORMATION

In connection with the Global Offering, we have commissioned Antaike to provide the Antaike Report for use in whole or in part in this prospectus. We have agreed to pay Antaike a total of RMB450,000 in fees for the preparation of the Antaike Report, which we believe that it reflects market rates. The payment of such fees was not contingent upon our Listing or on the results of the Antaike Report. Our Directors are of the view that the payment of the fees does not affect the fairness of conclusion in the Antaike Report.

About Antaike

Antaike is a leading information provider and an Independent Third Party for the mining and metals industries in China which focuses on providing in-depth market research and consulting services to the mining industry. Based in Beijing, Antaike offers up-to-date information and reports on China metals and mining market through websites and a number of publications. Antaike is owned as to 42.6% by the China Nonferrous Metals Technology & Economy Institute, which is an Independent Third Party, and 57.4% by other Independent Third Parties.

Research Methodology

As confirmed by Antaike, the research and writing of the Antaike Report was a desktop exercise carried out by experienced professionals of Antaike who have extensive knowledge of the marble industry. Antaike utilised its in-house database, statistics and data from industry organisations, government statistics, industry association's publication and data to prepare the Antaike Report. The statistical and graphical information contained in its report was produced by compiling, interpreting and analysing production, economic, statistical and technical information from a number of different sources. Where necessary, Antaike's researchers also contacted companies and organisations operating in the industry to gather and analyse information about the market, prices and other relevant information.

To ensure the reliability and accuracy of the information and data disclosed in the Antaike Report, Antaike has performed the followings:

(1) In respect of the global marble market, Antaike compared the world marble data from different industry organisations and found the data from these sources similar. Antaike decided to use the data from MarbleintheWorld Data Bank as they provided consecutive and the most up-to-date data.

(2) In respect of the PRC domestic marble market, Antaike used statistics from recognised authoritative and official sources in China's stone industry including NBSC, CSMA and China Customs.

(3) Antaike has conducted reasonable verification on the information and data which it relied upon and is satisfied that these information and data are complete and accurate.

In preparation of the Antaike Report, Antaike has adopted the following principal assumptions:

(1) the data, estimates and forecasts made by NBSC, CSMA, China Customs and MarbleintheWorld Data Bank are reliable;

(2) there will be no material changes to the characteristics of the market and trade practice in the industry (such as the proportion of the marble blocks which are used to produce marble slabs, the mainstream thickness of marble slabs, the proportion of white marble production in terms of the total marble production in China and the proportion of imported white marble products in terms of the total imported marble products in China) will remain the same;

(3) there will be no material changes in the existing governmental policies or political, legal, fiscal, market or economic conditions in the PRC; and

(4) there will be no material changes in legislation or regulations or rules in the PRC which will adversely affect the domestic stone industry.

Antaike has confirmed that it is not aware of anything which could lead it to believe that these assumptions are unfair or unreasonable.

Our Directors confirm that as at the Latest Practicable Date, after taking reasonable care, there was no adverse change in the market information since the date of the Antaike Report which may qualify, contradict or have an impact on the information in this section.

Our Directors and the Sole Sponsor have no reason to believe that the aforesaid principal assumptions are inappropriate. Based on the above, our Directors and the Sole Sponsor are satisfied that the disclosure of future projection and industry data in this section is not misleading.

Except as otherwise noted, all the data and forecasts contained in this section are derived from the Antaike Report.

INTRODUCTION TO MARBLE

Marble is a type of natural rock composed of recrystallised carbonate minerals, most commonly calcite or dolomite. It is irregularly coloured due to its mineral impurities. Commercially, marble refers to rocks under a wide range of geological classifications, such as marbles of calcite and dolomite, serpentine rocks, and travertine.

Marble is an ideal decorative material for luxury buildings which is mainly for indoor applications such as wall, floor and column and is also a traditional material for artistic carving. There are various colour series of marble, including white, yellow, red, black and green. In general, white is one of the most popular colour series of natural marble. According to the Antaike Report, the white series marble includes white marble and grey marble. In this section, white series marble is generally referred to as "white marble". "Marble raw materials" *(Note 1)* mainly include marble blocks and a small quantity of marble aggregates and powders, where marble blocks will be further processed into "marble products". Marble products *(Note 2)* include marble slabs, monumental stones and sculpture.

Notes:

1. Marble raw materials mainly include marble blocks and small quantity of marble aggregates and powder, which will be further processed into marble products. Based on Antaike's understanding on the industry norms market information according to previous researches and exchange of information with CSMA, the trade volumes of marble raw materials are equivalent to the trade volumes of marble blocks.

2. Marble products include marble slab, monumental stone and sculpture. Based on Antaike's understanding on the industry norms market information according to previous researches and exchange of information with CSMA, 60% of the total trade volume of marble products are the trade volumes of marble slab.

MARBLE RESOURCES AND DISTRIBUTION

According to the Antaike Report, marble resources are mainly found in Hebei, Jiangsu, Hubei, Sichuan and Guangdong provinces in China. In the period between 2006 and 2012*(Note)*, Chinese marble resources were stable at around 1,350 million m^3 to 1,550 million m^3. The figures for 2013 were not available at the Latest Practicable Date.

According to the Antaike Report, white marble resources are mainly found in Greece, Spain, and Italy. In China, white marble resources are mainly found in Xinjiang, Shaanxi, Yunnan, Hubei, Hebei, Sichuan and Jiangsu provinces. China is a net importer of marble raw materials and a net exporter of marble products.

Note: According to the Antaike Report, after making enquiry with CSMA, CSMA confirms to Antaike that those figures for 2013 are not available and that there has been no material change from 2012.

MARBLE PRODUCTION

China marble production

According to the Antaike Report, driven by increasing demand from the PRC construction and decoration industries, total marble block production in China increased from approximately 2.7 million tonnes in 2006 to approximately 41.5 million tonnes in 2013, representing a CAGR of approximately 47.9%.

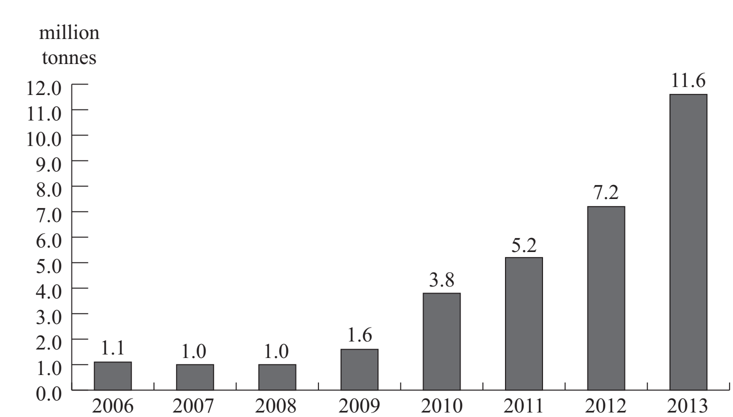
According to the Antaike Report, driven by the rapid growth of marble slab demand in China, total marble slab production in China increased from approximately 47.3 million m^2 in 2006 to approximately 396.4 million m^2 in 2013, representing a CAGR of approximately 35.5%.

China white marble production

Sichuan, Yunnan, Guangxi, and Hebei provinces are the main provinces of white marble production in China. According to the Antaike Report, white marble is gradually becoming one of the main decorative materials for high quality commercial and public buildings as well as residential buildings.

According to the Antaike Report, total white marble block production in China increased from approximately 1.1 million tonnes in 2006 to approximately 11.6 million tonnes in 2013, representing a CAGR of approximately 39.5%. The following chart sets forth total white marble block production in China from 2006 to 2013:

Total white marble block production in China (2006-2013)



Source: Antaike Report

According to the Antaike Report, total white marble slab production in China increased from approximately 11.8 million m^2 in 2006 to approximately 99.1 million m^2 in 2013, representing a CAGR of approximately 35.5%.

MARBLE CONSUMPTION

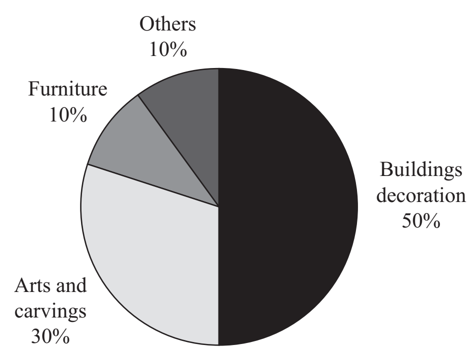
China's marble consumption and its outlook

According to the Antaike Report, China's marble slab apparent consumption (which is derived from domestic production minus net export) increased from approximately 36.4 million m^2 in 2006 to approximately 376.1 million m^2 in 2013, representing a CAGR of approximately 39.6%. According to the Antaike Report, driven by the growth of marble slab consumption in China, marble block consumption in China increased from approximately 6.1 million tonnes in 2006 to approximately 51.0 million tonnes in 2013, representing a CAGR of approximately 35.5%.

White marble is gradually becoming one of the main decorative materials for high-end commercial and residential buildings. The main white marble consumption regions in China are Beijing, Shanghai, Guangzhou and Shenzhen, where the construction and building decoration markets are developing rapidly.

The following pie chart sets forth the breakdown of China's marble consumption in 2012*(Note)*:

China's marble consumption breakdown in 2012 by tonnage



Source: Antaike Report

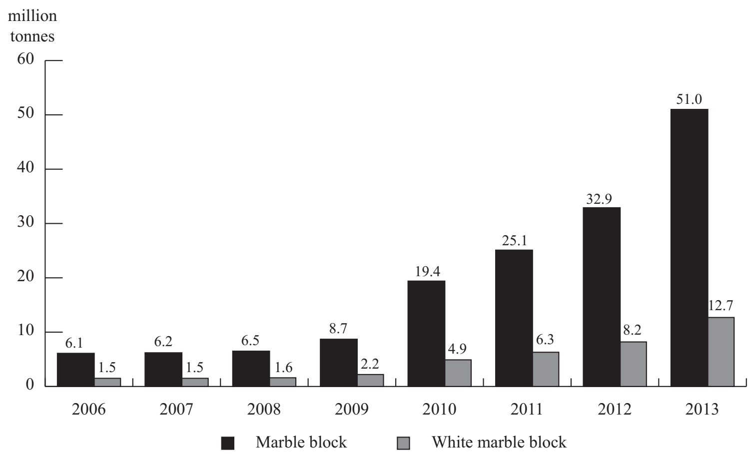
According to the Antaike Report, by order of marble consumption volume, the top 12 cities in China are Shanghai, Beijing, Guangzhou, Hangzhou, Nanjing, Chengdu, Wuhan, Tianjin, Dalian, Chongqing, Shenzhen and Shenyang.

According to the Antaike Report, China's white marble block consumption increased from approximately 1.5 million tonnes in 2006 to approximately 12.7 million tonnes in 2013, representing a CAGR of approximately 35.5%.

Note: According to the Antaike Report, after making enquiry with CSMA, CSMA confirms to Antaike that those figures in 2013 are not available and that there has been no material change from 2012.

The following graph sets forth China's marble block and white marble block consumption from 2006 to 2013:

China's marble block and white marble block consumption (2006-2013)



Source: Antaike Report

China's marble slab apparent consumption and its outlook

The growth of China's white marble slab apparent consumption was in line with that of white marble block consumption between 2006 and 2013. During this period, China's white marble slab apparent consumption increased from approximately 11.0 million m^2 in 2006 to approximately 97.6 million m^2 in 2013, representing a CAGR of approximately 36.5%.

With the improvement of living standards in China, marble is used for building decoration purpose and the proportion of marble consumption in building decoration. High-end hotel sector is one of the largest marble slab consuming sectors. With the development of Chinese tourist industry, the growth of high-end hotels is also forecast to accelerate in the near future. According to National Tourism Administration of The People's Republic of China (CNTA), the numbers of four-star and five-star hotels were only 635 and 175, respectively in 2002, which increased to 2,370 and 722 in 2013 respectively, at a CAGR (2002-2013) of 12.7% and 13.8% respectively. Besides construction of new high-end hotels, some of existing high-end hotels need to be redecorated to meet the star-rating standards.

Office building sector is another large marble slab consuming sector in China. Floor space completed of office building in China increased from 104 million m^2 in 2004 to 245.8 million m^2 in 2013 at a CAGR (2004-2013) of 10.0%.

COMPETITIVE ANALYSIS

Competitive landscape

The growth in marble block import has been supplementing the fast growing domestic marble block market. With the development of China's marble industry, some imported marble blocks are substituted by marble blocks quarried locally with similar colour and texture. As a result, white marble block producers in China compete with both local market players and foreign exporters who supply marble blocks with similar colour and texture to China in terms of price.

In addition to competition from overseas, there is also competition locally as the stone industry in China is highly fragmented. According to the Antaike Report, a marble producer will compete with the other producers of marble products of a similar nature, quality and/or for a similar usage. In general, marbles of a different colour, texture and glossiness complement rather than compete with each other. In 2012, there are approximately 30,000 stone enterprises in China, of which about 6,000 are stone block enterprises according to CSMA. According to the Antaike Report, after making enquiry with CSMA, CSMA confirms to Antaike that those figures in 2013 are not available and that there has been no material change from 2012.

Major industry participants in the PRC

There are several large stone enterprises in the PRC. Although these companies produce marble blocks, most of their marble blocks are not sold to third parties but are used by these companies for the purpose of producing other marble products such as marble slabs. According to the Antaike Report, as the market of the stone industry is highly fragmented in China, the market share of top eight market manufacturers accounted for less than 10% of the total marble market in terms of production capacity in 2013. The following table sets forth the major industry participants in China stone industry in terms of their approximate production capacity of stone slabs per annum.

Company	Year of establishment	Headquarters	Business areas	Key products	Approximate production capacity per annum *(million m^2)* *(Note 1)*	Approximate production capacity per annum *(m^3)* *(Note 2)*
Company A	1987	Hong Kong and Dongguan	Quarrying, stone production and stone processing	Stone (including marble) products including slabs, tiles, mosaics, marble medallion, columns, arc panels	1.8	42,857
Company B	1994	Shenzhen	Production of stone products (from quarry to facing slab) and stone trading	Marble and granite products including blocks, slab, tile, mosaic, fireplaces, vanity, counter tops and other special stone products	3.0	71,429
Company C	1990	Dongguan	Quarrying, processing of building slabs, stone craft processing and block	Building slabs (including marble slabs), processed stone (including marble) crafts and block	1.2	28,571
Company D	2000	Shuitou of Nan'an	Quarrying, imports and exports of natural stone, wholesale of marble and granite slabs, cut-to-sizes, countertops, vanity tops, advanced stone project design and construction	Natural stone, marble and granite slabs, cut-to-sizes, countertops, vanity tops	2.5	59,524
Company E	1989	Longgang District of Shenzhen	Stone trading, stone quarrying and stone processing	Marble and granite slab, tile, mosaic, marble medallion, fireplaces, vanity, counter tops and other special shape stone products	4.1	97,619
Company F	1990	Shuitou of Nan'an	Stone quarrying, stone processing, artistic sculpturing, design and decoration construction	Marble, granite and artificial marble including thin slab, slabs, compound marble plates, mosaics, marble medallion, columns, arc panels, fireplaces, sculptures, vanity, counter tops and other special stone products	2.6	61,905
Company G	1999	Shuitou of Nan'an	Stone processing, domestic and overseas quarries exploitation, quarrying, import and export trade and building decoration	Imported marble, granite, blocks, slabs, special process, mosaic, ceramic	3.0 (stone slabs) 6.0 (ceramics)	71,429 stone slabs (including marble slabs)
Company H	1990	Shanghai	Quarrying and other industries	Marble, granite, artificial stone and quarts	2.0	47,619

Source: Antaike Report

Notes:

1. As most of the marble blocks produced by these companies are used by these companies for the purpose of producing other marble products such as marble slabs which is measured by m^2, the approximate annual production capacity of these companies is expressed in m^2.

2. The annual production capacity measured in m^3 per annum of each of the companies listed in the table above was calculated on the basis of the industry norm that $1m^3$ of marble block can be processed into about 42 marble slabs of $1m^2$ each with thickness of 18mm according to the Antaike Report.

A large majority of approximately 90.0% of Chinese stone enterprises are micro-medium sized. According to CSMA, there were approximately 2,100 above-designated-size stone enterprises (stone enterprises with an annual revenue over RMB20 million) in China in 2011, of which approximately 500 were stone block enterprises, and approximately 1,600 were stone processing enterprises. Due to low concentration of China's stone industry, highly intensified competition is inevitable, especially among the marble processing companies. Stone block enterprises are mainly located in Liaoning, Shandong, Guangdong, Zhejiang, Hunan and Anhui provinces. Liaoning province has the largest number of stone block enterprises, accounting for 12.1% of the total number of stone block enterprises in China, followed by Shandong province. The following table sets forth the size and number of stone enterprises in 2011:

Size and number of stone enterprises in China in 2011*(Note)*

Scale	**Sales revenue** *(RMB/year)*	**Number of stone enterprises**	**Percentage of total number of stone enterprises** *(%)*
Large	≥400 million	~20	0.1
Medium	20-400 million	~2,100	7.9
Small	3-20 million (up to 20 million but excluding 20 million)	~4,500	16.9
Micro	<3 million	>20,000	75.1

Source: Antaike Report

Note: According to the Antaike Report, after making enquiry with CSMA, CSMA confirms to Antaike that those figures in 2013 are not available and that there has been no material change from 2012.

Entry barriers to the marble industry in China

According to the Antaike Report, major entry barriers for the marble quarrying companies include:

(i) the ability to locate marble resources in area which is supported by well-developed infrastructure and transportation networks.

Having marble resources with good physical properties such as beautiful colour, good texture and high glossiness marble is a key competitive edge for a marble quarrying company. Other factors such as the amount of waste material generated during the extraction of marble resources will affect the quantity of marble resources to be extracted and the economic viability of the marble quarry;

(ii) *the ability to locate and meet capital requirement on acquiring marketable marble resources which can be extracted economically.*

The distance from a quarry to processing plants and customers and the infrastructure and transportation network in which a quarry is located are important aspects as the transportation cost and time required for transportation of marble vary substantially and thus have significant impact on the operation of a marble quarrying company. Since the transportation cost will be higher if a quarry is located in an area where it is not well connected to other major cities or ports, potential customers may be deterred from sourcing marble from such quarry. According to the Antaike Report, it is an industry practice for customers to collect marble they have purchased from suppliers; and

(iii) *the ability to obtain all requisite permits (such as the mining permit) and comply with the applicable laws and regulations, in particular those in relation to environmental protection and the capital outlay for payment of environment protection reserve fund as required under the relevant laws and regulations.*

As the environmental protection laws and regulations evolve and become more stringent, marble quarrying companies may be required to pay more environment protection reserve fund according to the laws and regulations on initial startup, resulting in a higher capital requirement to be borne by the marble quarrying companies. In addition, the initial startup capital requirement may vary with different level of stringentness of governmental policies on environmental protection and safety in different areas. If a marble quarry is located in an area which has more stringent governmental policies on environmental protection and safety, the marble quarrying companies will be required to invest more in initial startup in order to comply with these policies. Capital requirement for ongoing compliance with these policies poses another entry barrier for a marble quarrying company. Further information on the key entry barriers for marble quarrying companies are set forth below:

Future opportunities

(i) *Increase in urbanisation*. With it the development of infrastructure, building and construction industry in general.

(ii) *Continued development of the PRC economy*. With growth in income and standard of living in the PRC, hence incurring demand of marble as a decorative material.

(iii) *Growth in the PRC tourism industry in the near future*. It is expected to accelerate the development of high-end hotels, one of the largest marble slab consuming sectors. Some existing hotels are also expected to be redecorated to meet higher standards.

(iv) *Increase in demand for marble slabs in high-end commercial and residential buildings*. Due to (a) increases of income and consumer needs from improved living standards; and (b) with standardising of marble slab sizes leading to increased application in high-end commercial and residential buildings.

Threats and challenges

(i) *Fierce competition*. According to the Antaike Report, China's marble industry is a fully open market and the competition is fierce. The price of a good series of marble can be pulled down due to disordered competition. According to the Antaike Report, suppliers of marble based in second and third tier cities may sell at a price premium of about RMB20-30/m^2 as compared to tier one cities due to a mild competition.

(ii) *Increasing production cost*. Since the early of 2010, the increasing production cost for marble block including power and oil cost, water, labour cost has lifted marble prices at a same pace. According to the Antaike Report, average monthly salary of workers in Hubei has increased from approximately RMB1,800 in 2009 to approximately RMB3,300 in 2013. Petrol and diesel prices had increased for approximately 29% and 31%, respectively from 2009 to 2013. Such increase in labour cost and fuel prices may result in downward pressure on profit margin of marble quarrying companies.

Our competitive advantage

Our Yiduoyan Project contains white series marble. According to the Antaike Report, white series marble is a popular colour series of natural marble in the PRC. As mentioned above, China's white marble block consumption increased from approximately 1.5 million tonnes in 2006 to approximately 12.7 million tonnes in 2013, representing a CAGR of approximately 35.5%. According to the Feasibility Study Report, the marble of our Yiduoyan Project has a fine and well defined surface texture and high glossiness and can be used as middle-high end decorative stone. According to the Independent Technical Report, the marble from our Yiduoyan Project is light coloured marble that is fine textured and takes a good polish and is hence regarded as a relatively high grade dimension stone.

Please also refer to the paragraph headed "Business – Properties of our product" in this prospectus for a quantitative analysis on the main physical properties of the marble of our Yiduoyan Project in the form of a table which sets forth the main properties of the marble of our Yiduoyan Project and how they compare with the relevant Chinese standard and industry average.

MARBLE PRICES

China's marble block prices

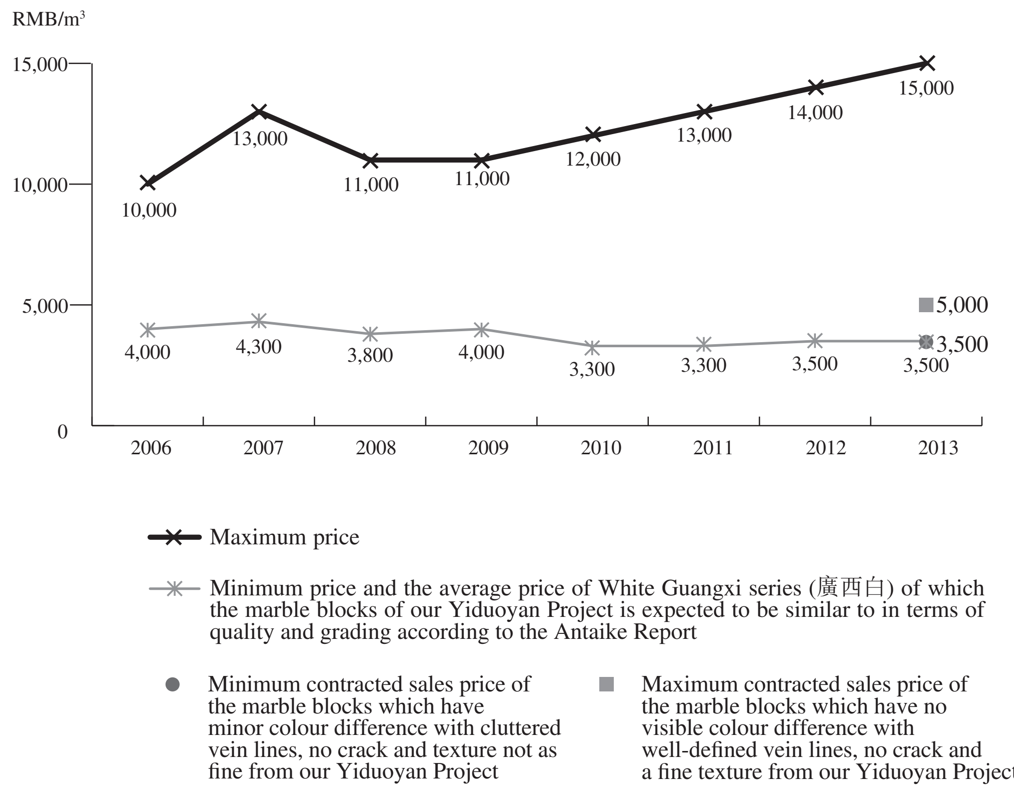
According to the Antaike Report, marble, being a natural resource, and especially those of high-grade quality, is prone to depletion due to extraction. As supply dwindles, the price of marble block will naturally increase if demand stays constant, and such increase will be greater with increased demand. Existing marble quarry owners, particularly those with high grade and rare stones, may also attempt to control or manage prices by controlling the production and/or supply of the marble.

China's marble block prices is determined based on the marble block's quality, appearance such as colour, pattern, texture, size and quantity.

China's white marble block prices and the average price of White Guangxi series (廣西白)

The following graph sets forth the minimum and maximum prices of the domestic white marble blocks and the average price of White Guangxi series (廣西白) from 2006 to 2013. The marble blocks of our Yiduoyan Project are expected to be similar to the White Guangxi series (廣西白) in terms of quality and grading according to the Antaike Report:

China's white marble block prices and the average price of White Guangxi series (廣西白) (2006-2013)



Source: Antaike Report

Note: Prices above are all tax included.

According to the Antaike Report, marble blocks such as Shanshui White (山水白) and Medium Arabescato (中花白) series were priced at the high end of the price range of the domestically produced marble blocks of approximately RMB15,000 per m^3 while marble blocks such as White Guangxi series (廣西白) was priced at the low end of the price range of the domestically produced marble blocks of approximately RMB3,500 per m^3 in 2013. According to the Antaike Report, our marble blocks were at the lower end of the market price range in the PRC.

The sales contracts we entered into with four customers provide a price range of RMB3,500 per m^3 to RMB5,000 per m^3. We are currently focusing on mine construction and development of our Yiduoyan Project. As we had only commenced limited commercial production in September 2014, our sales had been relatively low. We sold 267.2 m^3 of marble blocks to one of our customers, namely, Huilong, which were produced during the construction phase of our Yiduoyan Project, in June 2014 with an average sale price of RMB3,500 per m^3 (including 6% VAT) and generated sales proceeds of a total amount of approximately RMB0.9 million which have been credited to construction in progress.

China white marble slab price

According to the Antaike Report, in 2013, the China's top grade marble slab prices range from RMB240 per m^2 for Sunny Yellow to RMB2,650 per m^2 for Italian Rose. According to the Antaike Report, for standard 18mm thick marble slabs, (i) the market prices of the major foreign type of white marble slabs available in China in 2013 range from approximately RMB200 per m^2 to RMB650 per m^2 for ordinary grade and approximately RMB420 per m^2 to RMB3,000 per m^2 for top grade; (ii) the market prices of the major domestic type of white marble slabs available in China in 2013 range from approximately RMB100 per m^2 to RMB600 per m^2 for ordinary grade and approximately RMB700 per m^2 to RMB1,000 per m^2 for top grade.

PRICES OF KEY RAW MATERIALS

The key raw materials for a marble quarry mine include manpower, fuel and consumable such as diamond beaded wire, lubricant and drill rod and drill bits. The below table sets forth the historical price of key raw materials in Hubei Province for 2006 to 2013 respectively:

Prices of key raw materials in Hubei Province (2006-2013)

			Year							
Cost centre			**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Consumables										
(a)	Diamond beaded wire	*(RMB/metre)*	290	290	285	280	270	275	270	255
		% of change	–	*0%*	*-2%*	*-2%*	*-4%*	*2%*	*-2%*	*-6%*
(b)	Lubricant	*(RMB/kg)*	16	16	16.5	16.5	16	16.8	17	17
		% of change	–	*0%*	*3%*	*0%*	*-3%*	*5%*	*1%*	*0%*
(c)	Drill rod and drill bits	*(RMB/piece)*	220	220	220	230	225	225	230	230
		% of change	–	*0%*	*0%*	*5%*	*-2%*	*0%*	*2%*	*0%*
Fuel										
(a)	Petrol	*(RMB/tonne)*	5,185	6,442	7,522	6,910	7,970	7,510	9,620	8,905
		% of change	–	*24%*	*17%*	*-8%*	*15%*	*-6%*	*28%*	*-7%*
(b)	Diesel	*(RMB/tonne)*	4,500	5,940	7,020	6,170	7,240	6,770	8,800	8,090
		% of change	–	*32%*	*18%*	*-12%*	*17%*	*-6%*	*30%*	*-8%*
Electricity		*(RMB/kWh)*	0.72	0.72	0.825	0.825	0.945	0.945	0.945	0.945
		% of change	–	*0%*	*15%*	*0%*	*15%*	*0%*	*0%*	*0%*
Manpower (eg. average salary of workers)		*(RMB/month)*	1,202	1,315	1,629	1,865	2,212	2,651	3,011	3,321
		% of change	–	*24%*	*15%*	*19%*	*20%*	*14%*	*10%*	*9%*

Source: Antaike Report

According to the Antaike Report, petrol and diesel prices in Hubei Province rose significant for 28% and 30% in 2012, respectively, mainly due to the concerns about international supply disruptions by unstable political environment in supplying countries. The average salary of workers in Hubei Province experienced significant increase from year 2006 to 2012, primarily because of the rapid growth of China's economy, with a nominal GDP increased at a CAGR of 14.3% for the same period. Other than the petrol and diesel price and salary of workers, prices for other key raw materials for a marble quarry remained stable.

PRC LAWS RELATING TO FOREIGN INVESTMENT IN THE STONE INDUSTRY

Investment in the PRC conducted by foreign investors and foreign-owned enterprises shall comply with the Guidance Catalogue of Industries for Foreign Investment (2011 Version) (外商投資產業指導目錄) (2011年修訂), which was jointly issued by the MOFCOM (中華人民共和國商務部) and the NDRC (中華人民共和國國家發展和改革委員會) in 2002, as amended in 2004, 2007 and 2011. The current effective Foreign Investment Catalogue was issued on 24 December 2011, and came into force on 30 January 2012. The Catalogue contains specific provisions guiding market access of foreign capital, stipulating in detail the areas of entry pertaining to the categories of encouraged foreign-invested industries, restricted foreign-invested industries and prohibited foreign investment industries. Any industry not listed in the Catalogue is a permitted industry. The business engaged by our Group falls within a permitted foreign-invested industry.

Pursuant to the Tentative Regulation to Promote the Adjustment of Industrial Structure (促進產業結構調整暫行規定) issued and took effect on 2 December 2005 as well as the Guidance Catalogue of Industrial Structure Adjustment (Version 2011) (產業結構調整指導目錄(2011年本)), issued on 16 February 2013 and took effect on 1 May 2013, the Catalogue for the Guidance of Industrial Structure Adjustment is composed of three categories of industries, namely, the encouraged category, the restricted category and the eliminated category. The industries not belonging to the encouraged category, the restricted category or the eliminated category, but conforming to the relevant laws, regulations and policies of the state, shall belong to the permitted category. The industries of the permitted category are not listed into the Catalogue for the Guidance of Industrial Structure Adjustment.

PRC LAWS RELATING TO MINERAL RESOURCES

Pursuant to the Mineral Resource Law of the PRC (中華人民共和國礦產資源法) effective on 1 January 1997 and the Rules for the Implementation of the Mineral Resources Law (中華人民共和國礦產資源法實施細則) promulgated and effective on 26 March 1994, (i) mineral resources are owned by the State with the State Council exercising ownership over such resources on behalf of the State. The State ownership of mineral resources shall remain unchanged notwithstanding that the ownership or the right to use the land to which such mineral resources are attached has been granted to a different entity or individual; (ii) the MLR is the department in charge of geology and mineral resources and is authorised by the State Council to supervise and administer the exploration and exploitation of mineral resources nationwide. The department in charge of geology and mineral resources, of each province, autonomous region or municipality directly under the Central Government is responsible for the supervision and administration of the exploration and exploitation of mineral resources within its respective administrative regions; (iii) exploration rights and mining rights may be acquired with consideration. Enterprises engaged in the mining or exploration of mineral resources must pay a certain amount of money for obtaining mining rights and exploration rights; (iv) an enterprise that intends to explore and exploit mineral resources shall apply for each exploration and mining rights separately according to the relevant PRC laws, regulations and policies, and is required to undergo the registration process for each of the exploration and mining rights, unless the mining enterprise which intends to conduct exploration operations for its own production within the defined mining areas has previously obtained mining rights; (v) anyone who exploits mineral resources must pay resources tax and resources compensation levy in accordance with relevant regulations of the State. In accordance with Provisional Regulations on Resources Tax of the PRC (中華人民共和國資源稅暫行條例), the rate of the resources tax ranges from RMB0.5 to RMB20 per tonne or m^3 of other non-metal ores. The amount of resources compensation levy payable is computed on the basis of the sales revenue of mineral products. In accordance with the Administrative Rules on the Levy of Mineral Resources Compensation (礦產資源補償費徵收管理規定) effective on 3 July 1997, the resources compensation levy shall be calculated in accordance with the formula "amount of the resources compensation levy payable = sales revenue of mineral products x compensation levy rate x coefficient of mining recovery rate"; (vi) exploration rights and mining rights are transferable, but any transfer shall be approved by the relevant geological and mineral resources department or land department of the People's Government, and shall satisfy such other conditions as stipulated under the PRC laws and regulations; and (vii) MLR and the departments in charge of geological and mineral resources of each province, autonomous region or municipality directly under the Central Government authorised by MLR are responsible for the granting of exploration and mining permits.

Under the Rules for the Implementation of the Mineral Resources Law (中華人民共和國礦產資源法實施細則), a holder of a mining permit (採礦許可證) has the right to and is also obligated to conduct mining activities in the designated area and within the time period subscribed under the mining permit. A holder of a mining permit has certain additional rights including, among others, rights to (i) set up necessary production and living facilities within the designated area and (ii) acquire the land use rights necessary for the production. A holder of mining permit has certain additional obligations including, among others, obligations to (i) conduct reasonable exploitation, and protect and fully utilize mineral resources; (ii) pay resources tax and resources compensation levy; (iii) comply with the laws and regulations relating to occupational safety, soil and water conservation, reclamation and environmental protection; and (iv) submit mineral resource reserve and utilization reports to relevant government authorities as required.

Administrative Measures for the Registration of Mineral Resources Exploitation (礦產資源開採登記管理辦法) (the "**Administrative Measures**") was promulgated by the State Council on 2 February 1998 and was amended on 29 July 2014. Under the Administrative Measures, anyone with mining rights shall file an application for registration of change(s) with the appropriate registration administration authority within the duration of the mining permit term if there is any change in the scope of the mining area, the main exploited mineral categories, the exploitation mode, the name of the mining enterprise and/or the transfer of the mining right according to the relevant laws. According to the Administrative Measures, holders of mining permits are subject to mining right usage fees. Mining right usage fees shall be payable on an annual basis. The rate of mining right usage fee shall be RMB1,000 per km^2 of mining area per year. The validity period of a mining permit shall be determined according to the scale of the mine. The maximum validity period of the initial term of a mining permit for a big-scale mine, medium-scale mine and small-scale mine shall be 30 years, 20 years and 10 years, respectively. If continuation of mining is necessary after the expiration of the mining permit, the holder of a mining permit shall apply for an extension with the registration authority within 30 days prior to the expiration of the term of the mining permit. If the holder of a mining permit fails to apply for an extension prior to the expiration of the term, the mining permit shall terminate automatically.

To administer the assessment of exploration rights and mining rights, and to ensure the healthy development of the assessment industry, the Tentative Provisions on Administration of Mining Industry Right Assessment (礦業權評估管理辦法(試行)) was issued on 23 August 2008.

PRC LAWS RELATING TO PRODUCTION SAFETY

The PRC government has formulated a relatively comprehensive set of laws and regulations on production safety, including the Law on Production Safety of the PRC (中華人民共和國安全生產法), which became effective on 1 November 2002, the Law on Mine Safety of the PRC (中華人民共和國礦山安全法), which became effective on 1 May 1993, as well as the Regulations on the Implementation of the Law on Mine Safety of the PRC (中華人民共和國礦山安全法實施條例), which became effective on 30 October 1996, pertain to the exploration and mining of mineral resources, mine construction, disuse of pits and other related activities. The State Administration of Work Safety (國家安全生產監督管理總局) is responsible for the overall supervision and management of the safety production nationwide, while the departments in charge of safety production at the provincial level or above are responsible for the overall supervision and management of the safety production within their own jurisdictions.

The Regulation on Work Safety Licenses (安全生產許可證條例) was promulgated and became effective on 13 January 2004. The Measures for the Implementation of Work Safety Licenses for Non-coal Mine Enterprises (非煤礦礦山企業安全生產許可證實施辦法) was promulgated on 17 May 2004, amended on 30 April 2009 and became effective on 8 June 2009. Pursuant to such regulation and measures, (i) the work safety licensing system is applicable to any enterprise engaging in non-coal mining and such enterprise may not produce any products without obtaining a work safety license. Enterprises which fail to fulfill the production safety may not carry out any production activity; (ii) prior to producing any products, the non-coal mining enterprise shall apply for a work safety license, which is valid for three years; (iii) the work safety bureau at or above provincial level are in charge of issuing the work safety license for non-coal mining enterprise; (iv) if a work safety license needs to be extended, the enterprise must apply for an extension with the administrative authority who issued the original license three months prior to the expiration of the original license; and (v) mining enterprises which have obtained the production safety license may not lower their production safety standards, are subject to supervision and inspection by the licensing authorities. If the authorities are of the opinion that the mining enterprises do not fulfill the safety requirements, the safety license may be withheld on a temporary basis or revoked.

The State has also formulated a set of national standards on production safety for the mining industry. In general, the mine design must comply with the production safety requirements and industry practice.

Pursuant to the Law on Mine Safety of the PRC, the State has established safety supervision requirements for mines and established mine safety supervisory authorities. The competent departments of labor administration of the people's governments at or above the provincial level shall exercise the following supervisory responsibilities with respect to safety work in mines: (i) to supervise the implementation of laws and regulations on mine safety by mining enterprises and the authorities in charge of mining enterprises; (ii) to participate in the examination upon the designs and completion of safety facilities in mine construction; (iii) to inspect the working conditions and safety status of mines; (iv) to inspect education and training on production safety provided by mining enterprises; (v) to supervise the withdrawal and use of the special funds for safety technical measures by mining enterprises; (vi) to participate in and supervise investigations and handling of mining accidents; and (vii) other supervisory responsibilities provided for by laws and regulations.

Pursuant to the Measures on the Safety Facilities Design Review and Acceptance Inspection for Non-coal Mine Construction Projects (非煤礦礦山建設項目安全設施設計審查與竣工驗收辦法), promulgated on 28 December 2004 and effective on 1 February 2005, the safety facilities and safety conditions of a construction project shall be subject to the acceptance inspection by the competent safety supervisory authorities. Those construction projects which fail to pass the acceptance inspection shall not be put into use or production.

PRC LAWS RELATING TO ENVIRONMENTAL PROTECTION

The PRC Ministry of Environmental Protection is responsible for the supervision of environmental protection in, implementation of national standards for environmental quality and discharge of pollutants for, and supervision of the environmental management system of the PRC. Environmental protection bureaus at the provincial level or above are responsible for environmental protection within their jurisdictions.

The PRC laws and regulations on environmental protection include the Environmental Protection Law of the PRC (中華人民共和國環境保護法) promulgated and effective on 26 December 1989; the Air Pollution Prevention of the PRC (中華人民共和國大氣污染防治法) revised on 29 April 2000 and effective on 1 September 2000; the Law of the PRC on the Prevention and Control of Water Pollution (中華人民共和國水污染防治法) revised on 28 February 2008 and effective on 1 June 2008 and the related implementing regulations (中華人民共和國水污染防治法實施細則) promulgated and effective on 20 March 2000; the Law on Prevention of Environmental Pollution Caused by Solid Waste of the PRC (中華人民共和國固體廢物污染環境防治法), amended on 29 December 2004 and effective on 1 April 2005; the Administrative Regulations on Levy and Utilization of Pollutant Discharge Fees (排污費徵收使用管理條例) promulgated on 2 January 2003 and effective on 1 July 2003; the Regulations on Environmental Protection Management of Construction Projects (建設項目環境保護管理條例) promulgated and effective on 29 November 1998 and the Administrative Measures on the Inspection Acceptance of the Environmental Protection for Completed Construction Projects (建設項目竣工環境保護驗收管理辦法) promulgated on 27 December 2001, effective on 1 February 2002 and amended on 22 December 2010.

Pursuant to the laws and regulations stated above, an enterprise that discharges and dispenses toxic and hazardous materials including waste water, solid waste and waste gases, shall comply with the applicable national and local standards, as well as report to and register with the applicable environmental protection authority. Failure to comply can result in a warning, an order, or a penalty against the enterprise. Before commencing a construction project, an environmental impact assessment report must be submitted by an enterprise to the relevant environmental protection authority for approval. An acceptance inspection by the relevant environmental protection authority is required before the completed project can commence its operations.

PRC LAWS RELATING TO GEOLOGICAL ENVIRONMENT PROTECTION

Pursuant to the Provisions on the Protection of the Geologic Environment of Mines (礦山地質環境保護規定) promulgated by the MLR on 2 March 2009 and effective on 1 May 2009, (i) when an applicant for mining rights applies for the mining permit, the applicant shall compile a plan for the protection and restoration of the mine's geological environment and submit the plan to the competent land and resources authority for approval; (ii) when a mine's geological environment is destroyed due to mineral mining, the holder of a mining permit shall be responsible for restoration, and the cost of the restoration forms part of the production cost; and (iii) the holder of a mining permit shall pay the security deposit for the management and restoration of the geological environment of mines, the amount of which shall not be less than the expenses necessary for the management and restoration of the geologic environment of mines. The standard and measures for the payment of the security deposit for the restoration of the geological environment of mines is implemented in compliance with relevant provisions formulated by each province, autonomous region or municipality directly under the Central Government.

Pursuant to the Hubei Province's Regulations on the Administration of Geological Environment (湖北省地質環境管理條例) promulgated by the Standing Committee of the People's Congress of Hubei Province on 31 May 2001 and effective on 1 August 2001 (i) it is mandatory to submit a geological environment impact assessment report to the applicable geological environmental protection authority for approval and (ii) the holder of a mining permit shall pay the deposit for the restoration of the geological environment of mines.

PRC LAWS RELATING TO TAXATION AND FEE

According to the EIT Law which took effect as at 1 January 2008 and its implementation rules, a unified enterprise income tax rate of 25% is applied equally to both domestic enterprises and foreign invested enterprises.

For ordinary non-metallic ores, the amount of resources tax payable is computed by multiplying the sales of self-used volume of mineral products with the applicable rate of the resource tax ranging from RMB0.5 to RMB20 per tonne or m^3 of other non-metal ores. The State Council reserves the right to adjust the rate of the resource tax from time to time. According to the Implementing Rules for the Provisional Regulations on Resources Tax of the PRC (中華人民共和國資源稅暫行條例實施細則), which became effective on 30 December 1993 and was amended on 28 October 2011, resources tax is levied according to the grade of mines and the applicable amount of tax per ton of ore produced as provided in the schedules attached to such implementing rules.

Pursuant to the Interim Regulations of the PRC on Resource Tax (中華人民共和國資源稅暫行條例) promulgated on 25 December 1993, amended on 30 September 2011 and effective on 1 November 2011, any enterprise engaged in the exploitation of mineral products within the PRC is subject to pay a resource tax.

According to the Notice of Ministry of Finance and State Taxation Administration on Adjusting Resource Tax Applicable to Limestone, Marble and Granite (財政部、國家稅務總局關於調整石灰石、大理石和花崗石資源稅適用稅額的通知) issued on 4 June 2003 effective from 1 July 2003, statutory resource tax rate for marble is suggested to range from RMB3.0 to RMB10.0 per m^3. Local governmental authorities are authorised to determine the specific resource tax rate within the foresaid range payable by any mining right holder. Pursuant to the written confirmation letter issued by the Local Tax Bureau of Nanzhang County (南漳縣地方稅務局) on 29 August 2014, the specific resource tax rate payable by holders of marble mining rights in Nanzhang is RMB5 per m^3 pursuant to the Provisions on the Administration of the Collection of Mineral Resources Compensation (礦產資源補償費徵收管理規定).

PRC LAWS RELATING TO LAND

Pursuant to the Land Administration Law of the PRC (中華人民共和國土地管理法) promulgated on 25 June 1986 and effective on 1 January 1987 and amended on 28 August 2004, and Regulations for the Implementation of the Land Administration Law of the PRC (中華人民共和國土地管理法實施條例) promulgated on 27 December 1998 and effective on 1 January 1999, all land in the PRC is either state-owned or collectively owned, depending on the location of the land. All land in the urban areas of a city or town is state-owned, and all land in the rural areas of a city or town and all rural land is, unless otherwise specified by law, collectively owned. The state has the right to reclaim land in accordance with law if required for public interest. Land owned by the State and land collectively-owned by rural collective economic entities may be allocated and used by units or individuals according to law. The ownership of land and land use rights registered according to the relevant laws shall be protected by law. In the case of short-term use of State-owned land or land collectively-owned by rural collective economic entities for construction projects or for geological exploration purposes, approval shall be obtained from the land administrative department of the government at or above the provincial level. Land users shall sign contracts with the relevant land administrative department or rural collective economic entities for the short-term use of land, depending on the ownership of land and shall pay land compensation fees as stipulated in the contracts for the temporary use of land. The term for the short-term use of land shall generally not exceed two years.

Pursuant to the laws and regulations stated above and the Notice on Strengthening the Management of Temporary Use of Land (關於加強臨時用地管理的通知) issued by Land and Resources Administration Bureau of Hubei Province on 7 April 2009, if a construction unit requests for temporary use of land, an approval shall be obtained from competent land administrative departments of local people's governments at the county level.

Pursuant to the Mineral Resources Law, the Rules for the Implementation of the Mineral Resources Law of the PRC (中華人民共和國礦產資源法實施細則) promulgated and effective on 26 March 1994, and the Land Administration Law of the PRC (中華人民共和國土地管理

法), exploration of mineral resources must be in compliance with the legal requirements on environmental protection so as to prevent environmental pollution. If any damage is caused to cultivated land, grassland or forest as a result of exploration or mining activities, mining enterprises must restore the land to a state appropriate for use by reclamation, re-planting trees or grasses or such other measures as appropriate to the local conditions. In accordance with the Regulations on Land Rehabilitation (土地復墾條例) promulgated and effective on 5 March 2011, and Measures for the Implementation of the Regulations on Land Rehabilitation (土地復墾條例實施辦法) promulgated on 27 December 2012 and effective on 1 March 2013, a production or construction entity or individual (the "**Land User**") shall be responsible for the rehabilitation of the land damaged in its production or construction activities. When the Land User applies for the mining license and/or the land use right, it shall submit a land rehabilitation plan (土地復墾方案), together with other required documents, to the MLR or its local branch for examination, and will obtain an examination opinion on land rehabilitation plan (土地復墾方案審查意見書) if the Land Rehabilitation Plan passes the examination. Where there is any material change, such as the change of the position or scale of the construction project and the change of the mining area, the Land User shall revise the land rehabilitation plan within 3 months and submit the revised plan to the original examining authority for its examination. The Land User shall carry out the land rehabilitation according to the land rehabilitation plan, and apply for the overall inspection or phasic inspection conducted by the MLR or its local branch when it completes the whole land rehabilitation or phasic land rehabilitation (if applicable). If the whole or phasic land rehabilitation completed by the Land User passes the inspection, the relevant authority will issue overall or phasic inspection confirmation, as the case may be, to the Land User. According to the Regulations on Land Rehabilitation and its implementation measures, the Land User shall establish a bank account specially for the deposit of fund for the land rehabilitation (the "**Land Rehabilitation Fund**") with the bank agreed by the Land User and the local MLR branch at provincial level, and shall deposit and withdraw the Land Rehabilitation Fund in compliance with the relevant requirements. Moreover, a supervision agreement with respect to such account among the Land User, the local MLR branch at provincial level and the relevant bank is also required and is binding on the Land User.

Pursuant to the Implementing Regulations of Land Rehabilitation (湖北省土地復墾實施辦法) issued by the People's Government of Hubei Province on 15 September 1995 and the Notice on Strengthening the Management of Temporary Use of Land (關於加強臨時用地管理的通知), construction units including mining enterprises bear land rehabilitation obligations for the damaged lands due to their construction projects. The construction units shall submit land rehabilitation deposit to a competent land administration department. The land administration department shall be able to organise land rehabilitation on their behalf with the deposit paid by the construction units if the construction units fail or refuse to fulfil their land rehabilitation obligations in the future.

According to the Measures for Administration of Examination and Approval of Occupation, Expropriation and Requisition of Forestland (佔用徵用林地審核審批管理辦法) issued by State Forestry Administration on 4 January 2001, it shall be subject to the approval of the forestry administrative department of the people's government at the county level for the occupancy or requisition of any forestland (except any shelter forestland or forestland for special-purpose) with an area of two ha.

PRC LAWS RELATING TO PREVENTION AND CONTROL OF OCCUPATIONAL DISEASES

Pursuant to the Prevention and Control of Occupational Diseases Law of the PRC (中華人民共和國職業病防治法) promulgated on 27 October 2001 and effective on 1 May 2002, an employing unit shall: (i) establish and improve the responsibility system of occupational disease prevention and treatment, strengthen the administration and improve the level of occupational disease prevention and treatment, and bear responsibility for the harm of occupational diseases engendered there from; (ii) purchase social insurance for industrial injury; (iii) adopt effective protective facilities against occupational diseases, and provide protective articles to the laborers for personal use against occupational diseases; (iv) set up alarm equipment, allocate on-spot emergency treatment articles, washing equipment, emergency safety exits and safety zones for poisonous and harmful work places where acute occupational injuries are likely to take place; and (v) inform the employees, according to the facts, of the potential harm of occupational disease as well as the consequences thereof and the protective measures and treatment against occupational diseases when signing a labour contract with employees.

Pursuant to the Prevention and Control of Occupational Diseases Law of the PRC, for construction projects, including projects to be constructed, expanded or reconstructed, and projects for technical renovation and introduction which may incur occupational disease hazards, the unit responsible for the construction project shall: (i) during the period of feasibility study, submit to the health administrative department a preliminary assessment report on such hazards; (ii) assess the effect of the control on occupational disease hazards before the construction project is completed for inspection and acceptance; and (iii) adopt protective facilities against occupational diseases. The protective facilities may be put into formal operation and use only after they have passed the inspection by the public health administration department.

PRC LAWS RELATING TO LABOUR

Pursuant to the PRC Labour Law (中華人民共和國勞動法) promulgated on 5 July 1994 and effective on 1 January 1995 and the PRC Labour Contract Law (中華人民共和國勞動合同法) amended on 28 December 2012 and effective on 1 July 2013, if an employment relationship is established between an entity and its employees, written labour contracts shall be prepared. The relevant laws stipulate the maximum number of working hours per day and per week, respectively. Furthermore, the relevant laws also set forth the minimum wages. The entities shall establish and develop systems for occupational safety and sanitation, implement the rules and standards of the State on occupational safety and sanitation, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

Pursuant to the Law of Social Insurance of PRC (中華人民共和國社會保險法) promulgated on 28 October 2010 and effective on 1 July 2011, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例) promulgated and effective on 22 January 1999 and the Interim Measures concerning the

Administration of the Registration of Social Insurance (社會保險登記管理暫行辦法) promulgated and effective on 19 March 1999, basic pension insurance, medical insurance, unemployment insurance, industry injury insurance and maternity insurance are collectively referred to as social insurance. Each of the PRC companies and their employees are required to maintain the social insurance plan.

Pursuant to the Regulations on Occupational Injury Insurance (工傷保險條例) promulgated on 27 April 2003 and effective on 1 January 2004, as amended on 20 December 2010, and the Interim Measures concerning the Maternity Insurance for Enterprise Employees (企業職工生育保險試行辦法) promulgated on 14 December 1994 and effective on 1 January 1995, PRC companies shall pay occupational injury insurance premiums and maternity insurance premiums for their employees.

Pursuant to the Regulations on the Administration of Housing Fund (住房公積金管理條例) promulgated and effective on 3 April 1999, as amended on 24 March 2002, PRC companies must register with the applicable housing fund management center and establish a special housing fund account in an entrusted bank. Each of the PRC companies and their employees are required to contribute to the housing fund and their respective deposits shall not be less than 5% of an individual employee's monthly average wage during the preceding year.

PRC LAWS RELATING TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (中華人民共和國產品質量法) promulgated on 22 February 1993, amended on 8 July 2000 and effected on 1 September 2000, a producer is obliged: (i) be responsible for the quality of products it produces; (ii) not produce products that have been ordered to cease production; (iii) not forge the origin of a product, or to forge or falsely use the name and address of another producer; not forge or falsely use product quality marks such as authentication marks; (iv) not add impurities or imitations into the products, substitute a fake product for a genuine one, a defective product for a high-quality one, or pass off a substandard product as a qualified one in the production; and (v) ensure that, for products that may be easily broken, or are inflammable, explosive, toxic, erosive or radioactive and products that cannot be handled upside down in the process of storage or transportation or for which there are other special requirements, the packaging meets the corresponding requirements, carries warning marks or warnings written in Chinese or draws attention to the method of handling.

PRC LAWS RELATING TO FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administration Regulations of the PRC (中華人民共和國外匯管理條例) promulgated by the State Council on 29 January 1996 as amended on 14 January 1997 and 5 August 2008 and the Regulations on the Administration of Foreign Exchange Settlement, Sale and Payment (結匯、售匯及付匯管理規定) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996 and other PRC rules and regulations on currency conversion, foreign invested enterprises are permitted to convert their after tax dividends into foreign exchange and to remit such foreign exchange out of their foreign exchange bank accounts in the PRC. If foreign invested enterprises require foreign exchange for transactions relating to current account items, they may, without approval of SAFE, effect payment from their exchange account or convert and pay at the designated foreign exchange banks, upon provision of valid receipts and proof. However, convertibility of foreign exchange in respect of capital account items, such as direct investment and capital contributions, is still subject to restriction, and prior approval from SAFE or its relevant branches must be sought.

Pursuant to the SAFE Circular No. 37, where the PRC individual residents conduct investment to establish the SPVs with their legitimate on-shore enterprises' assets or equities and offshore assets or equities for the purpose of offshore investments and financing, they must register with local SAFE branches with respect to their investments. The SAFE Circular No. 37 also requires the PRC individual residents to file changes to their registration where their the registered offshore SPVs undergo material events such as the change of basic information including the change of PRC individual residence shareholder, name and operation period, as well as material events such as capital increase or decrease, share transfer or exchange, merger or division. The SAFE Circular No. 37 provides guidance to the SAFE's local branches with respect to the operational process for the SAFE foreign exchange registration under the SAFE Circular No. 37, which standardised more specific supervision on the registration relating to the SAFE Circular No. 37 and imposed obligations on the onshore subsidiaries of the offshore SPVs to coordinate with and supervise the PRC individual residents holding direct or indirect interest in the offshore SPVs to complete the SAFE registration process. In accordance with the SAFE Circular No. 37, under the relevant SAFE rules, failure to comply with the registration procedures set forth in the SAFE Circular No. 37 may result in various punishments stipulated in the Foreign Exchange Administration Regulation of the PRC (中華人民共和國外匯管理條例).

SUMMARY OF JORC CODE

The Mineral Resource and Ore Reserve statements in this prospectus have been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**"). The JORC Code is one of the internationally accepted Mineral Resource and Ore Reserve classification system established in Australia, which was first published in February 1989 and last revised in December 2012. The is commonly used in Independent Technical Reports for reporting Mineral Resource and Reserve for public companies reporting to the Stock Exchange. The is used by the Independent Technical Consultant to report the Mineral Resources and Ore Reserves of the Yiduoyan Marble Project in this document.

The JORC Code defines "Mineral Resource" as a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided in order of increasing geological confidence into the following categories:

- **inferred Mineral Resource** – is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes;

- **indicated Mineral Resource** – is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered;

- **measured Mineral Resource** – is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered.

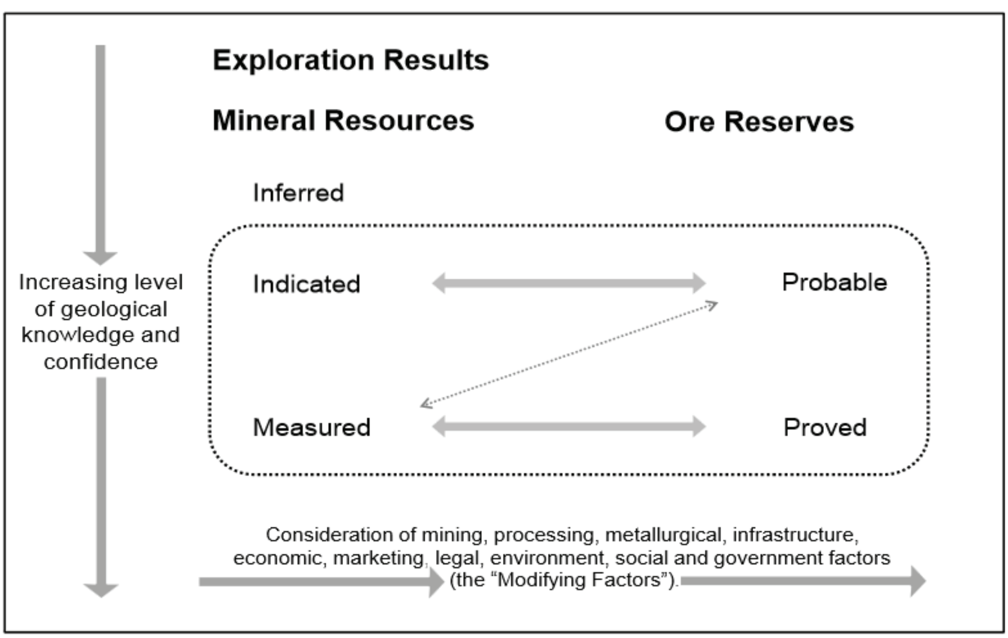
The JORC Code defines "Ore Reserve" as the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Ore reserves are sub-divided into the following categories:

- **probable Ore Reserve –** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve; and

- **proved Ore Reserve –** is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.

The following diagram summarises the general relationship between Exploration Results, Mineral Resources and Ore Reserves under the JORC Code:



Ore Reserves are generally quoted as comprising a portion of the total Mineral Resource rather than the Mineral Resources being additional to the Ore Reserves quoted. Under the JORC either procedure is acceptable, provided the method adopted is clearly identified. The Independent Technical Report in this document reports all of the Ore Reserves as part of the Mineral Resources.

DEVELOPMENT OF OUR GROUP

The following table summaries the key milestones in the development of our Group:

April 2011	Incorporation of Future Bright (H.K.) as the holding company of Future Bright (Xiangyang)
July 2011	Establishment of Future Bright (Xiangyang), our principal operating subsidiary
December 2011	Future Bright (Xiangyang) obtained the mining permit for our Yiduoyan Project
September 2012	Our Group commenced limited site construction at our Yiduoyan Project
October 2012	Team 932 commenced the exploration programme for our Yiduoyan Project
August 2013	Sinoma completed the Feasibility Study Report for our Yiduoyan Project
	Our Company was incorporated in the Cayman Islands
	Our Group commenced full-scale site construction at our Yiduoyan Project
September 2014	Our Group commenced limited commercial production of our Yiduoyan Project

Our Group was founded by Mr. Guo when he established Future Bright (H.K.) and Future Bright (Xiangyang) in April 2011 and July 2011 respectively. Prior to the establishment of our Group, Mr. Guo had worked at several State-owned enterprises in Guangzhou for over 20 years and was responsible for sourcing and sales of construction materials, electronic products and machineries.

In view of the increasing standard of living and growing demand for quality stone materials in the PRC, especially for construction of high-end commercial and residential buildings, Mr. Guo began to explore the business potential and prospects in the marble industry in early 2010. Through discussions with some industrial experts and having conducted research on the marble industry, Mr. Guo believed that there is business potential in supplying quality marble in the PRC. In early 2011, Mr. Guo decided to invest in our Yiduoyan Project.

In March 2011, Ms. Guo extended a loan in the amount of HK$4,000,000 (the "**Loan**") to Mr. Guo as a start-up fund for our Yiduoyan Project, the source of which was from her personal wealth accumulated from her investments and savings. The Loan was interest free with a repayment period of five years up to 31 March 2016 and without recourse to our Shares or any interest held or to be held by Mr. Guo in our Company. For details, please refer to the paragraphs headed "Corporate history – Future Bright (H.K.)" and "Corporate history – Future Bright (Xiangyang)" in this section.

In April 2011, Mr. Guo requested Ms. Guo, his younger sister, to incorporate Future Bright (H.K.) as the holding company of our Yiduoyan Project on his behalf. In July 2011, Future Bright (H.K.) established Future Bright (Xiangyang) in the PRC, our principal operating subsidiary. Future Bright (Xiangyang) obtained the mining permit for our Yiduoyan Project in December 2011.

In September 2012, our Group commenced limited site construction at our Yiduoyan Project. In September 2014, our Group commenced limited commercial production after we received the 8,000m^3 Approval. We plan to complete our development plan in December 2016. Please refer to the section headed "Business – Planned production and development plan" in this prospectus for further details on the development plan of our Yiduoyan Project.

CORPORATE HISTORY

Future Bright (H.K.)

Future Bright (H.K.) is an investment holding company incorporated in Hong Kong with limited liability on 7 April 2011, with an authorised share capital of HK$10,000 divided into 10,000 shares of HK$1 each. At the time of its incorporation, one share was allotted and issued as fully paid to a company providing company secretarial service, which is an Independent Third Party.

After Mr. Guo identified our Yiduoyan Project in early 2011, he decided to set up a company in Hong Kong as the then holding company of our Yiduoyan Project. At that time, he was substantially involved in the preparation work of our Yiduoyan Project which included, among others, obtaining the related mining permit and other licences from the relevant authorities in the PRC. As such, he requested Ms. Guo to set up a limited liability company in Hong Kong and hold the shares in such company on trust for him.

To formalise the Loan and the trust arrangement in relation to all the shares in Future Bright (H.K.) between Mr. Guo and Ms. Guo, they entered into a loan and trust agreement on 31 March 2011 (the "**Loan and Trust Agreement**") which provided, inter alia, (a) the terms of the Loan provided by Ms. Guo to Mr. Guo; and (b) that Ms. Guo would hold the shares in the Hong Kong holding company, namely Future Bright (H.K.) on trust for Mr. Guo and Mr. Guo would be the sole ultimate beneficial owner of all of the then issued shares in Future Bright (H.K.).

Pursuant to the Loan and Trust Agreement, on 21 April 2011, Ms. Guo, at the direction of Mr. Guo, subscribed for 99 new shares in Future Bright (H.K.) at the consideration of HK$99, being the total of the par value of such shares. On 26 April 2011, Ms. Guo acquired one share in Future Bright (H.K.) from the said Independent Third Party at a consideration of HK$1, being the par value of such share. Since then, Future Bright (H.K.) became beneficially and wholly-owned by Mr. Guo through the trust arrangement under the Loan and Trust Agreement.

Our Hong Kong Legal Advisers advised us that the entering into the Loan and Trust Agreement and the trust arrangement contemplated therein do not violate any laws and regulations of Hong Kong in all material respects. As advised by our PRC Legal Advisers, the Loan and Trust Agreement and the trust arrangement contemplated therein do not violate any PRC laws and regulations in all material respects.

Future Bright (Xiangyang)

Future Bright (Xiangyang) was established in the PRC as an WFOE with limited liability on 8 July 2011 with a registered capital of RMB20,000,000, which had been fully paid up by Future Bright (H.K.) by cash. Upon its establishment, Future Bright (Xiangyang) became the direct wholly-owned subsidiary of Future Bright (H.K.). When determining the amount of the registered capital of Future Bright (Xiangyang) at the time of its establishment, Mr. Guo, our Controlling Shareholder, had considered that the preliminary estimated total investment cost required for our Yiduoyan Project was approximately RMB38,000,000 after he conducted his own market research on the PRC marble industry, gained an understanding of the business prospect of a marble project in the PRC and conducted certain site inspections of the mine site of our Yiduoyan Project, and having taken into account the potential costs that would be required for the development of our Yiduoyan Project assuming that our Yiduoyan Project would have a scale of an annual production capacity of 20,000m^3 and would be granted a typical mining permit for a mining project in the PRC with a term of 10 years. According to the Tentative Regulations on the Proportion of the Registered Capital to the Total Amount of Investment of Sino-foreign Equity Joint Ventures (關於中外合資經營企業註冊資本與投資總額比例的暫行規定), there is a statutory minimum ratio between the registered capital and the total investment when a foreign invested enterprise (the "**FIE**") is established in the PRC. If the total investment of the FIE falls within the range between US$3,000,001 (equivalent to approximately RMB18,800,000) and US$10,000,000 (equivalent to approximately RMB62,500,000), the registered capital of that FIE would be required to be at least 50% of its total investment or US$2,100,000 (equivalent to approximately RMB13,100,000), whichever is higher. As the estimated total investment of approximately RMB38,000,000 required for our Yiduoyan Project falls within this said range, the registered capital of Future Bright (Xiangyang) required would be at least RMB19,000,000. As such, Mr. Guo decided the amount of registered capital of Future Bright (Xiangyang) to be RMB20,000,000, which was expected to cover the initial costs to be incurred at the early stage of our Yiduoyan Project, and hence it was not an indication of the valuation of our Yiduoyan Project.

Future Bright (Xiangyang) is our principal operating subsidiary and the holder of the current mining permit of our Yiduoyan Project.

Termination of the Investment Cooperation Agreement

In early 2012, Mr. Guo was introduced to Mr. Ong Se Mon ("**Mr. Ong**"), an Independent Third Party and the then chief executive officer and majority shareholder of Rare Earths Global Limited, which was engaged in the business of the separation, refining and sale of rare earth products and admitted to trading on the Alternative Investment Market of London Stock Exchange Limited on 30 March 2012 (the said admission was subsequently cancelled on 2 May

2014). Mr. Guo confirmed that during the negotiations with Mr. Ong, Mr. Ong offered to acquire the majority stake of our Yiduoyan Project such that he could control the operation and management and assist in the future fund raising needs of our Yiduoyan Project. In view of the experiences and knowledge of Mr. Ong in the mining industry and in the operation and management of a listed company, and the funding needs to finance the initial costs of our Yiduoyan Project, Mr. Guo agreed to sell 55% of the issued share capital of Future Bright (H.K.), the then holding company of Future Bright (Xiangyang) to Mr. Ong and to remain as a minority shareholder.

Pursuant to a shareholding investment cooperation agreement (the "**Investment Cooperation Agreement**") dated 22 February 2012, Ms. Guo transferred to Mr. Ong 55 shares in Future Bright (H.K.), representing 55% of its then issued share capital (the "**FB Shares**") at a consideration of RMB22,000,000 (the "**Consideration**") which implied a valuation of our Group at RMB40,000,000. The Consideration was determined after an arm's length negotiation between the parties having taken into account the planned total investment of Future Bright (Xiangyang) in the sum of RMB38,000,000, which was based on Mr. Guo's preliminary estimation of the total investment cost after considering the factors and assumptions stated above at the time when Future Bright (Xiangyang) was established in July 2011. As no detailed feasibility studies and/or technical reports for our Yiduoyan Project were yet available at that time, the parties could not estimate the future potential of our Yiduoyan Project and/or future income to be generated from Future Bright (Xiangyang)'s operations when determining the bases of the Consideration under the Investment Cooperation Agreement.

To facilitate Mr. Ong to raise funds for the Consideration, it has been agreed under the Investment Cooperation Agreement that Ms. Guo would transfer the FB Shares to Mr. Ong prior to the settlement of the Consideration provided that Mr. Ong would execute the transfer documents of the FB Shares in advance of the said share transfer to facilitate the return of the FB Shares from him to Ms. Guo if he fails to settle the Consideration pursuant to the Investment Cooperation Agreement.

On 13 March 2012, Ms. Guo, under the directions of Mr. Guo, transferred the FB Shares to Mr. Ong pursuant to the terms of the Investment Cooperation Agreement. Subsequently, Mr. Guo was informed by Mr. Ong that he failed to raise sufficient funds to settle the Consideration when it was due and payable by 30 April 2012. Mr. Guo confirmed that Mr. Ong did not raise any other comments or express any other concerns on any of the parties or the group of companies of Future Bright (H.K.) in connection with or arising from the proposed acquisition of the FB Shares pursuant to the Investment Cooperation Agreement, the financial information of the group of companies of Future Bright (H.K.) and the compliance record of the relevant parties. As such, the Investment Cooperation Agreement was terminated on 30 April 2012 after the parties failed to agree on any revised terms of the Investment Cooperation Agreement and the FB Shares were transferred back to Ms. Guo on 29 May 2012.

Our Directors confirmed that no comment and concern was raised by any PRC regulatory bodies in relation to the termination of the Investment Cooperation Agreement and the financial information of the group of companies of Future Bright (H.K.) as at the Latest Practicable Date. We are advised by our PRC Legal Advisers that during the Relevant Period, the Track Record Period and up to the Latest Practicable Date, save as disclosed in the section headed "Business – Legal proceedings and compliance" in this prospectus, we have complied with the relevant PRC laws and regulations in all material aspects. In view of the above, our Directors confirm that there are no other matters relating to the termination of the Investment Cooperation Agreement that are required to be brought to the attention of the relevant PRC and Hong Kong regulatory bodies and/or the potential investors of our Group.

On 20 September 2012, under the directions of Mr. Guo, 100 shares in Future Bright (H.K.), being the entire issued capital of Future Bright (H.K.) beneficially owned by Mr. Guo, were transferred to Gold Title at a consideration of HK$100, being the total of the par value of such shares. Upon the said transfer, Future Bright (H.K.) became the direct wholly-owned subsidiary of Gold Title.

Gold Title

Gold Title is an investment holding company incorporated in the BVI with limited liability on 16 August 2012 with an authorised share capital of US$50,000 divided into 50,000 shares of US$1 each. Our Directors confirmed that the incorporation of Gold Title was for the purpose of facilitating the pre-IPO investment in our Group.

On 11 September 2012, 51 shares of Gold Title were allotted and issued as fully paid to Future Bright (International) at par, representing its then entire issued share capital. Immediately after the allotment and issue, Gold Title became directly wholly-owned by Future Bright (International), a private investment holding company held solely by Ms. Guo on trust for Mr. Guo at the material time. Such trust arrangement was entered into between Mr. Guo and Ms. Guo solely for administrative convenience purposes. Our BVI Legal Advisers advised us that the said trust arrangement of all the shares in Future Bright (International) does not violate any laws and regulations of BVI.

On 21 September 2012, 49 new shares were issued by Gold Title as fully paid to World Allied at a consideration of HK$30,000,000 pursuant to the Gold Title Share Subscription Agreement entered into between Gold Title and World Allied on 11 September 2012. Such consideration implied a valuation of our Group at approximately HK$61,200,000 (equivalent to approximately RMB49,000,000), which was approximately RMB9,000,000 higher than the implied valuation of our Group of approximately RMB40,000,000 derived from the Consideration payable by Mr. Ong under the Investment Cooperation Agreement. Mr. Guo considered that such an increase in valuation was primarily due to the fact that (i) limited site construction at our Yiduoyan Project was scheduled to commence in September 2012; (ii) there was a preliminary estimate of the expenses that were anticipated to be incurred prior to the Listing Date; and (iii) neither Mr. Cheung nor World Allied possesses the level of knowledge and experiences in the mining industry when compared to Mr. Ong. Upon completion of the said subscription, Gold Title was held as to 51% by Future Bright (International) and 49% by World Allied. The consideration was fully settled by World Allied in May 2013, approximately HK$5,000,000 of which was used to settle the expenses in relation to the Listing then incurred and the remaining balance of approximately HK$25,000,000 was transferred to Future Bright (Xiangyang) through Future Bright (H.K.) for the development of our Yiduoyan Project. Details of the investment by World Allied are further described in the paragraph headed "Gold Title Subscription Agreement between Gold Title and World Allied" in this section.

On 27 November 2013 and as part of the Reorganisation, Future Bright (International) and World Allied transferred 51 shares and 49 shares, representing 51% and 49% of the then issued share capital of Gold Title respectively to our Company in consideration of which our Company credited the 51 nil-paid Shares and 49 nil-paid Shares held by Future Bright (International) and World Allied respectively as fully paid. Upon completion the said transfers, Gold Title became a direct wholly-owned subsidiary of our Company.

Gold Title Subscription Agreement between Gold Title and World Allied

On 11 September 2012, Gold Title and World Allied entered into the Gold Title Subscription Agreement.

On 21 September 2012, 49 fully paid new shares representing 49% of the issued share capital of Gold Title as enlarged by the said subscription, were allotted and issued to World Allied. Since then, Gold Title was held as to 51% by Future Bright (International) and 49% by World Allied. The said subscription was properly and legally settled on 21 May 2013 upon payment of the subscription money in full by World Allied.

Details of the investment by World Allied are set out below:

Investor's background:	World Allied is a limited liability company incorporated on 12 June 2012 under the laws of the BVI and wholly-owned Mr. Cheung, who was the sole director of World Allied and an Independent Third Party. To our best knowledge and belief, World Allied is incorporated solely for the purpose of investment by Mr. Cheung in our Company. Further, to our best knowledge and belief, Mr. Cheung is engaged in private investment.
Date of Gold Title Subscription Agreement:	11 September 2012
Consideration paid:	HK$30,000,000
Basis of determination of consideration:	Arm's length negotiations between the parties having taken into account the planned total investment of Future Bright (Xiangyang) in the sum of RMB38,000,000, the estimated costs relating to mine construction and exploration of Yiduoyan Project and also the expenses in connection with the Global Offering when they entered into the Gold Title Subscription Agreement.

Payment date and amount:	HK$4,200,000 was paid on 19 September 2012. HK$800,000 was paid on 21 September 2012. HK$4,240,000 was paid on 4 December 2012. HK$6,000,000 was paid on 28 January 2013. HK$3,900,000 was paid on 18 February 2013. HK$3,320,000 was paid on 21 February 2013. The consideration of HK$30,000,000 was fully settled when the remaining balance of HK$7,540,000 was paid on 21 May 2013.
Date of issue of new shares in Gold Title to World Allied under the Gold Title Subscription Agreement:	21 September 2012
Use of proceeds:	(i) payment of registered capital of Future Bright (Xiangyang); (ii) working capital of our Group; and (iii) settlement of part of the listing expenses. As at the Latest Practicable Date, the proceeds from the investment by World Allied had been fully utilised.
Strategic benefits that World Allied would bring:	As a financial investor in our Group
Shareholding in our Company immediately following completion of the Global Offering and the Capitalisation issue:	Not applicable *(Note)*

Special rights:

- World Allied was entitled to appoint two directors to the board of directors of each of Gold Title, Future Bright (H.K.) and Future Bright (Xiangyang) while Future Bright (International) was entitled to appoint three directors to the board of directors of each of these companies. The quorum of the board meetings of each of these companies shall consist of at least one director nominated by World Allied and the passing of any resolution by these companies would be subject to a majority vote of the board of directors of the respective companies.

- Certain material events of these companies require approval of World Allied. Such events include, inter alia, amendments to the constitutional documents, issue of new securities, corporate reorganisation, increase or decrease in the size of the board of directors.

- Certain operational activities of Gold Title such as recruitment of employees and consultants require the unanimous approval by the then shareholders of Gold Title, namely, Future Bright (International) and World Allied. In addition, World Allied was entitled to appoint a nominee as one of the joint signatories for operating the bank account of Gold Title.

- Approval rights to the bank account transaction of Gold Title which exceeds a certain amount as agreed by the parties.

The special rights set out above had terminated and ceased to have any effects when World Allied ceased to be a Shareholder on 28 April 2014. For further details, please refer to the paragraph headed "The Pre-IPO Investment – Equity Transfer Agreement between World Allied and Easy Flourish" in this section.

Board composition of Gold Title and its subsidiaries following the completion of the Gold Title Subscription Agreement and up to the date when World Allied ceased to be a Shareholder:	Gold Title and Future Bright (H.K.): Three directors nominated by Future Bright (International) and one director nominated by World Allied. One of the directors nominated by Future Bright (International) to the respective companies resigned on 27 November 2013. Future Bright (Xiangyang): Three directors nominated by Future Bright (International) and two directors nominated by World Allied. One of the directors nominated by World Allied resigned on 8 August 2013.
Lock up:	Not applicable*(Note)*
Relationship with us:	Each of World Allied and Mr. Cheung is an Independent Third Party.
Public float:	Not applicable*(Note)*

Note: World Allied ceased to be a Shareholder upon transferring its entire interest in our Company to Easy Flourish on 28 April 2014 pursuant to the Equity Transfer Agreement (as defined below). For further details, please refer to the paragraph headed "The Pre-IPO Investment – Equity Transfer Agreement between World Allied and Easy Flourish" in this section.

THE PRE-IPO INVESTMENT

Equity Transfer Agreement between World Allied and Easy Flourish

In late 2013, Mr. Cheung, the sole shareholder of World Allied, had expressed his interest in selling his interest in our Company and to focus on other investments. At the same time, Mr. Hu, the majority shareholder of Easy Flourish and an acquaintance of Mr. Guo was interested in our Yiduoyan Project and confident in its potential success after some feasibility study.

Since Easy Flourish was willing to pay to Mr. Cheung the purchase price in the sum of HK$71,550,000 in acquiring his interest in our Company which represented a considerable premium to the purchase price Mr. Cheung had paid in acquiring 49% of the issued share capital in Gold Title, Mr. Cheung was willing to sell his interest in our Company to Easy Flourish.

On 8 March 2014, World Allied and Easy Flourish entered into the Equity Transfer Agreement pursuant to which World Allied shall transfer 49 Shares to Easy Flourish, representing 49% of the then issued share capital of our Company at a total consideration of HK$71,550,000 which was negotiated on an arm's length basis by reference to the then net present value of our Yiduoyan Project in the sum of HK$180,000,000 projected by the board of Future Bright (Xiangyang) as at 7 March 2014 and also having taken into account the following factors:

(i) substantial exploration work was conducted as a result of the completion of the exploration programme by Team 932;

(ii) the Feasibility Study Report was completed in August 2013 which concluded that (a) our Yiduoyan Project is technically and economically viable; (b) our mine development plan, scheduled production and costs estimate are generally appropriate and achievable; and (c) the marble of our Yiduoyan Project can be used as middle-to-high end decorative stone;

(iii) full-scale site construction at our Yiduoyan Project also commenced in August 2013 and limited commercial production at our Yiduoyan Project was anticipated to commence in September 2014;

(iv) our Company's plan for the Listing became more concrete and expenses of approximately RMB4,000,000 in relation to the Listing had been incurred; and

(v) the future potential of our Yiduoyan Project and/or future income to be generated from Future Bright (Xiangyang)'s operations when determining the basis of consideration under the Equity Transfer Agreement.

Given the above, the implied valuation of Gold Title of approximately HK$146,000,000 (equivalent to approximately RMB116,800,000), as a result of the completion of the Equity Transfer Agreement, was approximately HK$84,800,000 (equivalent to approximately RMB67,800,000) higher than its implied valuation as a result of the completion of the Gold Title Share Subscription Agreement as most of the above factors were not taken into account when determining the consideration under the Gold Title Share Subscription Agreement. On 28 April 2014, such transfer was properly and legally settled when Easy Flourish paid the said consideration in full and the 49 Shares were transferred by World Allied to Easy Flourish.

Further details of the Pre-IPO Investment are set out below:

Investor's background: Easy Flourish is a limited liability company incorporated on 18 April 2012 under the laws of the BVI and was owned as to 20% by Ms. Jiang and as to 80% by Guangzhou Yicheng, a company incorporated in the PRC which was in turn owned as to 62.5% by Mr. Hu, 25% by Mr. Lu and 12.5% by Mr. Chen as at the Latest Practicable Date.

Mr. Hu is one of our non-executive Directors, one of our Controlling Shareholders, the director of each of our subsidiaries and the sole director of Easy Flourish and Guangzhou Yicheng. Each of Ms. Jiang and Mr. Lu is the business partner of Mr. Hu and an Independent Third Party. Mr. Chen is the minority shareholder of Huilong, one of our customers. Please refer to the section headed "Business – Information on Huilong" in this prospectus for details.

To our best knowledge and belief, both Easy Flourish and Guangzhou Yicheng are investment holding companies set up solely for the purpose of investment in our Company.

Date of the Equity Transfer Agreement:	8 March 2014
Consideration paid:	HK$71,550,000
Basis of determination of consideration:	Arm's length negotiations between the parties by reference to the net present value of our Yiduoyan Project in the approximate sum of HK$180,000,000 projected by the board of Future Bright (Xiangyang) as of 7 March 2014 and also taking into account the following factors: (i) substantial exploration work was conducted as a result of the completion of the exploration programme by Team 932; (ii) the Feasibility Study Report was completed in August 2013 and concluded that (a) our Yiduoyan Project is technically and economically viable; (b) our mine development plan, scheduled production and costs estimate are generally appropriate and achievable; and (c) the marble of our Yiduoyan Project can be used as middle-to-high end decorative stone; (iii) full-scale site construction at our Yiduoyan Project also commenced in August 2013 and limited commercial production at our Yiduoyan Project was anticipated to commence in September 2014; (iv) our Company's plan for the Listing became more concrete and expenses of approximately RMB4,000,000 in relation to the Listing had been incurred; and (v) the future potential of our Yiduoyan Project and/or future income to be generated from Future Bright (Xiangyang)'s operations when determining the bases of consideration under the Equity Transfer Agreement.
Final payment date:	Last settled on 28 April 2014
Date of completion of the share transfer under the Equity Transfer Agreement:	28 April 2014

Investment cost per Share(Note 1):	Approximately HK$0.553
Discount to Offer Price range(Notes 1 and 2):	Between approximately 30.88% and approximately 44.70%
Use of proceeds:	Not applicable since the share transfer was made between World Allied and Easy Flourish, the outgoing and incoming Shareholders.
Strategic benefits that Easy Flourish would bring:	As a financial investor in our Group
Shareholding in our Company immediately following completion of the Global Offering and the Capitalisation issue:	36.75% (assuming that the Offer Size Adjustment Option and options which may be granted under the Share Option Scheme are not exercised)
Special rights:	Easy Flourish is entitled to appoint a Director and also a director to each of our subsidiaries. In exercising such right, Mr. Hu had been nominated by Easy Flourish and appointed as our non-executive Director and also the director of each of our subsidiaries as at the Latest Practicable Date. It is provided under the Equity Transfer Agreement that all special rights granted to Easy Flourish shall cease automatically upon the Listing.
Relationship with us:	Easy Flourish, Guangzhou Yicheng and Mr. Hu are our Controlling Shareholders. Mr. Hu is one of our non-executive Directors, the director of each of our subsidiaries and the sole director of Easy Flourish and Guangzhou Yicheng. Please refer to the section headed "Relationship with Controlling Shareholders – Overview" of this prospectus for details.

Lock up:	Each of Easy Flourish, Guangzhou Yicheng and Mr. Hu, being our Controlling Shareholder, has agreed to be subject to a lock-up period of six months commencing from the Listing Date.
Public float:	As Easy Flourish shall become one of our Controlling Shareholders upon Listing, the Shares held by Easy Flourish shall not form a part of the public float for the purpose of Rule 8.08(1)(a) of the Listing Rule.

Notes:

1. Calculation is based on a total of 352,000,000 Shares, being the number of Shares in issue immediately upon completion of the Capitalisation Issue and the Global Offering (assuming that the Offer Size Adjustment Option and the options which may be granted under the Share Option Scheme are not exercised).

2. Calculation is based on the low end of the Offer Price range of HK$0.80 per Share and the high end of the Offer Price range of HK$1.00 per Share.

Upon completion of the share transfer under the Equity Transfer Agreement on 28 April 2014 and as at the Latest Practicable Date, our Company was owned as to 51% by Future Bright (International) and 49% by Easy Flourish. Future Bright (International) is wholly-owned by Mr. Guo and Easy Flourish is owned as to 80% by Guangzhou Yicheng, a limited liability company established in the PRC, which is in turn owned as to 62.5% and controlled by Mr. Hu.

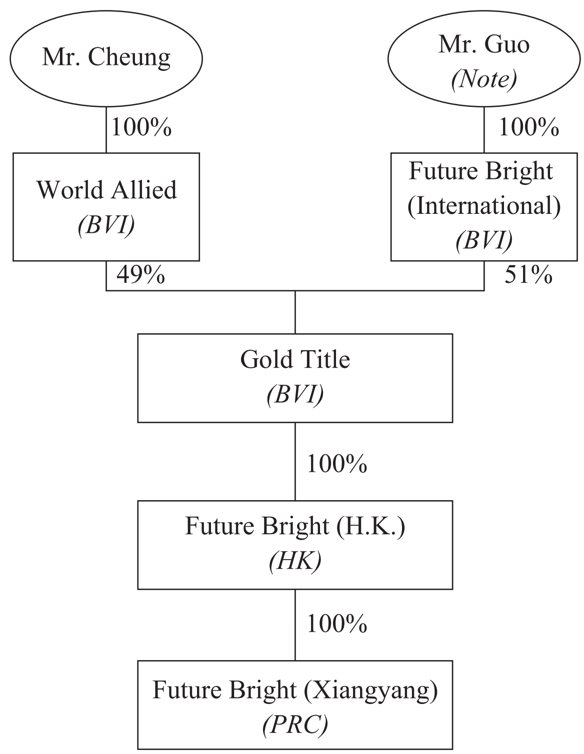
Sponsor's confirmation

On the basis that the Pre-IPO Investment was completed more than 28 clear days before the first submission of the listing application of our Company and does not involve convertible instruments, the Sole Sponsor considers that the Pre-IPO Investment is in compliance with the Interim Guidance on Pre-IPO Investments announced by the Stock Exchange on 13 October 2010, the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and the Guidance Letter HKEx-GL 44-12 issued by the Stock Exchange on 25 October 2012.

THE REORGANISATION

In preparation for the Listing, our Group underwent the Reorganisation in order to establish an offshore and onshore shareholding structure through which our Company would hold the entire equity interest in Future Bright (Xiangyang).

The shareholding structure of our Group before the Reorganisation is set out below:



Note: Future Bright (International) was held on trust by Ms. Guo for the benefit of Mr. Guo. Please refer to the paragraph headed "Gold Title" in this section for details of such trust arrangement.

Incorporation of our Company

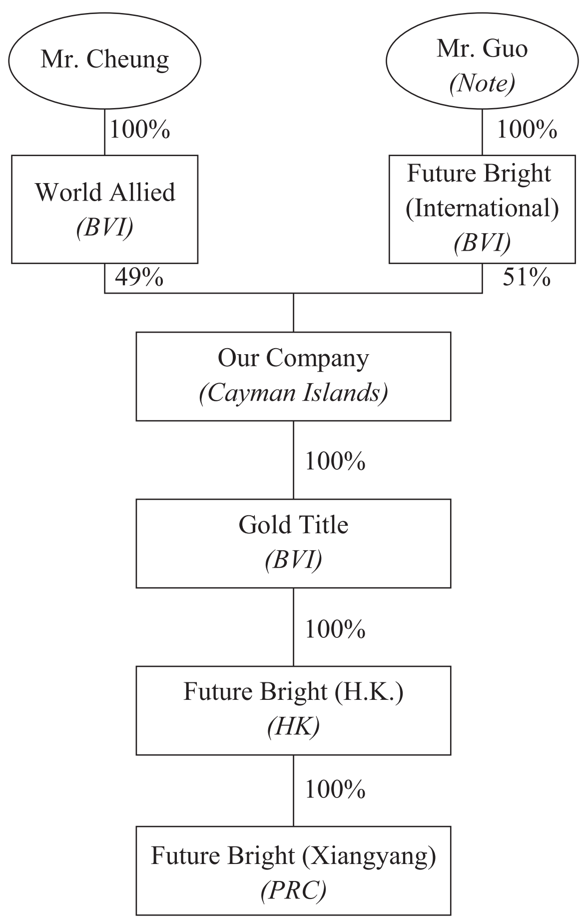
Our Company was incorporated under the laws of the Cayman Islands with limited liability on 23 August 2013. At the time of its incorporation, our Company had a share capital of HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 each and one nil-paid subscriber Share was allotted and issued to the nominee of the company providing company secretarial service, which is an Independent Third Party. On 23 August 2013, such subscriber Share was transferred to Future Bright (International) at par and 50 and 49 nil-paid new Shares were allotted and issued to Future Bright (International) and World Allied respectively. Upon the said transfer and allotment, our Company was owned as to 51% by Future Bright (International) and 49% by World Allied.

Please refer to the paragraph headed "Further information about our Company – Changes in share capital of our Company" in Appendix VI to this prospectus for further details of the changes in the share capital of our Company.

Acquisition of Gold Title by our Company

On 27 November 2013, Future Bright (International) and World Allied transferred all their respective interests in Gold Title to our Company in consideration of which our Company credited the 51 and 49 nil-paid Shares held by Future Bright (International) and World Allied respectively as fully paid. Upon completion of the Reorganisation, our Company became the ultimate holding company of our Group and Gold Title, Future Bright (H.K.) and Future Bright (Xiangyang) became the subsidiaries of our Company. Future Bright (Xiangyang) is the sole operating subsidiary of our Company and is engaged in the business of mining and the sales of marble products in the PRC.

The following chart sets out the corporate structure of our Group immediately after completion of the Reorganisation but before the completion of the Equity Transfer Agreement, the Capitalisation Issue and the Global Offering:



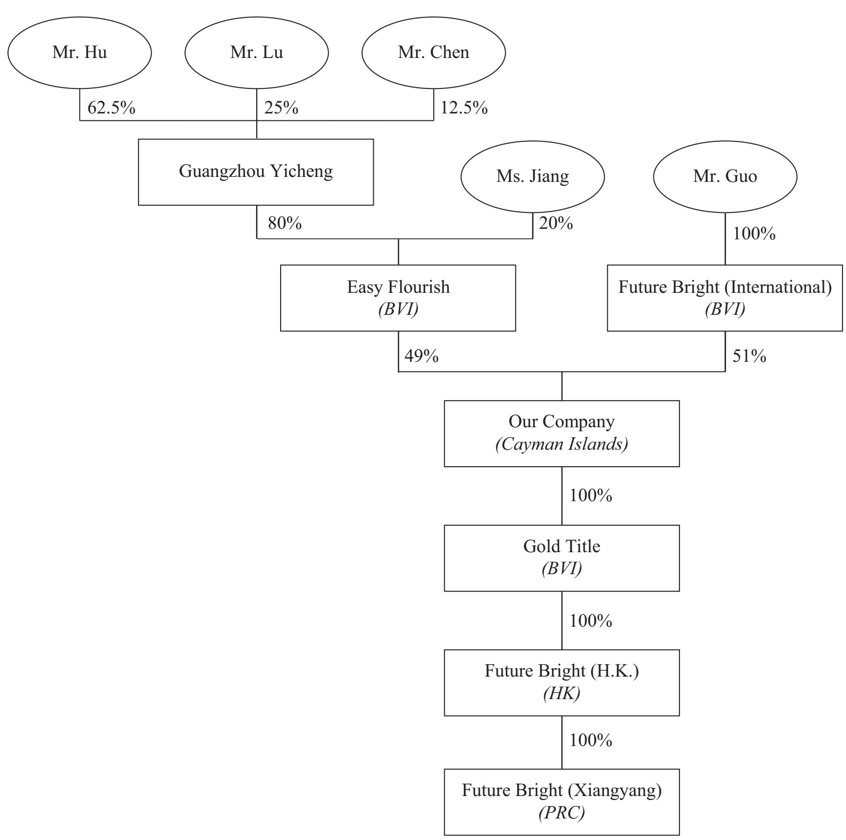
Note: Future Bright (International) was held on trust by Ms. Guo for the benefit of Mr. Guo. Please refer to the paragraph headed "Gold Title" in this section for details of such trust arrangement.

TERMINATION OF THE TRUST ARRANGEMENT BETWEEN MR. GUO AND MS. GUO

On 2 December 2013, under the direction of Mr. Guo, Ms. Guo transferred one share in Future Bright (International), representing its then entire issued share capital held by her on trust for Mr. Guo, to Mr. Guo at the consideration of US$1, being the par value of the share. Upon completion of the said transfer, the trust arrangement between Mr. Guo and Ms. Guo in relation to Future Bright (International) had forthwith terminated and Mr. Guo became the legal and beneficial owner of the entire issued share capital in Future Bright (International).

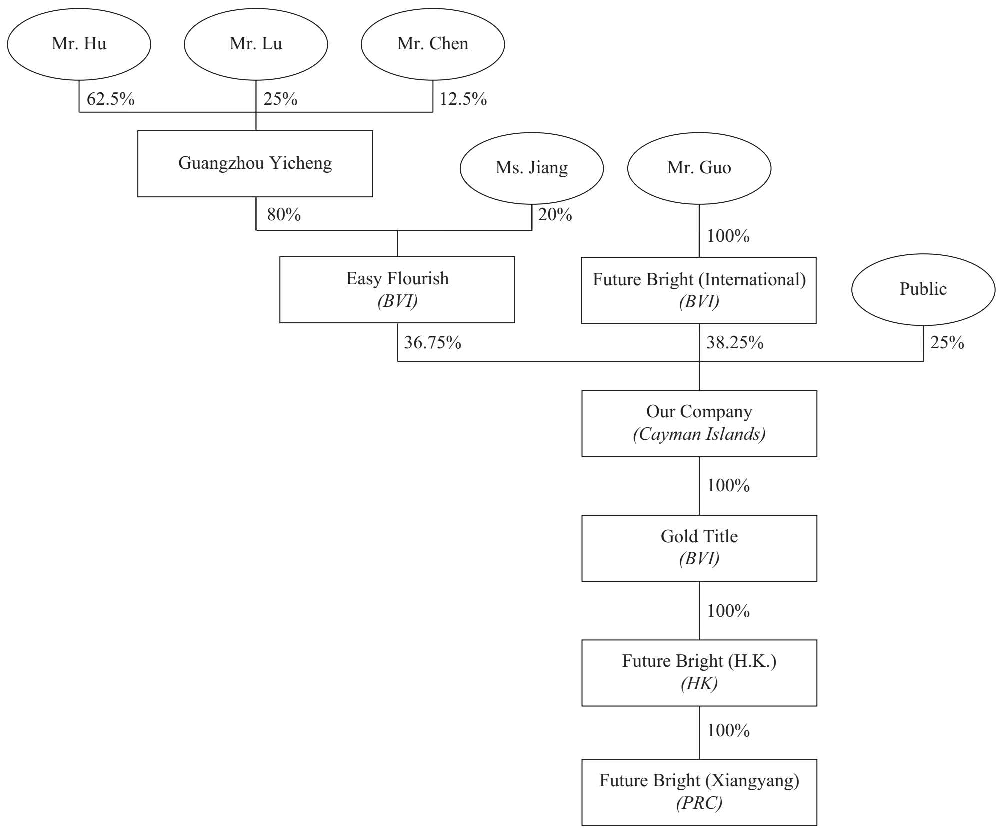
CORPORATE STRUCTURE OF OUR GROUP – IMMEDIATELY PRIOR TO THE CAPITALISATION ISSUE AND THE GLOBAL OFFERING

The following chart sets out the corporate structure of our Group after completion of the Equity Transfer Agreement but immediately prior to the Capitalisation Issue and the Global Offering:



CORPORATE STRUCTURE OF OUR GROUP – IMMEDIATELY AFTER COMPLETION OF THE CAPITALISATION ISSUE AND THE GLOBAL OFFERING

The following chart sets out the corporate structure of our Group immediately after completion of the Capitalisation Issue and the Global Offering (but taking no account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option and options which may be granted under the Share Option Scheme):



PRC LEGAL COMPLIANCE

PRC residents – offshore investment and financing

Pursuant to the SAFE Circular No. 37, where the PRC residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. The SAFE Circular No. 37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC resident, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division.

Mr. Guo, who is one of our Controlling Shareholders and a PRC resident, completed the SAFE registration as required by the then effective SAFE Circular No. 75 on 21 February 2014.

As advised by our PRC Legal Advisers, since Mr. Guo has already completed the SAFE registration as required under the then effective SAFE Circular No. 75, Mr. Guo has no further obligation to complete any SAFE registration under SAFE Circular No. 37 (which replaced the SAFE Circular No. 75 with effect from 4 July 2014) regarding his investment to our Group as a PRC resident.

PRC corporate investors – outbound investment

The Outbound Investment Administrative Rules issued by the MOFCOM on 6 September 2014 (the "**Current MOFCOM Measures**") replaced the Administration Measures on Outbound Investment which came into effect on 1 May 2009 (the "**Previous MOFCOM Measures**" collectively the "**MOFCOM Measures**"). As required by the MOFCOM Measures, Guangzhou Yicheng, one of our Controlling Shareholders, as a PRC corporate investor of our Group, had applied for an outbound investment certificate for its outbound investment in our Group and such certificate was issued by MOFCOM on 15 May 2014. Guangzhou Yicheng also had filed registration with SAFE Guangdong Branch under the MOFCOM Measures. The shareholders of Guangzhou Yicheng including Mr. Hu, one of our Controlling Shareholders, are not required to make any application or filing for the outbound investment in our Group under the MOFCOM Measures.

As advised by our PRC Legal Advisers:

(i) the SAFE Circular No. 37 and the then effective SAFE Circular No. 75 (collectively the "**SAFE Circulars**") are applicable to PRC residents who conduct investment into offshore special purpose vehicles with their legitimate onshore and offshore assets or equities;

(ii) the SAFE Circulars are not applicable to PRC corporate investors which conduct outbound investment or shareholders of PRC corporate investors which conduct outbound investment. Guangzhou Yicheng (as a PRC corporate investor), which conducted outbound investment in our Group, has no obligation to complete the SAFE registration under the SAFE Circulars regarding its investment into our Group and Guangzhou Yicheng has already filed a registration with SAFE Guangzhou Branch under the MOFCOM Measures which was applicable to its outbound investment into our Group;

(iii) since Mr. Hu is a shareholder of Guangzhou Yicheng which conducted the outbound investment into our Group and he, as a PRC resident, did not conduct investment in any offshore special purpose vehicle with his legitimate onshore and offshore assets or equities, Mr. Hu has no obligation to complete any SAFE registration under the SAFE Circulars regarding his investment into our Group;

(iv) the SAFE Circulars and the MOFCOM Measures are only applicable to the PRC residents or the PRC corporate investors as the case may be with respect to the obligation to complete the SAFE registration. Therefore, Future Bright (International) and Easy Flourish (both of which are considered as our Controlling Shareholders) have no obligation to complete any SAFE registration under the SAFE Circulars and the MOFCOM Measures; and

(v) all of our Controlling Shareholders have complied with the SAFE registration procedures set forth in the SAFE Circulars and the MOFCOM Measures as applicable to each of them regarding their investment into our Group.

M&A Rules

On 8 August 2006, six PRC governmental and regulatory agencies, including the MOFCOM and the CSRC, promulgated the M&A Rules, which became effective on 8 September 2006 and was revised by the MOFCOM in June 2009. Our Company has not made any merger and acquisition as specified under the M&A Rules and therefore, the Listing requires no approvals from the MOFCOM or CSRC as required by the M&A Rules.

Our PRC Legal Advisers have also confirmed that our Group has obtained all material approvals and permits required, if any, from the PRC authorities in connection with the Reorganisation, the Pre-IPO Investment and share transfers of our PRC subsidiary as disclosed in this section, and such Reorganisation, the Pre-IPO Investment and share transfers comply with the applicable PRC Laws and regulations in all material respects.

This section discusses information regarding our mine and operations. Unless otherwise indicated, all technical data in this section is based on the Independent Technical Report, which is included as Appendix IV to this prospectus. In addition, we commissioned Antaike to prepare the Antaike Report. Unless otherwise indicated, information and statistics relating to the global and PRC marble industry in this section and other sections of this prospectus have been derived from the Antaike Report.

We are a developing mining company with a limited operating history. A number of our business prospects and market position described below, including but not limited to our production schedule and development plan, are based on forward-looking statements rather than historical facts. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ materially from those expressed in any forward-looking statements. Please refer to the sections headed "Forward-looking Statements" and "Risk Factors" discussed elsewhere in this prospectus.

OVERVIEW

We are a marble mining company and have been focusing on developing our Yiduoyan Project, which is an open pit mine located in Hubei Province of China. We commenced limited commercial production in September 2014. Marble blocks mined from our Yiduoyan Project are our principal product.

According to the Resource estimate prepared in accordance with JORC Code for our Yiduoyan Project in the Independent Technical Report, the estimated Resource was approximately 10.7 million m^3 as at 1 July 2014, comprising 7.3 million m^3 of Indicated Resource and 3.4 million m^3 of Inferred Resource with an estimated block yield rate of approximately 35%, which was determined by the number of blocks (1.7m x 1.7m x 2.5m) produced from a cleaned bench that contained a volume of 1,112m^3. For further details on estimation of the block yield, please refer to section 5.4.10 of the Independent Technical Report, the text of which is set out in Appendix IV to this prospectus.

According to the Reserve estimate prepared in accordance with JORC Code for our Yiduoyan Project in the Independent Technical Report, the estimated Probable Reserve was approximately 0.91 million m^3 as at 1 July 2014.

We currently hold the mining permit of our Yiduoyan Project for a term of 10 years which was granted on 30 December 2011 and will expire on 30 December 2021, covering an area of approximately 0.5209km^2 with an elevation from 420mRL to 550mRL. The mining permit of our Yiduoyan Project may be further extended for another 10 years to 30 December 2031, subject to the applicable PRC laws and regulations and we intend to further renew the term of the mining permit thereafter. As advised by our PRC Legal Advisers, based on the current applicable PRC laws and regulations, we have the right to apply to further renew the term of the mining permit thereafter. For further details, please refer to the paragraph headed "Regulatory Overview – PRC laws relating to mineral resources" in this prospectus and the paragraph headed "Our Mineral Resources and Mining Rights" in this section. After the issue of the mining permit of our Yiduoyan Project, it was found that the upper elevation should have been at 589mRL according to subsequent measurement which represents a discrepancy of 39m above the prescribed elevation of 550mRL stated in the current mining permit. In light of this discrepancy, our Group obtained a written confirmation from Nanzhang Land and Resources Bureau on 14 October 2013 which confirmed that it is lawful for us to conduct marble mining activities from 420mRL to 589mRL without having to pay any additional fee. As advised by our PRC Legal Advisers, Nanzhang Land and Resources Bureau is a competent authority to issue the above confirmation and our Group is entitled to conduct mining activities at the elevation between 420mRL and 589mRL despite the fact that the prescribed elevation stated in the mining permit currently held by us is between 420mRL and 550mRL.

We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. We will continue to implement our development plan on our Yiduoyan Project and our mining capacity for marble blocks is expected to increase from 3,000m^3 per annum (which represents 15% of our expected full production rate) in 2014 to 7,500m^3 per annum (which represents 37.5% of our expected full production rate) in 2015 and to 16,000m^3 per annum (which represents 80% of our expected full production rate) in 2016. In line with our development plan, we expect to obtain the 20,000m^3 Approval in the beginning of 2016. Following the completion of our development plan, our mining capacity for marble blocks is expected to reach full production rate of 20,000m^3 per annum at the beginning of 2017. For further information on our development plan, please refer to the paragraph headed "Development plan" in this section.

As at the Latest Practicable Date, the remaining mine life of our Yiduoyan Project was estimated to be 47 years given the defined Reserve as at 1 July 2014 and the anticipated annual production rate in accordance with our development plan. The strip ratio over the mine life of our Yiduoyan Project is 0.54.

COMPETITIVE STRENGTHS

We believe the following strengths distinguish us from our competitors.

Our marble resources has expansion potential

According to the Resource estimate prepared in accordance with JORC Code for our Yiduoyan Project in the Independent Technical Report, the estimated Resource was approximately 10.7 million m^3 as at 1 July 2014, comprising 7.3 million m^3 of Indicated Resource and 3.4 million m^3 of Inferred Resource with an estimated block yield rate of approximately 35%, which was determined by the number of blocks (1.7m x 1.7m x 2.5m) produced from a cleaned bench that contained a volume of 1,112m^3. For further details on estimation of the block yield, please refer to section 5.4.10 of the Independent Technical Report, the text of which is set out in Appendix IV to this prospectus. According to the Independent Technical Report further exploration works are likely to increase the Resource. For further details of the further exploration works, please refer to the paragraph headed "Further exploration works" in this section.

Our Yiduoyan Project contains white series marble which is a popular colour series

Our Yiduoyan Project contains white series marble. The white and grey marbles from our Yiduoyan Project are to be given the trade names of "銀白玉" (Silver White Jade) and "銀狐灰" (Silver Fox Grey), respectively. According to the Antaike Report, white series marble is a popular colour series of natural marble in the PRC. According to the Antaike Report, China's white marble block consumption increased from approximately 1.5 million tonnes in 2006 to approximately 12.7 million tonnes in 2013, representing a CAGR of approximately 35.5%. According to the Feasibility Study Report, the marble of our Yiduoyan Project has a fine and well defined surface texture and high glossiness and can be used as middle-high end decorative stone. According to the Independent Technical Report, the marble from our Yiduoyan Project is light coloured marble that is fine textured and takes a good polish and hence is regarded as a relatively high grade dimension stone.

Our open-pit mining method allows low operating costs and reduces safety and environmental pollution concerns

We adopt the open-pit mining method at our Yiduoyan Project. This allows us to enhance our mining efficiency which in turn contributes to our low operating costs and improves the efficiency of our operations. Our use of the open-pit mining method makes it unnecessary for us to use any machinery, equipment or supporting structures that are specialised for underground mining. The unit cash operating cost is estimated at RMB1,423 per m^3. The Independent Technical Consultant considers the estimate is reasonable and is similar to other dimension stone projects of similar size in China.

Our open-pit mining method also reduces the risk of accidents caused by collapsed mine roofs, mine floods and leakage of harmful gases. Compared to underground mining, our open-pit mining operation generally does not involve extensive use of explosive material or hazardous chemicals, thereby significantly reducing safety and environmental pollution concerns.

We have an experienced core technical team with extensive industry and management experience

Experienced mining technicians and personnel with established industry expertise are critical to the success of our operations. We have a team of carefully selected professionals who possess extensive experience in the dimension stone and marble industry. We have a core technical team comprising one executive Director and three senior management members who individually have approximately nine to 30 years of stone mining industry experience and has been instrumental to the development of our Company. In particular, our executive Director Mr. Zhang Decong who is also the chief engineer and head of the technology and production department and our deputy chief engineer Mr. Yuan Shan both have approximately 30 years of experience while Ms. Zhang Xiaomei has approximately 12 years of experience in the stone mining industry.

For more information on our core management team, please refer to the section headed "Directors and Senior Management" in this prospectus.

We believe that our core technical team possesses the skills, foresight and extensive industry knowledge necessary to capture market opportunities, formulate sound business strategies, assess and manage risks and increase and implement management and production schemes. We also believe that our core technical team possesses the leadership capabilities and qualifications required to sustain our business and ensure our continued success.

BUSINESS STRATEGIES

Our vision is to become a well-known supplier of marble blocks in China. We plan to accomplish this goal by pursuing the following strategies:

Developing our Yiduoyan Project

We commenced limited site construction at our Yiduoyan Project in September 2012. We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. We expect to obtain the 20,000m^3 Approval in the beginning of 2016.

We will continue to implement our development plan on our Yiduoyan Project and our mining capacity for marble blocks is expected to increase from 3,000m^3 per annum (which represents 15% of our expected full production rate) in 2014 to 7,500m^3 per annum (which represents 37.5% of our expected full production rate) in 2015 and to 16,000m^3 per annum (which represents 80% of our expected full production rate) in 2016. Following the completion of our development plan in December 2016, our mining capacity for marble blocks is expected to reach full production rate of 20,000m^3 per annum. Total capital expenditures for our development plan are expected to be approximately RMB51.3 million. For details of our development plan, please refer to the paragraph headed "Planned production schedule and development plan" in this section.

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 through further exploration of our Yiduoyan Project and selective acquisitions

We plan to take further advantage of the exploration potential in our existing mining permit to increase our Resource. As of the Latest Practicable Date, we had not yet explored and developed all of the potential marble resources in the defined Resource located within the 0.5209km^2 area covered by our current mining permit. We plan to increase the Resource of our Yiduoyan Project through further exploration work within our permitted mining area as further particularised in the paragraph headed "Further exploration works" in this section.

As part of our future plans for acquisitive growth, we plan to continue to carefully evaluate and identify selective acquisition opportunities. We intend to increase our marble Resource and Reserve further through the acquisition of additional mining permit of marble projects in China. Our plans for acquisition will be subject to the following criteria: (i) the amount, mineability and sustainability of the target Resource or Reserve can be extracted for a reasonable period of time; (ii) return on acquisition; (iii) the potential synergies that can be achieved through acquisition; (iv) ability to offer new products that can complement the marble blocks produced in our Yiduoyan Project; and (v) ability to enhance of the overall sustainability of our existing and future businesses. As at the Latest Practicable Date, we had not identified any acquisition target or entered into any definitive agreements with respect to any acquisition.

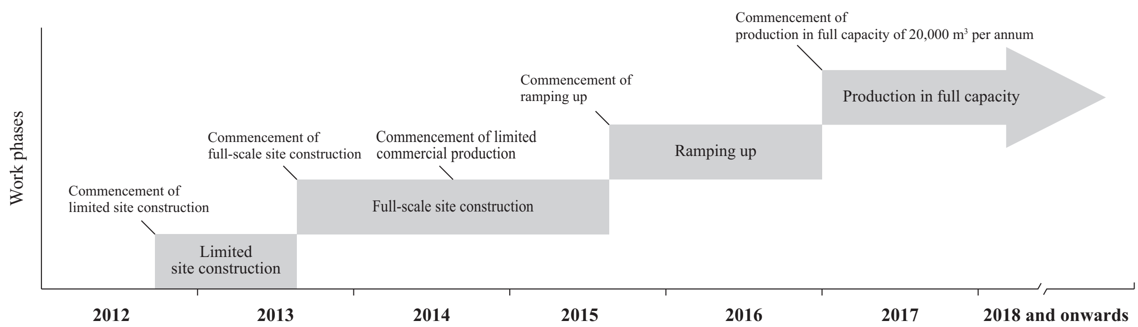
Recruiting more talents

We believe experienced personnel with established industry expertise are critical to the success of our operations and growth. We will strive to recruit more talents who are equipped with abundant knowledge of and rich experience in various aspects of our business, including mine design and construction, mining, processing and sales and marketing of marble and decorative surfacing stone industry. As we expand through the implementation of our development plan as described in the paragraph headed "Development plan" in the section, we believe that having a team which possess the skills, foresight and extensive industry knowledge necessary to capture market opportunities, formulate sound business strategies, assess and manage risks and increase and implement management and production schemes is necessary to sustain our business and ensure our continued success.

PLANNED PRODUCTION SCHEDULE AND DEVELOPMENT PLAN

The production schedule of our Yiduoyan Project was generated with considerations regarding the approved maximum annual production rate of 20,000m^3 under the mining permit we currently hold and mine design. It is expected that our Yiduoyan Project will reach the full production rate of 20,000m^3 per annum from 2017 onwards. We will continue to implement our development plan on our Yiduoyan Project and our mining capacity for marble blocks is expected to increase from 3,000m^3 per annum (which represents 15% of our expected full production rate) in 2014 to 7,500m^3 per annum (which represents 37.5% of our expected full production rate) in 2015 and to 16,000m^3 per annum (which represents 80% of our expected full production rate) in 2016.

The timeline chart below summarises the key development stages of our Yiduoyan Project:



We were in the stage of limited site construction between September 2012 and July 2013, and have commenced full-scale site construction since August 2013. In April 2014, our Yiduoyan Project had three production benches at the levels of 556m, 548m and 540m, respectively, in the initial mining area, located between Exploration Lines 101 and 102 (please refer to Figure 7-4 of Appendix IV to this prospectus for the location of Exploration Lines 101 and 102). These benches are 120m, 220m and 260m long respectively and 1,742m^3 of marble blocks were produced from these benches during the construction phase of our Yiduoyan Project. As of the end of June 2014, the production bench at the level of 556m had been completely mined out, whereas mining continued at the level of 548m and 540m.

Mining operations are scheduled for 280 days per annum after taking into account the PRC holidays and down time due to weather for a period of two months per annum with two eight-hour shifts.

The table below summarises the volume of marble blocks expected to be produced between 2014 and 2020:

	Year						
Marble type	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
White (m^3)	3,000	7,475	15,800	19,750	19,000	18,800	18,500
Grey (m^3)	–	25	200	250	1,000	1,200	1,500
Expected total production volume of marble blocks (m^3) *(Note 1)*	3,000 *(Note 2)*	7,500	16,000	20,000	20,000	20,000	20,000

Notes:

1. The designed production capacity of our Yiduoyan Project is equivalent to our expected production volume of marble blocks. From 2017 onwards, we expect to reach an annual production capacity of 20,000m^3, which is our maximum permitted and designed production capacity. We currently project that our designed production capacity will be fully utilised from 2014 to 2020.

2. As of the end of June 2014, 1,742m^3 of marble blocks had been produced during the construction phase of our Yiduoyan Project.

The Independent Technical Consultant believes that the production target can be achieved if amongst others, the development schedule, quarrying sequence and equipment type and fleet can be met. Please refer to the paragraph headed "Development plan" in this section for the development plan we have put in place to achieve the targeted production mentioned above.

Development plan

Our Yiduoyan Project is scheduled to be developed through a two-year full-scale site construction period (August 2013 to July 2015) and a ramp-up period (August 2015 to December 2016) and it is estimated that it will reach the full production rate of 20,000m^3 per annum in the beginning of 2017.

September 2012 – June 2014

We commenced limited site construction between September 2012 and July 2013 and begun full-scale site construction since August 2013. As of the end of June 2014, a 900-m haulage road, connecting the provincial highway and the temporary office complex and the initial mining area had already been constructed. A 250KVA transformer has already been installed and connected to Nanzhang power grid. We have targeted to increase the transformer capacity to 750KVA by the end of 2015. A temporary maintenance workshop, storage facility and workers' dormitory have already been constructed. A water supply facility has been built. Three working benches have been developed at the levels of 556m, 548m and 540m, respectively, located between Exploration Lines 101 and 102. In April 2014, there were three benches of 120m, 220m and 260m long, respectively. As of the end of June 2014, the production bench at the level of 556m had been completely mined out, whereas mining continued at the level of 548m and 540m. All top soil and overburden at the initial mining area has been stripped. Mining will be proceeded in a bench-by-bench pushback manner downwards. By the end of June 2014, a total of 1,742m^3 of marble blocks had been produced while the construction works at our Yiduoyan Project were taking place during the Track Record Period, of which 267.2m^3 of marble blocks was sold at an average price of RMB3,500 per m^3 (including 6% VAT) in June 2014.

July 2014 – December 2014

Mining will continue at the levels of 548m and 540m. The total scheduled production capacity for 2014 is 3,000m^3, with a significant amount of equipment procured during this period, including four handheld jackleg drills, one gantry crane, one jaw crusher and a flatbed block haulage truck. The transformer capacity will also be doubled to 500KVA by the end of 2014. We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014.

2015

In 2015, mining will continue to be carried out at two benches at the levels of 548m and 540m and two other benches at the levels of 532m and 524m will also be developed. We expect to commence the ramp-up in August 2015. The mining area will be increased with the target production capacity expected to reach 7,500m^3 by the end of 2015, with a total of 246,000m^3 of waste materials to be stripped. The transformer capacity will further be increased to 750KVA by the end of 2015. The equipment comprising two wire cutting machines of 75kw, one forklift, one horizontal drill rig, four compressors, one excavator, eight handheld jackleg drills and one flatbed block haulage truck will be procured during the year.

2016

In 2016, mining will continue to be carried out at the 540m and 532m benches, while the bench at the level of 516m is to be developed. The mining area will further be increased with the target production capacity expected to reach 16,000m^3 and complete the ramp-up by the end of the year, with a total of 177,000m^3 of waste materials to be stripped. An additional four wire cutting machines of 110kw, one forklift, two horizontal drills, five air compressors, 14 handheld jackleg drills, one dump truck and one flatbed block haulage truck will be purchased.

In addition, we expect to obtain the 20,000m^3 Approval in the beginning of 2016. Once we have obtained the 20,000m^3 Approval, it will replace and supersede the 8,000m^3 Approval.

2017

From 2017, the mine is expected to reach the full production rate of 20,000m^3 annually.

It is the Independent Technical Consultant's opinion that our mine development plan which includes, amongst others, the aspect of environmental protection and the associated environmental protection facilities, and scheduled production and cost estimates, supported by the Feasibility Study prepared by Sinoma which illustrates that our Yiduoyan Project is technically and economically viable, are generally appropriate and achievable.

As stated in the Independent Technical Report, the total capital costs for development of our Yiduoyan Project is estimated to be approximately RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million had already been incurred. Approximately RMB10.0 million will be spent in the second half of 2014 and approximately RMB27.6 million will be spent between 2015 and 2016. We planned to use approximately RMB37.6 million, which equals to approximately 81.3% of the total net proceeds from the Global Offering, to fund the remaining capital expenditure.

In estimating our total capital costs for development of our Yiduoyan Project, we have allowed a contingency of 8.3% as an allowance for unforeseen events that may happen during the development of our Yiduoyan Project. These unforeseen events may include severe adverse weather condition, natural disasters, unexpected site conditions resulting in additional developmental work and minor change of the development plan and hyper-escalation in civil work cost. According to the Independent Technical Report, the unit capital costs over the life of the mine is estimated to be approximately RMB127.37 per m^3. As stated in the Independent Technical Report, the capital costs by category and a brief description of each cost centre are summarised in the table below:

Capital costs by category

	Actual		Forecasted				
	September 2012-December 2013	**January 2014-June 2014**	**July 2014-December 2014**	**2015**	**2016**	**Total**	**Forecasted capital costs per cubic metre over the life of the mine ("Costs per Cubic Metre")** *(Note 1)*
(RMB'000)							*(RMB/m^3)*
Mine construction	5,407	284	2,700	1,505	2,321	12,217	13.43
Equipment and installation	3,815	919	4,036	7,143	8,618	24,531	97.95 *(Note 2)*
Engineering, procurement and construction management	2,454	3	302	508	2,690	5,957	6.55
Land use fees	499	50	2,000	–	2,551	5,100	5.60
Mining right fees	294	–	–	–	–	294	0.32
Contingency	–	–	994	916	1,295	3,205	3.52
Total	12,469	1,256	10,032	10,072	17,475	51,304	127.37

Notes:

1. Calculated based on the total capital expenditure divided by the total volume of marble blocks expected to be produced throughout the 47-year life of the mine, which is expected to be equivalent to the estimated Probable Reserve of approximately 0.91 million m^3 as at 1 July 2014.

2. To calculate the costs per cubic metre for the capital costs classified in the "Equipment and installation" category, other than the capital costs of approximately RMB24.53 million required to be spent to achieve the production volume of 20,000m^3 per annum according to the development plan, an equipment replacement cost of a total amount of approximately RMB64.6 million was added in the calculation of such Costs per Cubic Metre. This is because an additional amount of approximately RMB32.3 million of sustaining capital cost is expected to be incurred in 2026 and 2036 respectively for equipment replacement.

Mine construction includes the cost for stripping, construction of access road, water supply system, water drainage system, electricity supply system, maintenance facilities, mine office and accommodation facilities.

Equipment and installation includes the cost for excavators, wire saw, bulldozer, truck, mine vehicles, forklift, electricity supply facilities outside the mine, transport equipment, loading equipment and to install them on site for production operation.

Engineering, procurement and construction management includes the cost for: administration facilities, staff training, work and facilities relating to environmental, health and safety, exploration, feasibility study, engineering design.

Land use fees are the payment which we need to make to the PRC Government and community for using the land. The land within our permitted mining area is forestland collectively owned by the relevant village committee with the land use rights granted to certain villagers. In order to carry out our mining operations, we have to obtain the consent from Nanzhang Forestry Bureau and notice of temporary land use from Nanzhang Land and Resource Bureau to use the forestland on a temporary basis according to the applicable PRC laws and regulations. The land use fees are to cover the cost of obtaining or renewing the aforementioned consent and notice from the relevant government authorities.

Mining right fees are the payment which we need to make to the PRC Government for receiving the mining permit.

In the event of upside market, we will optimise the mine planning and scheduling and reach full production rate earlier by pushing the capital expenditure schedule forward to purchase mining equipment and machinery earlier than originally scheduled. On the other hand, in the event of downside market we will engage cost-cutting strategies such as reducing the number of workers, lower production target, optimise the mine planning and scheduling and reach full production rate later than scheduled by postponing the capital expenditure schedule.

Actual and forecasted operating costs

As stated in the Independent Technical Report, the unit cash operating cost of our Yiduoyan Project is estimated at RMB1,423 per m^3, and the total annual cash operating cost is estimated at RMB28.5 million when our Yiduoyan Project reaches the full production rate of $20{,}000m^3$ by 2017.

The table below sets forth a summary of the actual operating costs between January and June 2014 and the forecasted operating costs between July 2014 and 2018 onwards for our Yiduoyan, as stated in the Independent Technical Report:

Actual and forecasted operating costs

		Actual	Forecasted				
	Unit	January-June 2014	July-December 2014	2015	2016	2017	2018 onwards
Variable costs							
Consumables	RMB/m^3	231	197	232	232	232	232
Fuel, electricity and other services	RMB/m^3	206	171	205	205	205	205
Workforce employment *(Note)*	RMB/m^3	617	928	787	502	402	402
Environmental protection monitoring	RMB/m^3	–	19	8	4	3	3
Non-income taxes, royalties and other governmental charges	RMB/m^3	16	109	110	110	110	110
Product marketing	RMB/m^3	202	340	207	121	107	107
Transportation of workforce	RMB/m^3	–	–	–	–	–	–
Contingency allowances	RMB/m^3	–	–	–	–	–	–
Total variable costs		1,272	1,764	1,549	1,174	1,059	1,059
Fixed costs							
On-and off-site administration	RMB/m^3	733	985	950	445	356	356
Environmental protection equipment	RMB/m^3	–	44	19	9	7	7
Total fixed costs		733	1,029	969	454	363	363
Unit cash operating cost	RMB/m^3	2,004	2,793	2,518	1,628	1,423	1,423
Total cash operating cost	RMB	4,544,801	4,189,445	18,882,546	26,052,792	28,485,445	28,458,445

Note: The average monthly salary of workers in Hubei Province, the PRC increased from approximately RMB1,800 in 2009 to approximately RMB3,300 in 2013 according to the Antaike Report. Based on the historical rate of increase of the average salary of workers in Hubei from 2009 to 2013, even though the salary of workers is expected to increase with a CAGR of 12.9% from 2015, it is expected that the number of workers required for the mining operation will increase at a slower rate than the rate of increase in the volume of production due to the reliance of the production on the use of machineries, the automisation of the production process and increase of productivity of the workers through provision of training. As such, it is estimated that the forecasted unit operating costs for workforce employment, which is equal to the total forecasted operating costs for workforce employment divided by the volume of marble blocks to be produced, will decrease as the volume of production increases.

Save for the actual operating costs between January 2014 to June 2014, the above table is an estimate only and is subject to change. Our future actual production costs may differ materially from the above estimated production costs as a result of numerous factors, including the factors described in the section headed "Risk Factors" in this prospectus. In addition to the "Risk Factors" section of this prospectus, you should also refer to the section headed "Forward-looking Statements" in this prospectus for the risks of placing undue reliance on any forward-looking information. As stated in the Independent Technical Report, the actual operating cost between January 2014 and June 2014 and the forecasted operating cost between July 2014 and 2018 are set forth in the table above are based on the followings:

(i) cost estimates in the Feasibility Study Report;

(ii) actual operating cost between January 2014 and June 2014 provided by us;

(iii) a resource tax of RMB5/m^3;

(iv) VAT of 3% is levied for sale of marble blocks;

(v) VAT of 17% is levied for the purchase of the consumables, fuel and electricity;

(vi) a city maintenance and construction levy of 5% of the total amount of VAT created by our Yiduoyan project;

(vii) an education levy of 5% of the total amount of VAT created by our Yiduoyan Project; and

(viii) a resource compensation levy of 2% of sales revenue multiplied by a "coefficient" set by the provincial government.

Whilst the sales contracts we entered into with four customers provide a price range of RMB3,500 per m^3 to RMB5,000 per m^3 and Sinoma estimated the average sales price of the marble blocks from our Yiduoyan Project will be in the region of RMB4,400 per m^3, which the Independent Technical Consultant considers reasonable, we took a more conservative approach and used the average sales price of RMB3,500 per m^3 in assessing the feasibility of our Yiduoyan Project. Based on the average sales price of RMB3,500 per m^3 and the forecasted operating cost, it is estimated that our Yiduoyan Project will still become self-sufficient in working capital and funding for our cash flow by March 2015. Since then, it is estimated that we will generate net cash inflow from operating activities and profit from our operation.

Prior to reaching that level of self-sufficiency, we estimate that the amount of additional funding required will be approximately RMB20.0 million. It will be funded by our net proceeds from the Global Offering as part of the net proceeds allocated to fund the future capital requirement. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

According to the Independent Technical Report, it is estimated that our Yiduoyan Project has an internal rate of return of approximately 77% and a break-even marble block selling price of RMB1,934 per m^3 (VAT inclusive), at which our Yiduoyan Project's net present value equals zero, while the estimated payback period is approximately 4.1 years, as the initial capital began to be spent from 1 August 2013.

The table below sets forth the impact of an increase in (i) labour cost; (ii) consumable cost; (iii) fuel and power cost; and (iv) the impact of a decrease in the price of marble blocks on our unit cash operating cost for the years and cash position as of the dates indicated:

		Labour cost						Consumable cost						Fuel and power cost						Price of marble blocks					
	0% Change	3%		5%		10%		3%		5%		10%		3%		5%		10%		-3%		-5%		-10%	
	Amount	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed	Amount	% Changed
Unit cash operating cost for the year ending 31 December 2014 (forecast) (RMB/m^3)	2,369	2,831	1.4%	2,856	2.3%	2,920	4.5%	2,799	0.2%	2,803	0.4%	2,813	0.7%	2,798	0.2%	2,802	0.3%	2,810	0.6%	2,831	1.4%	2,856	2.3%	2,920	4.5%
Cash and cash equivalents as of 31 December 2014 (RMB'000)	42,077	42,035	-0.1%	42,006	-0.2%	41,935	-0.3%	42,071	0.0%	42,066	0.0%	42,055	-0.1%	42,072	0.0%	42,068	0.0%	42,058	0.0%	41,816	-0.6%	41,639	-1.0%	41,197	-2.1%
Unit cash operating cost for the year ending 31 December 2015 (forecast) (RMB/m^3)	2,518	2,548	1.2%	2,568	2.0%	2,617	3.9%	2,525	0.3%	2,530	0.5%	2,541	0.9%	2,524	0.2%	2,528	0.4%	2,539	0.8%	2,508	-0.4%	2,507	-0.5%	2,502	-0.6%
Cash and cash equivalents as of 31 December 2015 (RMB'000)	43,418	43,250	-0.4%	43,138	-0.6%	42,859	-1.3%	43,379	-0.1%	43,353	-0.2%	43,287	-0.3%	43,383	-0.1%	43,360	-0.1%	43,303	-0.3%	42,449	-2.2%	41,805	-3.7%	40,151	-7.5%

Risks associated with the operation of our Yiduoyan Project

Set out below is a risk assessment undertaken by the Independent Technical Consultant. The initial assessment result, recommendations by the Independent Technical Consultant and our responses to the recommendations by the Independent Technical Consultant, status of implementation of our responses to the potential risk, together with a risk rating are shown in the table below.

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Resource/ block yield					
Jointing	Joints closer than expected resulting in reduction in block yield	Maintain records of jointing and have provisions to modify extraction plan to ensure maximisation of block size and yield. Inclined holes to access the joint density at depth	We are working to establish an ongoing joint and void mapping program to keep track of the change of joint and void density on the working panel. As of July 2014, we have not seen significant joint density increase, including near those locations where geological structures are exposed on the surface. Nevertheless, we plan to set up inclined holes at location wherever joint density substantially increases. The Independent Technical Consultant considers that this approach adequately addresses the issue of jointing, and decreases the risk of lower block yield.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has done a joint mapping program but has not commenced drilling to study whether the joints are closer than expected in the marble unit because the joint density has not significantly increased and thus the potential risk has not materialised.	Medium

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Karst and weathering effects	Karst and weathering effects greater than expected, resulting in reduction in block yield and will have a negative impact on production	Maintain records of karst and have provisions to modify extraction plan to ensure maximisation of block size and yield, and to allow reconciliation with the assumptions used in the mine plan and Reserve estimates	We are planning multiple inclined holes to drill-test geological structures whenever joint density significantly increases to determine the nature of joint-associated dissolution features, if any, at depth. The Independent Technical Consultant notes that some karst development, particularly voids along joints close to the surface, but also at depth, is very common in marble quarries, but provision has already been made for this in the Reserve estimate. The irregular nature of karstic voids makes it difficult to estimate their exact extent, even with drilling.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has not commenced drilling to study whether the karst and weathering effects are greater than expected in the marble unit because the joint density has not significantly increased and thus the potential risk has not materialised.	Medium
Colour and texture	More variation in colour and texture than anticipated, resulting in reduction in block yield and price	Maintain records of colour and texture, consider marketability of different products (colour or texture), and use selective mining to produce a range of products	We are seeking to identify multiple marble buyers who purchase marble products with a variety of colours and textures.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has not implemented the responses as the potential risk has not materialised.	Low
Physical properties	Quality lower than indicated in tests, resulting in reduction in block prices	Quality control testing and recording of extracted material during quarrying	We are seeking to identify multiple marble buyers to purchase marble blocks of varying quality where required.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has not implemented the responses as the potential risk has not materialised.	Low

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Mining					
Geotechnical conditions	Geotechnical conditions in the mine and associated infrastructure, (including the approach road) are worse than anticipated, resulting in greater potential for injury/death, delays in production, reduction in block yield, lower production rate	Conduct a more detailed geotechnical analysis to identify and address potential issues. Ensure good mining practices are implemented	We are working to establish a geotechnical study to address potential geotechnical issues during the period of advanced development.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium
Mine plan/ management	Failure to meet production targets	Monitor progress and revise mine plan as necessary	Our mine management regularly reviews the jointing density, quality, pattern and color of the marble material and production data so as to timely modify the mine planning and scheduling correspondingly.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium
Increase in operating costs/capital expenditure	Reduced profit margins	Secure long term contracts with contractors and confirm advanced procurement orders with suppliers	We keep closely monitoring the capital spending in accordance with the capital expenditure plan and will incur additional capital expenditure only if sufficient fund are available.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium
Hydrological and hydrogeological conditions	Siltation and/or contamination of drainage Increase of pH in natural drainage Exhaustion of water supply High intensity stormwater flows to cause disruption of operation	Conduct a more detailed hydrogeological analysis to identify and address potential issues	We are working to establish a hydrogeological study to address hydrological issues and identify a secondary water source.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has commenced the mitigation measures to identify engineering firm to design and implement the hydrogeological study.	Medium

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Waste rock management	The nearby building materials factory does not honour the contract to take the amount of waste rocks produced over the contract period (November 2013 and November 2018)	Alternative waste rock disposal plan should be conducted in order to address the possibility of the breach of the contract from the building materials factory and to fulfil the life of mine requirements	Given that there is substantial demand for building materials in the local community and numerous building materials factories nearby, we seek to extend the existing supply contract with another term of five years as an integral part of waste rock management. We are also working to discuss supply contracts with adjacent building materials factories if we see that the waste rock volume exceeds the capacity of the existing building factory.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has not implemented the responses as the potential risk has not materialised.	Medium
Land disturbance, and site rehabilitation and site closure requirements	Impact on local flora and fauna. Lead to soil erosion. Destruction of the ecological system	Survey and record the operational areas of land disturbed and progressively rehabilitated for our Yiduoyan Project	We have commenced an ongoing rehabilitation program using local flora and soil to reduce soil erosion and to minimise the impact on local flora and fauna during development, considering the rehabilitation program will additionally assist to restore the ecological system significantly.	Our Company has adopted the applicable control recommendation in around July 2014.	Low

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Water management	Pollution of the surface water and ground water Impact on local water supply	Construct surface water drainage/flood collection system and settling pond Develop fully functioning water monitoring report/planned programme	We have put a water management system into practice, including the construction of water drainage and recycling system and settling pond. The facilities have been completed and approved by Nanzhang Environmental Protection Bureau in July 2014.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium
Dust and noise emission	Fugitive dust and noise pollution	Use covered trucks for waste rock transportation	We seek to use covered trucks to transport waste rock. We are working to investigate the feasibility of water-spraying during production. We seek to investigate the feasibility of using low-noise equipment during production.	Our Company has adopted the applicable control recommendation in around July 2014.	Low
Flood	Flooding of quarry	Ensure drainage diverts water away from quarry Ensure quarry is free draining	We have put a water management system into practice including the construction of the water drainage and recycle system and settling pond. Such facilities have been completed and have been approved by Nanzhang Environmental Protection Bureau in July 2014.	Our Company has adopted the applicable control recommendation in around July 2014.	Low

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Occupation, health and safety (OHS) procedures	Greater potential for injury/death due to substandard OHS procedures Loss of productivity	Implement site hazard audit and monitoring programme, identify major hazards, implement risk controls	We are committed to developing a comprehensive OHS management system throughout all workplace activities, and is modifying the management system as circumstances develop. We have been working in strict compliance with the OHS regulations required by Nanzhang Production Safety Bureau and has continuously and successfully passed on-site inspections by the relevant government authority.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium
Market (external to mining operation)					
Transport costs	Reduction in block price	Seek markets closer to mine	Strategically located in central China, we enjoy an advantage of a shorter distance to a number of adjacent developing cities through a well-established transportation network. We have also entered into sales contracts with different customers where our customers will bear the transportation costs, minimising our risk exposure to transport costs.	Our Company has adopted the applicable control recommendation in around July 2014.	Medium

Factor	Potential risk	Control recommendation	Our response	Whether the control recommendation to the potential risk had been implemented as at the Latest Practicable Date	Risk rating
Markets	Anticipated market prices not achieved Market growth not as fast as anticipated Increased competition from new quarries	Modify production rate, actively seek new markets	As of the Latest Practicable Date, we had entered into four sales contracts which set out an agreed price range. Upon expiry of these four contracts in the end of 2016, we will seek to: (i) identify new potential buyers; (ii) lower production cost; and (iii) lower production rate in response to possible weaker market demand in order to minimise our risk of exposure to market dynamics.	Our Company has adopted the applicable control recommendation in around July 2014. Our Company has not implemented the responses as the potential risk has not materialised.	Medium

The Independent Technical Consultant is of the opinion that the above risks can be generally managed if detailed risk assessments are conducted and control procedures are implemented, actions specified in our responses are carried out, standards and regulatory requirements in the PRC are followed and detailed marketing plans are developed.

Further discussion on risk items with medium risk

Jointing

Joint is a planar fracture that exists naturally in the rocks without visible or measurable displacement parallel to the surface (plane) of the fracture. During the Track Record Period, our Company has not seen significant joint density increase in our Yiduoyan Project area during the course of development, including near those locations where geological structures are exposed on the surface. Nevertheless, our Company anticipates that a certain extent of jointing may be present in the marble units in our Yiduoyan Project area and is inherently part of the risk to our Company's planned development work and future mining operations. As such, to minimise the risk exposure to jointing, our Company is working to establish an ongoing joint mapping program to keep track of the change of joint density on the working panel during the period of advanced development and plans to set up inclined holes at location wherever joint density substantially increases during the course of development and future mining operation. Our Company has first completed a joint survey in 2013.

The Independent Technical Consultant considers that this approach adequately addresses the issue of jointing, and decreases the risk of lower block yield.

Karst and weathering effects

Karst is a type of landform resulted from dissolution, which is a type of weathering process, of soluble rocks such as limestone, dolomite, and gypsum. The development of karst landform, in addition to the presence of soluble rock mass, is commonly controlled by pre-existing geological structures such as joints along which surface water may preferentially flows and dissolves the soluble rock materials. When rock materials are dissolved and washed away, karstic voids are resulted. The irregular nature of karstic voids makes it difficult to estimate their exact extent, even with drilling. Intersection with those karstic voids during the course of development and mining operation may affect block yield and hence production. As such, to minimise the risk exposure to karst, our Company, in line with risk management of jointing, plans multiple inclined holes to drill-test geological structures whenever joint density significantly increases to determine the nature of joint-associated dissolution features, if any, at depth.

The Independent Technical Consultant notes that some karst development, particularly voids along joints close to the surface, but also at depth, is very common in marble quarries, but provision has already been made for this in the Reserve estimate.

Geotechnical conditions

A number of geotechnical conditions in our Yiduoyan Project area have not been completely studied in great details, for example, stability of quarry walls and roadways have not been adequately addressed in the current geotechnical study. These geotechnical issues can potentially result in injury or death, delays in production and reduction of block yield. As such, to minimise the risk exposure to geotechnical issues, our Company is working to further conduct a detailed geotechnical study to address these potential geotechnical issues during the period of advanced development. In addition, our core management team will regularly conduct technical meetings and on-site inspection to review the geotechnical aspects of our Yiduoyan Project area during the course of development and future mining operation so as to keep track of the geotechnical conditions of our Yiduoyan Project and timely modify the planned development work, mine planning and scheduling accordingly if necessary.

Risk of failure to meet production targets

To mitigate this risk, our core technical team members comprising of one executive Director, namely Mr. Zhang Decong and three members of our senior management, namely, Ms. Zhang Xiaomei, Mr. Yuan Shan and Mr. Liu Zhanghui, will:

(i) monitor the development of our Yiduoyan Project according to our development plan;

(ii) meet from time to time to discuss the technical aspects of mine construction and mining operation and evaluate as to whether there is any mean to optimise the same;

(iii) review the technical aspect of production data so as to timely modify the mine planning and scheduling correspondingly if there is a need to do so; and

(iv) monitor the progress of the construction and installation of our environmental protection facilities and will report the progress to our Board on a quarterly basis.

Increase in operating cost and capital expenditure

To ensure that we are not materially affected by increase of operating cost and capital expenditure, we closely monitor the spending of capital in accordance with the capital expenditure plan and shall incur additional capital expenditure only if sufficient fund is available.

In particular, Mr. Ho Yuk Ming, Hugo, our chief financial officer is required to communicate with the management and finance department from time to time and gather necessary financial and operational information, including material financial and operational changes of our Company. Mr. Ho would also prepare a monthly report based on the information on a monthly basis for the timely review by our Directors who will direct appropriate counter-measures when necessary.

Waste rock

During the Track Record Period, we had used all waste rock for the access road and transfer pad construction. Excess waste rock that will not be used for on-site construction work or future site rehabilitation will be transported by a nearby building materials factory located approximately 15km away from our Yiduoyan Project site. We will seek to extend the existing supply contract after the current waste rock supply agreement we had entered into with them in 2018. If the waste rock volume exceeds the capacity of the existing building materials factory or it fails to renew or honour the waste rock supply agreement, we will discuss with other building material factories within the local community. Based on our Directors' experience, there is substantial demand for building materials in the local community and our Directors are of the view that alternative building material factories on similar terms are readily available in the local community.

Water management

To reduce the risk of polluting the surface water and ground water in the course of our production, we have put in place a water management system which includes the construction of water drainage, water recycling system and settling pond. The waste water generated from production, dust removal and precipitation at the mine site will be collected by the water drainage system and disposed of by a settling pond. The water will be recycled for reuse in production. The water management system has been completed and approved by Nanzhang Environmental Protection Bureau in July 2014. As confirmed by Nanzhang Environmental Protection Bureau, we have complied with the relevant procedures for the inspection and acceptance approval of completion of environmental protection facilities and have obtained the pollution discharge permit.

Occupational health and safety procedure

To minimise our risk exposure in respect of occupational health and safety procedure, we have implemented the following measures:

(i) we are committed to comply with the relevant laws and regulations in relation to occupational health and production safety. Pursuant to the written confirmations issued by Nanzhang Production Safety Bureau on 27 August 2014 and 1 September 2014, since the establishment of Future Bright (Xiangyang), we have been in compliance with the relevant laws and regulations in relation to occupational health and production safety during the course of development and operation of our Yiduoyan Project;

(ii) we have developed an operational occupational health and safety management system and procedures, which cover the safety production managements for drilling, loading transportation, air compressor operation, respiratory protection for marble cutting;

(iii) we will modify and enhance our operational occupational health and safety management system as we continue to develop;

(iv) as we have expended our scale of production since our establishment, we have developed and implemented a system to monitor and record employee occupation health and safety statistics;

(v) to avoid any potential accident in the course of our operations, we have implemented certain safety measures. In particular, we (a) conduct trainings for our mining staff on production safety; and (b) employ sufficient staff to monitor our production safety; and

(vi) we have obtained liability insurance of safety production and paid required insurance premium.

Transport costs

As at the Latest Practicable Date, we had entered into four sales contracts with our customers. Under these sales contracts, our customers bear the transportation costs. We will also broaden our potential customer base to identify potential sales opportunity so that if any of these customers are unwilling to bear the transportation cost on renewal of the sales contract, we have the option of obtaining orders from these potential customers to replace any such lost sales on comparable terms.

Market risk

As of the Latest Practicable Date, we had entered into four sales contracts which set out an agreed price range and annual quantity which our customers are obligated to purchase from us. Upon expiry of these four contracts at the end of 2016 and these sales contracts are not renewed, in order to minimise our risk of exposure to market dynamic, we will seek to:

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

(ii) lower production cost by implementing cost-cutting strategies such as reducing the number of workers; and

(iii) lower production rate in response to possible weaker market demand in order to minimise our risk of exposure to market dynamic.

Risk management policy

We had adopted a risk management policy to manage our operational risks. Under our risk management policy, our key risk management objectives include:

(i) identifying different types of risks;

(ii) assessing and prioritising the identified risks;

(iii) developing a risk management strategy based on these different types of risks;

(iv) risks monitoring and execution of risk response measures; and

(v) balancing risk management with our operation.

Under our risk management policy, our Board will be responsible for establishing the key risk management principles and objectives, while the deputy chief engineer and the production safety manager of our Group, Mr. Yuan Shan, who has over 30 years of experience in mining technologies and management of various dimension stone mines, including marble and granite dimension stone mines, will be responsible for establishing risk management measures implementing and coordinating our risk management policy and reviewing material risks within our Company.

Key recommendations from the Independent Technical Consultant

In addition, the Independent Technical Consultant has made the following recommendations in relation to our Yiduoyan Project and our commitments to implement these recommendations are set forth below:

	Recommendations	Our commitments
1.	Undertake studies on alternative waste dumping options in order to fulfil the demands of waste dumping during the life of mine and to investigate other potential markets for the waste materials from the quarry, which will potentially provide additional source of revenue of for our Yiduoyan Project.	(i) To minimise the risk exposure to waste rock, we have implemented a long-term and comprehensive waste rock management system by supplying excessive waste rock to nearby building materials factories. We have secured waste rock supply contract with a building materials factory and seek to extend the existing contract with another term of five years, provided that the first five-year term is satisfactorily performed. (ii) To manage the risk exposure to one building materials factory, we are also planning to discuss supply contracts with other adjacent building materials factories if we see that the waste rock volume exceeds the capacity of the existing building factory.
2.	Stone close to major fracture zones be identified during the quarrying process to avoid any stone that may have higher water absorption characteristics.	As of July 2014, we had not seen significant fracture density increase, including near those locations where geological structures are exposed on the surface. Nevertheless, we have established an ongoing fracture mapping program to keep track of the change of fracture density on the working panel during advanced development and plan to set up inclined holes at location wherever fracture density substantially increases.

	Recommendations	Our commitments
3.	As the quarry is developed and quarrying proceeds, further tests (bulk density, water absorption, strength and polishability) be carried out for both quality control purposes and to establish the marble quality according to various international standards to ascertain the potential of the marble products from our Yiduoyan Project for international markets.	We anticipate that the planned annual production can be sufficiently consumed by the domestic market through the life of the mine. However, to minimise the risk exposure to marble quality, we seek to establish an ongoing quality control program including regular review of and physical tests of the marble material of the working panel during advanced development.
4.	Further studies to be carried out in order to have a better understanding of the water quality and drainage system in our Yiduoyan Project area and beyond, and investigate the possibility of siltation if the acidity of the runoffs changes. Studies on the pit dewatering and depressurisation should also be conducted.	To minimise the risk exposure to water quality, we have put a water management system into practice, including the construction of water drainage and recycling system and settling pond. The facilities were completed and were approved by Nanzhang Environmental Protection Bureau in July 2014. We are also planning to establish an ongoing water quality monitoring program to monitor certain pollution parameters during advanced development.
5.	Natural fractures should be utilised in order to improve the extraction rate of rough blocks. Working faces should be oriented parallel to or perpendicular to the major joint sets wherever possible.	To minimise the risk exposure to fractures, we have established an ongoing fracture mapping program to keep track of the change of fracture density on the working panel during advanced development. As such, the mine management is capable to timely modify mine planning and scheduling correspondingly so as to maximise the production volume.

	Recommendations	Our commitments
6.	The operational areas of land disturbed and progressively rehabilitated for our Yiduoyan Project be surveyed and recorded on an annual basis.	(i) To minimise the risk exposure to environmental protection, we regularly surveys and records the operational areas of land disturbed.
7.	Develop and implement an operational environmental protection and management plan, inclusive of a monitoring programme for our Yiduoyan Project in line with Chinese national requirements and recognised international practices as our Yiduoyan Project moves toward operation.	(ii) We have commenced an ongoing a rehabilitation program using local flora and soil in an ongoing manner to reduce soil erosion and to minimise the impact on local flora and fauna during development, considering the rehabilitation program will additionally assist to restore the ecological system significantly.
8.	Studies of local markets for crushed marble be conducted in the early years of the operation of the quarry to maximise the return from by-products.	We seek to identify nearby buyers for crushed marble material to maximise the return of by-products.
9.	Markets be studied in greater detail to ensure that prices received are maximised and all the quarry productions are sold.	We seek to identify multiple marble buyers who purchase marble products with a variety of colours and textures. We also seek to identify multiple marble buyers to purchase marble block products of varying quality where required.
10.	All hydrocarbon storage facilities have secondary containment.	To minimise the risk exposure to hazardous liquid leakage, we are working to investigate the feasibility of installing secondary spill containment around existing fuel storage facilities that may leak hazardous liquid.
11.	Prepare a mine closure plan which is in line with the recognised industry management practice.	We seek to develop a mine closure plan that is recognised by the industry practise after we have reached the full production capacity.

OUR MINERAL RESOURCES AND MINING RIGHTS

Overview

We currently hold the mining rights to our Yiduoyan Project. The following table sets forth detailed information on our Yiduoyan Project and particulars of the mining permit:

Permit holder:	Future Bright (Xiangyang)
Permitted mining right area:	0.5209km^2
Mining permit number:	C4206242011127130122010 *(Note 1)*
Valid period of the mining permit:	From 30 December 2011 to 30 December 2021 *(Note 2)*
Mining depth:	Elevation of 420mRL to 550mRL *(Note 3)*
Mining method:	Open-pit
Permitted production capacity:	20,000m^3 per annum
Type of mineral:	Marble

Notes:

1. The mining right under the mining permit of our Yiduoyan Project was acquired by Future Bright (Xiangyang) from Nanzhang Land and Resources Bureau by way of tender at a purchase price of RMB277,000.

2. Subject to the applicable PRC laws and regulations, the term of our mining permit can be extended for another 10 years to 30 December 2031 upon the satisfaction of certain conditions, including but not limited to (i) existence of residual reserve in the original mining area as recorded with the relevant land and resource authority; (ii) timely application for renewal; (iii) submission of all necessary materials, (iv) timely and sufficient payment of deposit to guarantee the performance of obligations to restore the environment at the mine, and (v) non-existence of serious violations of PRC law. As advised by our PRC Legal Advisers, based on current applicable PRC laws and regulations, there will not be any material legal impediment for us to extend the term for the mining permit so long as we meet the applicable requirements and conditions and adhere to the procedures set forth in the relevant laws and regulations as required by the relevant government authorities.

   Pursuant to the written confirmation issued by Nanzhang Land and Resources Bureau on 28 September 2014, prior to the expiry of the term of the mining permit for our Yiduoyan Project, based on our application, Nanzhang Land and Resources Bureau will process our application for extension of term of our mining permit in accordance with the relevant PRC laws and regulations. If we can meet the requirements under the relevant PRC laws and regulations, Nanzhang Land and Resources Bureau will extend the term of our mining permit for another 10 years.

3. After the issue of the mining permit currently held by our Group, it was found that the upper elevation should have been at 589mRL according to subsequent measurement which represents a discrepancy of 39m above the prescribed elevation of 550mRL stated in the current mining permit. Our Group therefore obtained a written confirmation from Nanzhang Land and Resources Bureau on 14 October 2013 which confirmed that it is lawful for us to conduct marble mining activities from 420mRL to 589mRL without having to make payment of any additional fee. As advised by our PRC Legal Advisers, Nanzhang Land and Resources Bureau is a competent authority to issue the above confirmation and our Group is entitled to conduct mining activities at the elevation between 420mRL and 589mRL despite the fact that the prescribed elevation stated in the current mining permit is between 420mRL and 550mRL.

Resource and Reserve estimates prepared in accordance with JORC Code:

Yiduoyan Project Resource statement as at 1 July 2014

Resource Category	**White marble V-1** *(million m^3)* *(Note)*	**Grey marble V-2** *(million m^3)*	**Total** *(million m^3)*
Inferred	1.8	1.5	3.4
Indicated	5.6	1.8	7.3
Total	7.4	3.3	10.7

Note: Marble blocks produced prior to 1 July 2014 have been deducted from the estimated Resource.

Yiduoyan Project Reserve statement as at 1 July 2014

Reserve Category	**White marble V-1** *(million m^3)* *(Note)*	**Grey marble V-2** *(million m^3)*	**Total** *(million m^3)*
Probable	0.87	0.04	0.91

Note: Marble blocks produced prior to 1 July 2014 have been deducted from the estimated Reserve.

According to the Independent Technical Report, up to the Latest Practicable Date, there had been no material change of the Mineral Resource and Ore Reserve estimates of our Yiduoyan Project since 1 July 2014, being the effective date of the Independent Technical Report.

Exploration works

In 2012, we commissioned Team 932 to carry out exploration in our Yiduoyan Project and also for the purpose of preparation of the Independent Technical Report. Our Resource and Reserve were estimated based on the exploration work undertaken between September 2012 and January 2013. For particulars on the previous exploration work carried out by Team 932, please refer to Section 3.4 – Previous exploration work of the Independent Technical Report, the text of which is set out in Appendix IV to this prospectus.

For RP2011, RP2012, TRP2012, TRP2013, TRP2014 and the period from 1 July 2014 and up to the Latest Practicable Date, we have incurred exploration expenses of approximately nil, nil, RMB1.2 million, RMB0.6 million, nil and nil, respectively, which have been accounted for as expenses.

Further exploration works

We plan to take advantage of the exploration potential in our existing mining permit further to increase our Resource. As at the Latest Practicable Date, the exploration work done at the Unplanned Mining Land was at a preliminary stage without sufficient data for a Resource estimation in accordance with the JORC Code. In order to have sufficient data for a Resource estimation in accordance with the JORC Code, more detailed exploration work needs to be done at the Unplanned Mining Land. We plan to increase the Resource of our Yiduoyan Project through further exploration work within our permitted mining area in the future. The further exploration works include the followings:

(i) quality logging and sampling of additional drillholes;

(ii) drill test to determine the nature and extent of fault zone;

(iii) geophysical surveys to ascertain the nature and extent of the sinkholes;

(iv) joint mapping throughout the life of mine to help determine the favourable geomechanical zones; and

(v) physical and chemical tests on the overlying limestone unit.

According to the Independent Technical Report, logging and sampling of completed drillholes and additional drillholes in the southern part of our Yiduoyan Project area are likely to increase the Resource and potentially decrease the amount of waste rocks. Testing of the overlying limestone unit and studies of its potential uses and value may further enhance the economics of our Yiduoyan Project.

As we are focusing on developing our Yiduoyan Project which is entirely covered by the Planned Mining Land Area and the Planned Mining Land Area is expected to be able to support the production schedule of our Yiduoyan Project with an estimated remaining mine life of 47 years, we currently have no plan to carry out any further exploration works in the Unplanned Mining Land Area.

Major licences, permits and approvals obtained

The following table summarises the material licences, permits and approvals we have obtained in the PRC for our operation:

Name of licence/ permit/approval	Authority granting licence/permit/approval	Date of issue	Validity period	Particulars
Business licence	Xiangyang City Industry and Commerce Administration Bureau (湖北省襄陽市工商行政管理局)	22 July 2013	8 July 2011 – 7 July 2021	Licensed business activities: marble mining, stone processing and sales
Mining permit	Nanzhang Land and Resources Bureau (南漳縣國土資源局)	30 December 2011	30 December 2011 – 30 December 2021	Area: 0.5209km^2 Please also refer to the paragraph headed "Our mineral resources and mining rights – Overview" in this section.
Safety production permit	Hubei Province Safety Production Inspection Bureau (湖北省安全生產監督管理局)	28 September 2012	28 September 2012 – 27 September 2015	N/A
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	29 February 2012 (renewed on 28 February 2014)	28 February 2014 – 27 February 2016	Area: 0.8085ha (equivalent to approximately 0.008085km^2)
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	15 December 2013	15 December 2013 – 14 December 2015	Area: 0.887ha (equivalent to approximately 0.00887km^2)
Consent letter approving the temporary use of forestland	Nanzhang Forestry Bureau (南漳縣林業局)	2 September 2014	2 September 2014 – 1 September 2016	Area: 1.9614ha (equivalent to approximately 0.019614km^2)
Notice of temporary land-use	Nanzhang Land and Resources Bureau (南漳縣國土資源局)	10 September 2014	10 September 2014 – 9 September 2016	Area: 36,569m^2 (equivalent to approximately 0.037km^2)
Environmental impact assessment approval	Nanzhang Environmental Protection Bureau (南漳縣環保局)	18 December 2012	N/A	N/A
Water and soil conservation plan approval	Nanzhang Water Resources Bureau (南漳縣水利局)	20 November 2012	N/A	N/A

Name of licence/ permit/approval	Authority granting licence/permit/approval	Date of issue	Validity period	Particulars
Water use permit	Nanzhang Water Resources Bureau (南漳縣水利局)	1 January 2013	1 January 2013 – 31 December 2017	• Water supply source: ground water • Water use allocation: 20,000m^3
Approval for trial production (for stage one)	Nanzhang Environmental Protection Bureau (南漳縣環保局)	29 July 2014	N/A	Approval-in-principle was given by Nanzhang Environmental Protection Bureau that our Yiduoyan Project be permitted to commence trial production
8,000m^3 Approval *(Note)*	Nanzhang Environmental Protection Bureau (南漳縣環保局)	5 September 2014	N/A	Inspection and acceptance approval of completion of the environmental protection facilities for production at a production rate of 8,000m^3 per annum.
Pollution and discharge permit	Nanzhang Environmental Protection Bureau (南漳縣環保局)	9 September 2014	9 September 2014 – 9 September 2017	• Type of major pollutants discharged: Particles • Concentration of major pollutants discharged: Particles ≤1.0mg/m^3

Note: As advised by our PRC Legal Advisers, according to the Inspection Acceptance of the Environmental Protection for Completed Construction Projects (建設項目竣工環境保護驗收管理辦法), environmental protection facilities shall be constructed along with the development of our Yiduoyan Project. As such, we obtained the 8,000m^3 Approval (instead of the 20,000m^3 Approval) in September 2014 as we only completed the environmental protection facilities which can support a production rate of 8,000m^3 per annum in July 2014 in accordance with our development plan.

Status of licences, permits and approvals for our current operation and production at a production rate of 8,000m^3 per annum

We have been advised by our PRC Legal Advisers that:

(i) we have obtained all licences, permits and approvals in all material respects for our operation during the Relevant Period, the Track Record Period and up to the Latest Practicable Date;

(ii) we have obtained all licences, permits and approvals in all material respects for production at a production rate of 8,000m^3 of marble blocks per annum; and

(iii) based on the current applicable PRC laws and regulations, there will not be any material legal impediment for us to renew our existing licences, permits and approvals so long as we meet the applicable requirements and conditions and adhere to the procedures set forth in the relevant laws and regulations.

Outstanding approval to be obtained before production at full production rate of 20,000m^3 per annum

Outstanding approval	Relevant authority to issue the approval	Status as at the Latest Practicable Date
20,000m^3 Approval	Nanzhang Environmental Protection Bureau (南漳縣環保局)	We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. In line with our mine development plan, we will make the application for the 20,000m^3 Approval by the end of 2015 and we expect to obtain such approval prior to the increase in our expected production rate to 20,000m^3 per annum in the beginning of 2016. Once we have obtained the 20,000m^3 Approval, it will replace and supersede the 8,000m^3 Approval.

Applicable requirements and conditions necessary to obtain the 20,000m^3 Approval

As advised by our PRC Legal Advisers, based on the Administrative Measures on the Inspection Acceptance of the Environmental Protection for Completed Construction Projects (建設項目竣工環境保護驗收管理辦法), among others, the applicable key requirements and conditions necessary for us to obtain the 20,000m^3 Approval includes the following:

(i) completion of environmental protection facilities project examination and approval procedures. Records of data in respect of environmental protection are in order;

(ii) environmental protection facilities should be built and completed according to the environment impact assessment report which have been approved by the relevant environmental protection bureau;

(iii) the environmental protection facilities should comply with relevant standards and requirements;

(iv) the environmental protection facilities should function properly; and

(v) the management and monitor system with respect to the environment protection should meet the requirements stipulated in the environment impact assessment report.

As advised by our PRC Legal Advisers, the applicable requirements and conditions for obtaining the 8,000m^3 Approval are substantially the same as those for the 20,000m^3 Approval except the difference in the production volume supported by relevant environmental protection facilities.

Internal control measures adopted to satisfy the applicable requirements and conditions necessary to obtain the 20,000m^3 Approval

To ensure that we are able to meet the applicable requirements and conditions to obtain the 20,000m^3 Approval, we have adopted the following measures:

(i) we have appointed Mr. Yuan Shan, a member of our core technical team and deputy chief engineer of our Group, to manage environmental protection issues and ensure that we meet all requirements stipulated in the environment impact assessment report. Mr. Yuan also oversees the environmental protection related record keeping and handles all the environmental protection related regulatory inspection, examinations and approval processes. Mr. Yuan had experience in ensuring compliance with relevant requirements in order to obtain the 8,000m^3 Approval. Mr. Yuan has approximately 30 years of experience in the mining industry and was responsible for environmental impact assessment of various mining projects. For more information on the experience of Mr. Yuan, please refer to the section headed "Directors and Senior Management";

(ii) the environmental protection facilities required for the 20,000m^3 Approval will be constructed in accordance with the environmental impact assessment report prepared by Xiangyang Environmental Protection Science Research Institute, which has been approved by the Nanzhang Environmental Protection Bureau, under the supervision of Mr. Yuan, with the input from other members of our core technical team and staff members who had experiences in handling the application for the 8,000m^3 Approval. Please refer to the paragraph headed "Development plan of environmental protection facilities in respect of the 20,000m^3 Approval" below for further details;

(iii) regular inspection and maintenance is carried out on the environmental protection facilities to ensure that they are functioning properly and up to relevant standards and requirements;

(iv) we have set up an archive to maintain data and documents in respect of environmental protection. Our staff members who are on duty will report to their supervisors according to their line of reporting, with Mr. Yuan taking the overall responsibility to oversee the matters, so as to ensure the environmental protection facilities are functioning properly. Our current management and monitoring system in respect to the environment protection met the requirements stipulated in the environmental impact assessment report in relation to the 8,000m^3 Approval. Our PRC Legal Advisers advised that the requirements in respect of the management and monitoring system set out in the environmental impact assessment report in relation to the 20,000m^3 Approval are substantially the same as those for the 8,000m^3 Approval; and

(v) we maintain regular contact with Nanzhang Environmental Protection Bureau from time to time to keep them updated on the status of our environmental protection measures.

Development plan of environmental protection facilities in respect of the 20,000m^3 Approval

In accordance with the Inspection Acceptance of The Environmental Protection for Completed Construction Projects (建設項目竣工環境保護驗收管理規定), our environmental protection facilities shall be constructed along with the development of our Yiduoyan Project. The environmental protection facilities for our Yiduoyan Project mainly comprise retaining wall, water drainage system at different benches, settling ponds and electric water pumps. The function of our environmental protection facilities is to collect the waste water generated from our production which will lead the waste water to the settling ponds. The waste water in the settling ponds will then be filtered. The filtered waste water will be pumped back to the benches using electric water pumps and recycled for our production use.

The following environmental protection facilities which can support a production rate of 8,000m^3 per annum were completed and approved by Nanzhang Environmental Protection Bureau in July 2014:

(i) retaining wall, water drainage system at the levels of 556m, 548m and 540m;

(ii) four settling ponds; and

(iii) four electric water pumps.

The additional environmental protection facilities which we need to put in place in order to obtain the 20,000m^3 Approval are similar to those required for the 8,000m^3 Approval and are as follows:

(i) additional water drainage system at the levels of 532m and 524m. This involves digging an open drainage measured approximately 30cm x 30cm on the ground around the benches at the levels of 532m and 524m, which only requires same simple tools or machineries such as shovel, hoe and handheld jackleg drill which we already possess and does not involve any technical issue, intensive labour or high-level skill. We estimate that the total length of such water drainage system will be approximately 100m, and it will require two workers to complete in approximately three working days. Therefore, our Directors are of the view that the digging of water drainage system is a relatively simple task;

(ii) approximately six additional settling ponds to treat the additional waste water to be generated when we operate in a larger scale. The additional settling ponds will be installed at approximately 10m vertically below the benches to allow the waste water to flow downwards through the water drainage system. We estimate that we will need to order the settling ponds one week in advance and it will require two workers to complete the installation in approximately one working day; and

(iii) six electric water pumps which will be fitted inside each settling pond to pump the filtered waste water back to the benches for reuse in production. We estimate that we will need to order the water pumps one day in advance and it will require two workers to complete the fitting of the water pumps in approximately one working day.

The retaining wall has already been built when we obtained the 8,000m^3 Approval and it has been examined and approved by the Nanzhang Environmental Protection Bureau. Therefore, we do not need to build another retaining wall before we apply for the 20,000m^3 Approval.

Measures adopted to ensure that the additional environmental protection facilities in respect of the 20,000m^3 Approval can be installed according to our plan

To ensure that the additional environmental protection facilities in respect of the 20,000m^3 Approval can be installed according to our development plan, we had implemented the following measures:

(i) we have appointed Mr. Yuan Shan, a member of our core technical team and deputy chief engineer of our Group, who had experiences in handling the application for the 8,000m^3 Approval, to supervise and monitor the progress of the installation of the environmental protection facilities;

(ii) other members of our core technical team and staff members who also had experiences in handling the application for the 8,000m^3 Approval will assist Mr. Yuan to oversee the development plan to ensure that the environment protection facilities will be constructed in accordance with the environmental impact assessment report prepared by Xiangyang Environmental Protection Science Research Institute (which has been approved by the Nanzhang Environmental Protection Bureau); and

(iii) we will contact the suppliers of the settling ponds and water pumps well in advance to ensure that they will be available for us to purchase when required.

As at the Latest Practicable Date, the aforementioned additional facilities had not been installed as our Directors consider that the 8,000m^3 Approval will sufficiently cover our production needs until the end of 2015 and the 20,000m^3 Approval will only be required by our Group shortly before our annual production capacity exceeds the 8,000m^3 threshold, that is when our annual production capacity is expected to reach 16,000m^3 in 2016. Our Company expects that the installation cost of which will eventually be incurred in late 2015 in accordance with the development plan of our Yiduoyan Project. We expect to fund the installation cost of approximately RMB0.2 million by our internal resources.

According to our development plan, our expected production capacity is approximately 3,000m^3 and 7,500m^3 for 2014 and 2015, respectively. As such, we applied for, and successfully obtained the 8,000m^3 Approval which will sufficiently cover our production needs until the end of 2015 when our production capacity reaches 7,500m^3 per annum.

Based on our production schedule and mine development plan, our ramp-up plan is expected to start in the second half of 2015 and our annual production capacity is expected to reach 7,500m^3 in 2015 (i.e. below the threshold of the 8,000m^3 Approval) and 16,000m^3 in 2016. As such, we consider it more cost-effective to construct the additional environmental protection facilities including, among others, the additional water drainage systems at the lower level benches of 532m and 524m, which are necessary for obtaining the 20,000m^3 Approval towards the end of 2015 when the bottom of the lower level benches would be sufficiently exposed for the construction of the water drainage systems after the top soil has been removed and the marble units at the upper level benches have been extracted in accordance with our development plan. Hence, we will complete construction of the additional water drainage systems, also purchase and complete the installation of the additional settling ponds and water pumps around October 2015. After the additional environmental protection facilities have been installed, the expected time required for obtaining the 20,000m^3 Approval will be approximately one month. Based on our previous experience in obtaining the 8,000m^3 Approval, during the site inspection, the officials of Nanzhang Environmental Protection Bureau will examine whether the waste water produced during our production are properly collected by the water drainage system and there is no waste water puddle on the grounds near the benches and the waste water is led to the settling ponds through the water drainage system. If Nanzhang Environmental Protection Bureau is satisfied that our environmental protection facilities are in place in accordance with the environment impact assessment report and they are functioning properly and other applicable requirements and conditions are met, it is expected that the 20,000m^3 Approval will be issued.

Status of licences, permits and approvals for full production at a production rate of 20,000m^3 per annum

We have been advised by our PRC Legal Advisers that:

(i) based on the current applicable PRC laws and regulations, apart from the 20,000m^3 Approval, which we expect to obtain in the beginning of 2016, we have obtained all licences, permits and approvals in all material respects that are required before commencement of full production at production rate of 20,000m^3 of marble blocks per annum; and

(ii) according to the current PRC laws and regulations, there will not be any material legal impediment for us to obtain the 20,000m^3 Approval as long as we meet the above requirements and adhere to the application procedures.

As advised by our PRC Legal Advisers, according to current applicable laws and regulations the applicable requirements and conditions for obtaining the 8,000m^3 Approval are substantially the same as those for the 20,000m^3 Approval except the difference in the production volume supported by the relevant environmental protection facilities. As the additional environmental protection facilities we need to put in place in order to obtain the 20,000m^3 Approval are similar to those required for the 8,000m^3 Approval, Our Directors are of the view that there is no material impediment for us to obtain the 20,000m^3 Approval taking into account the factors mentioned above. In particular, since we have obtained the 8,000m^3 Approval and we believe that our Group will be able to meet the applicable requirements and conditions for 20,000m^3 Approval given that these requirements and conditions are substantially the same as those in relation to our previous application for the 8,000m^3 Approval.

Measures to mitigate the risk associated with failure to obtain or renew the government approvals, permits and licences required for our mining activities

As advised by our PRC Legal Advisers, we have obtained all licences, permits and approvals in all material respects for our operation as at the Latest Practicable Date. To ensure that we will continue to be able to obtain or renew the government approvals, permits and licences required for our mining activities, including but not limited to the Consent Letters and Notice of Temporary Land-use, we had implemented and will implement the following measures:

(i) in September 2014, our Company has assigned a designated management to update and maintain a government approvals, permits and licences register for keeping track of the status of necessary government approvals, permits and licences. The register contains necessary information, such as the current status, timing of renewal, condition of renewal and responsible persons for the purpose of timely application and/or renewal;

(ii) since September 2014, our Company has established a compliance committee which comprises Mr. Ho Yuk Ming, Hugo, the chief financial officer, Mr. Hu Jin Xiong, a non-executive Director, and Mr. Lau Tai Chim, an independent non-executive Director, who has been a solicitor practising law since May 1986. Part of the function of the compliance committee is to oversee our Group's compliance status and ensure that our Group has obtained and will be able to obtain or renew the government approvals, permits and licences required for our mining activities. The compliance committee is scheduled to meet quarterly for discussing the existing and potential compliance issues and report to the Board whenever necessary;

(iii) to assist the compliance committee in performing its function, we will engage a PRC legal adviser upon Listing. Other than ensuring we will continue to meet the requirements for obtaining or renewing the government approvals, permits and licences required for our mining activities, the purpose of engaging for the PRC legal advisers is to ensure that our Group is notified in advance of any possible change of legal requirements which may affect us in obtaining or renewing such approvals, permits or licences; and

(iv) we will continue to maintain regular contact with the local government authorities to keep abreast of the local government practices in enforcing and interpreting the laws and regulations applicable to our business operations.

Geographic location and access to our Yiduoyan Project

Our Yiduoyan Project is located in Xiaoyan Township, Nanzhang County, Xiangyang, Hubei Province of the PRC.

The project area from Nanzhang can be accessed through provincial highway S306 for 13km and then S251 for approximately 30km. The mining area is close to the S251 provincial road. The project site is approximately 900m away from the provincial road making the transportation cost of the marble blocks low within the mining area and thereby reducing the production cost. The provincial highways are two-way well-maintained paved roads. From Nanzhang, the distances to other major cities are 1,105km for Shanghai, 1,295km for Guangzhou, 328km for Wuhan, 1,119km for Beijing, 485km for Xi'an and 432km for Zhangzhou. According to the Independent Technical Report, the infrastructure is considered as adequate for the proposed volumes of stone and waste material to be transported from the quarry.

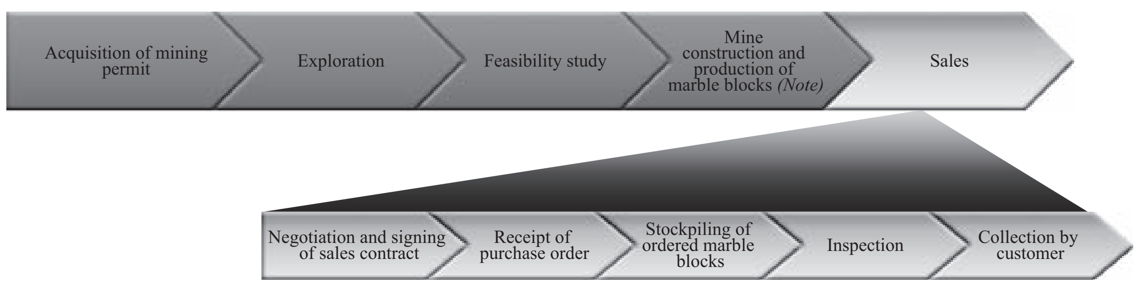
During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had not experienced any shortage of transportation capacity for our product.

The following map sets forth the approximate geographical location of our marble mine and major transportation infrastructures:

BUSINESS MODEL

We are a marble producer. Our main product is marble blocks extracted from our Yiduoyan Project which we target to sell to dimension stone processors and construction and decoration companies. During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had entered into four marble block sales contracts with our customers.

The following diagram is a brief illustration of our business model:



Note: We had only commenced limited commercial production but not full scale commercial production of our Yiduoyan Project in September 2014.

Acquisition of mining permit, exploration and feasibility study

In December 2011, the mining right under the mining permit of our Yiduoyan Project was acquired by Future Bright (Xiangyang) from Nanzhang Land and Resources Bureau by way of tender at a purchase price of RMB277,000. In 2012, we commissioned Team 932 to carry out exploration in our Yiduoyan Project. In July 2013, we commissioned Sinoma to undertake a feasibility study on our Yiduoyan Project.

Mine construction and production of marble blocks

We commenced limited mine construction between September 2012 and July 2013 and have begun full-scale mine construction since August 2013. Certain marble blocks were produced while the construction works at our Yiduoyan Project were taking place during the Track Record Period. It is feasible for production of marble blocks and construction works at our Yiduoyan Project to take place at the same time because marble units are exposed for extraction as a result of mine construction works such as stripping of overburden, top soil and construction of working benches.

Sales

Negotiation and signing of sales contract

We negotiate and enter into sales contracts with our customers which set out amongst others, the quantity of marble blocks and the price range which our customers will purchase from us in a particular year.

Receipt of purchase order

Purchase orders setting out the quantity, specification and grade of the marble blocks are placed with by our customers in advance of the date of collection of the marble blocks.

Stockpiling of ordered marble blocks

After the quantity, specification and grade of the marble blocks have been confirmed with our customers, we stockpile the marble blocks.

Inspection

After the marble blocks have been stockpiled, we notify our customers to attend the site area of our Yiduoyan Project to conduct inspection on the marble blocks in order to confirm the purchase quantity, specification and grade of the extracted marble blocks. After the marble blocks have passed the inspection test, we sign the purchase order with our customers which forms the basis of the amount to be settled by our customers.

Collection

After our customers settle 90% of the sale value of the marble blocks as stated in the signed purchase order, we load the marble blocks onto the vehicles arranged by our customers at our Yiduoyan Project and the transportation costs and associated risk are borne by our customers thereafter. The remaining 10% of the sale value as stated in the signed purchase order is payable within five working days after collection of the marble blocks by our customers. Our customers should collect the marble blocks they purchased within seven days after completion of the transaction, otherwise a daily fee will be charged.

OUR PRODUCT

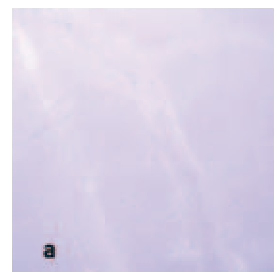
We are engaged in the mining and production of marble blocks. Our principal product is marble blocks mined for our Yiduoyan Project.

According to the Independent Technical Report, in the dimension stone industry, the term "marble" includes both true metamorphic marble as well as dense limestone that is capable of being polished and used as building material. According to the Independent Technical Report, the material to be extracted from our Yiduoyan Project is locally known as marble even though parts of it contain fossils and the degree of marmorisation, being recrystallisation due to heat and/or pressure, is low and variable.

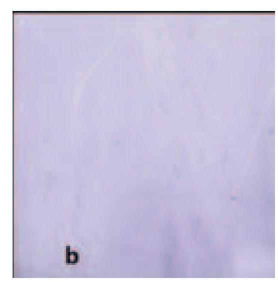
Two primary colours of marble have been identified in our Yiduoyan Project. The primary colour of the marbles identified in the middle stratigraphic unit is milky white to light grey and pink which are generally referred to as "**White Marbles**" and will be marketed under the trade name of "銀白玉" (Silver White Jade), while the primary colour of the marbles identified in the lower stratigraphic unit is light to dark grey which are generally referred to as "**Grey Marbles**" and will be marketed under the trade name of "銀狐灰" (Silver Fox Grey). In the dimension stone industry, both the White Marbles and Grey Marbles belong to the white series marble. According to the Independent Technical Report, seven main colour/texture varieties of marble have been identified in the proposed pit area. Amongst which, there are four varieties of White Marbles and three varieties of Grey Marbles. Set forth below are pictures of samples of these varieties of marble for illustration purpose:

White Marbles "銀白玉" (Silver White Jade):

Type a – pure isotropic white marble

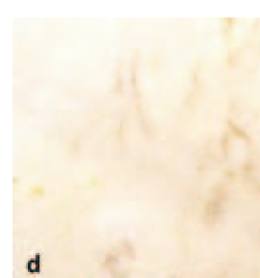


Type b – pure isotropic light-grey marble



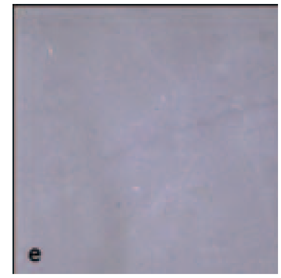
Type c – finely laminated (or with convolute structure) whitish-beige (or greyish) marble

Type d – light pinkish marble



Grey Marbles "銀狐灰" (Silver Fox Grey):

Type e – grey marble



Type f – grey marble with irregular textures (layered or convoluted)

Type g – dark grey marble

Properties of our product

Laboratory tests were conducted on a total of 185 core and surface samples from our Yiduoyan Project. They were conducted in February 2013 at the China National Quality Supervision and Testing Centre for Dimension Stones (Guangdong), which is an accredited body for dimension stone testing. The physical and chemical tests were carried out according to the relevant specifications in China.

According to the Independent Technical Report, the bulk density for both White Marbles and Grey Marbles are similar with means of 2.70g/cm^3 which meets the relevant Chinese standard specifications. The dry and wet compressive and flexural strength test results show both marble types meet the relevant Chinese standard specification and the values are generally similar to marbles sold in the international markets. The abrasion resistance test results for both White Marbles and Grey Marbles satisfy the minimum relevant Chinese standard specification requirement of 10cm^3. The specular glossiness test results were all close to 80, which is well above the minimum value of 70 as required by the relevant Chinese standard. The analysis result for samples taken from our Yiduoyan Project indicates that their radioactivity is very low and the samples belong to Class A, which means they can be used unrestrictively as a building material. The table below sets forth the main properties of the marble of our Yiduoyan Project. For further details, please refer to Table 5-2 and Table 5-3 of the Independent Technical Report, the text of which is set out in Appendix IV to this prospectus.

	Colour	Grain size	Bulk density (g/cm³) *(Note 1)*	Water absorption (%) *(Note 2)*	Compressive strength (Mpa) *(Note 3)* Dry	Compressive strength (Mpa) *(Note 3)* Wet	Flexural strength (Mpa) *(Note 4)* Dry	Flexural strength (Mpa) *(Note 4)* Wet	Abrasion resistance (cm^{-3}) *(Note 5)*	Gloss test (GS) *(Note 6)*	Radioactivity I_{Ra}	Radioactivity $I\gamma$
White Marbles	Milky white to light grey, pink	Fine to very fine	2.70	0.28	97.40	101.00	12.6	11.7	24	82.0	≤ 0.1	≤ 0.1
Grey Marbles	Light to dark grey	Fine to very fine	2.70	0.35	94.00	115.33	8.4	9.5	20	83.5	≤ 0.1	≤ 0.1
Chinese Standard GB/T 19766-2005			2.6 (min)	0.5 (max)	50 (min)	Not specified	7 (min)	Not specified	10 (min)	70 (min)	≤ 0.1 (Class A)	≤ 0.1 (Class A)
Industry average *(Note 7)*			2.6	0.75	80	–	7	–	19	80	–	–

Notes:

1. The higher the bulk density, the finer the texture of the marble is. The marble will also be more stable during cutting, sawing and polishing process.

2. The lower the water absorption, the less susceptible to decay the marble is and it is also able to sustain wet weather better and therefore can be used as external walls for construction.

3. The higher the compressive strength, the higher the resistance of the marble to external damage.

4. The higher the flexural strength, the more flexible the marble is and harder for the marble to break and chap.

5. The higher the abrasion resistance, the better the marble is in resisting erosion caused by scraping, rubbing and other types of mechanical wear.

6. The higher the result of the gloss test, the better the surface shininess of the marble.

7. The industry average data was provided by Antaike.

In conclusion, according to the Independent Technical Report, almost all of the physical test results, which include bulk density, absorption, compressive and flexural strength, of samples are in compliance with Chinese national dimension stone standards. 6% of the samples did not meet the specification in the water absorption test which the Independent Technical Consultant does not consider significant, as they can be identified during the quarrying process and will not affect the Reserve estimate. The Independent Technical Consultant is of the opinion that the physical properties of the marble produced from our Yiduoyan Project is of a standard that can be sold as a good quality marble within China.

Marble blocks

According to the Independent Technical Report, the primary product of our Yiduoyan Project will be marble blocks ranging from $0.5m^3$ to $9m^3$ in volume. The selling prices of the marble blocks vary depending on quality, appearance such as colour, pattern and texture, size and quantity. The marble will be marketed as "銀白玉" (Silver White Jade) and "銀狐灰"

(Silver Fox Grey) to our customers. Some of our customers will cut our marble blocks to produce slabs of marble and either sell them as slabs or further process them to achieve various finishes. As China is a net importer of marbles, particularly white and light coloured marble according to the Antaike Report, it is anticipated that most of the marble blocks and slabs produced in China will be sold within China.

Price trend

According to the Antaike Report, based on historical data marble prices in the PRC has remained largely stable with a slight increment over the last few years from 2006 to 2013 because marble is a natural resource and is prone to depletion due to extraction. According to the Antaike Report, as supply dwindles, the price of marble block will naturally increase if demand stays constant, and such increase will be greater with increased demand. Existing marble quarry owners, particularly those with high grade and rare stones, may also attempt to control or manage prices by controlling the production and/or supply of the marble.

Sales of our product

We are currently focusing on mine construction and development of our Yiduoyan Project. As we had only commenced limited commercial production in September 2014, our sales had been relatively low. We sold 267.2 m^3 of marble blocks to one of our customers, namely, Huilong, which were produced during the construction phase of our Yiduoyan Project, in June 2014 with an average sale price of RMB3,500 per m^3 (including 6% VAT) and generated sales proceeds of a total amount of approximately RMB0.9 million which have been credited to construction in progress. According to the Antaike Report, the price of our marble blocks is at the lower end of the market price range in the PRC. We have not sold any marble blocks to any other customers during the Relevant Period and Track Record Period. Hence, Huilong was our largest and only customer which accounted for 100% of our total sales during the Relevant Period and Track Record Period.

OUR PRODUCTION OPERATIONS

Overview

During the Relevant Period and the Track Record Period, we focused our business activities on mine development. We commenced limited construction at our Yiduoyan Project in September 2012. We obtained the 8,000m^3 Approval and commenced limited commercial production in September 2014. We expect to obtain the 20,000m^3 Approval in the beginning of 2016. We plan to complete our development plan in December 2016. Our mining capacity is expected to reach full production rate of 20,000m^3 per annum in 2017.

Mining process

Mining will be conducted using the open-pit method at an open pit shell within the area of the mining permit which was designed by the Sinoma. The pit is a conventional marble dimension stone pit design with adequate benches for movement of machinery and safe access.

We have adopted the mining method proposed by Sinoma which comprises the use of diamond wire saw to extract the marble blocks and trucks to transport the marble blocks once they have been extracted. Our operation's cycle is composed of primary cuts to isolate a large block from the main rock mass, secondary cuts to produce slices which are then tilted into a horizontal position for final cutting into individual blocks as detailed below. Currently, we do not outsource any part of our mining process to external contractors.

The Independent Technical Consultant considers the mining method appropriate for the mine design and the production rate achievable.

By April 2014, we had constructed three production benches at the levels of 556m, 548m and 540m respectively at the initial mining area, located between Exploration Lines 101 and 102. Please refer to Figure 7-4 of Appendix IV to this prospectus for the location of the initial mining area. These benches measure 120m, 220m and 260m respectively. As of the end of June 2014, the production bench at the level of 556m had been completely mined out whereas mining continued at the levels of 548m and 540m. Mining will then proceed to pushback downwards bench by bench and form a final open pit with the bench height of 8m, a safety cleaning berm width of 3m and a haulage berm width of 6m. The working bench angle is 90°, but the final slope angle will become 55° and 45° within marble and the weathered zone, respectively. The final pit will measure a depth of 160m. The dimension of the pit top will measure 517m x 298m and the pit bottom will measure 312m x 140m.

At the initial mining area, all top soil and weathered materials have been stripped off. These materials have been used as fill materials for the haulage road and foundation of the transfer pad area. A 900-m-long haulage road, connecting the Provincial Highway S251 to the temporary office complex and the mining area has been constructed. The haulage road will further be extended to 1.89km long and 6.5m wide. The Independent Technical Consultant agrees with the production planning and the location for initial mining proposed by Sinoma.

The following diagram sets forth the key mining process to be performed at our Yiduoyan Project and it takes approximately one day to extract $10m^3$ of marble block:

Step 1: Cutting

The horizontal plane of the marble rock is cut with diamond wire saw.

Quarry face is cut by both horizontal and vertical diamond belt saws.

Step 2: Tilting down

Titling down of rectangular primary blocks by a front end-loader.

A cushion layer made up of crushed stone and soil is prepared.

Step 3: Colour and pattern examination

Colour and pattern examination of tilted primary rectangular blocks.

Step 4: Shaping

Diamond wire saw is used to cut and disintegrate the strip stones into rock blocks and the rock blocks are reshaped using the same method.

Step 5: Transporting

Large capacity fork loaders are used for transporting the marble blocks to our stockpiling area.

Step 6: Stockpiling

Stockpiling of marble blocks takes place prior to collection by customers.

SALES AND MARKETING

Our current sales strategy is to capture market share in Southern China region, where there is a strong demand for marble due to construction of hotels, residential and commercial buildings. We plan to sell our marble blocks mined from our Yiduoyan Project to dimension stone processors and construction and decoration companies in the PRC. We currently have no intention of exporting any of our product.

We determine the prices of our marble blocks based on their quality, appearance, size and quantity. We also take into account the selling price of marble blocks produced from white series marble which has similar appearance and quality as the marble produced from our Yiduoyan Project in determining the prices of our marble blocks.

We expect to increase the awareness of our marble blocks in trade and decorative surfacing stone magazines, as well as by attending industry forums, trade fairs and exhibitions where we can communicate with other industry players such as dimension stone processors and construction and decoration companies.

Customers and sales contracts

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had entered into sales contracts separately with a construction and decoration company and three dimension stone processors in Guangdong Province, which specify the terms including the quality and appearance, price range, payment terms and annual quantity of marble blocks to be supplied. As at the Latest Practicable Date, we had around one year of business relationship with these customers.

The following table sets forth the basic background information on the customers who had entered into sales contracts with us and further details of their respective validly existing sales contracts:

Name of customer	Location	Date of establishment	Nature of business	Size of business premises	Product name	Date of sales contract	Contracted annual quantity (m^3) *(Note 1)*	Minimum annual quantity (m^3) *(Note 2)*
Guangzhou Ziye Construction and Installation Engineering Co. Ltd. (廣州市梓業建築安裝工程有限公司)	Guangzhou, PRC	22 May 1997	Construction and decoration company	Approximately 1,200m^2 *(Note 3)*	銀白玉 (Silver White Jade) and 銀狐灰 (Silver Fox Grey)	29 June 2014	2014: 500 2015: 2,000 2016: 4,000	2014: 450 2015: 1,800 2016: 3,600
Yunfu Aoge Stone Co., Ltd. (雲浮市奧格石業有限公司)	Yunfu, Guangdong Province, PRC	10 December 2012	Dimension stone processor	Approximately 9,481.68m^2	銀白玉 (Silver White Jade) and 銀狐灰 (Silver Fox Grey)	26 June 2014	2014: 1,500 2015: 3,500 2016: 7,000	2014: 1,350 2015: 3,150 2016: 6,300

Name of customer	Location	Date of establishment	Nature of business	Size of business premises	Product name	Date of sales contract	Contracted annual quantity (m^3) *(Note 1)*	Minimum annual quantity (m^3) *(Note 2)*
Huilong	Yunfu, Guangdong Province, PRC	1 March 2010	Dimension stone processor	Approximately 11,525.38m^2	銀白玉 (Silver White Jade) and 銀狐灰 (Silver Fox Grey)	12 June 2014	2014: 650 2015: 650 2016: 650	2014: 585 2015: 585 2016: 585
Guangdong Yunfu Fangyuan Stone Decoration Co., Ltd. (廣東省雲浮市方圓石業裝飾有限公司)	Yunfu, Guangdong Province, PRC	2 June 1998	Dimension stone processor	Approximately 8,350m^2	銀白玉 (Silver White Jade) and 銀狐灰 (Silver Fox Grey)	15 September 2014	2014: 350 2015: 1,350 2016: 4,350	2014: 315 2015: 1,215 2016: 3,915

Notes:

1. Our customer may increase the contracted annual quantity if we determine that we can supply the additional quantity after taking into account of our production schedule and our sales condition. Please refer to the paragraph headed "Sales quantity" below for further details.

2. Our customers are obligated to purchase and we are obligated to supply 90% of the contracted annual quantity or else a penalty will apply. Please refer to the paragraph headed "Sales quantity" below for further details.

3. The size of the business premises of Guangzhou Ziye Construction and Installation Engineering Co. Ltd. is smaller as compared with other customers because its nature of business is different from other customers.

Major terms of the sales contracts

Term

These sales contracts are effective from the date of execution and will expire on 31 December 2016, subject to renewal of these sales contracts for a term of not less than two years, unless the contracts are terminated on the grounds as further described in the paragraph headed "Termination" below.

Sales quantity

It is expected that an aggregate quantity of 3,000m^3, 7,500m^3 and 16,000m^3 of marble blocks will be supplied by us to the above four customers in each of the three years ending 31 December 2016 under these sales contracts.

In the absence of any reasonable cause, our customers are obliged to purchase at least 90% of the annual quantity set out in the sales contracts. They will be required to pay a penalty which equals to the sum of RMB500 per m^3 times the difference between the minimum annual quantity set out in the sales contracts and the actual quantity purchased. On the other hand, during normal production, we are also obliged to supply at least 90% of the annual quantity set out in the sales contracts. If we cannot supply 90% of the annual purchase quantity set out in the sales contracts and in the absence of any reasonable cause, we will be required to pay a penalty which is equal to the sum of RMB500 per m^3 times the difference between the minimum annual quantity we are obliged to supply under the sales contracts and the actual quantity supplied by us. On the basis that we are unable to supply all of the 90% of the annual purchase quantity set out in the sales contracts and in the absence of any reasonable cause, the maximum penalty we will have to pay our customers for each of the three years ending 31 December 2014, 2015 and 2016 are approximately RMB1.35 million, RMB3.38 million and RMB7.20 million, respectively.

Based on the Independent Technical Consultant's opinion that our mine development plan which includes, among others, the aspect of environmental protection and the associated environmental protection facilities and scheduled production, supported by the Feasibility Study Report prepared by Sinoma which illustrates that our Yiduoyan Project is technically and economically viable, are generally appropriate and achievable, our Directors are of the view that we will be able to produce the quantity of marble blocks to be supplied the existing four customers under the sales contracts.

If our customers wish to increase the annual purchase quantity specified under the sales contracts, our customers shall notify us one month in advance of their intended purchases. We will assess whether to supply the additional quantity depending on our then production schedule and product sales. The terms of the sales of the additional quantity will be further determined between our customers and us.

Provision of sample

Upon signing of the sales contracts, we shall provide a sample of our marble to our customers. As stipulated in the sales contacts, the sales quantity and selling price may be adjusted if the quality of the marble blocks at the time of inspection is not consistent with the sample provided. Further, both parties are entitled to terminate the sale contract without any further obligation if the difference in quality between the marble blocks produced and the sample is substantial and the parties fail to reach an agreement.

Quality and appearance of marble blocks to be supplied

The sales contracts provide that we will supply white series marble blocks to our customers. We may supply marble blocks with a wide range of quality and appearance which include marble blocks with (i) no visible colour difference with well-defined vein lines, no crack and a fine texture; (ii) minor colour difference with slightly cluttered vein lines, no crack and texture not as fine; (iii) minor colour difference with cluttered vein lines, no crack and texture not as fine; and (iv) marble blocks of smaller size, with large colour difference with much cluttered vein lines and relatively rough texture.

As marble is a type of natural occurring rock, no marble blocks are identical and it is unlikely that the quality and appearance between different marble blocks are absolutely consistent with each other. As such, according to the Antaike Report, it is the industry practice to include generic descriptions of the variety of marble blocks with a wide range of quality and appearance in sales contract of marble blocks rather than specifying the exact quality and appearance of the marble blocks to be supplied. According to the Antaike Report, the price of our marble blocks is at the lower end of the market price range in the PRC.

Our Directors are of the view that our Group's business, liquidity and financial position would not be significantly affected even if the marble blocks products from our Yiduoyan Project are of a lower quality than expected because:

(i) the sales contracts we had entered into with our customers cater for a wide range of quality and appearance of our marble blocks; and

(ii) according to the Antaike Report, the low-end of the price range of domestically produced white series marble blocks in 2013 was approximately RMB3,500 per m^3 and on the basis of this average selling price, it is estimated that our Yiduoyan Project will still become self-sufficient in terms of working capital by March 2015. Since then, it is estimated that we will generate net cash inflow from operating activities and profit from our operation.

Sales price range

The selling prices of marble blocks in 2014 and 2015 vary depending on their appearance, quality and size. Sets forth below is a table showing the different selling price range for marble blocks with different appearance and quality according to the sales contracts:

Quality and appearance	**Sales price range depending on size** *(RMB/m^3)*
No visible colour difference with well-defined vein lines, no crack and a fine texture	4,500 – 5,000
Minor colour difference with slightly cluttered vein lines, no crack and texture not as fine	4,000 – 4,500
Minor colour difference with cluttered vein lines, no crack and texture not as fine	3,500
Smaller size, with large colour difference with much cluttered vein lines, relatively rough texture	To be determined by the parties based on the actual quality, appearance and size of that particular marble block.

The selling price of marble blocks in 2016 could be adjusted by us based on the selling prices of 2014 and 2015 and with reference to the changes in market conditions and price index. Our customers do not have the right to adjust the selling price of marble blocks in 2016.

Payment terms

After physical inspection of the marble blocks to be conducted at our Yiduoyan Project's site area, the purchase orders will be signed by us and our customers. Pursuant to the terms of these sales contracts, our customers are required to make a prepayment of 90% of the sales value after the marble blocks have been selected and inspected. The remaining 10% will be paid within five working days after collection of the marble blocks by our customers. If the customers fail to settle the remaining 10% of the sales value within five working days after collection of the marble blocks, we can charge the customers an interest of 6% per annum on the outstanding amount until the customers settle the full payment. Other than the five-working-day period, we do not give credit terms to our customers.

We generally accept our customers to settle our trade balances by means of cash or bank transfer.

Collection

Our marble blocks are considered to have been collected by our customers after the marble blocks have been loaded onto the vehicles arranged by our customers and the transportation costs and associated risk will be borne by our customers.

Our customers shall collect the marble blocks they purchase within seven days after prepayment of 90% of the sales value, otherwise a daily fee of RMB5 per m^3 will be charged. If the purchase marble blocks are not collected by our customers after 30 days, it will be deemed that our customers surrender their ownership on the marble blocks and we are entitled to deal with these marble blocks in the manner as appropriate. Our customers are not entitled to claim against us as a result of this forfeiture.

According to the Antaike Report, it is an industry practice for customers to collect marble they have purchased from suppliers.

Renewal

If our customers or us wish to renew the sales contracts, a written notice shall be given to the other party 30 days prior to the expiration of the existing sales contracts. If both parties agree to renew the contracts, the term for the new contracts shall not be less than two years and the annual purchase quantity and price shall be determined under the new sales contracts.

Termination

These sales contracts may be terminated on the following grounds:

– the parties' failure to reach an agreement in the event of substantial difference in quality between the sample provided to our customers on signing of the sales contracts and the marble blocks produced as further described in the paragraph headed "Provision of sample" above;

– by mutual agreement between the parties pursuant to the terms of the sales contracts;

– occurrence of any force majeure events ; or

– adjudicated invalid by the courts or relevant government authorities.

Our Directors consider that the termination clause of the sales contracts could be triggered if we fail to reach an agreement with our customers on the price and/or quantity adjustment in the event that the quality of the actual marble blocks produced is substantially better or worse than the sample provided. In determining the price during further negotiation with the customers, our Company will take into account price, colour and appearance of comparable marble products available in the market.

Our Directors consider that possibility of termination of the sales contracts as a result of substantial difference in quality between the sample we provided to our customers and the marble block actually produced from our Yiduoyan Project is low because:

(i) during the Relevant Period and Track Record Period, no sales contract was terminated and we have not received any material complaints on the quality of our marble blocks;

(ii) according to the Antaike Report, markets for both good quality and average/low quality marble blocks exist. It is the industry practice to include generic descriptions of the variety of marble blocks with a range of quality, including both good quality and average/low quality marble blocks, in sales contract of marble blocks. For example, low-end quality marble blocks may be processed as tiles for public pedestrian walkways. Hence, our Directors consider that our customers may still purchase the average/low quality marble blocks for on-selling to the low-end marble market after processing;

(iii) to avoid our customers abusing the use of the termination clause as an excuse of avoiding their obligation under the sales contracts, we intend to appoint an independent industry expert to adjudicate any dispute arising from allegation of substantial difference in quality between the marble blocks produced and the sample provided to our customers whereby our customer has elected to terminate the sales contract; and

(iv) our Independent Technical Consultant is of the opinion that the quality of the 185 core and surface samples taken from our Yiduoyan Project is not substantially different from the samples we provided to our existing customers as at the Latest Practicable Date and the likelihood that the quality between the sample we provided to our customers and the marble block to be produced from our Yiduoyan Project is substantially different is low as at the Latest Practicable Date.

Our Directors are also of the view any termination of our existing sales contracts would not have a significant impact on our Group because:

(i) according to the Feasibility Study Report, the marble of our Yiduoyan Project has a fine and well defined surface texture and high glossiness and can be used as middle-high end decorative stone and according to the Independent Technical Report, the marble from our Yiduoyan Project is light coloured marble that is fine textured and takes a good polish and is hence regarded as a relatively high grade dimension stone. As a result, our Directors are of the view that our marble blocks can be sold to other potential customers at an acceptable selling price;

(ii) as at the Latest Practicable Date, two potential customers had expressed interest in purchasing our marble blocks from us. We will continue to broaden our potential customer base so as that even if any of these customers is to terminate the sales contract, we can obtain orders from these potential customers to replace any such lost sales on comparable terms; and

(iii) according to the Antaike Report, markets for both good quality and average/low quality marble blocks exist. For example, low-end quality marble blocks may be sold to customers who are looking for average/low quality marble blocks for on-selling to the low-end marble market after processing.

On the basis of the above, our Directors are of the view that if the existing sales contracts are terminated before they expire, we will be able to find alternative customers for our products.

As advised by our PRC Legal Advisers, the sales contracts mentioned above are valid, legally binding and enforceable under the relevant PRC laws. On the basis that the selling price of marble blocks are generally determined based on their appearance, quality and size, our Directors are of the view that our sales contracts are in line with industry standards.

Information on Huilong

Huilong, a company established in the PRC on 1 March 2010, is one of the three dimension stone processors which had entered into sales contracts with us. Huilong is owned as to approximately 33.33% by Mr. Chen and approximately 66.67% by Ms. Zhu Xiujuan (朱秀娟) who is an Independent Third Party. Mr. Chen owns 12.5% equity interest in Guangzhou Yicheng which in turn holds 80% interest in Easy Flourish, which is one of our Controlling Shareholders. The construction and decoration company and the other two dimension stone processors which had entered into sales contracts with us are Independent Third Parties.

Pursuant to the sales contract entered into between us and Huilong, it is expected that sales to Huilong will account for approximately 21.7%, 8.7% and 4.1% of our total sales quantity for each of the three years ending 31 December 2016.

Other than the annual sales quantity, the material terms, including but not limited to price range and payment terms, of the sales contract we entered into with Huilong are substantially the same as those sales contracts entered into between us and the other three customers who are Independent Third Parties. On this basis, our Directors are of the view that the terms of sales contract we entered into with Huilong are in line with the terms we offered to our other customers. According to the Antaike Report, it is the market practice in the marble block sales market to determine the prices of marble blocks based on the marble blocks' quality, appearance such as colour, pattern and texture, size and quantity. In respect of payment terms in marble block sales market, a large portion of the purchase sum is generally settled at the time of or prior to collection/delivery of the marble block with a small portion of the purchase sum is paid after collection/delivery of the marble blocks within a certain period of time. The exact proportion of the sum payable on and after collection of the marble blocks is subject to commercial negotiation between the parties.

Huilong has also confirmed that the terms of the sales contract are not more favourable to us than those of the sales contracts it has entered into with other marble block suppliers which offer marble blocks with quality and appearance similar to those sold by us.

On these bases, our Directors are of the view that the terms of such sales contract are in line with the market practice.

Save as disclosed above, to the best knowledge of our Directors, as at the Latest Practicable Date, none of our Directors, their respective associates or any of our Shareholders holding 5% of our issued capital, was related to or owned any interest in any of these customers.

Measures to mitigate the risk associated with deriving our revenue from a very limited number of customers

It is expected that the aggregate amount of purchase from these four customers under the existing sales contracts we entered into with them will be 3,000m^3, 7,500m^3 and 16,000m^3 for the three years ending 31 December 2016 respectively and our revenue for the said period will be derived entirely from sales to these four customers. In addition, if the sales contracts with these customers are renewed and the aggregate annual quantity of marble blocks they will purchase from us is maintained at 16,000m^3 per annum, such annual aggregate sales will account for 80% of our annual production capacity of 20,000m^3 in 2017. 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. Please also refer to the paragraph titled "Risk Factors – We rely on a very limited number of customers from whom we will derive our revenue" in this prospectus for further information.

To mitigate the risk of deriving our revenue from a very limited number of customers, we had implemented and intend to implement the following measures:

(i) the sales contracts we had entered into with our customers stipulate the annual quantity our customers are obliged to purchase from us. In the absence of any reasonable cause, our customers are obliged to purchase at least 90% of the annual quantity set out in the sales contracts. They will be required to pay a penalty which is equal to the sum of RMB500 per m^3 times the difference between the minimum annual quantity set out in the sales contracts and the actual quantity purchased annual purchase quantity;

(ii) maintain and strengthen our relationship with our current customers through regular contacts with them which can enable us to obtain first hand information on their business condition thereby allowing us to formula alternative sales plan in case of any contingency; and

(iii) continuously broadening our potential customer base so as to mitigate the risk that any one of these customers is to substantially reduce the quantity of the order they place with us or is to terminate their business relationship with us entirely, we can obtain orders from these potential customers to replace any such lost sales on comparable terms.

On the basis that: (i) we had entered into valid, legally binding and enforceable sales contracts under the relevant PRC laws as advised by our PRC Legal Advisers which obligate our customers to purchase a minimum quantity of marble blocks for the three years ending 31 December 2016; and (ii) according to the Independent Technical Report, the marble from our Yiduoyan Project is light coloured marble that has fine texture and takes a good polish and is hence regarded as a relatively high grade dimension stone; our Directors are of the view that even if any of our customer does not honour its contractual obligations, we will be able to find substitute customers to replace such customer in a timely manner.

Product returns and warranty

As our customers are allowed to carry out inspection on the marble blocks prior to their collection, we do not accept any return of our marble blocks nor do we accept any warranty claims after the marble blocks have been loaded onto the vehicles arranged by our customers which is the time when the associated risks are passed to our customers. During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had not (i) incurred any expenses as a result of return of our marble block or warranty claims; and (ii) received any material complaints or product liability claims from our customers.

LOGISTICS

Our mine is located on the side of a tarred provincial road S251 connecting to Nanzhang. Our marble block products will be transported from the quarry area by road. The road networks around our Yiduoyan Project are well developed with tarred provincial roads connecting to Xiangyang which is connected to other major cities or parts of China. According to the

Independent Technical Report, the infrastructure is considered to be adequate for the proposed volumes of stone and waste material to be transported from the quarry. While we are not facing any transportation bottlenecking or other constraints, our business depends on the availability of reliable and adequate transportation capacity for our products. For a discussion of this risk, please refer to the paragraph headed "Risk Factors – Risks relating to our business – Our business depends on the availability of reliable road network and transportation costs" in this prospectus.

CONTRACTORS

Our Directors believe that engaging contractors will lower our costs by reducing equipment investment and management time for personnel training. Our Directors also believe that engagement of contractors with the requisite experience and expertise will ensure that the contracted works are carried out efficiently, which will result in an increase in our working efficiency and a reduction in our unit production costs.

In selecting contractors, we would consider whether the contractors hold the required licences and possess the appropriate qualifications, and the terms and scope of their services including price.

We require our contractors to maintain a high standard of quality, occupational health and safety and environmental protection. We monitor the performance of our contractors through on-site inspections and supervision while the outsourced activities are being carried out by our contractors. We will also request our contractors to comply with the applicable laws and regulations and safety requirements imposed by the relevant government authorities. If there is any non-compliance detected during our inspections, we will request them to adopt necessary remedial measures at their own costs. All loses caused by or incurred as a result of their failure to maintain proper qualify, safety and/or environmental standard will be borne by the contractors themselves.

We maintain contact with at least two contractors for each outsourced assignment to reduce the risks associated with the outsourcing arrangement and reliance on any contractors. Our Directors are of the view that alternative contractors on similar terms are readily available in the market in the event that we are required to hire or replace any contractors to carry out the outsourced activities for us.

During the Relevant Period and the Track Record Period we engaged two contractors which are Independent Third Party in the course of developing our Yiduoyan Project.

Going forward, we expect to outsource certain works which require specific technical expertise and experience or specific industrial equipment to contractors if necessary.

Explosive assignments

We entered into a service agreement dated 1 March 2012 with an explosive handling company namely Weili Company, to carry out explosive assignments at our Yiduoyan Project. The terms of the service agreement entered into between Weili Company and us was agreed following arm's length negotiations.

Amongst the salient terms of the service agreement, the fees for the explosive assignment are charged on a per incident basis and are payable in one lump sum payment by us and we are responsible for the safety of the facilities near the location of the explosive assignment while Weili Company is responsible for carrying out the explosive assignment strictly in accordance with the relevant regulations on safety. Weili Company shall be responsible for any safety incident which occurred as a result of failure of adhering to such regulations.

Weili Company is also responsible for maintaining all legally required certification to handle explosive assignment. Weili Company held such certification when they carried out explosive assignments for us during the Track Record Period. Prior to the engagement of Weili Company, we had required Weili Company to provide copies of the requisite permits and licences for carrying out the explosive assignment and the qualification certificates of each of its employees who was responsible for handling the explosives for our Yiduoyan Project.

As advised by our PRC Legal Advisers, based on its confirmation and documents provided, Weili Company has obtained all the relevant licences, permits and qualification certificates to carry out explosive assignments for our Yiduoyan Project under the service agreement and Weili Company shall be responsible for all safety incident caused by its malpractice in carrying out the explosive assignments in all material respects.

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we have paid approximately nil, nil, RMB9,200, RMB16,500, and nil to Weili Company for carrying out explosive assignments for us, respectively. As at the Latest Practicable Date, we had around two years of business relationship with Weili Company.

Mine construction services

We entered into a service agreement dated 11 March 2013 with a mine construction service company namely Caiyu Company to carry out mine construction services. The terms of the service agreement entered into between Caiyu Company and us was agreed following arm's length negotiations.

Amongst the salient terms of the service agreement, Caiyu Company is also responsible for supplying the machinery and equipment for mine construction while we shall be responsible for the costs of electricity and fuels for operations of the machinery and equipment during mine construction. Caiyu Company shall bear the costs of explosives and fees payable to the explosive handling company for carrying out explosive assignments at the overburdens of mines, which are then reimbursed by us. In addition, Caiyu Company is responsible for organising the construction workers to conduct the drilling and remove the sand and gravel. Caiyu Company shall carry out the work strictly in accordance with the relevant regulations on operation and our mine management system and the machinery operators provided by Caiyu Company shall hold the requisite permits. Caiyu Company shall be responsible for the safety and prevent the occurrence of any accident in carrying out the mine construction work.

We are responsible for arranging the accommodations for the construction workers of Caiyu Company and other than the requisite permits which the machinery operators are required to obtain, applying for all requisite permits for the mine construction work. We have checked whether the relevant machinery operators hold the requisite permits before commencing the mine construction work for our Yiduoyan Project. Each of the machinery operators held such permits at the time when they carried out mine construction work for us during the Track Record Period. As advised by our PRC Legal Advisers, based on its confirmation and documents provided, Caiyu Company has obtained all relevant licences, permits and qualification certificates to carry out mine construction service for our Yiduoyan Project under the service agreement in all material respects.

The fees for the mine construction services are payable in installments. The first instalment in the sum of RMB450,000, is payable within 15 days from the commencement date of mine construction work. The remaining fees are charged based on the actual amount of work done by Caiyu Company.

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we have paid approximately nil, nil, RMB0.49 million, RMB2.02 million and RMB0.33 million to Caiyu Company for providing the mine construction services, respectively. As at the Latest Practicable Date, we had approximately one year and eight months of business relationship with Caiyu Company.

Our Directors confirm that during the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we did not encounter any material dispute with any third-party contractor.

UTILITIES, RAW MATERIALS, MACHINERY AND EQUIPMENT AND SUPPLIERS

Utilities

We rely on electricity and water for our operations. Electricity for our operation is supplied by Nanzhang grid at market rate through a dedicated connection from Xiaoyan Regional transforming station to our Yiduoyan Project site at a 10kv capacity for a distance of 2.5km. According to the Independent Technical Report, the designed capacity of power supply will be able to meet the requirements of our planned mine operations.

Water is a key component of our marble block mining activities. Fresh water is sourced from wells located within the mine site. As of the end of June 2014, three wells have been drilled. Two of the wells are equipped with 5.5kw and 7.5kw pumps. Water is pumped at a rate of 5m^3/hour from one of the two wells that are equipped with pumps. The third well is served as a contingency in case there is any interruption of water supply in the two wells that are equipped with pumps. The Independent Technical Consultant is of the opinion that the water source is reliable and sufficient to supply our planned operations.

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruptions to our operation due to a shortage of electricity or water supply.

Raw materials

The raw materials for our production are mainly consumables used in our production process which include diamond beaded wire, lubricant, gasoline, drill rod and drill bits. During the Relevant Period and the Track Record Period, raw material prices have remained relatively stable. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, our purchases of raw material amounted to approximately RMB33,000, RMB26,000, nil, RMB0.60 million and RMB0.32 million, respectively. During the Relevant Period and the Track Record Period, we did not encounter any significant delay or shortage in the supply of our raw materials. As part of our quality control on some of the consumables such as diamond beaded wire, drill rod and drill bits we purchase, we examine these consumables when they are delivered and would return any consumables which are below standard.

To maintain our relationship with our customers, we do not expect to increase the price of our product due to increase of raw material price if such increase does not materially affect our profit margin. To minimise our exposure to fluctuation of raw material price and to avoid shortage or delay in the supply of raw materials, we plan to implement the following measures:

- we will negotiate with our suppliers and request for discounts on the raw materials;

- we will maintain at least two suppliers for each of the raw materials to prevent over-reliance on any particular supplier so that we will be able to source the raw material from the supplier which can offer the lowest price; and

- we will review and monitor our raw materials inventory level on a periodical basis to maintain an appropriate level of inventory. This will allow us to determine the quantity of raw material we should procure taking into account our inventory level and the price of such raw material.

Inventory policy and provisioning policy

We have formulated an inventory policy in respect of raw materials used in our production process. We carry out inventory level reviews on a regular basis and we maintain a minimum inventory of certain consumables such as diamond beaded wire which are of frequent use. As our raw materials are mainly consumables used in our production process, we generally do not have obsolete or slow-moving inventing items. Hence, our Directors are of the view that it is not necessary for us to have a provisioning policy for obsolete or slow-moving inventory items.

Machinery and equipment

Our mining production activities requires various types of machinery and equipment. The major mining equipment fleet consists of diamond wire cutting machines, drills, excavators and front-end-loaders. The ancillary equipment includes excavators, forklift and portable air compressors. Some items of the equipment had already been purchased and are currently in use by us. For details of the mining equipment owned and in use by us as of the end of June 2014 and to be purchased by us, please refer to Table 7-1 of the Independent Technical Report in Appendix IV to this prospectus. As at the Latest Practicable Date, the average age of these machinery and equipment was less than two years old. They are serviced regularly by the distributors of the machinery and equipment as part of the after-sales service. The types of equipment selected for cutting, titling, trimming, loading and hauling, as well as the ancillary equipment are considered by the Independent Technical Consultant to be suitable for the planned operation. During the Relevant Period and the Track Record Period, we also leased certain equipment and machinery depending on our operational needs from time to time. We expect that most of our major machinery and equipment for mining will be purchased from suppliers in China. As part of our quality control on the machinery and equipment supplied to us, we carry out trial-runs when the machinery and equipment are delivered to us. We will contact the distributors if we detect any malfunction during the trial-runs.

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, our purchases of machinery and equipment and installation amounted to approximately RMB0.24 million, RMB0.22 million, RMB0.01 million, RMB3.11 million and RMB0.92 million, respectively.

It is suggested by the Independent Technical Consultant that an allowance of RMB32.3 million be made in 2026 and 2036, respectively for equipment replacement. We expect to fund such capital expenditure from cash flow generated from our operations.

Suppliers

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we had a total of eight, 16, 19, 30 and 34 suppliers, respectively. None of our suppliers are also our customers. During the Relevant Period, the Track Record Period, our suppliers were mainly machinery and equipment suppliers and suppliers of consumables used in our production process which include diamond beaded wire lubricant, gasoline, drill rod, drill bits and parts of our equipment. Almost all of our suppliers are primarily based in China. We did not have any material disputes with any of them during the Relevant Period and the Track Record Period and up to the Latest Practicable Date. We have not signed any long-term contract with any of our suppliers. We generally do not receive any credit terms from our suppliers. It is generally accepted by our suppliers that we settle our trade balances by means of cash or bank transfer.

As we are in the course of developing our Yiduoyan Project, during the Relevant Period and the Track Record Period, our five largest suppliers included mainly suppliers for machinery, equipment and fuel and a contractor, namely, Caiyu Company, which provided mine construction service to us. Please refer to the paragraph headed "Contractors" in this section for further information on the engagement of Caiyu Company. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, purchases from our five largest suppliers amounted to approximately RMB0.74 million, RMB0.87 million, RMB0.73 million, RMB5.43 million and RMB1.79 million, representing approximately 82.7%, 80.0%, 92.4%, 77.0%, and 51.9% of our total supply purchases, respectively, while purchases from the largest supplier amounted to approximately RMB0.23 million, RMB0.33 million, RMB0.49 million, RMB2.32 million and RMB0.67 million representing approximately 25.8%, 30.3%, 61.5%, 32.9% and 19.3%, respectively, of our total supply purchases. To the best knowledge of our Directors, none of our Directors, their respective associates or any of our Shareholders holding more than 5% of our issued share capital, was related to or owned any interest in any of our five largest suppliers during the Relevant Period and the Track Record Period and up to the Latest Practicable Date. The following table sets out the details of our five largest suppliers for RP2011, RP2012, TRP2012, TRP2013 and TRP2014.

In respect of RP2011:

Rank	Supplier	Relationship with our Group (other than being a supplier)	Products/ services provided to the Group	Location	Length of business relationship as at 30 June 2014	Purchase amount *(RMB'000)*
1	Individual	Nil	Construction of haulage road	Xiangyang, Hubei Province, PRC	Two years and eight months	230.0
2	Individual	Nil	Equipment and machinery leasing	Xiangyang, Hubei Province, PRC	Three years	180.0
3	Safety technology company	Nil	Preparation of inspection and acceptance report	Xiangyang, Hubei Province, PRC	Two years and eight months	120.0
4	Motor sales company	Nil	Sale of motor vehicles	Xiangfan, Hubei Province, PRC	Two years and eleven months	118.0
5	Equipment and machinery supplier	Nil	Manufacture and supply of wire saw	Changsha, Hunan Province, PRC	Two years and ten months	90.0

In respect of RP2012:

Rank	Supplier	Relationship with our Group (other than being a supplier)	Products/ services provided to the Group	Location	Length of business relationship as at 30 June 2014	Purchase amount *(RMB'000)*
1	Individual	Nil	Building of ancillary facilities in mine	Xiangyang, Hubei Province, PRC	Three years	330.0
2	Individual	Nil	Setting up electricity system for the mine	Xiangyang, Hubei Province, PRC	Two years and four months	210.0
3	Motor sales company	Nil	Sale of motor vehicles	Xiangyang, Hubei Province, PRC	Two years and two months	136.8
4	Fuel supplier	Nil	Supply of petrol and diesel	Petrol stations around Hubei Province, PRC	Three years and one month	139.1
5	Electricity supplier	Nil	Supply of electricity	Xiangyang, Hubei Province, PRC	Two years and ten months	55.8

In respect of TRP2012:

Rank	Type/name of supplier	Relationship with our Group (other than being a supplier)	Products/ services provided to the Group	Location	Length of business relationship as at 30 June 2014	Purchase amount *(RMB'000)*
1	Caiyu Company	Nil	Exploration and drilling auxiliary services	Xiangyang, Hubei Province, PRC	One year and eight months	486.0
2	Individual	Nil	Equipment and machinery leasing	Xiangyang, Hubei Province, PRC	Three years	140.0
3	Fuel supplier	Nil	Supply of petrol and diesel	Petrol stations around Hubei Province	Three years and one month	58.4
4	Electricity supplier	Nil	Supply of electricity	Xiangyang, Hubei Province, PRC	Two years and two months	23.2
5	Safety technology company	Nil	Preparation of inspection and acceptance reports	Xiangyang, Hubei Province, PRC	Two years and eight months	22.0

In respect of TRP2013:

Rank	Type/name of supplier	Relationship with our Group (other than being a supplier)	Products/ services provided to the Group	Location	Length of business relationship as at 30 June 2014	Purchase amount *(RMB'000)*
1	Equipment and machinery supplier	Nil	Supply of excavators	Wuhan, Hubei Province, PRC	One year and one month	2,320.0
2	Caiyu Company	Nil	Mine construction services	Xiangyang, Hubei Province, PRC	One year and eight months	2,018.0
3	Equipment and machinery manufacturer	Nil	Manufacture and supply of wire saw	Changsha, Hunan Province, PRC	Two years and ten months	445.8
4	Fuel supplier	Nil	Supply of petrol and diesel	Petrol stations around Hubei Province	Two years and eleven months	347.3
5	Equipment supplier	Nil	Supply of wire saw	Changsha, Hunan Province, PRC	Two years and ten months	300.3

In respect of TRP2014:

Rank	Type/name of supplier	Relationship with our Group (other than being a supplier)	Products/ services provided to the Group	Location	Length of business relationship as at 30 June 2014	Purchase amount *(RMB'000)*
1	Equipment and machinery supplier	Nil	Supply of machinery	Xiangyang, Hubei Province, PRC	Less than one month	668.0
2	Equipment and machinery manufacturer	Nil	Manufacture and supply of wire saw	Guilin, Guangxi Province, PRC	Three months	445.6
3	Caiyu Company	Nil	Mine construction services	Xiangyang, Hubei Province, PRC	One year and eight month	333.0
4	Fuel supplier	Nil	Supply of petrol and diesel	Petrol stations around Hubei Province	Two years and eleven months	240.2
5	Fuel supplier	Nil	Supply of petrol and diesel	Petrol stations around Hubei Province	Two years	107.0

Measures to reduce reliance on our major suppliers

We have broadened our suppliers network in order to reduce the reliance on our major suppliers. During the Track Record Period, we had identified and acquired from new suppliers and had reduced the proportion of supply purchases from our five largest suppliers from approximately 92.4% of our total supply purchases for TRP2012 to approximately 51.9% of our total supply purchases for TRP2014. We intend to continue to broaden our suppliers network and further reduce the reliance on our major suppliers.

SEASONALITY

We expect that our revenue will be lower in the first half of the year than the second half of the year, primarily because business activity levels in January and February in general is expected to be lower due to the Chinese New Year holidays.

INVENTORY

Our inventories will mainly consist of marble blocks which are stockpiled near the access road within our Yiduoyan Project site area for easy access to the provincial road S251. We review and monitor our inventory level on a periodical basis by keeping an inventory record to maintenance of an appropriate level of inventory and can adjust our production rate if necessary. As we are still in a development stage where full-scale site construction is currently taking place, we had no inventory as of 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014.

QUALITY CONTROL

Our quality control measures include (i) regular inspections of marble quality at mining faces, (ii) monitoring of marble quality throughout the production, preparation and transportation process, (iii) promptly responding to customer feedback regarding our marble quality, and (iv) establishing a quality control team headed by our deputy chief engineer and technical consultant, Ms. Zhang Xiaomei, who is responsible for, amongst others, providing technical support in quality control. Ms. Zhang has approximately 12 years of experience in the mining industry with a particular focus on mining technology and mine site management and providing technical support in mine construction to a number of dimension stone mines. Ms. Zhang is supported by our mine manager, Mr. Liu Zhanghui, who is responsible for supervising the mine production to ensure that all of our products meet relevant quality control standards. He has approximately nine years of experience in extraction activities and production safety. For further information on the qualifications and industry experience of Ms. Zhang and Mr. Liu, please refer to the section headed "Directors and Senior Management" in this prospectus.

MARKET AND COMPETITION

According to the Antaike Report, driven by the growth of marble slab apparent consumption in China, marble block apparent consumption in China increased from approximately 6.1 million tonnes in 2006 to approximately 51.0 million tonnes in 2013, representing a CAGR of approximately 35.5%. Based on the Antaike Report, China's white marble block consumption increased from approximately 1.5 million tonnes in 2006 to approximately 12.7 million tonnes in 2013, representing a CAGR of approximately 35.5%. For further details, please refer to paragraph headed "Industry Overview – Marble consumption" in this prospectus.

It is stated in the Antaike Report that the Chinese marble industry (which is a growing industry in terms of industry maturity according to the Antaike Report) in China is highly fragmented and the competition is fierce. We face competition from domestic and international marble producers, who might have longer history, more comprehensive sales network or better financial resources than us. The principal competitive factors include quality and appearance, such as unique colour series and textures those are popular among customers, vertically integrated business which includes stone quarrying, slab production and further processing, completeness of sales network, product quality, branding and pricing.

In 2011, there are approximately 30,000 stone enterprises in China, of which about 6,000 are stone block enterprises according to CSMA. There are only several large stone enterprises in China. According to the Antaike Report, the market share of the top eight manufacturers accounted for less them 10% of the total market in terms of production capacity in 2013. A large majority of approximately 90% of Chinese dimension stone enterprises are micro-medium sized. Once we have reached full production capacity of 20,000 m^3 per annum as allowed under our mining permit, we estimate that we will be classified as a medium size dimension stone enterprise in terms of annual sales revenue according to the classification in the Antaike Report. According to the same report, there were around 500 above-designated-size dimension stone block enterprises, that is, stone enterprises with an annual revenue over

RMB20 million, in China. Please refer to the paragraph headed "Industry Overview – Major industry participants in the PRC" in this prospectus for a summary of key information of some of the largest stone enterprises in the PRC. However, based on the competitive strengths as set out in the paragraph headed "Competitive strengths" in this section despite fierce competition from other marble producers as further particularised in the "Industry Overview" section of this prospectus, our Directors remain confident in the market demand of our product and that we will be able to benefit from the growth of the marble consumption.

According to the Antaike Report, major entry barriers for the marble quarrying companies include (i) the ability to locate marble resources in area which is supported by well-developed infrastructure and transportation networks; (ii) the ability to locate and meet capital requirement on acquiring marketable marble resources which can be extracted economically; and (iii) the ability to obtain all requisite permits and comply with the applicable laws and regulations. For more information, please refer to "Industry Overview – Entry barriers to the marble industry in China" in this prospectus.

ENVIRONMENTAL PROTECTION, LAND REHABILITATION AND SOCIAL MATTERS

Environmental protection

Our operations are subject to a variety of PRC environmental protection laws and regulations, as well as local environmental protection regulations promulgated by local authorities on environmental protection. These laws and regulations govern a broad range of environmental protection matters, such as mining control, land rehabilitation, air emissions, noise control, discharge of wastewater and pollutants and waste disposal. For further details, please refer to the section headed "Regulatory Overview" of this prospectus. The PRC Government has taken an increasingly stringent stance on the adoption and enforcement of rigorous environmental protection laws and regulations, which could have a material adverse effect on our financial condition and results of operations. For a discussion of this risk, please refer to the paragraph headed "Risk Factors – Risks relating to our industry – Changes in legal requirements and governmental policies concerning environmental protection could impact our business." in this prospectus.

Compliance

On 27 September 2014, we received a written confirmation from Nanzhang Environmental Protection Bureau confirming that (i) since the establishment of Future Bright (Xiangyang), we have been in compliance with the relevant environmental protection laws and regulations with respect to our Yiduoyan Project and we have not been subject to any environmental protection claims or sanctions; (ii) we have complied with the relevant procedures for the inspection and acceptance approval of completion of environmental protection facilities and have obtained the pollution discharge permit; (iii) we can commence production and sell the marble blocks we produce; (iv) the sale of marble blocks produced during the construction phase of our Yiduoyan Project does not violate any relevant environmental protection laws and regulations; (v) other than the 20,000m^3 Approval, we have obtained all licences, permits and approvals for production at a production rate of 20,000m^3 per annum under the relevant environmental protection laws and regulations; and (vi) there will not be any material legal impediment for us to obtain the 20,000m^3 Approval so long as we meet the applicable requirements and conditions and adhere to the procedures set forth in the relevant laws and regulations.

We have been advised by our PRC Legal Advisers that Nanzhang Environmental Protection Bureau is a competent authority to issue the above written confirmation and based on such confirmation, we have complied with all relevant PRC laws and regulations in all material respects regarding environmental protection. As at the Latest Practicable Date, we were not subject to any environmental protection claims, lawsuits, penalties or administrative sanctions.

Mitigation measures on environmental impact

We have adopted various measures to minimise the impact of our operation on the environment. These measures are being implemented on an on-going basis.

Flora and fauna

According to the Independent Technical Report, there is no protected vegetation species at national level which have been found in our Yiduoyan Project area. Pursuant to the written confirmation issued by Nanzhang Land and Resource Bureau dated 28 September 2014, we have complied with the applicable PRC laws and regulations in relation to land rehabilitation. For further details, please refer to the paragraph titled "Land rehabilitation" below in this section.

Waste rock and solid waste management

Excess waste rock produced during our operation will be trucked to a building materials factory as further particularised in the paragraph headed "Waste rock treatment" in this section while the domestic waste (estimated in the amount of four tonnes per annum) will be reused as fertilizer.

Water management

According to the Independent Technical Report, there are no residences within 500m of our Yiduoyan Project area and therefore there are no other significant water uses within the vicinity of the project area. The water use for production and domestic use are estimated to be approximately 13,905 tonnes per annum and 391 tonnes per annum, respectively. The waste water from dust removal and precipitation at the project area will be collected and disposed of by a settling pond for recycle in production. The domestic waste water will be treated by a septic system and recycled at site for irrigation.

Fugitive dust emissions

Fugitive dust emission sources for our Yiduoyan Project are mainly from drilling, cutting and movement of vehicles and mobile equipment. Wet drilling is conducted to prevent fugitive dust emission. We also sprinkle water on working forces and on road as site dust management measures. The Independent Technical Consultant considers that airtight transportation of marble blocks is not necessary while airtight transportation of waste rocks to the nearby building factory should be taken. The Independent Technical Consultant also considers that the potential for significant off-site impacts from site dust emissions is low as the nearest residence is located 1km away from the project area.

Noise emissions

The main sources of noise emissions from our Yiduoyan Project are drilling and cutting equipment, blasting and mobile equipment. We will use ear plugs, covers and low noise equipment where possible, enhance control measures of high noise equipment and flatten the site's access road as noise management measures. The Independent Technical Consultant considers that the potential for significant off-site impacts from site noise emissions is low as the nearest residence is located 1km away from the project area.

Please also refer to items 6 and 7 of the table under the paragraph headed "Key Recommendations from the Independent Technical Consultant" in this section for the recommendations given by the Independent Technical Consultant in respect of environmental protection and our commitments in addressing such deficiencies.

Environmental protection cost

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we spent approximately RMB0.12 million, RMB0.03 million, RMB0.02 million, RMB0.03 million and RMB0.13 million, respectively in respect of regulatory compliance with applicable environment protection requirements in the PRC and we expect to incur approximately RMB0.2 million per annum as cost for complying with the applicable laws and regulations relating to environmental protection going forward.

Water conservation

On 20 August 2014, we received a written confirmation from Nanzhang Water Resources Bureau confirming that (i) we have fulfilled the relevant administrative procedures and have duly paid the water and soil conservation fee for our Yiduoyan Project; and (ii) the water and soil conservation at our Yiduoyan Project complies with the relevant laws and regulations and we are not subject to any penalty from the relevant authorities responsible for water and soil conservation. Nanzhang Water Resources Bureau have not received any complaint against us for violation of the relevant laws and regulations on water and soil conservation and they are not in any dispute with us in respect of water and soil conservation.

Land rehabilitation

Based on the Feasibility Study Report, our Yiduoyan Project will lead to a total land disturbance of 0.1225km^2. China has established national and local environmental protection legal frameworks applicable to land rehabilitation and reforestation. Under the Land Administration Law of the PRC, promulgated on 25 June 1986, as amended, and the

Regulations on Land Reclamation, issued by the State Council which became effective on 5 March 2011, we must undertake measures to restore a mine site to its original state within a prescribed time frame if our mining activities result in damage to arable land, grassland or forestry land. The rehabilitated land must meet rehabilitation standards, as required by law from time to time, and may only be subsequently used upon examination and approval by the land authorities. Any failure to comply with this requirement or failure to restore the mine site to its original state will result in the imposition of fines, rehabilitation fees and/or rejection of applications for land use rights by the local bureau of land and resources. For further details, please refer to the section headed "Regulatory Overview" in this prospectus.

Land rehabilitation typically involves the removal of building structures, equipment, machinery and other physical remnants of mining, the restoration of land features in disturbed areas and dump sites, and contouring, covering and revegetation of waste rock piles and other disturbed areas. In accordance with the relevant PRC laws and regulations, we will develop an operational closure planning process for our Yiduoyan Project that is in line with PRC legislative requirements and incorporates internationally recognised industry practices. As at 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014, we have set aside provisions for land and woodland rehabilitation costs in the amount of approximately nil, nil, nil, RMB0.85 million and RMB0.88 million; and RMB28,000 of which was a discounted figure estimated based on the term and nature of the rehabilitation and restoration work and will be accounted for as provision for rehabilitation.

Pursuant to the written confirmation issued by Nanzhang Land and Resources Bureau on 28 September 2014, other than the failure to obtain the notice of temporary land-use for an area of 1.6955ha (which had been rectified and the said bureau has confirmed that they will not impose any penalty on us) as further described in the paragraph headed "Legal proceedings and compliance" in this section, since the establishment of Future Bright (Xiangyang), we have been in compliance with the relevant PRC laws and regulations in relation to mineral resources and land administration and land rehabilitation. As advised by our PRC Legal Advisers, Nanzhang Land and Resource Bureau is the competent authority to issue such confirmation.

On 26 September 2014, we received a written confirmation from Nanzhang Forestry Bureau, which, as advised by our PRC Legal Advisers, is the competent authority to issue such confirmation, confirming that (i) we have fully and duly paid the forestry revegetation fee in respect of our Yiduoyan Project; (ii) since the establishment of Future Bright (Xiangyang), we have complied with the laws and regulations in relation to forestland administration; and (iii) we have not been subjected to any administrative sanctions from the relevant forestry authorities as a result of violation of the relevant laws and regulations on forest management.

Waste rock treatment

As of the end of June 2014, we had used all waste rock for the access road and transfer pad construction. We plan to transfer excess waste rock that will not be used for on-site construction work or future site rehabilitation to a nearby building materials factory located approximately 15km away from our Yiduoyan Project site.

Pursuant to a waste rock supply agreement dated 18 October 2013 entered into between us and the building materials factory, which is an Independent Third Party, we supply all the waste rock generated during our operation to the building materials factory. The term of cooperation between us and the building materials factory is five years until November 2018. The key terms of the agreement are as follows: (a) we will provide 20,000m^3 of waste rock every month to the building materials factory from 1 November 2013. However, the actual amount of waste rock to be provided will be subject to the actual production activities; (b) the building materials factory is responsible for the cost and logistics for transporting all waste rock from our Yiduoyan Project to the building materials factory as well as the cost for access road construction and maintenance; and (c) we will not charge the building materials factory for the waste rock.

Social and local community concern

The general surrounding land comprises mainly forest and farmland. The nearest residence in Maojiagou Village is located 1km away from our Yiduoyan Project site. We had entered into various lease agreements with the relevant villagers such that they can be financially rewarded for leasing the forestland to us for carrying out our mining activities. For further particulars on these lease agreements, please refer to the paragraph headed "Properties" in this section. According to the Independent Technical Report, no natural reserves or significant cultural heritage sites are reported to be within or surrounding our Yiduoyan Project in the environmental impact assessment.

Regarding local community concern, during the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had not received any historical or current non-compliance notices and/or other documented regulatory directives in relation to the development of our Yiduoyan Project which is relevant and material to our business operations. Our Directors confirm that, to the best of their knowledge, they are not aware of any concerns of local governments and communities on the development of our Yiduoyan Project, which are relevant and material to our business operations.

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we had not received any notices in relation to any actual or potential impacts of non-governmental organisations on the sustainability of our Yiduoyan Project which is relevant and material to our business operations.

During the Relevant Period and the Track Record Period, in dealing with PRC laws and regulations and practices which are relevant and material to our business operations, we maintained regularly contact with the local government authorities to keep abreast of the local government practices in enforcing and interpreting the laws and regulations applicable to our business operations.

OCCUPATIONAL HEALTH AND PRODUCTION SAFETY

We hold a valid safety production permit for our Yiduoyan Project issued by the Hubei Provincial Safety and Production Supervision Bureau (湖北省安全生產監督管理局) with a validity period from 28 September 2012 to 27 September 2015. In addition, we have reported our status on prevention and treatment of occupational disease and made an application to Nanzhang Production Safety Bureau to conduct health monitoring.

Pursuant to the written confirmations issued by Nanzhang Production Safety Bureau on 27 August 2014 and 1 September 2014, (i) since the establishment of Future Bright (Xiangyang), we have been in compliance with the relevant laws and regulations in relation to occupational health and production safety during the course of development and operation of our Yiduoyan Project; and (ii) sale of marble blocks produced during the construction phase of our Yiduoyan Project does not violate any laws and regulations in relation to production safety.

We have developed an operational occupational health and safety management system and procedures, which cover the basic safety production managements for drilling, loading, transportation, air compressor operation, respiratory protection for marble cutting. As we expand our scale of production, we have developed and implemented a system to monitor and record employee occupation health and safety statistics. To avoid any potential accident in the course of our operations, we have implemented certain safety measures. In particular, we will (i) conduct trainings for our mining staff on production safety; and (ii) employ sufficient staff to monitor our production safety.

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, the Directors were not aware of any material accidents or that we have not been subject to any claims arising from any material accidents that have a material adverse effect on our business, financial condition or results of operation. Based on the written confirmations issued by the relevant government authority, our PRC Legal Advisers are of the opinion that during the Relevant Period and the Track Record Period and up to the Latest Practicable Date, we had complied with the relevant laws and regulations relating to occupational health and production safety in material respects.

RESEARCH AND DEVELOPMENT

Our research and development policies are primarily directed towards providing technical support to our mine construction and mining operations. In particular, our core technical team members comprising Mr. Zhang Decong, our executive Director and Ms. Zhang Xiaomei, Mr. Yuan Shan and Mr. Liu Zhanghui, the members of our senior management meet from time to time to discuss the technical aspects of mine construction and mining operation and evaluate as to whether there is any mean to optimise the same. Mr. Zhang has approximately 30 years of experience in the mining industry which includes production and mining technology. Mr. Yuan has approximately 30 years of experience in the mining industry which includes mining method. Ms. Zhang has approximately 12 years of experience in the mining industry with a particular focus on amongst others, mining technology. Mr. Liu has approximately nine years of experience in extraction activities. For further information on the qualifications and industry experience of our core technical team, please refer to the section headed "Directors and Senior Management" in this prospectus.

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date we had not entered into any cooperation agreements in relation to research and development with any third-party.

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we have not incurred any expenses in research and development.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we were the registered owner of six trademarks in Hong Kong. We also filed six trademark applications in PRC. For details, please refer to "Appendix VI Statutory and General Information – 2. Further information about the business" to this prospectus.

As at the Latest Practicable Date, we were not involved in any disputes or litigation relating to the infringement of intellectual property rights, nor are we aware of any such claims either pending or threatened.

PROPERTIES

The land within our permitted mining area is forestland collectively owned by the relevant village committee with the land use rights granted to certain villagers. According to relevant PRC laws and regulations, in order to carry out operations, we have to (i) lease the relevant forestland from the villagers; (ii) obtain short-term land use rights approval in the form of a notice of temporary land-use from Nanzhang Land and Resource Bureau; and (iii) obtain consent from Nanzhang Forestry Bureau to use the forestland temporarily to undertake our operations, according to the applicable PRC laws and regulations.

Lease agreements

As at the Latest Practicable Date, our Company had leased 16 parcels of forestlands (the "**Forestlands**") located at our project area, with a total site area of approximately 172.3mu (approximately 0.115km^2) for mining and ancillary purpose pursuant to various lease agreements (the "**Lease Agreements**") entered into between Future Bright (Xiangyang) and the relevant villagers who hold the land use rights of the relevant Forestlands (the "**Villagers**").

Pursuant to the Lease Agreements, Future Bright (Xiangyang) agreed to lease the land use rights of the Forestlands from the Villagers for a term of 20 years for a one-off total payment of approximately RMB0.50 million. During the Relevant Period and the Track Record Period, we had paid a total of approximately RMB0.50 million to the Villagers and have no further payment obligations owed to the Villagers under the Lease Agreements. Other than this payment, the Villagers shall be responsible for all other fees payable in respect of these Forestlands. The Villagers had been informed that the Leased Forestland would be used for mining activities.

The key terms of the Lease Agreements are summarised as follows:

(i) Future Bright (Xiangyang) is entitled to use the relevant Forestlands and the Villagers should not interfere with its operation on these Forestlands;

(ii) the Villagers should assist Future Bright (Xiangyang) to resolve any interruption to Future Bright (Xiangyang)'s operation caused by others;

(iii) the Villagers shall not transfer or lease out the land use rights of the Forestlands to any other third party;

(iv) the Lease Agreements shall be renewed automatically upon their expiration of their terms with the similar term and conditions, which includes the payment terms, unless Future Bright (Xiangyang) has surrendered the right of renewal by serving a 30-day written notice in advance to the Villagers;

(v) the purpose of leasing the Forestlands is to develop the mining resources beneath the Forestlands; and

(vi) the Lease Agreements are terminated as a result of material breach by the Villagers, the Villagers shall be liable to pay a penalty to us and for the economic loss we have suffered as a result of termination of the Lease Agreements.

According to the Independent Technical Report, no protected vegetation species at national level has been found in our Yiduoyan Project area. Therefore, our Directors are of the view that the value of the forestlands is not significant to the Villagers and it will be beneficial for them to continue leasing the Forestlands to us for carrying out the mining activity and we believe we maintain a good relationship with the Villagers and the Villagers' committees. We therefore believe that the Villagers and the Villagers' committees will cooperate with us while we are undertaking our mining activities, including renewing the existing Lease Agreements and leasing additional forestlands to us which are currently not covered in the Lease Agreements on normal commercial terms.

Notice of Temporary Land-use from Nanzhang Land and Resource Bureau

We obtained the notice of temporary land-use (the "**Notice of Temporary Land-use**") from Nanzhang Land and Resource Bureau on 10 September 2014. Pursuant to the Notice of Temporary Land-use, we were granted short-term land use rights with respect of a total of approximately 0.037km^2 for a period of two years since the date of the Notice of Temporary Land-use. The Notice of Temporary Land-use will expire on 9 September 2016. According to the Land Administration Law of the People's Republic of China (中華人民共和國土地管理法), the term for the temporary use of land should not exceed two years. Therefore, we shall apply for new temporary land-use rights and obtain new notices before the Notice of Temporary Land-use expire.

As advised by our PRC Legal Advisers, according to the Notice on Strengthening the Management of Temporary Use of Land (湖北省國土資源廳關於加強臨時用地管理的通知) issued by the Land and Resources Department of Hubei Province, among others, the key applicable requirements and conditions necessary for us to obtain any new notice of temporary land-use or renew any existing notice of temporary land-use include the following:

(i) the consent letter issued by a competent forestland administration authority should be submitted;

(ii) copies of lease agreements including the compensation for the land should be entered into with the owners or land-use right holders of land should be submitted;

(iii) copies of ownership certificates or documents of the forestland should be provided;

(iv) a land rehabilitation report approved by a competent authority should be provided; and

(v) land rehabilitation deposit should be paid.

Pursuant to the written confirmation letter issued by Nanzhang Land and Resources Bureau on 28 September 2014 (the "**Nanzhang Land and Resources Bureau Written Confirmation**"), (i) the land for which the said bureau has given approval for temporary use is located within the area covered by the mining permit of our Yiduoyan Project and the Lease Agreements, and our mining activities are conducted within the area covered by the Notice of Temporary Land-use; (ii) we can apply to the said bureau to increase the size of the area covered by the Notice of Temporary Land-use from time to time depending on our production needs. The said bureau will renew the Notice of Temporary Land-use upon its expiration if we need to continue to use the relevant land.

As advised by our PRC Legal Advisers, the Nanzhang Land and Resources Bureau as a land administrative department of the people's government at the county level is a competent authority to issue the Notice of Temporary Land-use. As such, the likelihood of the Notice of Temporary Land-use being challenged by higher level authorities is remote.

According to the Notice of Temporary Land-use and the temporary land-use agreement entered into between us and the Nanzhang Land and Resources Bureau, based on the land rehabilitation deposit of RMB1,500 per mu for forestland, we paid RMB82,275 as the land rehabilitation deposit. If we intend to renew the Notice of Temporary Land-use for the same forestland, we are not required to pay additional land rehabilitation deposit. As advised by our PRC Legal Advisers, if we renew the said notice with additional land area, the extra land rehabilitation deposit should be made and the amount of which is calculated based on the rate of RMB1,500 per mu for forestland under the current applicable PRC laws and regulations. According to the land rehabilitation report, the total land rehabilitation deposit for our Yiduoyan Project is estimated to be approximately RMB1.1 million, of which RMB82,275 has already been paid. Therefore, the amount of land rehabilitation deposit for obtaining the notice of temporary land-use to cover the Unplanned Mining Land Area will amount to approximately RMB1.0 million.

Consent letters from Nanzhang Forestry Bureau

We obtained three Consent Letters Approving the Temporary Use of Forestland (臨時使用林地審核同意書) (the "**Consent Letters**") from Nanzhang Forestry Bureau on 29 February 2012, each of which was renewed on 28 February 2014, 15 December 2013 and 2 September 2014. Pursuant to the Consent Letters, we were granted a temporary land use right with an aggregate area of approximately 3.6569ha (equivalent to approximately 0.037km^2) for construction of mining project for a period of two years since the date of the respective Consent Letter. These Consent Letters will expire on 27 February 2016, 14 December 2015 and 1 September 2016, respectively. As advised by our PRC Legal Advisers, according to the Land Administration Law of the People's Republic of China (中華人民共和國土地管理法), the term for the temporary use of land should not exceed two years. Therefore, our Company shall apply for new temporary land-use rights and obtain new consent letters before the Consent Letters expire.

As advised by our PRC Legal Advisers, according to the Measures for Administration of Examination and Approval of Occupation, Expropriation and Requisition of Forestland (佔用徵用林地審核審批管理辦法), the key applicable requirements and conditions necessary for us to obtain any new consent letter or renew any existing consent letter include, among others, the following:

(i) the valid approval for the Yiduoyan Project issued by the Nanzhang Development and Reform Bureau obtained by us on 26 September 2012 should be submitted;

(ii) copies of ownership certificates or documents of the said forestland should be provided;

(iii) a feasibility study report regarding the use of forestland issued by a qualified entity should be submitted;

(iv) lease agreements including the compensation for the forestland and trees entered into with the owners or land-use right holders of the forestland should be submitted and relevant compensation should be settled; and

(v) forestry revegetation fee should be paid.

Since the term of the Lease Agreements is valid for 20 years, it is not necessary for us to enter into new lease agreements with the villagers when we obtain the new consent letters so long as (i) these consent letters are obtained during the term of the Lease Agreements and (ii) the area to be covered by these consent letters is within the area covered by the Lease Agreements.

We have already submitted the documents (i) to (iv) listed above to obtain the Consent Letters. To apply for new consent letters which cover the forestland same as that covered by the Consent Letters that we have obtained and subsequently expired, we have to pay the forestry revegetation fee and submit the documents (i) to (iv) listed above notwithstanding that the documents (i) to (iv) listed above have been submitted for the purpose of obtaining the Consent Letters.

Pursuant to the written confirmation letter issued by Nanzhang Forestry Bureau on 26 September 2014 (the "**Nanzhang Forestry Bureau Written Confirmation**"), (i) the land for which our Group had obtained consent from the said bureau for temporary use on is located within the area covered by the mining permit of our Yiduoyan Project and the Lease

Agreements, and our mining activities are conducted within the area covered by the Consent Letters; (ii) the Villagers are holders of the forestland right certificates who have the right to lease the Forestlands; and (iii) we can apply to Nanzhang Forestry Bureau to increase the size of the area covered by the Consent Letters from time to time depending on our production needs. The said bureau will also renew the Consent Letters for temporary use of forestland upon their expiration if we need to continue to use the relevant forestland.

As advised by our PRC Legal Advisers, the Nanzhang Forestry Bureau as a forestry administrative department of the people's government at the county level is a competent authority to issue the Consent Letters. As such, the likelihood of the Consent Letters being challenged by higher level authorities is remote.

As advised by our PRC Legal Advisers, the following calculation bases of the forestry revegetation fee are stipulated in the Interim Management Measures of Collection and Use the Forestry Revegetation Fees (森林植被恢復費徵收使用管理暫行辦法):

(i) for commercial forestland, timber forestland, firewood forestland, tree nursery land, the forestry revegetation fee is RMB6 per m^2;

(ii) for immature forestland, the forestry revegetation fee is RMB4 per m^2;

(iii) for the shelter forestland and forestland for special purpose, the forestry revegetation fee is RMB8 per m^2;

(iv) for the national key protection shelter forestland and forestland for special purpose, the forest vegetation recovery fee is RMB10 per m^2;

(v) for the open forestland, shrub forestland, the forestry revegetation fee is RMB3 per m^2; and

(vi) for the suitable land for forest, cutover forestland and burnt forestland, the forestry revegetation fee is RMB2 per m^2.

The area of land covered by the Consent Letters consists of commercial forestland of approximately 8,300m^2, immature forestland of approximately 2,400m^2 and shrub forestland of approximately 25,840m^2. Based on the above calculation bases, it is estimated that the cost of renewing the Consent Letters will be approximately RMB0.14 million. According to the Independent Technical Report, no protected vegetation species at national level has been found in the Planned Mining Land Area. On this basis, a revegetation fee of RMB8 per m^2 in accordance with the relevant PRC regulations has been adopted in the calculation of the maximum revegetation fee payable by us whenever we need to reapply for the consent letter upon expiry of its two-year term. Based on the assumptions that our Group's production rate has reached 20,000m^3 per annum; and the maximum area that the relevant consent letter could cover is equal to the Planned Mining Land Area of 0.116km^2, it is estimated that the maximum amount of forestry revegetation fees payable each time when we need to reapply for the consent letter upon expiry of its two-year term will be RMB0.92 million.

As advised by our PRC Legal Advisers, (i) Nanzhang Forestry Bureau is the competent authority to issue the Consent Letters and Nanzhang Forestry Bureau Written Confirmation; (ii) Nanzhang Land and Resources Bureau is the competent authority to issue the Notice of Temporary Land-use and Nanzhang Land and Resources Bureau Written Confirmation; (iii) base on the Nanzhang Forestry Bureau Written Confirmation, the Villagers, who are parties to the Lease Agreements, are the land-use right holders of the relevant Forestland; (iv) within the area and at the duration as prescribed in the Consent Letters and the Notice of Temporary Land-use, we are entitled to use the forestland which the said bureaux gave consent for temporary use on the manner as regulated by the Consent Letters and the Notice of Temporary Land-use; (v) the Lease Agreements are legal, valid and binding. The term of the leases under the Lease Agreements complies with the relevant PRC laws and regulation; and (vi) based on Nanzhang Forestry Bureau Written Confirmation and Nanzhang Land and Resources Bureau Written Confirmation, there will be no material legal impediment for us to renew the Consent Letters and the Notice of Temporary Land-use or obtain new consent letters and notices of temporary land-use so long as we meet the applicable requirements and conditions and adhere to the procedures as required by the current effective PRC laws and regulations.

We have not obtained notice of temporary land-use and consent for temporary use of forestland for all of area of the land covered by our mining permit because (i) the validity period of the Notice of Temporary Land-use and the Consent Letters is only two years from the date of the respective Notice of Temporary Land-use and Consent Letters; and (ii) we can apply to relevant government authorities to renew or obtain new consent letters and notice of temporary land-use, we have not applied for other notice of temporary land-use and consent letters.

Based on the Feasibility Study Report and the confirmation given by the Independent Technical Consultant, it is estimated that the Planned Mining Land Area is approximately $0.116km^2$, of which approximately $0.037km^2$ is currently covered by the Consent Letters and Notice of Temporary Land-use. The area of Forestlands currently covered by the Lease Agreements is approximately $0.115km^2$ and in terms of size and location, approximately $0.087km^2$, or 75.7% of which overlaps with a portion of the Planned Mining Land Area. On this basis, we estimate that the area of the Forestlands will be sufficient for us to conduct our mining activities for not less than eight years because it is estimated that the land required to carry out our mining activities in accordance with our development plan will be approximately $0.091km^2$ in 2022. For further details, please refer to the table headed "Schedule indicating the area of land required to carry out our mining activities in accordance with our mine development plan" on page 204 below.

Our Directors expect that we will enter into new lease agreements to conduct mining activities within the portion of the Planned Mining Land Area that is not covered by the Lease Agreements (i.e. approximately $0.029km^2$) when the marble reserves from the area covered by the Lease Agreements are substantially extracted. Based on our past experience, it took us around three months from negotiation to signing of the Lease Agreements and another two weeks to obtain the Consent Letters and Notice of Temporary Land-use after we entered into the Lease Agreements. Therefore, it is expected that we will enter into new lease agreements around the fourth quarter of 2021 according to our production schedule so as to allow sufficient time for us to obtain the consent letters and notice of temporary land-use from the relevant authorities and ensure our marble production will not be disrupted while we are in the process of entering into the new lease agreements with the villagers and obtaining the relevant consent letters and notice of temporary land-use from the relevant authorities.

Our core technical team will closely monitor the status of our land use with reference to our production schedule to ensure that we will enter into the new lease agreements in respect of the portion of the Planned Mining Land Area that is not covered by the Lease Agreements in a timely manner and continue with our production without any interruption.

The following table summarises the status of the land covered by our mining permit:

	km^2
Permitted mining right area	0.5209
The Planned Mining Land Area	0.116
The Unplanned Mining Land Area *(Note 1)*	0.4049
The area of the Forestlands under the Lease Agreements	0.115
The portion of the Planned Mining Land Area which overlaps with the area of the Forestlands *(Note 2)*	0.087
The area currently covered by the Consent Letters and the Notice of Temporary Land-use *(Note 3)*	0.037

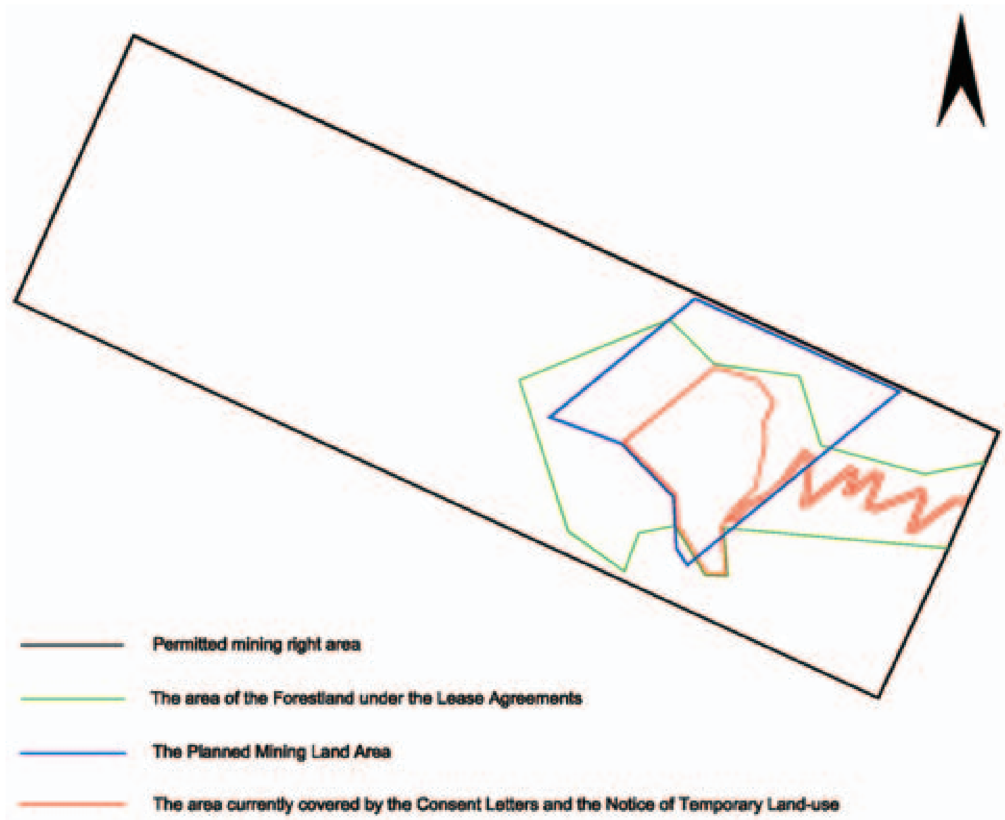
Notes:

1. As we are focusing on developing our Yiduoyan Project which is entirely covered by the Planned Mining Land Area and the Planned Mining Land Area is expected to be able to support the production schedule of our Yiduoyan Project with an estimated remaining mine life of 47 years, we currently have no plan to carry out any further exploration works (as further particularised in the paragraph headed "Further exploration works" in this section of this prospectus) in the Unplanned Mining Land Area.

2. The area of Forestlands currently covered by the Lease Agreements is approximately 0.115km^2, of which approximately 0.087km^2 or 75.7% overlaps with the Planned Mining Land Area.

3. Approximately 0.031km^2 of the area covered by the Consent Letters and the Notice of Temporary Land-use falls within the overlapping area between the Planned Mining Land Area and the area covered by the Lease Agreements. The small portion of the area covered by the Consent Letters and the Notice of Temporary Land-use which falls outside the Planned Mining Land Area is where the ancillary facilities are erected and no mining activities will take place.

The following diagram illustrates the status of land covered by our mining permit:



As confirmed by Nanzhang Land and Resources Bureau and Nanzhang Forestry Bureau, all of our current mining activities are undertaken within the area covered by our current mining permit, the Lease Agreements, the Consent Letters and the Notice of Temporary Land-use.

According to our development plan, the total area of land which we estimate will be used to support an annual production rate of 20,000m^3 in 2017 will be approximately 0.05km^2 which will increase progressively and by 2025, the total area of land which we estimate will be used will be approximately 0.116km^2. The area of 0.037km^2 currently covered by the three Consent Letters and Notice of Temporary Land-use, which will expire on 14 December 2015, 27 February 2016, 1 September 2016, and 9 September 2016 respectively, will be sufficient for us to carry out our mining activities with the full production rate of 16,000m^3 per annum. As such, in addition to re-applying for the Consent Letters and the Notice of Temporary Land-use, we will be required to apply for other new consent letters and the notice of temporary land-use to cover the additional land required to support an annual production rate of 20,000m^3 from 2017 until 2025.

The following table sets forth the schedule indicating the area of land required to carry out our mining activities in accordance with our mine development plan, which will be required to be covered by the consent letters and notice of temporary land-use to be obtained from the relevant government authorities:

Schedule indicating the area of land required to carry out our mining activities in accordance with our mine development plan

Year	**Area required to be covered by the consent letters and notice of temporary land-use** *(km^2)*
2017	0.050
2018	0.058
2019	0.067
2020	0.075
2021	0.083
2022	0.091
2023	0.100
2024	0.108
2025	0.116

Based on the Nanzhang Land and Resources Bureau Written Confirmation and the Nanzhang Forestry Bureau Written Confirmation and since we had entered into the Lease Agreements with the Villagers for a term of 20 years and has been able to satisfy all other requirements and conditions to obtain the Notice of Temporary Land-use and Consent Letters, we believe we will be able to successfully renew the Consent Letters and Notice of Temporary Land-use from the relevant government authorities or renew or enter into new land lease agreements for temporary use of forestland which are necessary for our mining operations. However, as all of our revenue will be derived from our mining operations from open-pit mine on relevant forestland in the future, in the event that we are unable to renew the Consent Letters or Notice of Temporary Land-use, our operations may be substantially affected. For a discussion of this risk factor, please refer to the paragraph headed "Risk Factors – Risks Relating to Our Business – We may not be able to renew the existing consent letters and notice of temporary land-use or obtain new consent letters and notice of temporary land-use approval from the relevant government authorities or renew the existing lease agreements or enter into new lease agreements with the relevant villagers for temporary use of forestland within our project area" in this prospectus.

Other properties

As at the Latest Practicable Date, we had also leased three properties for office and residential purposes located in Nanzhang County with an aggregate floor area of approximately 354m^2. The tenancy agreements have been registered with the relevant government authorities in accordance with the relevant PRC law.

As at the Latest Practicable Date, we had also leased one property in Hong Kong for office purpose with an aggregate floor area of approximately 2,403.45 square feet.

As at the Latest Practicable Date, we did not own any property interest. We did not directly or indirectly hold or develop properties for letting or retention as investments, nor did we purchase or develop properties for subsequent sale or for retention as investments.

Details of the property valuation together with the summary of valuation and valuation certificates from our property valuer are set out in Appendix III to this prospectus.

INSURANCE

As at the Latest Practicable Date, we had maintained the required PRC employees' social benefits insurance in accordance with the relevant PRC laws and regulations in all material respects. We have obtained liability insurance of safety production and paid required insurance premium. In addition to the insurances for our employees, we obtained insurance for our motor vehicles. During the Relevant Period and the Track Record Period, we did not make any claims under our insurance policies that had a material adverse effect on our business, financial condition or results of operations.

We do not maintain any fire, earthquake, liability or other property insurance with respect to our properties, equipment and inventories, with the exception of motor insurance coverage for our motor vehicles, nor do we maintain any business interruption insurance or third-party liability insurance against claims for property damage, personal injury and environmental protection liabilities.

During the Relevant Period and the Track Record Period, we did not experience any business interruptions or losses or damages to our facilities that had a material adverse effect on our business, financial condition or results of operations. Taking into account the general practice in the PRC mining industry, our Directors are of the view that we have sufficient insurance coverage for our current operations and is in line with the industry norm. Our Directors and senior management will closely review the risks relating to our operations and adjust our insurance coverage as we continue our business expansion.

EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 32 full-time employees. The following table sets forth the breakdown of our Group's employees by functions.

Function	Number of employees in Hong Kong	Number of employees in the PRC
Management	–	2
Mine operation	–	22
Finance and accounting	1	2
Sales and marketing	–	3
Administration and human resources	–	2
Total	1	31

Recruitment and remuneration

We believe that our employees are among the most valuable assets of our Group and have contributed to the success of our Group. We recruit our employees mainly based on their industry experience in the marble mining industry and their educational background. We generally pay our employees a fixed salary and other allowances, based on their positions. We enter into individual employment contracts with our employees covering matters such as wages, employee benefits, safety at workplace, obligations for commercial secrets and grounds for termination.

Training

We provide our employees formal and on-the-job training to enhance their technical mining skills as well as knowledge of industry quality standards and work place safety.

Employee relationship

We believe that we have maintained good relationship with our employees and our management policies, working environment, development opportunities and employee benefits have contributed to maintaining good employee relations and employee retentions.

During the Relevant Period, the Track Record Period and up to the Latest Practicable Date, we did not experience any major labour disputes, work stoppage or labour strike in the past or any work safety related incidents that led to disruption to the operation of our Group, nor has our Group experienced any difficulties in the recruitment and retention of experienced staff.

Welfare or mandatory contribution

In Hong Kong, we operate a mandatory provident fund retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for our employee in Hong Kong who is eligible to participate in the Scheme. Under the relevant PRC laws and regulations, we are required to contribute to a number of employee social welfare schemes in respect of our employees. Such schemes include housing provident fund and social insurance contribution requirements for the qualified employees. During the Relevant Period, the Track Record Period, we had not fully contributed to the housing provident fund and social insurance for our employees. Save for these non-compliances in the PRC as disclosed in the paragraph headed "Business – Legal Proceedings and compliance" of this prospectus, we have complied with the applicable labour laws and regulations in all material aspects during the Relevant Period, the Track Record Period and up to the Latest Practicable Date.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Relevant Period and Track Record Period, we have two non-compliance incidents, details of which are set out below:

Event(s) of non-compliance	Reason for non-compliance	Remedial actions taken	Legal consequence(s) and maximum potential penalty and other financial liabilities	Total amount of fine imposed as at the Latest Practicable Date (if any)	Whether provisions have been made
According to the relevant PRC laws and regulations, an employer shall declare and make social insurance and housing fund contributions for its employees in full amount on time. Future Bright (Xiangyang) did not contribute to the social insurance and housing fund in accordance with the relevant PRC laws and regulations and for some of its employees, since its establishment and up to June 2014.	Some of our employees did not want to participate in the social insurance and housing funds as they do not want to bear their portion of social insurance and housing funds contribution.	In September 2014, Future Bright (Xiangyang) obtained confirmation letters from the relevant government authorities (both of which are competent authorities to issue the relevant confirmation letters as advised by our PRC Legal Advisers), among others, confirming that Future Bright (Xiangyang) does not need to repay any shortfall of the social insurance and housing fund contribution as at the date of the confirmation letters and Future Bright (Xiangyang) will not be penalised. Since July 2014, Future Bright (Xiangyang) had made full contribution to the social insurance and housing funds for all its employees based on the amount and standard prescribed by the competent government authorities as set forth in these confirmation letters. Our Group has designed and implemented a number of enhanced internal controls to mitigate the risk of future non-compliance. Please refer to the paragraph headed "Enhanced internal control" in this section.	Future Bright (Xiangyang) may be ordered to pay up the outstanding social insurance premiums and housing funds within a prescribed time limit due to such non-compliance. Any delayed payment of social insurance premiums may be subject to an overdue fine of 0.05% of the delayed payment per day from the date on which the contribution becomes due. If such Future Bright (Xiangyang) fails to make the overdue contributions within such period, the relevant administrative department may impose a fine equivalent to one to three times of the overdue amount. We estimate that the contribution shortfall amounted to approximately RMB0.60 million as at 30 June 2014.	None	We have made a provision amount of approximately RMB0.60 million for the shortfall of the contribution during the Relevant Period and the Track Record Period. We have not made any provision for fines, as the confirmation letters confirmed that Future Bright (Xiangyang) will not be penalised.

Event(s) of non-compliance	Reason for non-compliance	Remedial actions taken	Legal consequence(s) and maximum potential penalty and other financial liabilities	Total amount of fine imposed as at the Latest Practicable Date (if any)	Whether provisions have been made
According to the relevant PRC law and regulations, Future Bright (Xiangyang) is required to obtain the notice of temporary land-use from Nanzhang Land and Resources Bureau before using a parcel of land with an area of 1.6955ha (equivalent to approximately 0.017km^2) but Future Bright (Xiangyang) did not obtain such notice before using the land.	We were not familiar with the relevant local laws and regulations at the material time.	Upon realising the non-compliance, Future Bright (Xiangyang) proactively communicated with Nanzhang Land and Resources Bureau and applied for the notice of temporary land-use. On 10 September 2014, Future Bright (Xiangyang) obtained the notice of temporary land-use for a parcel of land with an area of 36,569m^2 (equivalent to approximately 0.037km^2) from Nanzhang Land and Resources Bureau. In addition, on 29 September 2014, Future Bright (Xiangyang) obtained a confirmation letter from Nanzhang Land and Resources Bureau (a competent authority to issue such confirmation letters as advised by our PRC Legal Advisers), confirming that they will not impose any penalty on Future Bright (Xiangyang) due to this non-compliance incident. Our Group has designed and implemented a number of enhanced internal controls to mitigate the risk of future non-compliance. Please refer to the paragraph headed "Enhanced internal control" in this section.	In the absence of the notice of temporary land-use, Nanzhang Land and Resources Bureau may order the relevant land be returned.	None	None, as the confirmation letter has confirmed that Nanzhang Land and Resources Bureau will not impose any penalty on Future Bright (Xiangyang) due to this non-compliance incident.

As at the Latest Practicable Date, we were not a party to any legal or administrative proceedings. In addition, our Directors are not aware of any claims or proceedings threatened against us or in relation to exploration or mining rights contemplated by government authorities or third parties which would materially and adversely affect our operations, financial conditions and reputation. As advised by our PRC Legal Advisers, during the Relevant Period, the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we have complied with the relevant PRC laws and regulations in all material aspects and have obtained all the material approvals, permits and licences for our current business operations. In addition, other than the 20,000m^3 Approval which we expect to obtain in the beginning of 2016, we have obtained all the approvals, permits and licence in all material respects for production at full production rate of 20,000m^3 per annum.

INTERNAL CONTROL

Enhanced internal control

To ensure ongoing compliance with applicable laws and regulations and to prevent recurrence of non-compliance incidents in the future, our Group has designed, implemented and enhanced a number of internal controls.

Our Directors consider that the combination of the following key controls, at both entity and process level, are adequate and effective in mitigating the risks of future non-compliance in material aspects and avoiding significant financial and operational impact on our Group.

Entity level controls

1. Since September 2014, our Company has established a compliance committee as a management oversight function. The committee is required to meet quarterly for discussing the existing and potential compliance issues and report to the Board whenever necessary.

   The compliance committee comprises the chief financial officer, Mr. Ho Yuk Ming, Hugo, the non-executive Director, Mr. Hu Jin Xiong and the independent non-executive Director, Mr. Lau Tai Chim.

2. Our Group will engage a PRC legal adviser upon Listing for the purpose of enhancing the compliance capability of our Company. Our Company will seek for legal advices and trainings from the legal adviser from time to time.

3. For the purpose of enhancing compliance awareness and knowledge, our Group has arranged compliance trainings, conducted by our legal advisers, for our Directors and senior management members. The trainings provide information relevant rules and regulations including the areas of compliance with Listing Rules compliance, notice of temporary land-use and social insurance/housing providence funds.

   In addition, the Group has approved an annual training budget of HK$100,000 for providing continuous trainings to our Directors and senior management members. Our chief financial officer, Mr. Ho Yuk Ming, Hugo, is responsible for assessing the training needs of the Group and arranging corresponding training events.

Process level controls

4. In relation to social insurance and housing providence funds contribution, our Group has enhanced, since July 2014, its review procedures and assigned designated personnel to ensure, (i) the contribution base are continuously monitored and approved by the executive Director in accordance with relevant standard of the competent authorities; (ii) the contribution base are administratively updated and

registered with relevant authorities in accordance with the actual human resource change on a monthly basis; and (iii) the actual payment of contribution are made on a monthly basis after being reviewed by the executive Director and are reconciled by the finance department with the supporting document issued by the competent authorities.

5. In relation to licence and permit for land use, our Group has established a compliance policy which requires the compliance committee to (i) pre-approve any proposed additions and/or change of land use before making applications to relevant administration authorities; (ii) to inspect the necessary licences and permits required for using any parcel of land; (iii) to consult our legal adviser of the compliance requirements; and (iv) to report to the Board of the compliance status.

6. In September 2014, our Group has assigned a designated management to update and maintain a licence register for keeping track of the status of necessary licences. The register contains necessary information, such as the current status, timing of renewal, condition of renewal and responsible persons for the purpose of timely application and/or renewal. The licence register also documents certain details, such as the location, size and nature of land prescribed by relevant permits and agreements.

   Our Group has instructed one of senior management member, Mr. Liu Zhanghui, to assess and endorse regularly whether our practice and the actual use of land have stayed within the allowed realm.

7. Since July 2014, our Group has required our chief financial officer who is also a compliance committee member, Mr. Ho Yuk Ming, Hugo, to detect whether there are potential non-compliances, including the social insurance/housing providence funds and land use issues.

   Mr. Ho Yuk Ming, Hugo is required to ensure the compliance status reported by the management is consistent with the financial information and current operations of the Group. In the course, Mr. Ho Yuk Ming, Hugo performs a number of regular reviews, such as direct inquiries with the senior management, analysing the land use related expenses, reconciling the changes in labour costs with the social insurance/housing providence funds.

Monitoring control

8. Since June 2014, our Board has established a month reporting system to ensure it will be updated for material financial, operational and compliance matters on a timely basis.

   Our chief financial officer is required to communicate with the management and finance department from time to time and gather necessary financial, operational and compliance information, including the development of identified and potential non-compliance issues and material operational changes, of our Group.

On a monthly basis, the chief financial officer would prepare a monthly report based on the information for the timely review of our Directors who will instruct proper follow-up actions when necessary.

9. Our Group has established a compliance policy requiring our Board to review the reports prepared by the compliance committee and assess the compliance status of the Group, including the two said non-compliance issues half-yearly.

   Our Directors has agreed that our Group will disclose significant non-compliance issues and their impacts, if any, in its interim and annual reports upon Listing.

Upon identification of the non-compliance issues, our Group has further engaged BDO Financial Services Limited ("**BDOFS**") to perform an expert review of the internal controls of the Group. The scope of the expert review covers the historical non-compliance issues including (i) failure to make full contribution to the social insurance and housing funds, and (ii) failure to obtain necessary licenses and permits, including the notice of temporary land use.

The objective of BDOFS is to provide an independent assessment of the specific controls against the relevant risks and control objectives in relation to the relevant non-compliance issues and to assess whether these specific controls:

(a) are properly designed to achieve specified control objectives;

(b) have been placed in operation; and

(c) are operating effectively, in which the specific control objectives were achieved.

The Group has requested BDOFS to review the internal controls from their respective implementation date to the Latest Practicable Date and to express its view whether these specific controls are properly designed and effectively operating as at Latest Practicable Date.

In September 2014, BDOFS has conducted the review, performed walkthrough and necessary control testing. Based on the result of walkthrough and control testing, BDOFS is of the view that as at Latest Practicable Date our Company had put in place, properly designed and effectively operated the key controls for mitigating the related risks and control objectively, individually and collectively.

Views of our Directors and the Sole Sponsor

After taking into account the nature and reasons for the historical non-compliance incidents, the written confirmations of the relevant competent government authorities, the above rectification measures taken by our Group, our business nature and operation scale, our Directors are of the view, and the Sole Sponsor agrees, that the non-compliance incidents do not have any material impact on the suitability of our Directors under Rules 3.08, 3.09 and 8.15 of the Listing Rules and our suitability for listing under Rule 8.04 of the Listing Rules. In view of the potential liability, we have made provision for the historical contribution shortfall of RMB0.6 million as detailed in the table above. On the basis of the preventive measures mentioned above, our Directors are of the view that we have adequate internal control procedures in place for the purpose of the Listing Rules.

In addition, after making enquiries of the management of our Company, reviewing of the enhanced internal control procedures of our Group and discussing with our Group's internal control consultant regarding our Group's internal control system, the Sole Sponsor, who is not an expert in internal control, is not aware of any reasons to disagree with our Director's view that our Group's enhanced internal control measures are adequate and effective under the Listing Rules.

OVERVIEW

Immediately following completion of the Global Offering and assuming that the Offer Size Adjustment Option is not exercised, Future Bright (International) and Easy Flourish will own approximately 38.25% and 36.75% respectively of the issued share capital of our Company.

Future Bright (International) is a private investment holding company with limited liability incorporated in BVI and wholly-owned by Mr. Guo. Easy Flourish is a private investment holding Company with limited liability owned as to 80% by Guangzhou Yicheng, a private investment holding company established under the law of the PRC, and 20% by Ms. Jiang, a business partner of Mr. Hu and an Independent Third Party. Mr. Hu owns 62.5% of the equity interest in and controls Guangzhou Yicheng and is its sole director. As a result, Mr. Guo and Mr. Hu are deemed to be interested in 38.25% and 36.75% of the issued share capital of our Company, respectively, upon completion of the Global Offering and assuming that the Offer Size Adjustment Option is not exercised. Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu are our Controlling Shareholders. Mr. Guo and Mr. Hu are our executive Director and non-executive Director, respectively.

Save for their interests in our Group, each of Future Bright (International), Easy Flourish, Guangzhou Yicheng does not operate any business or hold interests in any other entities.

Apart from his interest in our Group, Mr. Guo also engages in the business of property leasing. For details of the background of Mr. Guo, please refer to the section headed "Directors and Senior Management – Executive Directors".

Apart from his interest in our Group, Mr. Hu also engages in the business of property development. For details of the background of Mr. Hu, please refer to the section headed "Directors and Senior Management – Non-executive Directors".

Our Directors are of the view that the nature of business activities carried on by our Group and those carried out by our Controlling Shareholders are clearly distinct and that there is a clear delineation between our business and those of our Controlling Shareholders.

Each of our Controlling Shareholders has confirmed to our Company that it/he and its/his respective associates do not have any interest in any business, apart from the business of our Group, which competes or is likely to compete, either directly or indirectly, with our business. Further, none of our Directors is a director or a shareholder of a company engaged in any business apart from our business, which competes or is likely to compete, either directly or indirectly with our business.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that our Group is capable of carrying on the business independently from our Controlling Shareholders and their respective associates after completion of the Global Offering.

Financial independence

Our financial auditing system is independent from our Controlling Shareholders and we employ our own team of financial accounting personnel. We have our own accounting and finance department, accounting systems, treasury function for cash receipts and payment and access to third party financing. We make financial decisions according to our business needs. As at the Latest Practicable Date, there was no outstanding loans, advances or balances due to or from our Controlling Shareholders or their associates.

Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders or any of their respective associates after the Listing.

Operational independence

We have our own work force to carry out our mining business, our own production and operational facilities, supplies, customers and sales and distribution channels which are independent from our Controlling Shareholders and their respective associates.

During RP2011, RP2012 and the Track Record Period, both of the advances due to and from Mr. Guo were made in his capacity as our executive Director and chief executive for the development of our Yiduoyan Project and for payment of forest use right on behalf of our Group. Please refer to the section headed “Financial Information – Related party transactions” for details. All our balances with Mr. Guo were settled during TRP2014.

Based on the above, our Directors consider that the operation of our Group does not rely on our Controlling Shareholders or any of their respective associates.

Management independence

Our Board comprises eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors. Mr. Guo and Mr. Hu, respectively our executive Director and non-executive Director, are also our Controlling Shareholders. For details, please refer to the section headed “Directors and Senior Management” of this prospectus.

Upon Listing, except for Mr. Guo and Mr. Hu, none of our Director or members of senior management will have a role in or to be employed or paid by any company owned by our Controlling Shareholders other than our Group. Our Group does not have any transactions with any of our connected persons which will constitute continuing connected transactions of our Company under the Listing Rules upon Listing.

Each of our Directors is aware of his fiduciary duties as our Director which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as our Director and his personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) will abstain from voting at the relevant meetings of our Board and will not be counted in the quorum. We have three independent non-executive Directors representing more than one-third of the members of our Board. Such composition is in line with or better than the current corporate governance best practices according to the Listing Rules.

In addition, our Group has its own senior management team that is responsible for the daily management of our business. Please refer to the paragraph headed "Directors and Senior Management – Senior management" of this prospectus for detailed biographies of our senior management team.

Based on the above, we are satisfied that our Board together with our senior management team as a whole, are able to perform the managerial role in our Group independent of our Controlling Shareholders.

Non-competition undertaking from our Controlling Shareholders

Each of Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu (together, the "**Covenantors**") has entered into the Deed of Non-competition on 8 December 2014 pursuant to which the Covenantors have unconditionally, irrevocably and severally undertaken to our Company that, during the Non-compete Period (as defined below), they shall not, whether as principal or agent and whether undertaken directly or indirectly (including through any of their associates, subsidiaries, partnerships, joint ventures or other contractual arrangements) and whether for profit or otherwise, carry on, engage, invest, participate or otherwise be interested in any business which is in any respect in competition with or similar to or is likely to be in competition with the business conducted or carried on by our Group (including but not limited to mining and sales of marble blocks) from time to time and within the territories in the PRC, Hong Kong and any other areas in which the Group has business operations from time to time (the "**Restricted Business**").

Notwithstanding the foregoing, each of the Covenantors may:

(a) carry on, engage in, invest in, participate in or otherwise be interested in such Restricted Business where the opportunity to carry on, engage in, invest in, participate in or otherwise be interested in such Restricted Business has first been offered or made available to our Company, and our Company, after review and approval by our independent non-executive Directors or Shareholders as required under relevant laws and regulations, has declined such opportunity to carry on, engage in, invest in, participate in or otherwise be interested in such Restricted Business, provided that the principal terms by which any Covenantor subsequently engages in, invests in, participates in or otherwise is interested in such Restricted Business are not more favorable in any material aspect than those offered or made available to our Company;

(b) have interests in shares or other securities (whether or not listed on any stock exchange) of a company conducting any Restricted Business provided that:

   (i) the Covenantors taken together are not so interested as to be able to exercise or control the exercise of 5% or more of the voting power at general meetings of such company or control the composition of a majority of the board of directors of such company; and

   (ii) at all times there is another independent shareholder who either alone is, or together with its associates taken together are, directly or indirectly interested so as to be able to exercise or control the exercise of a greater amount of voting power at general meetings of such company than the Covenantors are able, or control the composition of a majority of the board of directors of such company.

The "Non-compete Period" stated in the Deed of Non-competition refers to the period commencing on the Listing Date and ending on the earlier of:

(a) the date on which the Covenantors (individually or collectively) and/or any of their associates, individually or collectively, cease to be our Controlling Shareholders within the meaning of the Listing Rules; and

(b) the date on which the Shares cease to be listed on the Stock Exchange.

Under the Deed of Non-competition, in the event that, during the Non-compete Period, any of the Covenantors intends to dispose of any Restricted Business or any interest in any Restricted Business, the Covenantors shall first offer to our Company the right to acquire such business or interest and the Covenantors may only proceed with such disposal to any third party, on terms not more favorable than those offered to our company, following the rejection of such offer by our Company.

CORPORATE GOVERNANCE MEASURES

We have adopted the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of our Shareholders:

- our independent non-executive Directors will ensure that the conflicted Directors will abstain from voting at the relevant board meetings in compliance with the Articles and the Listing Rules;

- our independent non-executive Directors will review, at least on an annual basis, the compliance with the non-competition undertakings by each of our Controlling Shareholders under the Deed of Non-competition;

- each of our Controlling Shareholders has undertaken to our Company that it will provide us with all information necessary for our independent non-executive Directors' review and the enforcement of the relevant non-competition undertaking and to make an annual declaration of compliance with such non-competition undertaking which will also be included in our annual reports;

- we will make disclosures in our annual reports or by way of announcements regarding the review by our independent non-executive Directors of the compliance and enforcement of the non-competition undertaking; and

- we have appointed Guotai Junan Capital as our compliance adviser which will provide us with professional advice and guidance, in respect of the compliance with the Listing Rules and applicable laws.

DIRECTORS

Our Board

Our Board is responsible for and has general powers for the management and conduct of our business. Our Board consists of eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors. We have a core technical team comprising one executive Director and three senior management members of our Group who individually have approximately nine to 30 years of relevant industry experience in mining. In particular, each of the members of our core technical team, namely, Mr. Zhang Decong, Mr. Yuan Shan, Ms. Zhang Xiaomei and Mr. Liu Zhanghui has approximately 30, 30, 12 and nine years of experience in the stone mining industry. Our Group believes that our core technical team possesses the management expertise and knowledge required for the mining operation of our Group.

The following table sets out certain information about the members of our Board and senior management:

Name	Age	Title	Date of joining our Group	Date of appointment	Relationship among our Directors and senior management	Role and responsibilities
Executive Directors						
Mr. GUO Xiao Ping (郭小平)	56	Chairman, executive Director and chief executive officer	6 July 2011	23 August 2013	Uncle of Mr. Li Ethan Jing	Strategic planning and overall operation
Mr. ZHANG Decong (張德聰)	74	Executive Director	1 September 2013	26 September 2014	No	Mining and production, evaluating mining policies and overseeing production safety
Non-executive Directors						
Mr. LI Ethan Jing (李靖)	34	Non-executive Director	6 July 2011	26 September 2014	Nephew of Mr. Guo	Advising on human resources allocation and office administration
Mr. HU Jin Xiong (胡錦雄)	53	Non-executive Director	28 April 2014	28 April 2014	No	Advising on sales and marketing activities and expansion of client network
Mr. LEUNG Kar Fai (梁嘉輝)	35	Non-executive Director	1 August 2013	26 September 2014	No	Advising on geological matters and mine design
Independent non-executive Directors						
Mr. LAU Tai Chim (劉大潛)	63	Independent non-executive Director	8 December 2014	8 December 2014	No	Overseeing the management independently
Mr. SIN Ka King (冼家勁)	31	Independent non-executive Director	8 December 2014	8 December 2014	No	Overseeing the management independently

Name	Age	Title	Date of joining our Group	Date of appointment	Relationship among our Directors and senior management	Role and responsibilities
Mr. CHOW Hiu Tung (周曉東)	42	Independent non-executive Director	8 December 2014	8 December 2014	No	Overseeing the management independently
Senior management						
Mr. YUAN Shan (袁山)	59	Deputy engineer and alternate Director to Mr. Zhang Decong	1 March 2014	8 December 2014 (appointed as the alternate Director to Mr. Zhang Decong)	No	Production safety, environmental matters and providing training to miners
Ms. ZHANG Xiaomei (張小梅)	61	Deputy engineer	1 September 2013	–	No	Extraction activities mining technology, equipment, mine construction and quality control
Mr. LIU Zhanghui (劉章輝)	37	Mine manager	26 February 2012	–	No	Managing mining production team and implementing production activities
Mr. HO Yuk Ming, Hugo (何育明)	43	Chief finance officer and company secretary	11 April 2014	–	No	Finance and accounting functions of our Group

Save as disclosed in this prospectus, to the best of the knowledge, information and belief of our Directors, having made all reasonable enquiries, there was no additional matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders and there was no additional information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules as at the Latest Practicable Date.

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. GUO Xiao Ping (郭小平), aged 56, is the founder of our Group. Mr. Guo has served as the general manager of our Group since July 2011, and has been presiding over the overall operations of our Yiduoyan Project. Mr. Guo was appointed as our Director on 23 August 2013 and was designated as the executive Director and chief executive officer of our Company on 26 September 2014 and was appointed as the chairman of our Board on 8 December 2014. Mr. Guo is primarily responsible for our Group's strategic planning and overall operation, including day-to-day business management, procuring mining equipment, recruiting geology and mining experts, as well as managing the external relationship with our business partners.

Since founding our Group, Mr. Guo has accumulated approximately three years of experience in the mining industry. Mr. Guo has been involved in all aspects of our operations, such as setting up our production team, developing overall mining plans with our core technical team, researching on market trends and marketing of our marble products. Mr. Guo plays a key role in expanding our client network and is closely involved in coordinating our core technical team in our day-to-day mining operation.

Mr. Guo has over 20 years of corporate managerial experience. Prior to joining our Group, Mr. Guo was the deputy manager of Guangzhou Dongshan Huaqing Construction Limited (廣州市東山區化輕建材公司) from February 1989 to June 1993, a company mainly engaged in the trading of industrial chemicals and construction materials, where he was responsible for sourcing construction materials and managing its day-to-day business operations. From July 1993 to April 1994, Mr. Guo worked as a manager at Guangzhou Dongshan District Materials Development Limited (廣州市東山區物資發展公司), a company mainly engaged in the trading of motor vehicles and electronic products, where he was mainly responsible for managing the trading of motor vehicles. From April 1994 to May 2000, Mr. Guo successively served as a deputy manager, director and deputy general manager at Guangzhou Dongshan Materials Limited (廣州市東山物資有限公司) (formerly known as the Headquarters of Guangzhou Dongshan District Materials Limited (廣州市東山物資總公司)), a State-owned enterprise mainly engaged in the trading of motor vehicles and electronic products, where he was responsible for its business development and the overall operations of its subsidiaries. In May 2000, Mr. Guo established Guangzhou Yuexiu District Jinghua Commercial Center (廣州市越秀區景華商業廣場), a wholesale market specialising in the sales of daily commodities and industrial appliances, where he was mainly responsible for its day-to-day operations. From March 2006 to June 2011, Mr. Guo served as the general manager of Guangzhou Fangxionglai Market Management Co., Ltd. (廣州市方兄來市場經營管理有限公司) (formerly known as Guangzhou Fangxionglai Business Co., Ltd. (廣州市方兄來商務有限公司)), a company mainly engaged in the business of property leasing, where he was mainly responsible for its day-to-day operation.

Mr. Guo was also a member of the 12th term of Guangzhou Dongshan Deputy to the National People's Congress (廣州市東山區人大代表) from April 1998 to March 2003. Mr. Guo obtained a diploma in Business Administration from Guangzhou Dongshan Technical School (廣州市東山區工業職校) in June 1989 and was qualified as an assistant economist in September 1992 by the Science and Technology Commission in Dongshan District, Guangzhou (廣州市東山區科委). In June 1995, Mr. Guo obtained a diploma of Leading Cadres Training, the PRC Class (領導幹部進修班) from Guangzhou Institute of Public Administration (廣州市行政學院).

Mr. Guo is one of our Controlling Shareholders. Mr. Guo had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. ZHANG Decong (張德聰), aged 74, is an executive Director, chief engineer and head of the technology and production department of our Group. He joined our Group in September 2013 and is mainly responsible for mining and production, evaluating mining policies, managing mine resources exploration and extraction activities, providing technical guidance on production and overseeing production safety at our Yiduoyan Project on a full-time basis.

Mr. Zhang has approximately 30 years of experience in the mining industry, in particular, production, mining technology and mine site management of various dimension stone projects in the PRC with similar mining process to our Yiduoyan Project. Mr. Zhang has accumulated extensive experience in the operation and management of dimension stone quarries from his positions as the key person-in-charge of marble, granite and other dimension stone mining projects where his scope of work includes mine design, mine planning, mine construction, design of extraction workflow and management of production process commonly employed in open-pit dimension stone quarries which are applicable to our Yiduoyan Project. From September 1965 to August 2013, he successively served as the head of the mining team, head of the mining department, and deputy dean of Sinoma, the principal business of which includes, amongst other things, the mining, processing, design and overall sub-contracting of stone projects, and the provision of technical consultancy services to non-metallic mineral companies.

From September 1965 to December 1983, Mr. Zhang was the head of the mining team at Sinoma, where he was primarily responsible for overall mine development (including, but not limited to, mine design, mine planning and production scheduling) and improving mining methods of various dimension stone projects as well as providing technical consultancy services to a number of PRC dimension stone mining companies and providing technical guidance to mining personnel on mining methods commonly employed in open-pit mining of dimension stone quarries with similar mining process as our Yiduoyan Project. Based on his experience in mine development as Sinoma's head of mining team, Mr. Zhang had also been involved in conducting feasibility studies for Sinoma's mining projects during the relevant period. Feasibility studies aim at demonstrating that a mining project is economically viable if it is designed, constructed and operated appropriately, and require a concrete understanding of geology, mine resource and reserve estimate, mine design and infrastructure requirements. During the relevant period, Mr. Zhang had conducted feasibility studies for several open-pit dimension stone quarries with similar characteristics as our Yiduoyan Project.

From January 1984 to December 1990, Mr. Zhang acted as the head of the mining department of Sinoma, where he was primarily responsible for evaluating the feasibility of several dimension stone mining projects prior to mine development and operation, overseeing the technical implementation of extraction activities during the production process, supervising quality control during production and managing overall mining operation for several open-pit dimension stone mining projects with similar mining process as our Yiduoyan Project. As the key person-in-charge of the general operations and management of various open-pit dimension stone quarries with similar mining process to our Yiduoyan Project, Mr. Zhang undertook a wide range of responsibilities which primarily covered mineral resource assessment, developing extraction workflow, providing technical support during mine construction, project budgeting and economic analysis, as well as management of equipment transportation at the mine site etc. In conducting feasibility studies, Mr. Zhang generally conducted mine sites visits for evaluation and collection of fundamental information of the project site in order to evaluate the feasibility of mine development and to devise a mining plan and production workflow in compliance with the applicable laws and regulations. During mining operation, Mr. Zhang would conduct on-site visits to the relevant mines to monitor the technical implementation of mine planning and scheduling, and to provide technical guidance on mining method and work place safety to miners in order to ensure mine site safety and compliance with the relevant laws and regulations.

From January 1991 to December 1993, Mr. Zhang was the deputy dean of Sinoma responsible for approving technical mining proposals and reports, including, but not limited to feasibility studies, mine designs and construction schedules of mining projects. Mr. Zhang was also responsible for providing technical advise to Sinoma's mining projects, where he would lead specialists in geology and production to conduct site visits to the relevant dimension stone quarries for site inspection and providing technical support. From January 1994 to December 1996, Mr. Zhang was the general manager of Huajian Construction Consultancy Limited (華建工程設計諮詢承包公司), a subsidiary of Sinoma mainly engaged in mining of non-metallic minerals, including dimension stone, where he was responsible for its business operations.

From January 1997 to August 2013, Mr. Zhang served as the consultant of Sinoma and was responsible for formulating medium to long-term mine development and processing plans for a number of open-pit dimension stone mining projects with similar mining process as our Yiduoyan Project. Mr. Zhang has participated in mine planning, improving dimension stone mining process, providing technical support for the implementation of mine plans for the relevant dimension stone quarries.

Mr. Zhang's work during his tenure with Sinoma involved detailed analysis and review of the overall dimension stone mining operation and day-to-day mine operation, from which he had accumulated extensive experience in dimension stone mining and processing operation.

Mr. Zhang had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. Zhang's work experience in the mining industry are summarised below:

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
September 1965 – December 1983	Head of the mining team, Sinoma	• responsible for overall mine development (including, but not limited to, mine design, mine planning and production scheduling) and improving mining methods of various dimension stone projects • responsible for providing technical consultancy services to a number of PRC dimension stone mining companies and providing technical guidance to mining personnel on mining methods commonly employed in open-pit mining of dimension stone quarries with similar mining process as our Yiduoyan Project

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
		• responsible for conducting feasibility studies for Sinoma's mining projects during the relevant period, including feasibility studies for several open-pit dimension stone quarries with similar characteristics as our Yiduoyan Project
January 1984 – December 1990	Head of the mining department, Sinoma	• responsible for evaluating the feasibility of several dimension stone mining projects prior to mine development and operation, overseeing the technical implementation of extraction activities during the production process, supervising quality control during production and managing overall mining operation for several open-pit dimension stone mining projects with similar mining process as our Yiduoyan Project • responsible for mineral resource assessment, developing extraction workflow, providing technical support during mine construction, project budgeting and economic analysis, as well as management of equipment transportation at the mine site etc. • responsible for conducting mine sites visits for evaluation and collection of fundamental information of the project site in order to evaluate the feasibility of mine development and to devise a mining plan and production workflow in compliance with the applicable laws and regulations • responsible for monitoring the technical implementation of mine planning and scheduling, and to provide technical guidance on mining method and work place safety to miners in order to ensure mine site safety and compliance with the relevant laws and regulations

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
January 1991 – December 1993	Deputy dean, Sinoma	• responsible for approving technical mining proposals and reports, including, but not limited to feasibility studies, mine designs and construction schedules of mining projects • responsible for providing technical advise to Sinoma's mining projects, where he would lead specialists in geology and production to conduct site visits to the relevant dimension stone quarries for site inspection and providing technical support
January 1994 – December 1996	General manager of Huajian Construction Consultancy Limited (華建工程設計諮詢承包公司), a subsidiary of Sinoma	• responsible for the business operations of Huajian Construction Consultancy Limited (華建工程設計諮詢承包公司) which mainly engaged in mining of non-metallic minerals, including dimension stone
January 1997 – August 2013	Consultant, Sinoma	• responsible for formulating medium to long-term mine development and processing plans for a number of open-pit dimension stone mining projects with similar mining process as our Yiduoyan Project • participated in mine planning, improving dimension stone mining process, providing technical support for the implementation of mine plans for the relevant dimension stone quarries
September 2013 – Latest Practicable Date	Executive Director, chief engineer, head of the technology and production department of our Group	• responsible for mining and production, evaluating mining policies, managing mine resources exploration and extraction activities, providing technical guidance on production and overseeing production safety at our Yiduoyan Project

Details of Mr. Zhang's academic qualification and other achievements are set out below:

Period	Academic qualification or other achievements
August 1965	• graduated from the Beijing Architecture and Construction Industry College (北京建築工業學院) in the PRC majoring in mining
1985 – 1999	• appointed as a representative of the standing council unit (常務理事單位代表) of the China Stone Material Association (中國石材協會)
1999	• being one of the authors of the *Mining Handbook* (採礦手冊), and a member of the editorial committee of *A Guide to China Stone Enterprises* (中國石材企業指南)
September 1989	• awarded the title of senior engineer by the National Construction Materials Bureau (國家建築材料工業局)
2005 – 2010	• accredited as a mining expert at the expert panel of the China Stone Material Association (中國石材協會)
2007 – Latest Practicable Date	• being the chief draftsman of several national standards, including the Technical Specification for Quarry of Decorative Stone (裝飾石材露天礦山技術規範), the Design Specification on Decorative Slabs Outdoor Mining Projects (裝飾石材礦山露天開採工程設計規範) and the Design Specifications on Decorative Stone Processing Factories (裝飾石材工廠設計規範), of which the Design Specifications on Decorative Stone Processing Factories (裝飾石材工廠設計規範) (GB50897-2013) has been approved by the Ministry of Housing and Urban-Rural Development of the People's Republic of China (中華人民共和國住房和城鄉建設部) and came into effect as the national standard on 6 September 2013
February 2008	• accredited as a registered mining/mineral exploration and design engineer by the Ministry of Labour of Jiangsu Province (江蘇省人事廳)
May 2008	• being a compiler and deputy chief editor of the *Industrial Handbook for Non-metal Mine (Mining Volume)* (非金屬礦工業手冊) (非金屬採礦篇) in May 2008

Non-executive Directors

Mr. LI Ethan Jing (李靖), aged 34, was appointed as our non-executive Director on 26 September 2014. Mr. Li is primarily responsible for human resources allocation and office administration. From November 2004 to April 2007, Mr. Li served various positions at Macquarie University Students' Council Incorporated which is a non-profit organisation in Australia providing services to the students of Macquarie University where his last position was Council Manager responsible for management of staff. Mr. Li was appointed as a director of Macquarie University Union Limited from July 2004 to April 2007. From November 2007 to April 2010, Mr. Li was the senior service delivery coordinator of VoIP Pty Ltd. in Australia, a company mainly engaged in the provision of telecommunication services, responsible for project management, providing technical advices and telecommunication solutions to corporate clients. From July 2010 to December 2010, Mr. Li was the venue information technology manager of Guangzhou Tomorrow Technology Development Limited (廣州北大明天資源科技發展有限公司) a company mainly engaged in the provision of information technology services for its 2010 Asia Games project, where Mr. Li was mainly responsible for overseeing the information technology infrastructure and information technology system of the 2010 Asian Games in Guangzhou, the PRC.

Mr. Li obtained a bachelor degree in technology majoring in information and communication systems in April 2005 and a bachelor degree in applied finance in September 2009 both from Macquarie University in Australia. Mr. Li was admitted as a fellow of the Corporate Directors' Association of Australia Limited in August 2006, and obtained a corporate director diploma in November 2007 and a master degree of business administration in September 2012 from the University of New England. Mr. Li also obtained the title of Alcatel-Lucent Certified Field Expert issued by the Alcatel-Lucent Enterprise in November 2008, the certificate of Information Technology Service Management issued by ITIL in February 2010 and the certificate of Cisco Certified Entry Networking Technician issued by Cisco Systems, Inc. in November 2012. Mr. Li was also appointed as a Justice of the Peace in New South Wales, Australia, for the period from July 2008 to July 2018. Mr. Li is the nephew of Mr. Guo.

Mr. Li had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. HU Jin Xiong (胡錦雄), aged 53, was appointed as a Director on 28 April 2014 and was designated as a non-executive Director on 26 September 2014. Mr. Hu is primarily responsible for advising on sales and marketing activities and expansion of client network. Mr. Hu has over seven years of experience in the field of property development. In September 2007, Mr. Hu founded Jiangmen Jiangao Property Development Limited (江門江奧地產開發有限公司) and served as its director, which is engaged in development of residential premises. Mr. Hu subsequently founded Jiangmenshi Pengjiangqu Baishi Yonghao Property Development Limited (江門市蓬江區白石永灝地產開發有限公司) and Foshanshi Nanhai Aofang Property Development Limited (佛山市南海南奧房地產開發有限公司) in May 2010 and October 2012 respectively, both of which are property developers mainly engaged in the development of residential and commercial premises. Mr. Hu served as the director of both companies, responsible for its day-to-day business operations. Mr. Hu accumulated extensive experience in the property development market through managing property development projects and engaging in the marketing and sales of properties. Mr. Hu completed his secondary education at Guangzhou Province Panyu District Shiqi Middle School (廣州市番禺區石碁中學) in the PRC in June 1979.

Mr. Hu held the following positions in the companies/enterprises below, which were all incorporated in PRC prior to their respective dissolution:

Name of company/ enterprise	Role(s)	Principal business activity	Date of dissolution	Means of dissolution
Panyu Shiji Yicheng Red Wood United Timber Factory (番禺石基藝成紅木聯合木器廠)	legal representative	manufacturing and processing of wood furniture and timber	19 March 1999	voluntary dissolution
Guangzhou Panyu Chemicals Co., Ltd. (廣州市番禺化工原料有限公司)	legal representative, general manager and shareholder	chemicals wholesaling	22 November 2011	voluntary dissolution
Guangzhou Bolinda Investments Co., Ltd. (廣州泊林達投資有限公司)	supervisor and shareholder	investment	17 September 2013	voluntary dissolution

As far as Mr. Hu is aware, no claim has been made against him as a result of such dissolutions.

Mr. Hu owns 62.5% of the equity interest of and controls Guangzhou Yicheng and Easy Flourish. Mr. Hu is one of our Controlling Shareholders.

Mr. Hu had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. LEUNG Kar Fai (梁嘉輝), aged 35, has been appointed as the technical adviser of our Yiduoyan Project on a part-time basis since August 2013. Mr. Leung was appointed as our non-executive Director on 26 September 2014. He is primarily responsible for advising on geological matters and mine design. Mr. Leung has approximately 10 years of experience in the mining industry, especially in the area of technical due diligence of mineral deposits and project evaluation. From August 2004 to September 2008, Mr. Leung worked for Inco, a mining company which was acquired by Vale in 2006, as a project geologist where he was responsible for various exploration programs of nickel and copper deposits in the PRC and subsequently worked as a geologist from September 2008 to August 2010, mainly responsible for preparing work plans for exploration projects, evaluating potential projects and reviewing technical mining reports. From September 2010 to June 2012, Mr. Leung was the technical representative of Behre Dolbear Group Inc., a company mainly engaged in the provision of mining advisory services, where he was mainly responsible for the preparation of resource and reserve estimates in accordance with JORC Code and technical due diligence studies of mineral studies. Since July 2012, Mr. Leung has been the chief geologist of Sino Prosper State Gold Resources (中盈國金資源控股有限公司), a company listed on the Stock Exchange (stock code: 766) which is mainly engaged in investment of metal resources, where he was primarily responsible for identifying exploration targets, developing future exploration plans and formulating growth strategies.

Mr. Leung has been a member of the Geological Society of Hong Kong since 2000, a member of the Geological Society of London since 2002, the chairman of the Hong Kong Mining Investment Professionals Association since 2010, and a member of the Australasian Institute of Mining and Metallurgy since 2011.

Mr. Leung was also a freelance columnist of Hong Kong Discovery Magazine for the period from 2003 to 2004 and had made various publications in the field of geology.

Mr. Leung obtained a bachelor degree in science, majoring in earth science in 2001 and a master degree of philosophy in Earth Science in 2003, both from the University of Hong Kong.

Mr. Leung had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Independent non-executive Directors

Mr. LAU Tai Chim (劉大潛), aged 63, was appointed as our independent non-executive Director on 8 December 2014. Mr. Lau was admitted as a solicitor in Hong Kong in March 1984 and has been a solicitor practising law since May 1986 as the founder and managing partner of T.C. Lau & Co. From March 2001 to September 2004, Mr. Lau was appointed as independent non-executive director of Kingboard Chemical Holdings Limited (建滔化工集團), a company mainly engaged in the manufacturing and sale of, among other things, printed circuit boards, chemicals, liquid crystal displays and magnetic products and listed on the Main Board of the Stock Exchange (stock code: 148). From April 2002 to September 2010, Mr. Lau was appointed as an independent non-executive director of Warderly International Holdings Limited (匯多利國際控股有限公司), a company incorporated in the Cayman Islands and mainly engaged in property development and listed on the Main Board of the Stock Exchange (stock code: 607).

Mr. Lau was a director of the following companies prior to their respective dissolution and arrangement:

Name of company	Place of incorporation	Principal business activity	Date of dissolution/ arrangement	Means of dissolution/ arrangement
Ever Happy International Limited (永悦國際有限公司)	Hong Kong	Trading and investment holding	28 October 2005	Deregistration under s.291AA of the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Predecessor Companies Ordinance**")

Name of company	Place of incorporation	Principal business activity	Date of dissolution/ arrangement	Means of dissolution/ arrangement
Fair King Limited (輝健有限公司)	Hong Kong	Trading and investment holding	4 April 2007	Deregistration under s.291AA of the Predecessor Companies Ordinance
Warderly International Holdings Limited	Cayman Islands	Property development	27 March 2009 (Cayman Islands) and 6 May 2009 (Hong Kong)	Schemes of arrangement in the Cayman Islands and Hong Kong (discharged on 12 December 2013)
Weathertex International (HK) Limited	Hong Kong	Trading and investment holding	19 February 2010	Deregistration under s.291AA of the Predecessor Companies Ordinance
Weathertex Holdings (HK) Limited	Hong Kong	Trading and investment holding	30 April 2010	Deregistration under s.291AA of the Predecessor Companies Ordinance

Under section 291AA of the Predecessor Companies Ordinance, an application for deregistration can only be made if (a) all the members of such company agreed to such deregistration; (b) such company has never commenced business or operation, or has ceased to carry on business or ceased operation for more than three months immediately before the application; and (c) such company has no outstanding liabilities. As far as Mr. Lau is aware, no claim has been made against him as a result of such dissolutions.

Mr. Lau graduated from the University of Buckingham, United Kingdom with a bachelor degree in laws in February 1981. Apart from practising as a solicitor in Hong Kong, Mr. Lau is also admitted as a solicitor in England and Wales in March 1984 and in the Republic of Singapore in February 1995. Currently, Mr. Lau is a notary public and an attesting officer appointed by Ministry of Justice in Beijing, PRC.

Mr. Lau had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. SIN Ka King (冼家勁), aged 31, was appointed as our independent non-executive Director on 8 December 2014. From July 2010 to October 2011, Mr. Sin was the investor relations executive mainly responsible for managing relationship with the company's investors at Kingboard Chemical Holdings Limited (建滔化工集團), a company mainly engaged in the manufacturing and sale of, among other things, printed circuit boards, chemicals, liquid crystal displays and magnetic products and listed on the Main Board of the Stock Exchange (stock code: 148). From October 2011 to March 2012, Mr. Sin was the investor relations officer mainly responsible for managing investors relations at Hopewell Holdings Limited (合和實業有限公司), a company mainly engaged in infrastructure construction and listed on the Main Board of the Stock Exchange (stock code: 54). From May 2012 to August 2014, Mr. Sin worked as an officer of the energy team of NWS Infrastructure Management (HK) Limited, a company engaging in the field of infrastructure construction and facilities management where he was mainly responsible for handling financial analysis of energy projects in the PRC. Currently, Mr. Sin is a financial analyst responsible for financial analysis at HKT Service Limited, a company engaging in the provision of telecommunication services and listed on the Main Board of the Stock Exchange (stock code: 6823).

Mr. Sin graduated from the Hong Kong University of Science and Technology with a bachelor of engineering in mechanical engineering in November 2007 and obtained a master degree of science in mathematics for finance and actuarial science in July 2009 awarded jointly by the City University of Hong Kong and Paris Dauphine University.

Mr. Sin was admitted as a Certified Financial Risk Manager by the Global Association of Risk Professional in December 2012 and was admitted as a Chartered Financial Analyst by the CFA Institute in April 2014.

Mr. Sin had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. CHOW Hiu Tung (周曉東), aged 43, was appointed as our independent non-executive Director on 8 December 2014. Mr. Chow has approximately 16 years of experience in accounting and internal control. Prior to joining our Group, Mr. Chow worked at KPMG from August 1995 to January 2000 as an assistant audit manager participating in the execution of audit plans. From October 2004 to June 2011, Mr Chow worked at Best Power Holdings (HK) Limited (佳力控股(香港)有限公司), a company mainly engaged in logistic activities where his last position was the chief financial officer responsible for managing the financial affairs of the company. Mr. Chow was the chief financial officer from August 2011 to December 2013 and was the company secretary from August 2011 to May 2013 of Flying Financial Service Holdings Limited (匯聯金融服務控股有限公司), a company mainly engaged in the provision of financial services and listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8030). Since October 2013, Mr. Chow has been appointed as an independent non-executive director of National United Resources Holdings Limited (國家聯合資源控股有限公司), a company mainly engaged in the business of media and advertising and listed on the Main Board Stock Exchange (stock code: 254).

Mr. Chow graduated from the Hong Kong University of Science and Technology with a bachelor degree of business administration in finance in November 1995 and obtained a master degree of international business in December 2001 from the University of Sydney, Australia. Mr. Chow has been a member of the Hong Kong Institute of Certified Public Accountants since January 1999. Mr. Chow has been a member of the Association of Chartered Certified Accountants since April 2000 and was admitted as its fellow member in April 2005. Mr. Chow has been also a member of the Information Systems Audit and Control Association since September 2005.

Save as disclosed above, Mr. Chow had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Senior Management

Mr. YUAN Shan (袁山), aged 59, is the deputy chief engineer and the safety manager of our Group. Mr. Yuan was also appointed as the alternate Director to Mr. Zhang Decong, our executive Director, on 8 December 2014. He joined our Group in March 2014, primarily responsible for devising workflow of the overall mining process, providing technical support on mine construction, overseeing production safety and the environmental protection aspects of the mining process, providing technical support during mine construction and providing training to miners at our Yiduoyan Project.

Mr. Yuan has approximately 30 years of experience in the mining industry, in particular, mine design and production process management of various dimension stone mining projects with similar open-pit mining process as our Yiduoyan Project.

Prior to joining our Group, from November 1976 to February 2014, Mr. Yuan successively held various positions at Sinoma, including mining technician, mining engineer, the leader of the mining team and the head of the Sinoma's mining division. From November 1976 to March 1988, Mr. Yuan served as a mining technician mainly responsible for assisting the senior engineer in the mine design of Sinoma's dimension stone quarries, where he would evaluate the geological data and the optimal design of on-site infrastructure according to the characteristics of the relevant stone quarries. During the relevant period, Mr. Yuan had participated in the mine design of several granite quarries with similar open-pit mining process as our Yiduoyan Project, from which he accumulated substantial knowledge in mine planning and mine scheduling which enables him to provide valuable advice to the mine construction and subsequent ramping-up plan of our Yiduoyan Project.

From April 1988 to February 1991, Mr. Yuan served as a mining engineer, mainly responsible for mine design, mine planning and scheduling, and managing the extraction process of several dimension stone mining projects in the PRC with similar mining process as our Yiduoyan Project. Mr. Yuan conducted regular site-visits to the relevant stone quarries and provided technical advises to the miners in order to ensure proper implementation of the mining process.

From March 1991 to December 1992, Mr. Yuan served as the leader of Sinoma's mining team, responsible for analysing, reviewing and enhancing the mine design and production process of several dimension stone mining projects with similar open-pit mining process as our Yiduoyan Project and participated in implementing the relevant extraction program, overseeing the technical implementation of mine planning and scheduling. During the production process, Mr. Yuan had provided on-the-ground education and training for mining personnel on the technical, safety and environmental protection aspects of the relevant dimension stone quarries.

From January 1993 to June 1995, Mr. Yuan was the head of Sinoma's mining division and the project manager of a number of mining projects. Mr. Yuan was primarily responsible for managing the overall operation of Sinoma's mining department, geology department and machinery department, participating in the development and implementation of mining exploration and extraction programme of several dimension stone quarries with similar mining process as our Yiduoyan Project. As the head of Sinoma's mining division, Mr. Yuan advised and participated in the entire process of development and implementation of mine planning and scheduling for a number of dimension stone mining projects in the PRC. Mr. Yuan was also responsible for assisting the compilation of mining engineering studies and managing and supervising the mining production team as well as overseeing production safety and environmental impact assessment of various mining projects.

From July 1995 to February 2014, Mr. Yuan was the general project manager of Sinoma. As the key person in-charge of the mining projects of Sinoma, Mr. Yuan was primarily responsible for the mine construction management of the general operations and production activities of a number of dimension stone mining projects. Mr. Yuan participated in the development and implementation of mine planning and scheduling as well as conducting safety assessment and environmental impact assessment on open-pit and underground mining operations, including the review and assessment of exploration and mining processes and mine blasting activities. In developing an overall mine plan and mining workflow in relation to the relevant marble and granite dimension stone quarries, Mr. Yuan generally spends a period spanning from one to two months conducting site visits at the stone quarries, where he would study the characteristics of the project site for devising a production plan in compliance with the relevant laws and regulations. Mr. Yuan's extensive knowledge in marble mining and production safety is very valuable to our mining operations. Since his joining, Mr. Yuan has advised on various technical issues encountered during the construction of our Yiduoyan Project.

Mr. Yuan had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Details of Mr. Yuan's work experience in the mining industry are summarised below:

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
November 1976 – March 1988	Mining technician, Sinoma	• responsible for assisting the senior engineer in the mine design of Sinoma's dimension stone quarries and evaluating the geological data and the optimal design of on-site infrastructure according to the characteristics of the relevant stone quarries • participated in the mine design of several granite quarries with similar open-pit mining process as our Yiduoyan Project, from which he accumulated substantial knowledge in mine planning and mine scheduling
April 1988 – February 1991	Mining engineer, Sinoma	• responsible for mine design, mine planning and scheduling, and managing the extraction process of several dimension stone mining projects in the PRC with similar mining process as our Yiduoyan Project • responsible for conducting regular site-visits to the relevant stone quarries and providing technical advises to the miners in order to ensure proper implementation of the mining process
March 1991 – December 1992	Leader of mining team, Sinoma	• responsible for analysing, reviewing and enhancing the mine design and production process of several dimension stone mining projects with similar open-pit mining process as our Yiduoyan Project • responsible for implementing the relevant extraction program, overseeing the technical implementation of mine planning and scheduling • responsible for providing on-the-ground education and training for mining personnel on the technical, safety and environmental protection aspects of the relevant dimension stone quarries

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
January 1993 – June 1995	Head of mining division and project manager of mining projects, Sinoma	• responsible for managing the overall operation of Sinoma's mining department, geology department and machinery department, participating in the development and implementation of mining exploration and extraction programme of several dimension stone quarries with similar mining process as our Yiduoyan Project • responsible for advising and participating in the entire process of development and implementation of mine planning and scheduling for a number of dimension stone projects in the PRC • responsible for assisting the compilation of mining engineering studies and managing and supervising the mining production team as well as overseeing production safety and environmental impact assessment of various mining projects
July 1995 – February 2014	General project manager, Sinoma	• responsible for the mine construction management of the general operations and production activities of a number of dimension stone mining projects • participated in the development and implementation of mine planning and scheduling as well as conducting safety assessment and environmental impact assessment on open-pit and underground mining operations, including the review and assessment of exploration and mining processes and mine blasting activities • responsible for conducting site visits at the stone quarries and studying the characteristics of the project site for devising a production plan in compliance with the relevant laws and regulations

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
March 2014 – Latest Practicable Date	Deputy chief engineer and safety manger of our Group	• responsible for devising workflow of the overall mining process, providing technical support on mine construction, overseeing production safety and the environmental protection aspects of the mining process, providing technical support during mine construction and providing training to miners at our Yiduoyan Project

Details of Mr. Yuan's academic qualifications and other achievements in the mining industry are set out below:

Period	Academic qualification or other achievements
October 1976	• graduated from Hubei Architecture Institute (湖北建築工業學院) (currently known as Wuhan University of Technology (武漢理工大學) specialising in mining at its non-metallic mine department
1985 – 1989	• published several technical articles in relation to dimension stone mining industry and was also involved in the translation work of several overseas published mining related articles for publication in a number of dimension stone mining journals in the PRC.
April 2001	• accredited as a construction cost engineer by the Department of Construction of Jiangsu Province (江蘇省建設廳)
December 2004	• accredited as a mine safety assessor by the State Administration of Work Safety (國家安全生產監督管理局) and the State Administration of Coal Mine Safety (國家煤礦安全監察局)
February 2008 – present	• accredited as a registered mining/mineral exploration and design engineer by the Ministry of Labour of Jiangsu Province (江蘇省人事廳)
July 2010 – present	• obtained the senior blasting technician safety operation certificate awarded by the Ministry of Public Security of Jiangsu Province (江蘇省公安廳)
2011 – present	• appointed as a member of the second session of the expert panel of the Mine Resources Committee of China Stone Material Association (中國石材協會)

Ms. ZHANG Xiaomei (張小梅), aged 61, is the deputy chief engineer and technical consultant of our Group. Currently, Ms. Zhang is a certified mechanical engineer in the PRC. She joined our Group in September 2013. Ms. Zhang is primarily responsible for supervising mining activities, providing training to miners, providing technical support in mining technology and mining equipment, quality control and overseeing the technical aspects of the mining process at our Yiduoyan Project.

Ms. Zhang has approximately 12 years of experience in the mining industry with a particular focus on mining technology, mine design and providing technical support in mine construction to a number of dimension stone mines with similar open-pit mining process as our Yiduoyan Project.

Prior to joining our Group, from December 1981 to September 1999, Ms. Zhang successively served as the chief engineer and the key person-in-charge of a number of dimension stone mining projects of Sinoma. During her service with Sinoma, Ms. Zhang was mainly responsible for providing technical consultation on mine plans and conducting feasibility studies for a number of dimension stone quarries with similar characteristics as our Yiduoyan Project. Ms. Zhang had also participated in evaluating the mineral resources, reviewing and analysing exploration reports and feasibility studies, and assisting the implementation of mine plans for a number of dimension stone mining projects with similar characteristics to our Yiduoyan Project.

From October 1999 to October 2004, Ms. Zhang served as the head of the Stone Research Institute (石材研究所) of Sinoma and was primarily responsible for formulating research direction for the institute and conducting research on mining technology and method to enhance the production process of dimension stone quarries. Ms. Zhang had also conducted training to mining personnel on mining techniques and organising technical demonstration of techniques commonly employed in dimension stone mining, including open-pit mining techniques that are applicable to our Yiduoyan Project.

From November 2004 to January 2008, Ms. Zhang worked at the production management department of Sinoma as a management personnel, mainly responsible for managing the mining techniques employed in Sinoma's mining projects.

From February 2008 to August 2012, Ms. Zhang was the senior consultant mainly responsible for managing the research on mining methodology and stone processing techniques at the research and development center of Jinbo (Shanghai) Construction Group Co. Ltd (金博上海建工集團有限公司), a company mainly engaged in dimension stone mining and processing. During the same period, Ms. Zhang also served as the head of the mine management centre and deputy chief engineer. She had been responsible for overall operation and production of several marble quarries with open-pit mining process similar to our Yiduoyan Project, where her main responsibilities include conducting detailed revisions and analysis on the workflow of the operation of the mine, approving and implementing mine plan, mine safety evaluation and management, overseeing production quality assurance, and managing production activities to ensure safety at the mine site. During the production process, Ms. Zhang had conducted site visits to the relevant dimension stone quarries to inspect and evaluate the mineral resources and to provide comprehensive technical guidance on the mining workflow to ensure the production plans are being implemented efficiently.

Ms. Zhang had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Details of Ms. Zhang's work experience in the mining industry are summarised below:

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
December 1981 – September 1999	Chief engineer and key person-in-charge of a number of dimension stone mining projects, Sinoma	• responsible for providing technical consultation on mine plans and conducting feasibility studies for a number of dimension stone quarries with similar characteristics as our Yiduoyan Project • responsible for evaluating the relevant mineral resources, reviewing and analysing exploration reports and feasibility studies, and assisting the implementation of mine plans for a member of dimension stone mining projects with similar characteristics to our Yiduoyan Project
October 1999 – October 2004	Head of the Stone Research Institute (石材研究所), Sinoma	• responsible for formulating research direction for the institute and conducting research on mining technology and method to enhance the production process of dimension stone quarries • responsible for conducting training to mining personnel on mining techniques and organising technical demonstration of techniques commonly employed in dimension stone mining, including open-pit mining techniques that are applicable to our Yiduoyan Project
November 2004 – January 2008	Management personnel, Production Management Department, Sinoma	• responsible for managing the mining technique employed in Sinoma's mining projects

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
February 2008 – August 2012	Senior consultant, head of the mine management centre and deputy chief engineer, Jinbo (Shanghai) Construction Group Co. Ltd (金博上海建工集團有限公司)	• responsible for managing the research on mining methodology and stone processing techniques at the research and development center of Jinbo (Shanghai) Construction Group Co. Ltd (金博上海建工集團有限公司) • responsible for overall operation and production of several marble quarries with open-pit mining process similar to our Yiduoyan Project • responsible for conducting detailed revisions and analysis on the workflow of the operation of the mine, approving and implementing mine plan, mine safety evaluation and management, overseeing production quality assurance, and managing production activities to ensure safety at the mine site • responsible for conducting site visits to the relevant dimension stone quarries to inspect and evaluate the mineral resources and providing comprehensive technical guidance on the mining workflow to ensure the production plans are being implemented efficiently
September 2013 – Latest Practicable Date	Deputy chief engineer and technical consultant of our Group	• responsible for supervising mining activities, providing training to miners, providing technical support in mining technology and mining equipment, quality control and overseeing the technical aspects of the mining process at our Yiduoyan Project

Details of Ms. Zhang's academic qualifications and other achievements in the mining industry are set out below:

Period	Academic qualification or other achievements
October 1976	• graduated from Hubei Architecture Industrial Institute (湖北建築工業學院) (now known as Wuhan University of Technology (武漢理工大學)) specialising in building material and machinery
July 1989	• awarded the title of engineer by the State Construction Materials Industry Administration (國家建築材料工業局)
December 1994	• awarded the title of senior engineer by the State Construction Materials Industry Administration (國家建築材料工業局)
1998 – 2009	• appointed as the representative of the standing director unit of China Stone Material Industry Association (中國石材工業協會)
2003 – present	• appointed as director and technical consultant of the Shanghai Stone Trade Association (上海石材行業協會), where she is also a tutor for various training courses in relation to stone mining and processing
2005 – present	• appointed as a member of the expert panel of the Stone Material Applications and Maintenance Committee of China Stone Material Association (中國石材協會石材應用會理專業委員會)
2005 – 2011	• appointed as an expert at the stone and mineral resources committee of the China Stone Material Industry Association (中國石材工業協會)
February 2006 – present	• appointed as the consultant of the Hangzhou Stone Industry Association (杭州石材行業協會)
February 2008	• accredited as a certified mechanical engineer by the Ministry of Labour of Jiangsu Province (江蘇省人事廳)
October 2008 – October 2011	• appointed as member of the first session of the expert panel of the China Chamber of Commerce for Stone Industry (中華全國工商業聯合會石材業商會)
2011 – 2013	• participated in the drafting of *Continuous Polishing Machine for Stone Materials* (石材連續磨機) (JC/T612-2011), a building material industry standard issued by the Ministry of the Industry and Information Technology of the PRC in December 2011 and came into effect in July 2012.

Mr. LIU Zhanghui (劉章輝), aged 37, is currently the mine head of our Yiduoyan Project. He has approximately nine years of experience in extraction activities and production safety. Mr. Liu joined our Group in February 2012 and was appointed as the mine head of our Yiduoyan Project in June 2012. He is the key on-site person-in-charge of the daily operation of our Yiduoyan Project. Mr. Liu is primarily responsible for the setting up and management of mining production team, execution of mining plans, supervision and management of production activities, providing technical support and training to technical personnel for extraction activities, as well as overseeing production safety. Since joining our Group, he has been closely involved in implementing production plan, optimising the production process and organising various trainings to mine workers.

Prior to joining our Group from October 2005 to November 2006, Mr. Liu served successively as the mine safety administrator and the supervisor of the mining department of Xiangfan Yuntaishan Mining Limited (襄樊市雲台山礦業有限公司), a company engaged in the mining industry, where he was responsible for assisting the mine head in managing a calcite quarry, in Hubei Province, the PRC, mainly producing dimension stone with similar mining process as our Yiduoyan Project. Mr. Liu participated in managing overall production, evaluating the performance of the mine workers and overseeing production safety. From December 2006 to September 2009, Mr. Liu was the mine head of a calcite quarry at Hubei Province, the PRC, which mainly produces dimension stone. Mr. Liu was responsible for overseeing the extraction activities and daily operations of the mine, implementing mining plans and overseeing production safety, the process and technique of which is similar to our Yiduoyan Project.

From October 2009 to July 2011, Mr. Liu served as the mine head of Xiangfan Grand River Mining Development Limited (襄樊大長江礦業開發有限公司), a company engaged in the mining industry, where he was responsible for the overall production activities of a calcite quarry in Hubei Province, the PRC, mainly producing dimension stone with similar process to our Yiduoyan Project. During the relevant period, Mr. Liu was also responsible for overseeing the daily operation and production process, monitoring production safety, evaluating the performance of miners during the production process, overseeing the infrastructure construction of the mine and organising various trainings for mining personnel on the technical and safety aspects of mining activities.

Mr. Liu had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Mr. Liu's work experience in the mining industry are set out below:

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
October 2005 – November 2006	Mine safety administrator and supervisor of the mining department of Xiangfan Yuntaishan Mining Limited (襄樊市雲台山礦業有限公司)	• responsible for assisting the mine head in managing a calcite quarry, in Hubei Province, the PRC, mainly producing dimension stone with similar mining process as our Yiduoyan Project • responsible for managing overall production, evaluating the performance of the mine workers and overseeing production safety
December 2006 – September 2009	Mine head of Xiangfan Yuntaishan Mining Limited (襄樊市雲台山礦業有限公司)	• responsible for overseeing the extraction activities and daily operations of the mine, implementing mining plans and overseeing production safety, the process and technique of which is similar to our Yiduoyan Project
October 2009 – July 2011	Mine head of Xiangfan Grand River Mining Development Limited (襄樊大長江礦業開發有限公司)	• responsible for the overall production activities of a calcite quarry in Hubei Province, the PRC, mainly producing dimension stone with similar process to our Yiduoyan Project • responsible for overseeing the daily operation and production process, monitoring production safety, evaluating the performance of miners during the production process, overseeing the infrastructure construction of the mine and organising various trainings for mining personnel on the technical and safety aspects of mining activities

Period	Positions and company/institutions	Relevant experience/responsibilities or qualifications
June 2012 – Latest Practicable Date	Mine head of our Group	• responsible for the daily operation of our Yiduoyan Project • responsible for the setting up and management of mining production team, execution of mining plans, supervision and management of production activities, providing technical support and training to technical personnel for extraction activities and overseeing production safety • responsible for implementing production plan, optimising the production process and organising various trainings to mine workers

Details of Mr. Liu's academic qualification and other achievements in the mining industry are set out below:

Period	Academic qualification or other achievements
July 2005	• graduated from China Three Gorges University (三峽大學)
October 2005	• awarded the work safety certificate as mine safety administrator issued by Xiangyang City Administration of Work Safety (襄陽市安全生產監督管理局)
April 2012	• accredited as the main person in charge for non-coal mines by the Xiangyang City Administration of Work Safety (襄陽市安全生產監督管理總局)

Mr. HO Yuk Ming, Hugo (何育明), aged 43, was appointed as the chief financial officer of our Group on 11 April 2014 and as the company secretary of our Company on 26 September 2014. Mr. Ho is responsible for accounting, financial reporting and internal control procedures of our Group. He has over 16 years of experience in auditing, accounting and financial management and has been a certified public accountant in Hong Kong for over 13 years. Mr. Ho held senior positions in a number of listed companies in Hong Kong prior to joining the Group. From May 2000 to July 2006, he was an accounting manager mainly responsible for preparation of accounts at Best Wide Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 464) which has been delisted. He served eCyberChina Holdings Limited (光訊控股集團有限公司) (now known as National United Resources Holding Limited (國家聯合資源控股有限公司)) as its executive director until September 2004 and as its financial controller and qualified accountant until December 2004, a company listed on the Main Board of the Stock Exchange (stock code: 254) which was mainly engaged in the trading of broadband and cable television during the relevant period and is now engaged in the business of media supply and advertising. From January 2005 to February 2006, Mr. Ho served as the executive director and from April 2005 to March 2006, as the qualified accountant of Yanion International Holdings Limited (益安國際集團有限公司) (now known as Vodone Limited (第一視頻集團有限公司)), a company listed on the Main Board of the Stock Exchange (Stock code: 82) which was engaged in the business of manufacturing Chinese Medicine Products during the relevant period and is now engaged in the business of mobile game development. Mr. Ho was the accounting manager and also the company secretary of United Energy Group Limited, a company engaged in the supply of energy resources and listed on the Main Board of the Stock Exchange (stock code: 467), for the period from September 2006 to March 2010 and from April 2008 to February 2010 respectively. Mr. Ho was the company secretary of Shenzhen Mingwah Aohan High Technology Corporation Limited (深圳市明華澳漢科技股份有限公司), a company engaged in the magnetic card manufacturing industry and listed on Growth Enterprise Market of the Stock Exchange (stock code: 8301) for the period from July 2013 to February 2014. Since August 2013, Mr. Ho has been appointed as an independent non-executive director of Wuxi Sunlit Science and Technology Company Limited (無錫盛力達科技股份有限公司) (Stock code: 1289), a company mainly engaged in the manufacturing and sale of a range of equipment for Steel Wire Production lines and listed on the Main Board of the Stock Exchange.

Mr. Ho is an associate member of the Hong Kong Institute of Certified Public Accountants. He graduated from the Hong Kong Shue Yan College (currently known as Hong Kong Shue Yan University) with a honours diploma in accounting in July 1996.

Save as disclosed above, Mr. Ho had not been a director in any public company the securities of which are listed on any securities market in Hong Kong or overseas over the past three years.

Details of Mr. Ho's academic qualification and other achievements are set out below:

July 1996	•	graduated from Shore Yan College (now known as Hong Kong Shue Yan University) with a honours diploma in accounting
March 2000 – Latest Practicable Date	•	accredited as an associate member of the Hong Kong Institute of Certified Public Accountants

Comparison of extraction and exploration activities for marble, granite, sandstone and calcite

As set out above, certain members of our senior management and Directors were involved in marble, granite, sandstone and/or calcite mining. As confirmed by the Independent Technical Consultant, the mining processes of granite, calcite sandstone and dimension stone do not differ materially from marbles' and the skills applicable to the mining of granite, sandstone and calcite dimension stone are relevant and transferrable to marble mining activities our Company is pursuing, as marbles, granite, sandstone and calcite are substantially similar in the following areas: (i) characteristics; (ii) mine planning; (iii) exploration, ore extraction and production; (iv) ore handling and processing; and (v) safety measures.

As confirmed by the Independent Technical Consultant, the mining processes and skills for the extraction and exploration of marble, granite, sandstone and calcite are similar in the following aspects:

1. marble, granite, sandstone and various other stones that are extracted in large blocks, cuts and processed for decorative and monumental applications are referred to as dimension stone;

2. marble, granite, sandstone and calcite, when extracted as dimension stone, share substantially similar design practices for mine construction and mine production;

3. the mining processes for marble, granite, sandstone and calcite dimension stone are very similar, and such processes include overburden and weathered rock stripping, bench development, bench block separated by cutting, overturning the separated bench block, separating the large bench blocks to appropriate smaller sized blocks for commercial production, trimming the blocks to regular rectangular shape, block transportation, and slag removal;

4. the mining approach for marble, granite, sandstone and calcite dimension stone is the same, namely open pit mining by bench;

5. the mining method for marble, granite, sandstone and calcite dimension stone is the same, namely drilling and splitting and mechanical sawing;

6. the equipment for mining marble, granite, sandstone and calcite dimension stone is usually the same, namely vertical and horizontal drills, diamond wire saws, disk saws, etc;

7. the lifting and hoisting equipment, as well as transportation equipment, for mining marble, granite, sandstone and calcite dimension stone is essentially the same; and

8. the general design and construction of the safety measures for marble, granite, sandstone and calcite mines are the same.

Company Secretary

Mr. HO Yuk Ming (何育明), was appointed as the company secretary of our Company on 26 September 2014. Please refer to his biography under the paragraph headed "Directors and Senior Management – Senior management" in this section.

WAIVER FORM RULE 8.12 OF THE LISTING RULES

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver under Rule 8.12 of the Listing Rules regarding the requirement of management presence in Hong Kong. For details of the waiver, please see the section headed "Waivers from Strict Compliance with the Listing Rules and Exemption from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance – Waiver pursuant to Rule 8.12 of the Listing Rules" in this prospectus.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Under Corporate Governance Code A.2.1 under Appendix 14 to the Listing Rules, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The positions of chairman and chief executive officer of our Company are both currently carried on by Mr. Guo. Our Board considers that the structure currently operated by our Company does not undermine the balance of power and authority between our Board and our management. Our Board believes that having the same person performing the roles of both chairman and chief executive officer can provide our Group with strong and consistent leadership that would allow for more effective and efficient overall strategic planning of our Group.

Management succession plan

Our Company complies with the Corporate Governance Code A.4 under Appendix 14 to the Listing Rules which provides that there should be plans in place for orderly succession for appointments of new directors. One of our Board members, namely Mr. Zhang Decong, is over 70 years old. Our Company has established succession planning to ensure a smooth transition of our Board, in particular, our executive Directors, in the future.

Mr. Zhang Decong and Mr. Yuan Shan have played a key role in our Group's mining activities and are the leading figures in our core technical team. Both of them have approximately 30 years of experience in the mining industry and have been primarily responsible for, amongst others, mine design, mine planning, production process management and overseeing production safety of various dimension stone mining projects with similar open-pit mining process as our Yiduoyan Project. Mr. Yuan is also the deputy chief engineer and the safety manager of our Group. Further, to facilitate a smooth transition of our Board in the event of Mr. Zhang Decong's resignation, Mr. Yuan was appointed as the alternate Director to Mr. Zhang Decong on 8 December 2014. Given the extensive experience of Mr. Yuan in the mining industry, our Directors consider that Mr. Yuan will be a suitable candidate to succeed Mr. Zhang as our executive Director.

Our Company is committed to achieving high standards of corporate government with a view to safeguarding the interest of our Shareholders. Save as disclosed above, our Company intends to comply with the code provisions set out in the Corporate Governance Code in Appendix 14 to the Listing Rules after Listing.

BOARD COMMITTEES

Audit committee

Our Company will establish an audit committee with written terms of reference in compliance with Rule 3.21 and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules pursuant to a resolution of our Directors passed at a board meeting of our Company on 8 December 2014 with effect upon the Listing. The primary duties of the audit committee include ensuring that an effective financial reporting and internal control system is in place and compliance of the Listing Rules, controlling the completeness of our Company's financial statements, selecting external auditors and assessing their independence and qualifications, and ensuring the effective communication between our internal and external auditors. The audit committee initially comprises three members, namely Mr. Chow Hiu Tung, chairman of the committee, Mr. Lau Tai Chim and Mr. Sin Ka King.

Remuneration committee

Our Company will establish a remuneration committee with written terms of reference in compliance with Rule 3.25 and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules pursuant to a resolution of our Directors passed at a board meeting of our Company on 8 December 2014 with effect upon the Listing. The primary duties of the remuneration committee include assisting the Board in determining the remuneration policy for and structure of the Directors and senior management, reviewing incentive schemes and service contracts of the Directors, and ensuring the execution of the remuneration packages of the executive Directors and senior management. The remuneration committee initially comprises three members, namely Mr. Sin Ka King, chairman of the committee, Mr. Lau Tai Chim and Mr. Chow Hiu Tung.

Nomination committee

Our Company will establish a nomination committee with written terms of reference in compliance with paragraph A.5.1 of Appendix 14 to the Listing Rules pursuant to a resolution of our Directors passed at a board meeting of our Company on 8 December 2014 with effect upon the Listing. The primary duties of the nomination committee include assisting the Board in identifying suitable candidates for the Directors and making recommendations to the Board, assessing the structure and composition of the Board, preparing, making recommendations to and supervising the execution of the nomination policy of our Company. The nomination committee initially comprises three members, namely Mr. Lau Tai Chim, chairman of the committee, Mr. Sin Ka King and Mr. Chow Hiu Tung.

COMPLIANCE ADVISER

Our Company has appointed Guotai Junan Capital, in accordance with Rule 3A.19 of the Listing Rules, as its compliance adviser for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Pursuant to 3A.23 of the Listing Rules, the compliance advisor will provide advice to us in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) if a transaction, which might be a notification or connected transaction, is contemplated, including share issues and share repurchases;

(iii) if we propose to use the proceeds from the Global Offering in a manner different from that detailed in this prospectus or if our business activities, development or results deviate from any forecast, estimate or other information in this prospectus; and

(iv) if the Stock Exchange makes any inquiry to us regarding unusual movements in the price or trading volume of our Shares.

The term of appointment will commence on the Listing Date and end on the date on which we distribute the annual report of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

REMUNERATION POLICY

We value our employees and recognise the importance of a good relationship with our employees. The remuneration to our employees includes salaries and allowances. We provide our mining personnel formal and on-the-job training to enhance their technical mining skills as well as knowledge of industry quality standards and work place safety standards.

Our Directors and senior management receive compensation in the form of salaries, bonuses, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules and regulations. The aggregate amounts of emoluments (including fees, salaries and other benefits, performance related bonus and retirement benefit scheme contribution) paid to our Directors for RP2011, RP2012, TRP2012, TRP2013 and TRP2014 were HK$34,000, HK$166,000, HK$165,000, HK$873,000 and HK$927,000, respectively.

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, the aggregate amounts of emoluments (including fees, salaries and other benefits, performance related bonus and retirement benefit scheme contribution) paid to the five highest paid individuals were HK$55,000, HK$306,000, HK$289,000, HK$1,270,000 and HK$1,075,000, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office in respect of RP2011, RP2012, TRP2012, TRP2013 and TRP2014. Further, none of our Directors had waived any remuneration during the Track Record Period.

The primary goal of the remuneration policy with regard to the remuneration packages of our executive Directors is to enable our Group to retain and motivate executive Directors by linking their compensation with performance as measured against corporate objectives achieved. The principal elements of our executive Directors remuneration packages include basic salaries and discretionary bonuses.

Under the arrangements currently in force, we estimate that the aggregate amounts of emoluments (including salaries and other benefits, performance related bonus, retirement benefit scheme contribution) payable to our Directors for the financial year ending 31 December 2014 will be approximately HK$464,000.

We have not experienced any significant problems with our employees or disruption to our operations due to labour disputes, nor have we experienced any difficulties in the recruitment and retention of experienced staff.

Further information on the remuneration of each Director during the Track Record Period as well as information on the highest paid individuals is set out in Note 7 to the accountants' report as set out in Appendix IA to this prospectus.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, the purpose of which is to motivate the relevant participants to optimise their future contributions and efficiency to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group. Additionally, in the case of the executive Directors and senior management of our Group, to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions. The principal terms of this scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus.

The authorised and issued share capital of our Company immediately after the Global Offering (without taking into account the exercise of the Offer Size Adjustment Option and the options which may be granted under the Share Option Scheme) will be as follows:

		Aggregate nominal value of Shares
Authorised:		*HK$*
8,000,000,000	Shares	80,000,000
Shares issued and fully paid or credited as fully paid:		
200	Shares in issue as at the date of this prospectus	2
263,999,800	Shares to be issued under the Capitalisation Issue	2,639,998
88,000,000	Shares to be issued under the Global Offering	880,000
Total		
352,000,000	Shares	3,520,000

The above table assumes that the Global Offering become unconditional but takes no account of any Shares which may be allotted and issued pursuant to the Offer Size Adjustment Option and the options which may be granted under the Share Option Scheme or which may be allotted and issued or repurchased by our Company under the general mandates as described below.

RANKING

The Offer Shares and the Shares to be issued pursuant to the Offer Size Adjustment Option will rank pari passu in all respects with all Shares in issue or to be issued as set out in the above table and will qualify in full for all dividends or other distributions declared, made or paid on the Shares after the date of this prospectus.

SHARE OPTION SCHEME

On 8 December, 2014, our Company conditionally adopted the Share Option Scheme, the principal terms of which are summarised in the paragraph headed "Share Option Scheme" in Appendix VI to this prospectus.

ISSUING MANDATE

Subject to the Global Offering becoming unconditional, our Directors have been granted the Issuing Mandate, a general and unconditional mandate to allot, issue and deal with Shares with an aggregate nominal value of not more than:

(i) 20% of the total nominal amount of Shares in issue immediately following completion of the Global Offering but before the exercise of the Offer Size Adjustment Option (excluding Shares which may be allotted and issued upon the exercise of options granted under the Share Option Scheme); and

(ii) the total nominal amount of Shares repurchased by our Company pursuant to a separate mandate relating to the repurchase of Shares referred to in the paragraph headed "General mandate to repurchase Shares" in this section.

The Issuing Mandate will expire:

(i) at the conclusion of the next annual general meeting of our Company; or

(ii) at the expiration of the period within which our Company is required by the Articles or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

For further details of the Issuing Mandate, please see the paragraph headed "Further information about our Company – Written resolutions of our Shareholders passed on 8 December 2014" in Appendix VI to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Global Offering becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with an aggregate nominal amount of not more than 10% of the total nominal amount of the Shares in issue immediately following the completion of the Global Offering but excluding any Shares which may be allotted and issued pursuant to the Offer Size Adjustment Option and the options which may be granted under the Share Option Scheme.

This general mandate only relates to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are listed (and which are recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules and all applicable laws. A summary of the relevant requirements in the Listing Rules is set out in the paragraph headed "Further information about our Company – Repurchase by our Company of its own securities" in Appendix VI to this prospectus.

This general mandate will expire:

(i) at the conclusion of the next annual general meeting of our Company; or

(ii) at the expiration of the period within which our Company is required by the Articles or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever occurs first.

For further details of this general mandate, please see the paragraph headed "Further information about our Company – Written resolutions of our Shareholders passed on 8 December 2014" in Appendix VI to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

Our Company has only one class of Shares, namely ordinary shares, each ranks pari passu with the other Shares.

Pursuant to the Cayman Islands Companies Law, the Memorandum and the Articles, our Company may from time to time by ordinary shareholders' resolution (i) increase its capital; (ii) consolidate and divide its capital into Shares of larger amount; (iii) divide its Shares into classes; (iv) subdivide its Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may reduce or redeem its share capital by shareholders' special resolution. For more details, please see the paragraph headed "Articles of Association – Alteration of capital" in Appendix V to this prospectus.

As at the Latest Practicable Date, the following persons are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	**Number of Shares directly or indirectly held** *(Note)*	**Approximate percentage of shareholding in our Company** *(%)*
Future Bright (International)	102	51
Mr. Guo	102	51
Easy Flourish	98	49
Guangzhou Yicheng	98	49
Mr. Hu	98	49

Note: As at the Latest Practicable Date, our Company had allotted and issued 200 Shares in total prior to the Capitalisation Issue and the Global Offering.

So far as we are aware, immediately following the completion of the Global Offering and assuming that the Offer Size Adjustment Option and any options that may be granted under the Share Option Scheme have not been exercised, the following persons will have or be deemed to have an interest or a short position in our Shares or the underlying Shares which will be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	**Capacity/Nature of interest**	**Number of Shares directly or indirectly held**	**Approximate percentage of shareholding in our Company** *(%)*
Future Bright (International)	Beneficial owner	134,640,000	38.25
Mr. Guo *(Note 1)*	Interest in controlled corporation	134,640,000	38.25
Easy Flourish	Beneficial owner	129,360,000	36.75
Guangzhou Yicheng *(Note 2)*	Interest in controlled corporation	129,360,000	36.75
Mr. Hu *(Note 2)*	Interest in controlled corporation	129,360,000	36.75

Notes:

1. These Shares are registered in the name of Future Bright (International), the entire issued capital of which is owned by Mr. Guo. Under the SFO, Mr. Guo is deemed to be interested in all the Shares registered in the name of Future Bright (International).

2. These Shares are registered in the name of Easy Flourish, the issued capital of which is owned as to 80% by Guangzhou Yicheng and 20% by Ms. Jiang. The equity interest of Guangzhou Yicheng is owned as to 62.5% by Mr. Hu, 25% by Mr. Lu and 12.5% by Mr. Chen. Under the SFO, Mr. Hu is deemed to be interested in all the Shares registered in the name of Easy Flourish.

Save as disclosed in the table above, we are not aware of any other person who will, immediately following the completion of the Global Offering and assuming that the Offer Size Adjustment Option and any options that may be granted under the Share Option Scheme have not been exercised, have an interest or a short position in our Shares or the underlying Shares which will fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

The following discussion and analysis should be read in conjunction with the audited consolidated financial statements of Future Bright (H.K.) for RP2011 and RP2012; and the audited consolidated financial statements of our Group for TRP2012, TRP2013 and TRP2014, in each case with the related notes thereto, include elsewhere in this prospectus. The consolidated financial statements of Future Bright (H.K.) and our Group have been prepared in accordance with IFRS.

The Track Record Period of our Group commenced on 21 September 2012 (being the date of acquisition of Future Bright (H.K.) by Gold Title) and the financial information of our Group for the Track Record Period was disclosed as Appendix IA, the financial information for the Relevant Period of Future Bright (H.K.) and Future Bright (Xiangyang) was disclosed in a separate accountants' report in Appendix IB. As the duration of RP2011, RP2012, TRP2012, TRP2013, and TRP2014 are different, the management discussion and analysis of the results of the operation for the RP2011, RP2012, TRP2012, TRP2013 and TRP2014 may not be directly comparable.

The following discussion and analysis contains certain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcome and developments will meet our expectations and predictions depend on a number of risks and uncertainties over which we do not have control. Please see the section headed "Risk Factors" in this prospectus.

OVERVIEW

We are a marble mining company and have been focusing on constructing and developing our Yiduoyan Project, which is an open pit mine located in Hubei Province of China. We commenced limited commercial production in September 2014.

According to the Resource estimate prepared in accordance with JORC Code for our Yiduoyan Project in the Independent Technical Report, the estimated Resource was approximately 10.7 million m^3 as at 1 July 2014, comprising 7.3 million m^3 of Indicated Resource and 3.4 million m^3 of Inferred Resource with an estimated block yield rate of approximately 35% (which was determined by the number of blocks (1.7m x 1.7m x 2.5m) produced from a cleaned bench that contained a volume of 1,112m^3).

According to the Reserve estimate prepared in accordance with JORC Code for our Yiduoyan Project in the Independent Technical Report, the estimated Probable Reserve was approximately 0.91 million m^3 as at 1 July 2014.

We currently hold the mining permit of our Yiduoyan Project for a term of 10 years, which was granted on 30 December 2011 and will expire on 30 December 2021, covering an area of approximately 0.5209km^2 with an elevation from 420mRL to 550mRL.

On 14 October 2013, we received a written confirmation from the Land and Resources Bureau, Nanzhang County, Xiangyang City, Hubei Province (湖北省襄陽市南漳縣國土資源局) confirming, amongst others, we are entitled to conduct marble mining activities from 420mRL to 589mRL even though the prescribed elevation in the mining permit is from 420mRL to 550mRL as a result of the discrepancy in subsequent measurement after issuing mining permit. As advised by our PRC Legal Advisers, Nanzhang Land and Resources Bureau is a competent authority to issue such confirmation.

Following the completion of our development plan, our mining capacity for marble blocks is expected to reach full production rate of 20,000m^3 per annum in the beginning of 2017. According to our Independent Technical Report, the estimated mine life of our Yiduoyan Project is approximately 47 years and the operating cash costs is RMB1,423 per m^3 under full production rate of 20,000m^3 per annum. Marble blocks mined from our Yiduoyan Project are our principal product.

During the Relevant Period and the Track Record Period, we focused on constructing and developing our Yiduoyan Project for purpose of commercial production. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, we incurred losses of RMB308,000, RMB555,000, RMB2,021,000, RMB9,798,000 and RMB3,974,000, respectively.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our financial condition, results of operations and the period-to-period comparability of our financial results are principally affected by the following factors:

Prices of products

The marble from our Yiduoyan Project is to be given the trade name of "銀白玉" (Silver White Jade) and "銀狐灰" (Silver Fox Grey) respectively. According to the Independent Technical Report, "銀白玉" (Silver White Jade) and "銀狐灰" (Silver Fox Grey) respectively is light coloured marble that is fine textured and takes a good polish and is hence regarded as a relatively high grade stone. The Independent Technical Consultant is of the opinion that the physical quality of our Yiduoyan Project is of a standard that can be sold as a good quality marble within China, and considers that the marble of our Yiduoyan Project is likely to find significant markets for interior use which is a significant proportion of the marble market in China and worldwide.

We plan to sell our marble blocks to stone processors and construction and decoration companies. We determine the prices of our marble blocks based on their appearance, size and quality. We also take into account the sales price of marble blocks produced by white series marble which has similar appearance and quality as the marble produced from our Yiduoyan Project in determining the prices of our marble blocks.

We have entered into four sales contracts which will all expire on 31 December 2016. The sales prices of marble blocks in 2014 and 2015 vary depending on their appearance, quality and size. The sales prices for marble blocks that have no visible colour difference with well-defined vein lines, no crack and a fine texture range from RMB4,500 per m^3 to RMB5,000 per m^3. Those marble blocks which have minor colour difference with slightly cluttered vein lines no crack and not as fine texture have sales prices range from RMB4,000 per m^3 to RMB4,500 per m^3. Those marble blocks which have minor colour difference with cluttered vein lines, no crack and not as fine texture have sales prices of RMB3,500 per m^3. For marble blocks with smaller size, with large colour difference with much cluttered vein lines, relatively rough texture, the sales prices will be determined by parties based on the actual quality, appearance and size of block according to the samples provided by our Company. The sales prices of marble blocks in 2016 could be adjusted by us based on the sales prices of 2014 and 2015 and with reference to the changes in market conditions and price index.

Please also refer to the paragraph headed "Business – Customers and sales contracts" in this prospectus for further information.

The timeline below sets out the expected production volume of marble blocks under our development plan:

Year	**Expected production volume of marble blocks** *(m^3)*
2014	3,000
2015	7,500
2016	16,000
2017	20,000

We have secured long-term sales contracts. These sales contracts provide for an aggregate sales volume of 3,000m^3, 7,500m^3 and 16,000m^3 of marble blocks in 2014, 2015 and 2016 respectively. Our customers are obligated to purchase a minimum of 90% of the annual volume set out in the respective sales contracts. The purchase volume of each batch shall not be less than 200m^3. Please refer to paragraph headed "Business – Customers and sales contracts" in this prospectus for further information.

Cost of production

Major components of our costs of production are directly related to production volume. Our operating cash costs mainly consist of mining cost, fuel and power, manpower, general and administration and other costs. Variation in production volume and the costs associated with mining proceeds are key factors that affect our cash costs of production. We expect our unit production cost to decrease when we achieve our expected full production rate in 2017. As stated in the Independent Technical Report, our unit cash cost for marble block is estimated to be approximately RMB1,423 per m^3 in 2017.

Product mix

Our revenue and profit margin will depend on the composition of the type and specification of marble block depending on the appearance, quality and size of the marble blocks.

The PRC local, provincial and central authorities exercise a substantial degree of control over the mining industry in China. Our operations are subject to a range of PRC laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labour, occupational health and safety, waste treatment and environmental protection and operation management. The PRC Government has full authority to grant, renew and terminate exploration, mining and production permits. While we expect to be able to renew our mining and production permits, if for any reason we are unable to do so, our results of operations would be materially and adversely affected.

Please also refer to section headed "Business" and "Risk Factors" for further details.

Basis of presentation

This prospectus includes two accountants' reports, the text of which is set out under Appendix IA and Appendix IB to this prospectus, respectively:

- Appendix IA is the accountants' report of our Group, which includes the consolidated financial statements of our Company for TRP2012, TRP2013 and TRP2014.

- Appendix IB is the accountants' report of Future Bright (H.K.) for RP2011 and RP2012.

We have included in this prospectus separate accountants' reports and summary financial data for both (i) TRP2012, TRP2013 and TRP2014; and (ii) RP2011 and RP2012 because, in accordance with IFRS, the transactions comprising our acquisition of Future Bright (H.K.) and its subsidiary, Future Bright (Xiangyang) (which was completed on 21 September 2012) have been treated as an acquisition using acquisition accounting. Accordingly, our results of TRP2012 may not be directly comparable to our results for TRP2013 and our results of RP2011 may not be directly comparable to RP2012. The results of Future Bright (H.K.) and Future Bright (Xiangyang) for RP2011 and RP2012 could not be combined with the results of our Group before 21 September 2012 under the relevant accounting standards as Gold Title and World Allied entered into the Gold Title Share Subscription Agreement, pursuant to which, World Allied (i) subscribed for 49 new shares in Gold Title, representing 49% interest in its enlarged issued share capital; and (ii) was granted certain special rights on Gold Title's operational activities which could affect Mr. Guo's control over Gold Title. Amongst other special rights granted to World Allied under the Gold Title Share Subscription Agreement, certain operational activities of Gold Title, such as recruitment of employees and consultants require the unanimous approval of the then shareholders of Gold Title, namely, Future Bright

(International) and World Allied. In addition, under the Gold Title Share Subscription Agreement, World Allied was entitled to appoint a nominee as one of the joint signatories to operate the bank account of Gold Title. For further information on the special rights granted to World Allied, please refer to the section headed "History, Development and Reorganisation" of this prospectus. The aforementioned special rights granted to World Allied are considered as "substantive rights" under IFRS 10.B25. According to IFRS 10.B25, "substantive rights held by other parties may prevent the investor from controlling the investee even if the rights give the holders only the current ability to approve or block decisions that relate to the relevant activities". Taking into consideration of the above, notwithstanding that Mr. Guo held 51% equity interest in Gold Title and was entitled to appoint the majority of the board of directors of Gold Title, and the passing of any resolution by Gold Title would be subject to a majority vote of its board of directors, the special rights granted to World Allied thereto could affect Mr. Guo's control over Gold Title and result in World Allied and Future Bright (International) jointly control the operational activities of Gold Title. Therefore, under the IFRS, there was a change of control of Gold Title from an entity solely controlled by Mr. Guo through Future Bright (International) to become an entity jointly controlled by Mr. Guo through Future Bright (International) and Mr. Cheung through World Allied on 21 September 2012, being the date on which World Allied first became a shareholder of Gold Title.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group. The acquisition of subsidiaries by the Group from entities other than those under common control is accounted for using the acquisition method of accounting.

All intra-group transactions and balances have been eliminated on consolidation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our significant accounting policies are set forth in Note 3.2 and 3.3 of section II of the accountants' report as set out in Appendices IA and IB to this prospectus. IFRSs requires that we adopt accounting policies and make estimates and assumptions that our management believes are most appropriate in the circumstances for the purposes of giving a true and fair view of our results and financial condition. The preparation of our Consolidated Financial Information requires us to make significant estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and their accompanying disclosures, and the disclosure of contingent liabilities.

We have identified below the accounting policies that we believe are the most critical to our Consolidated Financial Information and that involve the most significant estimate. We have a relatively short operating history, and from our historical experience to date, these accounting estimates and assumptions have proved largely consistent with actual outcomes and there has been no significant adjustment made to our historical operating results, financial condition or cash flows due to uncertainties of these estimates and assumptions.

Revenue recognition

Revenue recognition involves estimates and judgments concerning timing. Significant changes in our management's estimates and judgments may result in revenue adjustments. As a general principle, revenue is recognised when it is probable that the economic benefits will flow to us and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods when the significant risks and rewards of ownership have been transferred to the buyer, provided that our Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Since we only commenced limited commercial production in September 2014, we did not record any revenue in consolidated statement of comprehensive income during the Track Record Period.

However, according to the sales contracts we have entered into, we generally pass the risk to the buyer when the marble blocks have been loaded onto the vehicles arranged by our customers.

Depreciation and amortisation

The amount of depreciation and amortisation expenses to be recorded of an asset is affected by a number of estimates made by our management, based on our industry experience and knowledge such as estimated useful lives, proved and probable reserves and residual values. If different judgments are used, material differences may result in the amount and timing of the depreciation and amortisation charges related to the asset.

No material deviation of our estimates as compared to our actual results were noted in the past, no material changes were made to our estimates in the past and no material changes will likely be made to our estimates in the future. We have identified below the accounting policies that we believe are critical to our financial information in connection with depreciation and amortisation.

Depreciation of items of property, plant and equipment, other than mining infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

	Residual value (%)	Useful lives (years)
Buildings	3	5 – 10
Plant and machinery	3	5 – 10
Motor vehicles	3	4
Office equipment	3	3 – 5

Depreciation of mining infrastructure is calculated using the units of production ("**UOP**") method to write off the cost of the assets proportionate to the extraction of the proved and probable mineral reserves.

Property, plant and equipment

Depending on the nature of items of property, plant and equipment, depreciation is calculated either (i) on a straight line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life or (ii) using the units of production method to write-off the cost of the assets in proportion to the proved and probable mineral reserves. Our management estimates the useful lives, proved and probable reserves, residual values and related depreciation charges for property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of each item of property, plant and equipment of a similar nature and function. They could change significantly as a result of technical innovations and actions of our competitors. The assumptions used in the determination of useful lives of property, plant and equipment are reviewed periodically.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Under IAS 16, the cost of an item of property, plant and equipment includes any costs directly attributable to bringing the asset to location and condition necessary for it to be capable of operating in the manner intended by management.

The direct attributable costs of an item of property, plant and equipment include the costs of testing whether the asset is functioning properly, after deducting the net proceeds from the Global Offering from selling any items produced while bringing the asset to that location and condition.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licences, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and Probable Reserve of the mines using the units of production method. The amortisation will be provided since the Group commences limited commercial production till the expiration of our mining license (i.e. from September 2014 to December 2021). Mining rights are written off to profit and loss if the mining property is abandoned.

Useful lives of property, plant and equipment

We estimate useful lives and related depreciation charges for our items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and actions of our competitors. Our management will increase the depreciation charge where useful lives are less than previously estimated, or it will record an impairment provision for technically obsolete assets that have been abandoned.

Impairment of non-financial assets

Our non-financial assets primarily include property, plant and equipment, intangible assets and long-term prepayment. We assess whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The calculation of the fair value less costs to sell is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, our management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. We did not incur any impairment of non-financial assets during the Relevant Period and the Track Record Period.

Reserves

Engineering estimates of our Reserve are inherently imprecise and represent only approximate amounts because of the significant judgments involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated Reserve can be designated as "Proved" and "Probable". Proved and Probable Reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of Proved and Probable Reserve also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated on a units-of-production basis and the time period for discounting the rehabilitation provision. Changes in the estimate of Reserve are also taken into account in impairment assessments of non-current assets.

Provision for rehabilitation

Our 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 our Group's obligations for the closure and environmental restoration and clean-up on completion of our 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.

Provision for rehabilitation is based on estimates of future expenditures incurred by management to undertake rehabilitation and restoration work which are discounted at a rate reflecting the term and nature of the obligation to their present value. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rate. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents our management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the consolidated statements of financial position by adjusting the rehabilitation asset and liability.

The carrying amounts of provision for rehabilitation as at 31 December 2011, 20 September 2012, 31 December 2012, 2013 and 30 June 2014 were nil, nil, nil, RMB853,000 and RMB881,000, respectively.

A land rehabilitation report for the required rehabilitation and restoration works was prepared by Hubei Dazhi Anying Geological Survey Co., Ltd and approved by Nanzhang Land and Resources Bureau. According to the land rehabilitation report, the total rehabilitation cost for our Yiduoyan Project is estimated to be approximately RMB1.1 million. In accordance with the requirement under the land rehabilitation report, we will continue to set aside provisions for rehabilitation cost each year and expect to set aside the full amount of the provision by 2021. Our Directors confirmed and considered that the amount of rehabilitation cost stated in land rehabilitation report is adequate for all rehabilitation and restoration works. Ernst & Young, the reporting accountants of our Company, considered the provision for rehabilitation based on the amount of rehabilitation cost stated in land rehabilitation report was fairly stated in the financial statements of our Group.

Please also refer to the paragraph headed "Business – Environmental protection, land rehabilitation and social matters – Land rehabilitation" in this prospectus for further information.

DESCRIPTION OF CERTAIN ITEMS FROM THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth a summary of consolidated statements of comprehensive income for the period indicated. This information should be read together with our Consolidated Financial Information and related notes, which have been prepared in accordance with IFRS, and set out in Appendices IA and IB to this prospectus. Our operating results in any period are not necessarily indicative of results that may be expected for any future period.

Consolidated statements of comprehensive income of our Group for the Track Record Period

	TRP2012 *RMB'000*	TRP2013 *RMB'000*	Six months ended 30 June 2013 *RMB'000* *(Unaudited)*	TRP2014 *RMB'000*
Revenue	–	–	–	–
Cost of sales	–	–	–	–
Gross profit	–	–	–	–
Other income	1	9	1	7
Selling expenses	–	–	–	(351)
Administrative expenses	(2,403)	(10,958)	(5,686)	(4,241)
Other expenses	(29)	(183)	(188)	(16)
Finance costs	–	(94)	(18)	(93)
Loss before tax	(2,431)	(11,226)	(5,891)	(4,694)
Income tax benefit	410	1,428	650	720
Loss for the period/year attributable to owners of the parents	(2,021)	(9,798)	(5,241)	(3,974)
Other comprehensive loss:				
Items not to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of financial statements	18	(202)	(128)	1
Total comprehensive loss for the period/year attributable to owners of the parents	(2,003)	(10,000)	(5,369)	(3,973)

Consolidated statements of comprehensive income of Future Bright (H.K.) and Future Bright (Xiangyang) for the Relevant Period

	RP2011 *RMB'000*	RP2012 *RMB'000*
Revenue	–	–
Cost of sales	–	–
Gross profit	–	–
Other income	–	6
Administrative expenses	(367)	(736)
Other expenses	(28)	(1)
Loss before tax	(395)	(731)
Income tax benefit	87	176
Loss for the period	(308)	(555)
Other comprehensive (loss)/income		
Items not to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of financial statements	(61)	3
Total comprehensive loss for the period attributable to owners of the Company	(369)	(552)

Revenue

Revenue represents the net invoice value of goods sold, net of VAT, trade discounts and returns and various types of government surcharges, where applicable. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. As we focused on mining construction and infrastructure development during the Relevant Period and the Track Record Period, the revenue generated during the development of the mine was an unintended benefit and such activities was integral to the development of the mine. This is because the main purpose of the activities is the development of the mine. The aforesaid revenue generated should be credited to the construction in progress under IAS 16.

Cost of sales

As we did not commence commercial production, we did not recognise any cost of sales. The cost of sales in related to the revenue generated during the development of the mine was unintended and such activities was integral to the development of the mine. This is the main purpose of the activities is the development of the mine. The aforesaid cost of sale should be credited to construction in progress under IAS 16.

Other income

During the Relevant Period and the Track Record Period, we had other income representing interests of our interest-bearing bank deposits. We recorded other income of nil, RMB6,000, RMB1,000, RMB9,000 and RMB7,000 for RP2011, RP2012, TRP2012, TRP2013 and TRP2014, respectively.

Selling expenses

For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, our selling expenses were nil, nil, nil, nil and RMB351,000 respectively. Selling expenses mainly consisted of salaries and wages for sales personnel and their travelling expenses for the tendering of the four sales contracts we have as at the Latest Practicable Date.

Administrative expenses

	RP2011 *RMB'000*	**RP2012** *RMB'000*	**TRP2012** *RMB'000*	**TRP2013** *RMB'000*	**Six months ended 30 June 2013** *RMB'000* *(Unaudited)*	**TRP2014** *RMB'000*
Global Offering expenses	–	–	–	5,535	3,549	1,910
Amortisation and depreciation	16	55	24	100	49	52
Audit and professional fees	17	9	778	1,599	383	660
Drilling test	–	–	1,186	208	208	–
Entertainment	69	54	36	467	264	158
Office rental	49	11	10	737	326	354
Travelling expenses	48	126	45	204	103	58
Staff costs	46	281	306	1,555	582	720
Staff welfare	31	87	–	35	–	23
Others	91	113	18	518	222	306
	367	736	2,403	10,958	5,686	4,241

Global Offering expenses represented professional fees paid to relevant parties in connection with our Listing.

Audit and professional fees mainly consisted of audit fees, consultancy fees in respect of development and exploration of Yiduoyan Project and expenses incurred as a result of the Global Offering.

Drilling test represented contracting fees paid to the third party for exploration activities and drilling test for the preparation of Independent Technical Report during mine planning and development stage.

Increase in staff costs, office rental and entertainment during the Relevant Period and the Track Record Period was resulted in the expansion of our business.

Other expenses

Our other expenses mainly represented foreign exchange loss and bank charges. We incurred other expenses of RMB28,000, RMB1,000, RMB29,000, RMB183,000 and RMB16,000 for RP2011, RP2012, TRP2012, TRP2013 and TRP2014, respectively. The increase in other expenses for TRP2013 was primarily due to depreciation of Hong Kong dollar against Renminbi. The exchange rate was relatively stable in remaining periods during the Relevant Period and the Track Record Period.

Finance costs

Finance costs represented interest on our bank borrowings and unwinding interest on discounted provision for rehabilitation. We incurred finance costs of nil, nil, nil, RMB94,000 and RMB93,000 for RP2011, RP2012, TRP2012, TRP2013 and TRP2014, respectively. As we obtained a bank loan of RMB1.8 million in August 2013 and made provision for rehabilitation of RMB808,000 since March 2013, therefore we incurred finance cost for TRP2013 and subsequent periods.

Income tax benefit

Income tax benefit represented deferred tax assets arising from the tax loss which can be deducted by future taxable income.

Under the rules and regulations of the Cayman Islands and BVI, we are not subject to any income tax in the Cayman Islands and BVI. We have not made any provisions for Hong Kong profits tax as we had no assessable profits derived from or earned in Hong Kong during RP2011, RP2012, TRP2012, TRP2013 and TRP2014.

Pursuant to the relevant income tax rules and regulations of the PRC, the Group's subsidiary located in China is subject to the PRC enterprise income tax rate ("**EIT**") of 25%.

We recorded income tax benefit of RMB87,000, RMB176,000, RMB410,000, RMB1,428,000 and RMB720,000 for RP2011, RP2012, TRP2012, TRP2013 and TRP2014, respectively.

Apart from certain limited exceptions, all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the assets can be utilised are recognised.

The following table sets forth details regarding our income tax benefits for the periods indicated:

	RP2011	**RP2012**	**TRP2012**	**TRP2013**	**Six months ended 30 June 2013**	**TRP2014**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss before tax	(395)	(731)	(2,431)	(11,226)	(5,891)	(4,694)
Tax at EIT of 25%	(99)	(183)	(608)	(2,807)	(1,473)	(1,174)
Expenses not deductible for tax purpose	12	7	198	1,379	823	454
Tax benefit for the year/period	(87)	(176)	(410)	(1,428)	(650)	(720)
Effective tax rates	22.0%	24.1%	16.9%	12.7%	11.0%	15.3%

RP2011, RP2012, TRP2012, TRP2013 and TRP2014, the Group is subject to effective tax rate of 22.0%, 24.1%, 16.9%, 12.7% and 15.3% respectively. The decrease in effective tax rate for TRP2012 was mainly attributable to the increase in non-tax deductible expenses. The decrease in effective tax rates during TRP2013 and TRP2014 were principally due to increase in Global Offering expenses in overseas companies which were not deductible for the tax purposes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE RESULTS OF THE OPERATION

The following set forth the management's discussion and analysis of the results of the operation during the Track Record Period and the Relevant Period. The following discussion should be read in conjunction with the consolidated financial information on the Group during the Track Record Period in the accountants' report, the text of which is set forth in Appendix IA to this prospectus and the consolidated financial information on Future Bright (H.K.) and Future Bright (Xiangyang) in the accountants' report during the Relevant Period, the text of which is set forth in Appendix IB to this prospectus.

Results of operations

TRP2014 compared with six months ended 30 June 2013

Revenue

We have been focusing on mine construction and development of our Yiduoyan Project. As we had only commenced limited commercial production in September 2014, our sales had be relatively low. Other than having sold 267.2m^3 of marble blocks to Huilong which were produced during the construction phase of our Yiduoyan Project in June 2014 with an average sale price of RMB3,500 per m^3 (including 6% VAT) and generated sales proceeds of a total amount of approximately RMB0.9 million which have been credited to construction in progress, we have not generated any sales proceeds in the six months ended 30 June 2013 and 2014 respectively. According to the Antaike Report, the price of our marble blocks is at the lower-end of the market price range in the PRC.

Cost of sales

As we did not commence commercial production, we did not recognise any cost of sales.

Gross profit

We were in the development stage and therefore did not recognise any gross profit in consolidated statement of Comprehensive Income in the six months ended 30 June 2013 and 2014.

Other income

Increase in other income from RMB1,000 for the six months ended 30 June 2013 to RMB7,000 for TRP2014 was primarily attributable to increase in average bank balances during the six months ended 30 June 2014 compared with comparative period in 2013.

Selling expenses

Increase selling expenses to RMB351,000 for TRP2014 was mainly due to salaries and wages for sales personnel and their travelling expenses incurred. We did not have any selling expenses since we did not commence limited commercial production during the six months ended 30 June 2013.

Administrative expenses

Administrative expenses decreased from approximately RMB5.7 million for the six months ended 30 June 2013 to approximately RMB4.2 million for TRP2014. The decrease was primarily attributable to decrease in Global Offering expenses incurred and partly offset by increase in staff salaries under expansion of our business.

Other expenses

Our other expenses, mainly foreign exchange loss, decreased from RMB188,000 for the six months ended 30 June 2013 to RMB16,000 for TRP2014. This was principally due to relative stability in the currency of Hong Kong dollar and Renminbi during the first half of 2014 compared with that of 2013.

Finance costs

Our finance costs increased from RMB18,000 for the six months ended 30 June 2013 to RMB93,000 for TRP2014. This was mainly due to loan interest expenses incurred since August 2013.

Income tax benefit

We had an income tax benefit of RMB650,000 and RMB720,000 for the six months ended 30 June 2013 and 2014 respectively. The increase was primarily reflected in decrease in non-deductible expenses in TRP2014.

Loss for the period

As a result of the foregoing factors, our loss decreased from approximately RMB5.2 million for the six months ended 30 June 2013 to approximately RMB4.0 million for TRP2014.

TRP2013 compared with TRP2012

As a result of acquisition accounting, the financial statements of our Yiduoyan Project are included in our consolidated financial information when Gold Title completed the acquisition of a 100% equity interest in Future Bright (H.K.) from Mr. Guo on 21 September 2012. Subsequent to the acquisition, Gold Title was jointly controlled by World Allied and Future Bright (International) which is owned by Mr. Guo please refer to the "Basis of preparation" as set out in section II of the accountants' report in Appendix IB to this prospectus for details. There was a change of control of our Group companies on 21 September 2012 and thus the Track Record Period commenced from 21 September 2012. As a result, the comparisons of our operating results for TRP2012 and TRP2013 may not be meaningful.

Revenue

During TRP2012 and TRP2013, as we focused on construction and infrastructure development and did not commence commercial production, we did not generate any revenue from our operations.

Cost of sales

As we did not commence commercial production, we did not incur any cost of sales during TRP2012 and TRP2013.

Gross profit

For TRP2012 and TRP2013, we were in the stage of development and therefore did not recognise any gross profit or loss.

Other income

Our other income increased from RMB1,000 for TRP2012 to RMB9,000 for TRP2013. The increase was primarily due to an increase in our bank interest income arising from the increase in our average balance and the period of bank deposits.

Administrative expenses

Our administrative expenses increased from RMB2.4 million for TRP2012 to RMB11.0 million for TRP2013. The increase of administrative expenses was primarily due to increase in Global Offering expenses and staff costs as a result of our business expansion.

Other expenses

Our other expenses increased from RMB29,000 for TRP2012 to RMB183,000 for TRP2013. The increase was primarily due to increase in exchange loss resulted from depreciation of Hong Kong dollar against Renminbi.

Finance costs

We incurred our finance costs of RMB94,000 for TRP2013, attributable to a bank loan of RMB1.8 million and unwinding interest provision for rehabilitation of RMB808,000 during TRP2013.

Income tax benefit

Our income tax benefit increased from RMB410,000 for TRP2012 to RMB1,428,000 for TRP2013. The increase was primarily due to the increase in those losses which can offset against future taxable profits during TRP2013.

Loss for the year/period

As a result of the foregoing factors, our loss increased from RMB2.0 million for TRP2012 to RMB9.8 million for TRP2013.

RP2012 compared with RP2011

Pre-acquisition financial statements of Future Bright (H.K.) and its subsidiary for the period RP2011 and RP2012 have been prepared in accordance with the basis of preparation and accounting policies as set out in section II of the accountants' report in Appendix IB to this prospectus. The comparisons of our operating results for RP2011 and RP2012 may not be meaningful.

Revenue

During RP2011 and RP2012, as we focused on construction and infrastructure development and did not commence commercial production, we did not generate any revenue from our operations.

Cost of sales

As we did not commence commercial production, we did not incur any cost of sales during RP2011 and RP2012.

Other income

Our other income increased from nil for RP2011 to RMB6,000 for RP2012. The increase was primarily due to an increase in our bank interest income arising from the increase in our average balance of bank deposits.

Administrative expenses

Our administrative expenses increased from RMB367,000 for RP2011 to RMB736,000 for RP2012. The increase of administrative expenses was primarily due to increase in staff costs as a result of our business expansion of workforce.

Other expenses

Our other expenses decreased from RMB28,000 for RP2011 to RMB1,000 for RP2012. The decrease was primarily due to reduced exchange loss.

Income tax benefit

Our income tax benefit increased from RMB87,000 for RP2011 to RMB176,000 for RP2012. The increase was primarily due to the increase in loss before tax during RP2012.

Loss for the period

As a result of the foregoing factors, our loss increased from RMB308,000 for RP2011 to RMB555,000 for RP2012.

EMPLOYEES AND REMUNERATION POLICY

As at the Latest Practicable Date, our Group employed a total of 32 full-time employees. The remuneration policy of our Group is to provide remuneration packages, in terms of basic salary and long term rewards such as the Share Option Scheme, so as to attract and retain top quality staff. For further details, please refer to the section headed "Business – Employees" of this prospectus and note 7 to the accountants' report as set out in Appendix IA to this prospectus.

DISCUSSION OF CERTAIN ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets out our summary consolidated statements of financial position at the date indicated. This information should be read together with our Consolidated Financial Information included in the accountants' report in Appendices IA and IB to this prospectus.

Consolidated statements of financial position of our Group as at the dates indicated below

	As at 31 December		As at 30 June	As at 31 October
	2012	**2013**	**2014**	**2014**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Non-current assets				
Property, plant and equipment	2,964	11,081	13,436	13,719
Long-term prepayment	274	453	441	433
Intangible assets	42,600	42,600	42,600	42,441
	45,838	54,134	56,477	56,593
Current assets				
Cash and cash equivalents	5,290	2,959	10,702	1,855
Inventories	–	–	–	740
Prepayments, deposits and other receivables	57	1,965	2,368	3,667
Due from related parties	9,225	1,659	–	–
	14,572	6,583	13,070	6,262
Current liabilities				
Interest-bearing bank borrowing	–	483	503	518
Other payables and accruals	1,119	2,921	9,136	3,809
Due to related parties	521	424	–	–
Tax payables	–	–	–	40
	1,640	3,828	9,639	4,367
Net current assets	12,932	2,755	3,431	1,895
Total assets less current liabilities	58,770	56,889	59,908	58,488
Non-current liabilities				
Interest-bearing bank borrowing	–	1,195	938	760
Deferred tax liabilities	9,904	8,476	7,756	8,436
Provision for rehabilitation	–	853	881	900
	9,904	10,524	9,575	10,096
Net assets	48,866	46,365	50,333	48,392

Consolidated statements of financial position of Future Bright (H.K.) as at the dates indicated below

	As at 31 December 2011	As at 20 September 2012
	RMB'000	*RMB'000*
Non-current assets		
Property, plant and equipment	1,279	2,569
Long-term prepayment	206	279
Intangible assets	294	294
Deferred tax assets	87	263
	1,866	3,405
Current assets		
Cash and cash equivalents	1,930	3,390
Prepayments, deposits and other receivables	9	6
	1,939	3,396
Current liabilities		
Other payables and accruals	322	423
Due to the related parties	508	521
Total current liabilities	830	944
Net current assets	1,109	2,452
Total assets less current liabilities	2,975	5,857
Net assets	2,975	5,857

We had net current assets of approximately RMB1.1 million, RMB2.5 million, RMB12.9 million, RMB2.8 million, RMB3.4 million, RMB1.9 million, as at 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013, 30 June 2014 and as at 31 October 2014 respectively. Decrease in net current assets from 31 December 2013 to 31 October 2014 was mainly attributable to utilisation of the cash and bank balances to acquire property, plant and equipment by capital contribution by our Shareholders.

Property, plant and equipment

Our property, plant and equipment mainly consisted of construction in progress, buildings, plant and equipment, office equipment and motor vehicles, amounted to approximately RMB1.3 million, RMB2.6 million, RMB3.0 million, RMB11.1 million, RMB13.4 million and RMB13.7 million as at 31 December 2011, as at 20 September 2012, 31 December 2012 and 2013, 30 June 2014 and 31 October 2014 respectively. The increase primarily resulted in expenditure on construction of mining infrastructure and purchase of production equipment for the development of our Yiduoyan Project.

We incurred capital expenditures for the construction and development of our Yiduoyan Project during the Track Record Period and the Relevant Period. The table below sets forth details of our capital expenditures on property, plant and equipment for the periods indicated.

	RP2011	**RP2012**	**TRP2012**	**TRP2013**	**TRP2014**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Property, plant and equipment	1,300	1,377	443	8,511	2,661	14,292

The property, plant and equipment as stated in the accountants' reports as set out in Appendices IA and IB to this prospectus is in accordance with IAS 16.

In the accountants' reports as set out in Appendices IA and IB to this prospectus, under IAS 16, the cost of an item of property, plant and equipment includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost directly attributable to bringing the assets in relation to our Yiduoyan Project to the location and condition necessary for it to be capable of operating was capitalised. Cost of construction will be reclassified to the appropriate category of property, plant and equipment when completed and ready for use. The difference in costs between those stated in accountants' reports and those stated in the Independent Technical Report was mainly due to certain capital costs incurred during the development phase of our Yiduoyan Project were credited to the cost of construction in progress under property, plant and equipment as recorded in the accountants' reports, whereas such costs were treated as the cost of marble outputs extracted during the development phase of our Yiduoyan Project separately in the Independent Technical Report.

Long-term prepayment

The table below sets forth the net carrying amount our long-term prepayments as at the date indicated below.

	Forest rental cost
	RMB'000
Net carrying amount:	
At 31 December 2012	274
At 31 December 2013	453
At 30 June 2014	441

Long-term prepayment represented prepayment to villagers for the use of parcels of land for mining activities at our Yiduoyan Project. Increase in long-term prepayment as at 20 September 2012 as compared to as at 31 December 2011 was mainly due to payment of forest rental of approximately RMB87,000, as at 31 December 2013 as compared to as at 31 December 2012 was mainly due to payment of forest rental of approximately RMB87,000 and RMB0.2 million respectively despite the amortisation of long-term prepayment. Decrease in Long-term prepayment as at 30 June 2014 as compared to as at 31 December 2013 and as at 31 October 2014 as compared to as at 30 June 2014 was attributable to amortisation of long-term prepayment.

Intangible assets

In accordance with IFRS, intangible assets acquired separately are measured on initial recognition at cost, being the fair value at the date of acquisition. The intangible assets as at 31 December 2012, 2013 and as at 30 June 2014 were equivalent to the mining rights in fair value as at 21 September 2012, being the date of acquisition of Yiduoyan Project. The decrease in the intangible assets as at 31 October 2014 as compared to 30 June 2014 represented the amortisation of the intangible assets since the limited commercial production has commenced in September 2014. The fair value of the mining rights as at 21 September 2012 was estimated by an independent valuer (the "**Valuer**"). The Valuer adopted an income approach in the valuation on fair value of the mining rights as at 21 September 2012. The fair value was estimated on the assumption that the annual sales volume would increase and gradually reach 20,000m^3 during the projection period. Economical conditions such as current level of and changes in the GDP, exchange rate and inflation rate were also considered by the Valuer for the purpose of the valuation. The book value of the mining rights under the mining permit of our Yiduoyan Project of RMB294,000 as at 21 September 2012 was equivalent to the total costs and incidental expenses paid by Future Bright (Xiangyang) to Nanzhang Land and Resources Bureau for the acquisition of such mining rights by way of a tender.

No amortisation was made since we have not commenced limited commercial production during the Relevant Period and the Track Record Period. Since our Yiduoyan Project has commenced limited commercial production in September 2014, amortisation has not been incurred before it becomes capable of operating in the manner intended by the management.

Intangible assets as at 31 December 2011 and as at 20 September 2012 represented the book value of mining rights of our Yiduoyan Project. No amortisation was made as the mine was not capable of operating in the manner intended by the management.

Prepayments, deposits and other receivables

Our prepayments, deposits and other receivables mainly represented deferred offering costs relating to the Global Offering, prepaid consulting fee, and office rental deposit. The following table sets forth the components of our prepayments, deposits and other receivables as of the date indicated.

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012	2013	As at 30 June 2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Deferred offering costs	–	–	–	1,637	2,286
Other receivables	–	–	50	6	6
Deposits	–	–	–	–	1
Others	9	6	7	322	75
Total	9	6	57	1,965	2,368

The item of deferred offering costs represented legal and other professional fees relating to the Global Offering, which will be deducted from equity upon completion of the Global Offering.

The item of others mainly represented prepaid consulting fee, insurance and office rental cost.

Other payables and accruals

The following table sets forth the details of our other payables and accruals as of the date indicated.

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012	2013	As at 30 June 2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Advances from customers	–	–	–	–	6,865
Payroll accruals	39	141	241	791	949
Interest payables	–	–	–	4	3
Other payables	283	282	878	2,126	1,319
	322	423	1,119	2,921	9,136

Advances from customers represented customers' deposits for sales of our marble blocks. Increase in receipt in advance as at 30 June 2014 was attributable to sales deposits received for our marble blocks before delivery.

Increase in payroll accruals during the Track Record Period and the Relevant Period as primarily due to increase in workforce under our expansion.

Other payables primarily represented payables in connection with the professional parties under the Global Offering and deposits for environmental protection. Increase in other payables as at 31 December 2013 as compared to as at 31 December 2012 was mainly attributable to increase in payable to professional parties under the Global Offering by approximately RMB1.5 million.

Related party transactions

The table below sets forth the components of our related party transactions as of the date indicated.

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012	As at 31 December 2013	As at 30 June 2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Due from related parties:					
Mr. Guo *(Note 1)*	–	–	–	1,659	–
World Allied *(Note 2)*	–	–	9,225	–	–
	–	–	9,225	1,659	–
Due to related parties:					
Mr. Guo *(Note 3)*	410	497	499	–	
Ms. Guo *(Note 4)*	98	24	22	22	–
World Allied *(Note 5)*	–	–	–	402	–
	508	521	521	424	–

Notes:

1. Mr. Guo is a Director and the chief executive officer of our Company, and the owner of Future Bright (International). The balance represented advances to Mr. Guo during TRP2013 for the development of our Yiduoyan Project.

2. The balance represented unpaid money for subscription of 49 ordinary shares of Gold Title by World Allied. The balance was fully paid by World Allied in TRP2013.

3. The balance represented payable to Mr. Guo for payment of forest use right on behalf of our Group and was fully settled in TRP2013.

4. Ms. Guo held 100% equity interest of Future Bright (International) on trust for the benefit of Mr. Guo before 2 December 2013. The balance represented payable to Ms. Guo for unclaimed expenses incurred on behalf of our Group and was fully settled in TRP2014.

5. The balance represented advances to our Group for general operation purpose.

All the balances with related parties are interest-free, unsecured and repayable on demand and had been settled during TRP2014.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of liquidity have been to invest in the development of our mine and to fund our working capital. As at the Latest Practicable Date, we financed our cash requirements through a combination of bank loans and capital contribution by the Shareholders.

Our bank borrowing contains certain standard covenants that are commonly found in lending arrangements with commercial banks. Our Directors have confirmed that we had not defaulted or delayed in any payment or breached any of the material covenants pertaining to our bank borrowing during the Relevant Period and Track Record Period and up to the Latest Practicable Date.

Except for the funding requirements for the development of our Yiduoyan Project, we did not expect there would be any material change in the source and use of cash. We are able to manage liquidity risks by maintaining adequate reserves, banking facilities, continuously monitoring forecasted and actual cash flows and matching the maturity profiles of assets and liabilities. In the event that additional working capital is required for business expansion, we may approach other banks to obtain additional banking facilities and/or negotiate with our existing lenders for an increase in banking facilities. We do not foresee any deterioration of the credit markets or tightened monetary policies in the PRC and Hong Kong, which may result in an adverse impact on the banking facilities available to us. In the future, we expect that our working capital and other liquidity requirements will be satisfied through a combination of cash generated from our operating activities, banking facilities made available to us and the proceeds from the Global Offering.

Cash flows

The following table sets forth a summary of our cash flows information for the period indicated:

	RP2011	RP2012	TRP2012	TRP2013	Six months ended 30 June 2013	TRP2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Cash and cash equivalents at beginning of period/year	–	1,930	4,044	5,290	5,290	2,959
Net cash flows (used in)/from operating activities	193	(566)	(1,734)	(12,959)	(7,521)	2,501
Net cash flows used in investing activities	(1,518)	(1,416)	(414)	(7,592)	(4,863)	(2,397)
Net cash flows from financing activities	3,344	3,434	3,404	18,357	16,724	7,638
Net increase/(decrease) in cash and cash equivalents	2,019	1,452	1,256	(2,194)	4,340	7,742
Net foreign exchange difference	(89)	8	(10)	(137)	(179)	1
Cash and cash equivalents at end of period/year	1,930	3,390	5,290	2,959	9,451	10,702

Operating activities

Net cash inflows from operating activities for RP2011 were RMB193,000, primarily due to a loss before tax of RMB395,000, and partially offset by (i) an increase in amount due to related parties of RMB508,000 due to cash advance from Mr. Guo and Ms. Guo, and (ii) an increase in other payables and accruals of RMB322,000 mainly due to the deposits for environmental protection.

Net cash outflows from operating activities for RP2012 were RMB566,000, primarily due to a loss before tax of RMB731,000, and partially offset by payroll payables of RMB102,000 due to increase in workforce under our expansion.

Net cash flows used in operating activities for TRP2012 were RMB1.7 million, primarily attributable to a loss before tax of RMB2.4 million, and was offset by an increase in other payables and accruals of RMB0.7 million mainly arising from increase in payables related to expenses incurred in relation to the Global Offering and environmental protection under construction stage.

Net cash flows used in operating activities for TRP2013 were RMB13.0 million, primarily attributable to a loss before tax of RMB11.2 million, an increase in prepayments, deposits and other receivables of RMB1.9 million primarily related to expenses incurred in relation to the Global Offering, and an increase in amount due from related parties of RMB1.7 million due to an advance to Mr. Guo, and was offset by an increase in other payables and accruals of RMB1.8 million due to payable to professional parties in relation to Global Offering.

Net cash flows used in from operating activities for the six months ended 30 June 2013 were RMB7.5 million, mainly due to a loss before tax of RMB5.9 million, an increase in prepayments, deposits and other receivables of RMB1.0 million primarily related to expenses incurred in relation to the Global Offering, an increase in amount due from related parties of RMB1.7 million due to an advance to Mr. Guo, and was offset by an increase in other payables and accruals of RMB1.5 million due to payable to professional parties in relation to Global Offering.

Net cash flows from operating activities for TRP2014 were RMB2.5 million, primarily attributable to a loss before tax of RMB4.7 million, an increase in prepayments, deposits and other receivables of RMB0.4 million primarily related to expenses incurred in relation to the Global Offering, decrease in other payables and accruals and amount due to related parties of totally approximately RMB1.1 million mainly due to settlements of payable to professional fees, balances with Ms. Guo and World Allied, and partly offset by increase in advance from customers of RMB6.9 million attributable to sales deposits received as well as of RMB1.7 million, a decrease in amounts due from related parties.

Investing Activities

Net cash flows used in investing activities for RP2011 were RMB1.5 million primarily due to purchase of items of property, plant and equipment, mining right and leasing of forest land, particularly expenditure on construction of RMB1.0 million to facilitate the mining infrastructure at our Yiduoyan Project.

Net cash flows used in investing activities for RP2012 were RMB1.4 million primarily due to purchase of items of property, plant and equipment and leasing of forest land, particularly expenditure on construction of RMB1.3 million to facilities the mining infrastructure at our Yiduoyan Project.

Net cash flows used in investing activities for TRP2012 were RMB0.4 million primarily due to purchase of items of property, plant and equipment for the purpose of facilitate the mining infrastructure at our Yiduoyan Project.

Net cash flows used in investing activities for TRP2013 were RMB7.6 million primarily due to purchase of items of property, plant and equipment for the purpose of facilitate the mining infrastructure at our Yiduoyan Project and payment for prepaid forest lease.

Net cash flows used in investing activities for the six months ended 30 June 2013 were RMB4.9 million primarily due to purchase of items of property, plant and equipment for the purpose of facilitate the mining infrastructure at our Yiduoyan Project.

Net cash flows used in investing activities for TRP2014 were RMB2.4 million primarily due to purchase of items of property, plant and equipment for the purpose of facilitate the mining infrastructure at our Yiduoyan Project.

Financing activities

Net cash inflows from financing activities for RP2011 were RMB3,344,000 primarily due to capital contribution of RMB3,344,000 from Ms. Guo.

Net cash inflows from financing activities for RP2012 were RMB3,434,000 primarily due to capital contribution of RMB3,434,000 from World Allied for the settlement of the consideration of HK$30 million (equivalent to approximately RMB24.2 million) pursuant to the Gold Title Share Subscription Agreement.

Approximately RMB0.7 million of such consideration was paid on 21 September 2012, being the date on which the shares in Gold Title were transferred to World Allied pursuant to the Gold Title Share Subscription Agreement. Net cash inflows from financing activities for the TRP2012 were RMB3.4 million primarily due to capital contribution of RMB3.4 million from World Allied for the settlement of the consideration of HK$30 million pursuant to the Gold Title Share Subscription Agreement.

Net cash inflows from financing activities for TRP2013 were RMB18.4 million primarily due to capital contribution of RMB16.7 million from World Allied for the settlement of the consideration of HK$30 million pursuant to the Gold Title Share Subscription Agreement and proceeds from bank loan of RMB1.8 million and was partially offset by repayment of principal and interest of RMB0.2 million.

Net cash inflows from financing activities for six months ended 30 June 2013 were RMB16.7 million primarily due to capital contribution of RMB16.7 million from World Allied for the settlement of the consideration of HK$30 million pursuant to the Gold Title Share Subscription Agreement.

Net cash outflows from financing activities for TRP2014 were RMB7.6 million primarily due to capital contribution of RMB7.9 million from Future Bright (International) and Easy Flourish, and was offset by repayment of bank loan and interest of RMB0.3 million.

Working capital

We recorded net current asset of approximately RMB1.1 million, RMB2.5 million, RMB12.9 million, RMB2.8 million and RMB3.4 million as of 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014 respectively. During the Track Record Period and Relevant Period, we relied on capital injection from our Shareholders to meet our capital requirements. For RP2012, TRP2012 and TRP2013 and six months ended 30 June 2013, we recorded negative cash flows from operating activities of RMB0.6 million, RMB1.7 million, RMB13.0 million and RMB7.5 million respectively. However, we generated positive cash flow from operating activities of approximately RMB0.2 million, RMB2.5 million for RP2011 and TRP2014.

We expect to finance our working capital requirements for the 12 months following the date of this prospectus as required by the Listing Rules with the following sources of funding:

(i) cash inflows generated from our operating activities as we commenced limited commercial production in September 2014;

(ii) proceeds from bank loans. As at 31 October 2014, we had total banking facilities of approximately RMB1.3 million which had been completely drawn down and only about RMB0.5 million is repayable within one year;

(iii) the cash and bank balances on hand, which were approximately RMB10.7 million as of 30 June 2014. Based on our unaudited management accounts, we had cash and bank balances of approximately RMB1.9 million as at 31 October 2014; and

(iv) estimated net proceeds of approximately HK$57.8 million to be received by the Group from the Global Offering (assuming an Offer Price of HK$0.9 per Share, being the mid-point of the estimated price range).

Based on the above, our Directors and the Sole Sponsor are of the opinion that our Company will have sufficient funds to meet 125% of our present working capital requirements for at least 12 months from date of this prospectus as required by the Listing Rules.

Please refer to the section headed "Business – Actual and forecasted operating costs" for the sensitivity analysis on the impact of increase in (i) labour cost, (ii) consumable cost, and (iii) fuel and power cost on our total unit operating cash costs, total unit production costs and cashflow position.

INDEBTEDNESS

Bank borrowings

The borrowings including interest-bearing borrowings are set forth below as at the dates presented:

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012	As at 31 December 2013	As at 30 June 2014	As at 31 October 2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans, secured	–	–	–	1,678	1,441	1,278
Repayable within one year	–	–	–	483	503	518
Repayable in the second year	–	–	–	525	547	562
Repayable in the third to fifth years	–	–	–	670	391	198
	–	–	–	1,678	1,441	1,278

The secured bank loan with interest rate at 30% higher than Loan Prime Rate issued by the People's Bank of China from a PRC domestic bank, was used for purchase of equipment for development of our Yiduoyan Project. An excavation machinery of net carrying amount of approximately RMB2.0 million as at 31 October 2014, was pledged to the bank as security.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 October 2014, being the latest practicable date for determining our indebtedness, we did not have any other outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or any guarantees or any outstanding material contingent liabilities.

Our Directors have confirmed that there has not been any material change in the indebtedness and contingent liabilities of our Group since 31 October 2014 and up to the date of the prospectus.

Save as disclosed above, the Group currently has no material external debt financing in place and is not likely to raise any other material external debt financing in the near future. There is no material covenants include in our bank loan which impact or restrict our ability to undertake additional debt on equity financing.

KEY FINANCIAL RATIOS

The following table sets forth our certain key financial ratios as of the dates indicated.

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012	As at 31 December 2013	As at 30 June 2014
Current ratio(1)	2.3	3.6	8.9	1.7	1.4
Quick ratio(2)	2.3	3.6	8.9	1.7	1.4
Gearing ratio(3)	0.17	0.09	0.01	0.05	0.03

(1) Current assets divided by current liabilities.

(2) Current assets less inventories and divided by current liabilities.

(3) Total debt divided by total equity. Total debt includes interest-bearing bank borrowings and amount due to related parties which are not incurred in the ordinary course of business.

Current ratio and quick ratio

Our current ratio and quick ratio increased from 2.3 as at 31 December 2011 to 3.6 as at 20 September 2012, primarily because the additional capital injection during RP2012. The current and quick ratio further increased to 8.9 as at 31 December 2012, primarily due to the utilisation of the capital injected from World Allied to purchase of property, plant and equipment for the development of our Yiduoyan Project.

Our current ratio and quick ratio decreased significantly from 8.9 as at 31 December 2012 to 1.7 as at 31 December 2013, primarily because we utilised the capital injected from World Allied to purchase of property, plant and equipment for the construction and development of our Yiduoyan Project.

Our current ratio and quick ratio decreased from 1.7 as at 31 December 2013 to 1.4 as at 30 June 2014, mainly due to increase in current liabilities by increase in customers' deposits as at 30 June 2014.

Gearing ratio

Our gearing ratio were relatively low at 0.17 and 0.09 as at 31 December 2011 and 20 September 2012 respectively. The slight decrease in our gearing ratio was mainly due to the increase in the total equity attributable to the development of our Yiduoyan Project.

Our gearing ratio were relatively low at 0.01 and 0.05 as at 31 December 2012 and 2013 respectively, which resulted mainly from our equity finance for the expansion of our Yiduoyan Project.

Our gearing ratio as at 31 December 2013 and as at 30 June 2014 was 0.05 and 0.03 respectively. The slight decrease in the gearing ratio was primarily due to the repayment of principal and interest of bank loan.

COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

We did not have any significant capital commitments as at 31 December 2011, 20 September 2012 and 31 December 2012.

As at 30 December 2013 and 30 June 2014, the Group authorised, but not contracted for capital commitments of approximately RMB43.0 million and RMB39.4 million respectively primarily for the construction and purchase of property, plant and equipment for our development purpose. The balance will be financed by a combination of cash inflows to be generated from the operating activities and net proceeds from our Global Offering.

Operating lease arrangements

As lessee

We lease certain of our office properties under operating lease arrangements. Leases for office properties are negotiated for terms as set out in the following table. As at 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014, we had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 31 December 2011	As at 20 September 2012	As at 31 December 2012		As at 30 June 2014
			2012	2013	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within one year	13	16	19	317	115
In the second to fifth years, inclusive	42	36	32	26	888
After five years	–	–	–	–	–
	55	52	51	343	1,003

Contingent liabilities

As at 30 June 2014 and as at 31 October 2014, we had no outstanding contingent liabilities. We currently are not a party to any litigation that is likely to have a material adverse impact on our business, results of operations or financial condition. Our Directors confirm there has no material change in our contingent liabilities since 30 June 2014 and up to Latest Practicable Date.

Capital expenditures

As stated in the Independent Technical Report, the total capital costs for development of our Yiduoyan Project is estimated to be approximately RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million had already been incurred and a further RMB10.0 million will be spent in the second half of 2014 and approximately RMB27.6 million will be spent between 2015 and 2016. The total remaining capital costs for development of our Yiduoyan Project in the sum of approximately RMB37.6 million will be funded by the net proceeds from the Global Offering of which part of the net proceeds in the sum of HK$47.0 million (equivalent to approximately RMB37.6 million, representing 81.3% of the total net proceeds from the Global Offering) allocated to fund the future capital requirement.

In estimating our total capital costs for development of our Yiduoyan Project, we have allowed a contingency of 8.3% as an allowance for unforeseen events that may happen during the development of our Yiduoyan Project. These unforeseen events may include severe adverse weather condition, natural disasters, unexpected site conditions resulting in additional developmental work and minor change of the development plan and hyper-escalation in civil work cost. The capital costs by category and a brief description of each cost centre are summarised in the table below:

Capital costs by category

	Actual		Forecasted				
	September 2012-December 2013	January 2014-June 2014	July 2014-December 2014	2015	2016	Total	Forecasted capital costs per cubic metre over the life of the mine ("Costs per Cubic Metre") *(Note 1)*
(RMB'000)							*(RMB/m³)*
Mine construction	5,407	284	2,700	1,505	2,321	12,217	13.43
Equipment and installation	3,815	919	4,036	7,143	8,618	24,531	97.95 *(Note 2)*
Engineering, procurement and construction management	2,454	3	302	508	2,690	5,957	6.55
Land use fees	499	50	2,000	–	2,551	5,100	5.60
Mining right fees	294	–	–	–	–	294	0.32
Contingency	–	–	994	916	1,295	3,205	3.52
Total	12,469	1,256	10,032	10,072	17,475	51,304	127.37

Notes:

1. Calculated based on the total capital expenditure divided by the total volume of marble blocks expected to be produced throughout the 47-year life of the mine, which is expected to be equivalent to the estimated Probable Reserve of approximately 0.91 million m^3 as at 1 July 2014.

2. To calculate the costs per cubic metre for the capital costs classified in the "Equipment and installation" category, other than the capital costs of approximately RMB24.53 million required to be spent to achieve the production volume of 20,000m^3 per annum according to the development plan, an equipment replacement cost of a total amount of approximately RMB64.6 million was added in the calculation of such Costs per Cubic Metre. This is because an additional amount of approximately RMB32.3 million of sustaining capital cost is expected to be incurred in 2026 and 2036 respectively for equipment replacement.

As at the Latest Practicable Date, we financed our capital expenditure through a combination of bank loans and capital contribution by the then Shareholders.

In the event of upside market, we will optimise the mine planning and scheduling and reach full production rate earlier by pushing the capital expenditure schedule forward to purchase mining equipment and machinery earlier than originally scheduled. On the other hand, in the event of downside market we will engage cost-cutting strategies (such as reducing the number of workers), lower production target, optimise the mine planning and scheduling and reach full production rate later than scheduled by postponing the capital expenditure schedule.

Actual and forecasted operating costs

According to the Independent Technical Report, the unit cash operating cost of our Yiduoyan Project is estimated at RMB1,423 per m^3, and the total annual cash operating cost is estimated at RMB28.5 million when our Yiduoyan Project reaches the full production rate of 20,000m^3 by 2017.

The table below sets forth a summary of the actual operating costs between January and June 2014 and the forecasted operating costs between July 2014 and 2018 onwards for our Yiduoyan, as stated in the Independent Technical Report:

Actual and forecasted operating costs

	Unit	Actual	Forecasted				
		January-June 2014	July-December 2014	2015	2016	2017	2018 onwards
Variable costs							
Consumables	RMB/m^3	231	197	232	232	232	232
Fuel, electricity and other services	RMB/m^3	206	171	205	205	205	205
Workforce employment*(Note)*	RMB/m^3	617	928	787	502	402	402
Environmental protection monitoring	RMB/m^3	–	19	8	4	3	3
Non-income taxes, royalties and other governmental charges	RMB/m^3	16	109	110	110	110	110
Product marketing	RMB/m^3	202	340	207	121	107	107
Transportation of workforce	RMB/m^3	–	–	–	–	–	–
Contingency allowances	RMB/m^3	–	–	–	–	–	–
Total variable costs		1,272	1,764	1,549	1,174	1,059	1,059
Fixed costs							
On-and off-site administration	RMB/m^3	733	985	950	445	356	356
Environmental protection equipment	RMB/m^3	–	44	19	9	7	7
Total fixed costs		733	1,029	969	454	363	363
Unit cash operating cost	RMB/m^3	2,004	2,793	2,518	1,628	1,423	1,423
Total cash operating cost	RMB	4,544,801	4,189,445	18,882,546	26,052,792	28,485,445	28,458,445

Note: The average monthly salary of workers in Hubei Province, the PRC increased from approximately RMB1,800 in 2009 to approximately RMB3,300 in 2013 according to the Antaike Report. Based on the historical rate of increase of the average salary of workers in Hubei from 2009 to 2013, even though the salary of workers is expected to increase with a CAGR of 12.9% from 2015, it is expected that the number of workers required for the mining operation will increase at a slower rate than the rate of increase in the volume of production due to the reliance of the production on the use of machineries, the automisation of the production process and increase of productivity of the workers through provision of training. As such, it is estimated that the forecasted unit operating costs for workforce employment, which is equal to the total forecasted operating costs for workforce employment divided by the volume of marble blocks to be produced, will decrease as the volume of production increases.

Save for the actual operating costs between January 2014 to June 2014, the above table is an estimate only and is subject to change. Our future actual production costs may differ materially from the above estimated production costs as a result of numerous factors, including the factors described in the section headed "Risk Factors" in this prospectus. In addition to the "Risk Factors" section of this prospectus, you should also refer to the section headed "Forward-looking Statements" in this prospectus for the risks of placing undue reliance on any forward-looking information. According to the Independent Technical Report, the actual operating cost between January 2014 and June 2014 and the forecasted operating cost between July 2014 and 2018 are set forth in the table above are based on the followings:

(i) cost estimates in the Feasibility Study Report;

(ii) actual operating cost between January 2014 and June 2014 provided by us;

(iii) a resource tax of RMB5/m^3;

(iv) VAT of 3% is levied for sale of marble blocks;

(v) VAT of 17% is levied for the purchase of the consumables, fuel and electricity;

(vi) a city maintenance and construction levy of 5% of the total amount of VAT created by our Yiduoyan project;

(vii) an education levy of 5% of the total amount of VAT created by our Yiduoyan Project; and

(viii) a resource compensation levy (2% of sales revenue multiplied by a "coefficient" set by the provincial government).

Whilst the sales contracts we entered into with four customers provide a price range of RMB3,500 per m^3 to RMB5,000 per m^3 and Sinoma estimated the average sales price of the marble blocks from our Yiduoyan Project will be in the region of RMB4,400 per m^3 (which the Independent Technical Consultant considers reasonable), we took a more conservative approach and used the average sales price of RMB3,500 per m^3 in assessing the feasibility of our Yiduoyan Project. Based on the average sales price of RMB3,500 per m^3 and the forecasted operating cost, it is estimated that our Yiduoyan Project will still become self-sufficient in working capital and funding for our cash flow by March 2015. Since then, it is estimated that we will generate net cash inflow from operating activities and profit from our operation.

Prior to reaching that level of self-sufficiency, we estimate that the amount of additional funding required will be approximately RMB20.0 million. It will be funded by our net proceeds from the Global Offering as part of the net proceeds in the sum of HK$47.0 million allocated to fund the future capital requirement. For further details, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

According to the Independent Technical Report, it is estimated that our Yiduoyan Project has an internal rate of return of approximately 77% and a break-even marble block selling price of RMB1,934 per m^3 (VAT inclusive) (at which our Yiduoyan Project's net present value equals zero) while the estimated payback period is approximately 4.1 years, as the initial capital began to be spent from 1 August 2013.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third-parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging or research and development services with us.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various types of market risks in the ordinary course of our business. The main risks arising from our financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. Our finance department, which is led by our senior management, is responsible for managing our exposure to these and other market risks. Our finance department identifies and evaluates financial risks in close cooperation with our operating units. The Board regularly reviews these risks and our financial risk management policy seeks to ensure that adequate resources are available to manage the market risks summarised below and to create value for our Shareholders.

Credit risk

We have no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents and other receivables included in the consolidated statement of financial position represent our maximum exposure to credit risk in relation to its financial assets.

Our cash and cash equivalents are mainly deposits in major reputable financial institutions without significant credit risk. The credit risk of our other financial assets, which comprise other receivables and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. We have no other financial assets which carry significant exposure to credit risk.

During the Track Record Period and the Relevant Period, we had no concentration of credit risk with any single counterparty.

Liquidity risk

We monitor our exposure to a shortage of funds by considering the maturity of both its financial instruments and financial assets and projected cash flows from operations.

Our objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings and advances from the shareholders.

The maturity profile of our financial liabilities as at 31 December 2011, 20 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014, based on the contractual undiscounted payment, is as follows:

As at 31 December 2011

	On demand	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities under other payables and accruals	283	–	–	–	283
Due to related parties	508	–	–	–	508
	791	–	–	–	791

As at 20 September 2012

	On demand	**Less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities under other payables and accruals	282	–	–	–	282
Due to related parties	521	–	–	–	521
	803	–	–	–	803

As at 31 December 2012

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Financial liabilities under other payables and accruals	878	–	–	–	878
Due to related parties	521	–	–	–	521
	1,399	–	–	–	1,399

As at 31 December 2013

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	151	453	1,310	1,914
Financial liabilities under other payables and accruals	2,130	–	–	–	2,130
Due to related parties	424	–	–	–	424
	2,554	151	453	1,310	4,468

As at 30 June 2014

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	151	453	1,007	1,611
Financial liabilities under other payables and accruals	1,322	–	–	–	1,322
	1,322	151	453	1,007	2,933

Interest rate risk

We have no significant interest-bearing assets other than cash and cash equivalents.

Our interest rate risk arises from our borrowing. Borrowing at variable rates exposes us to the risk of changes in market interest rates.

We have not used any interest rate swaps to hedge our exposure to interest rate risk.

Our exposure to the risk of changes in market interest rates relates primarily to our long-term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of our profit before tax (through the impact on long-term floating rate borrowings.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit before tax**
		RMB'000
Year ended 31 December 2013		
RMB	50	(25)
RMB	(50)	25
Six months ended 30 June 2014		
RMB	50	(33)
RMB	(50)	33

Foreign currency risk

Our exposure to foreign currency risk relates to our bank deposits dominated in HKD.

We have not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. Our management monitors the foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

The following table demonstrates the sensitivity to a 5.0% change in RMB against HKD. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of our exposure to foreign currency risk at the end of each reporting period have been determined based on the adjustment of translation of the monetary assets at the end of each reporting period for a 5.0% of change in RMB against HKD, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of cash and cash equivalents denominated in HKD).

	RP2011	RP2012	TRP2012	TRP2013	Six months ended 30 June 2013	TRP2014
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Increase/(decrease) in profit before tax:						
If RMB weakens against HKD	79	–	248	–	132	–
If RMB strengthens against HKD	(79)	–	(248)	–	(132)	–

Capital management

The primary objective of our capital management is to ensure that we maintain a strong credit rating and healthy capital ratio in order to support our business and maximise shareholders' value.

We manage our capital structure and makes adjustments to us in light of changes in economic conditions. To maintain or adjust the capital structure, we may adjust the dividend payment to shareholders or raise new capital from our investors. Our Directors review the capital structure on a regular basis. During the early stage of establishment of our Group, the equity holders of our Company contributed capital based on the needs of our Group. The dividend policy will be established when we start to generate significant revenues from its activities.

No changes were made in the objectives, policies or processes for managing capital risk during the Relevant Period and the Track Record Period.

DIVIDEND POLICY

Following completion of the Global Offering, our Shareholders will be entitled to receive any dividends we declare. The payment and amount of any dividends will be at the discretion of the Board and will depend on our general business condition and strategies, cash flows, financial results and capital requirements, interests of our Shareholders, taxation conditions, statutory restrictions, and other factors that our Board deems relevant. The payment of any dividends will also be subject to the Cayman Islands Companies Law and our constitutional documents, which indicate that payment of dividends out of our share premium account is possible on the condition that we are able to pay our debts when they fall due in the ordinary course of business at the time the proposed dividends are to be paid.

Our ability to declare future dividends will also depend on the availability of dividends, if any, received from our PRC operating subsidiary. Pursuant to the PRC laws, dividends may only be paid out of distributable profits, defined as the retained earnings after-tax profit as determined under the PRC GAAP less any recovery of accumulated losses and the required allocations to statutory reserves made by our PRC operating subsidiary. In general, we will not declare dividends in a year where we do not have any distributable earnings. Cash dividends on our Shares, if any, will be paid in Hong Kong dollars. Other distributors, if any, will be paid to our Shareholders in compliance with relevant laws and regulations. We do not intend to declare or pay any dividend for the financial year ending 31 December 2014.

DISTRIBUTABLE RESERVES

As of 30 June 2014, the aggregate amount of reserves available for distribution to the equity holders of our Company amounted to approximately RMB26.1 million. The Cayman Islands Companies Law provides that share premium account of an exempted company incorporated in the Cayman Islands, such as our Company, may be applied in such manner as it may from time to time determine, subject to the provisions, if any, of its memorandum and articles of association, provided that no distribution or dividend may be paid to its members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, such company shall be able to pay its debts as they fall due in the ordinary course of business.

PROPERTY INTEREST

Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent property valuer, had valued our Group's property interests as at 31 October 2014 at nil value. No reconciliation of the property interests of our Group to the valuation of such property interest is presented accordingly.

The full text of its letter and valuation certificate with regard to such property interests are set out in Appendix III to this prospectus.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following is an illustrative statement of unaudited pro forma adjusted net tangible assets of our Company which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 30 June 2014. The unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Company had the Global Offering been completed as at 30 June 2014 or any future dates.

	Audited consolidated net tangible assets attributable to equity holders of our Company as at 30 June 2014(1)	Estimated net proceeds from the Global Offering(2)	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share(3)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*HK$*
Based on an Offer Price of HK$0.80 per Share	7,733	39,508	47,241	0.13	0.17
Based on an Offer Price of HK$1.00 per Share	7,733	53,166	60,899	0.17	0.22

(1) The consolidated net tangible assets attributable to owners of our Company as of 30 June 2014 is extracted from the accountants' report as set out in Appendix IA to this prospectus, which is based on the audited consolidated net assets attributable to owners as at 30 June 2014 of RMB50.3 million with an adjustment for intangible assets of RMB42.6 million as at 30 June 2014.

(2) The estimated net proceeds from the Global Offering are based on an Offer Price of HK$1.00 per Share or HK$0.80 per Share after deduction of the underwriting fees and related expenses payable by our Group. For the purpose of calculating the estimated net proceeds from the Global Offering in Renminbi, the translation of Hong Kong dollars into Renminbi was made at the rate of HK$1 to RMB0.8.

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share are based on 352,000,000 Shares expected to be in issue following the completion of the Global Offering.

LISTING EXPENSES

Assuming the Offer Size Adjustment Option is not exercised and assuming an Offer Price of HK$0.9 per Share, being the mid-point of the Offer Price range stated in this prospectus, the total estimated listing expenses in connection with the Global Offering comprising principally professional fees are expected to amount to approximately RMB26.8 million, of which approximately RMB8.0 million is directly attributable to the issue of new Shares to the public and will be accounted for as a deduction from equity. The remaining estimated listing expenses which cannot be so deducted will be charged to the profit and loss of our Group. For RP2011, RP2012, TRP2012, TRP2013 and TRP2014, listing expenses charged to the profit and loss of our Group amounted to approximately nil, nil, nil, RMB5.5 million and RMB1.9 million respectively, and approximately nil, nil, nil, RMB1.6 million, and RMB0.7 million, respectively, will be charged against equity upon successful listing according to relevant accounting standard. For the year ending 31 December 2014, we estimate that the listing expenses will amount to approximately RMB17.1 million, of which approximately RMB11.4 million will be charged to the profit and loss of our Group in the year and the remaining RMB5.7 million will be charged against equity upon successful listing, according to relevant accounting standard.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Except as otherwise disclosed in this prospectus, we confirm that, as at the Latest Practicable Date, we were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to Rules 13.19 of the Listing Rules.

DIRECTORS' CONFIRMATION ON NO MATERIAL ADVERSE CHANGE

As a result of recognition of listing expenses in the amount of approximately RMB11.4 million, we expect that there would be an increase in our administrative expenses in the second half of 2014. Save for the listing expenses as disclosed in the paragraph "Listing Expenses" above, our Directors confirm that they have performed sufficient due diligence on our Company to ensure that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 30 June 2014, the date of the latest audited financial statements of our Company, and there has been no events since 30 June 2014 which would materially affect the information shown in the accountants' report, the text of which is set out in Appendix IA to this prospectus.

FUTURE PLANS

Please see the paragraph headed "Business strategies" in the section headed "Business" of this prospectus for a detailed description of our future plans.

USE OF PROCEEDS

The table below sets forth the estimated net proceeds from the Global Offering that we will receive after deduction of underwriting fees and commissions, fees and anticipated expenses payable by us in connection with the Global Offering:

	Assuming the Offer Size Adjustment Option is not exercised *(HK$ million)*	**Assuming the Offer Size Adjustment Option is exercised in full** *(HK$ million)*
Assuming an Offer Price of HK$1.0 per Offer Share (being the high end of the Offer Price range stated in this prospectus)	66.3	79.1
Assuming an Offer Price of HK$0.9 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus)	57.8	69.3
Assuming an Offer Price of HK$0.8 per Offer Share (being the low end of the Offer Price range stated in this prospectus)	49.3	59.5

We currently intend to apply the net proceeds from the Global Offering of approximately HK$57.8 million for the following purposes assuming the Offer Size Adjustment Option is not exercised and assuming an Offer Price of HK$0.9 per Share, being the mid-point of the Offer Price range stated in this prospectus:

- approximately 81.3% of the net proceeds from the Global Offering (approximately HK$47.0 million) to fund the capital cost for development of our Yiduoyan Project (for further details of the development plan and capital expenditure, please refer to the paragraphs headed "Business – Development plan" and "Financial Information – Capital expenditures" in this prospectus), amongst which:

  - approximately 42.7% of the net proceeds from the Global Offering (approximately HK$24.7 million) for purchase of equipment and machinery;

  - approximately 14.2% of the net proceeds from the Global Offering (approximately HK$8.2 million) for mine construction which includes, amongst others, construction of access road, water supply and drainage system, electricity supply system and other facilities;

  - approximately 9.9% of the net proceeds from the Global Offering (approximately HK$5.7 million) for payment of land use fee;

  - approximately 7.6% of the net proceeds from the Global Offering (approximately HK$4.4 million) for engineering, procurement and construction management which includes the cost for administration facilities, staff training work and facilities relating to environmental, health and safety, exploration, feasibility and engineering design;

  - approximately 6.9% of the net proceeds from the Global Offering (approximately HK$4.0 million) to be reserved as contingency allowance in case of any unforeseen events which may occur during the course of development of our Yiduoyan Project. These unforeseen events may include severe adverse weather condition, natural disasters, unexpected site conditions resulting in additional developmental work and minor change of the development plan and hyper-escalation in civil work cost;

- approximately 9% of the net proceeds from the Global Offering (approximately HK$5.2 million) to fund the development of our sales channels and marketing in line with our strategy to develop our product recognition as further disclosed in the paragraph headed "Business strategies – Develop product recognition" in the section headed "Business" of this prospectus; and

- approximately 9.7% of the net proceeds from the Global Offering (approximately HK$5.6 million) for working capital and other general corporate purposes including expenses for our day-to-day operation.

The above allocation of the net proceeds from the Global Offering will be adjusted on a pro-rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range stated in this prospectus.

In the event that the Offer Size Adjustment Option is exercised in full, we intend to apply the additional net proceeds from the Global Offering to the above uses in the proportions stated above.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes, we intend to deposit the net proceeds from the Global Offering into short-term demand deposits, interest-bearing bank accounts with licensed banks or financial institutions as permitted by the relevant laws and regulations.

HONG KONG UNDERWRITERS

Sole Global Coordinator

Guotai Junan Securities (Hong Kong) Limited

Sole Lead Manager

Guotai Junan Securities (Hong Kong) Limited

Co-managers

CNI Securities Group Limited
Ever-Long Securities Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

(a) Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is initially offering 8,800,000 Hong Kong Offer Shares (subject to reallocation) for subscription by way of Hong Kong Public Offering on and subject to the terms and conditions of this prospectus and the related Application Forms. It is expected that our Company will enter into the International Underwriting Agreement pursuant to which our Company will initially offer 79,200,000 International Placing Shares (subject to reallocation and to any additional new Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option) for subscription by way of International Placing on and subject to the terms and conditions of this prospectus.

Subject to (i) the Listing Committee granting listing of, and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus, including the Shares to be issued under the Global Offering, additional Shares to be issued pursuant to the exercise of the Offer Size Adjustment Option and any options up to 10% of the Shares in issue on the Listing Date that may be granted under the Share Option Scheme, subject only to allotment and/or dispatch of Share certificates for the Offer Shares and/or other usual conditions, on or before the Business Day preceding the Listing Date (or such later date as Guotai Junan Securities (on behalf of the Hong Kong Underwriters) may agree in writing) and such approval and permission not having been subsequently revoked prior to 8:00 a.m. on the Listing Date and (ii) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have severally agreed to apply or procure applications, on the terms and conditions of this prospectus and the related Application Forms, for the Hong Kong Offer Shares now being offered and which are not taken up under the Hong Kong Public Offering.

Grounds for termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares under the Hong Kong Underwriting Agreement are subject to termination, if, at any time prior to 8:00 a.m. on the Listing Date:

(a) there has come to the notice of Guotai Junan Securities:

(i) that any statement, considered by Guotai Junan Securities to be material, contained in this prospectus and/or the Application Forms in relation to the Global Offering was when the same was issued, or has become, untrue, incorrect or misleading in any material respect; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission therefrom considered by Guotai Junan Securities to be material to the Global Offering; or

(iii) any breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than on any of the Underwriters, the Sole Sponsor or the Sole Lead Manager); or

(iv) any adverse change or development involving a prospective adverse change in the conditions, business affairs, prospects or the financial or trading position of our Group as a whole; or

(v) any breach by our Company, the executive Directors or the Covenantors, reasonably considered by Guotai Junan Securities to be material, of any of the warranties under the Hong Kong Underwriting Agreement or the International Underwriting Agreement;

(b) there shall develop, occur, exist or come into effect:

(i) any event, or series of events, in the nature of force majeure beyond the reasonable control of the Hong Kong Underwriters (including, without limitation, acts of government, strikes, lockouts, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, riot, public disorder, economic sanctions, outbreak of diseases or epidemics including SARS and avian influenza and such related/mutated forms or interruption or delay in transportation); or

(ii) any change or development involving a prospective change, or any event or series of events likely to result in any change or development involving a prospective change, in local, national, international, financial, economic, political, military, industrial, fiscal, regulatory or market conditions and matters and/or disaster or any monetary or trading settlement systems (including any moratorium or suspension on or material fluctuations in trading prices of the securities generally traded on the Stock Exchange, the New York Stock Exchange, the NASDAQ National Market or any of the stock exchanges in China, a material fluctuation in the exchange rate of Hong Kong dollars against any foreign currency or any interruption in securities settlement or clearance service or procedures in Hong Kong or anywhere in the world); or

(iii) any new law or regulation or change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdictions relevant to any member of our Group (the "**Specific Jurisdictions**"); or

(iv) the imposition of economic sanctions, in whatever form, directly or indirectly, by or for the U.S. or by the European Union (or any member thereof) on Hong Kong or any of the Specific Jurisdictions; or

(v) a change or development occurs involving a prospective change in taxation or currency exchange control (or the implementation of any exchange control) in Hong Kong or any of the Specific Jurisdictions; or

(vi) any change or development involving a prospective change, or an actual occurrence of, any of the risks set out in the section headed "Risk Factors" in this prospectus; or

(vii) any litigation or claim of material importance of any third party being threatened or instigated against any member of our Group; or

(viii) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or

(ix) any material loss or damage sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or

(x) a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto occurs in respect of any member of our Group; or

(xi) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong and/or the Hong Kong Monetary Authority or other competent authority) or any of the Specific Jurisdictions,

which in their sole opinion of Guotai Junan Securities (for itself and on behalf of the Hong Kong Underwriters) (1) is or will have or could be expected to have a material adverse effect on the business, financial or other condition or prospects of our Group as a whole; or (2) has or will have or could reasonably be expected to have material adverse effect on the success, marketability or pricing of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Placing; or (3) makes it inadvisable, inexpedient or impracticable for the Global Offering to proceed.

Undertakings to the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement

Our Company has undertaken to the Hong Kong Underwriters and each of them that it will not, and each of the Covenantors and executive Directors has jointly and severally undertaken to the Hong Kong Underwriters and each of them to procure, except pursuant to the Global Offering (including the issue of new Shares pursuant to the Capitalisation Issue and the exercise of the Offer Size Adjustment Option), the grant of options under the Share Option Scheme and the issue of new Shares pursuant to the exercise of options that may be granted under the Share Option Scheme and save as mentioned in this prospectus or with the prior written consent of Guotai Junan Securities (on behalf of the Hong Kong Underwriters), and unless in compliance with the requirements of the Listing Rules, our Company shall not, and shall procure that its subsidiaries shall not, allot or issue, or agree to allot or issue, any Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) (including warrants or other convertible or exchangeable securities), or grant or agree to grant any options, warrants or other rights to subscribe for or otherwise acquire any securities or convertible or exchangeable into Shares or other securities of our Company, or repurchase Shares or other securities of our Company (except in compliance with the Listing Rules and the Code on Share Repurchases), or enter into any swap or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership in any Shares, or offer to or agree to do any of the foregoing or announce any intention to do so, within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date) and in the event of our Company doing any of the foregoing by virtue of the aforesaid consent or exceptions or during the period of six months immediately following the expiry of the first six months period after the Listing Date, our Company will take all reasonable steps to ensure that any such act will not create a disorderly or false market for any Shares or other securities of our Company.

Each of Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu, each being a Controlling Shareholder, has jointly and severally undertaken to our Company and the Hong Kong Underwriters and each of them that without the prior written consent of Guotai Junan Securities (on behalf of the Hong Kong Underwriters), he or it shall not directly or indirectly and shall procure that the relevant registered Shareholders shall not:

(i) in the period commencing on the Listing Date and ending on a date which is six months from the Listing Date:

(a) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances (including the creation or entry into of any agreement to create any pledge or charge) in respect of any of those securities in respect of which they are shown by this prospectus to be the beneficial owner(s) or any interest in such securities (which includes any interest in a company which holds any such securities) or securities that constitute or confer the right to receive such securities or securities convertible into or exercisable or exchangeable for or repayable with such securities; or

(b) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of such securities, whether any such swap agreement or other agreement or transaction is to be settled by delivery of such securities or other securities, in cash or otherwise; or

(c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (a) and (b) above; or

(d) announce any intention to enter into or effect any of the transactions referred to in paragraphs (a), (b) or (c) above; and

(ii) within a further six months commencing on the expiry of the six-month period referred to in paragraph (i) above, take any action as referred to in (i) (a)-(d) above, if, immediately following such disposal, any of them, either individually or taken together with the others, would cease to be a controlling shareholder (within the meaning of the Listing Rules) of the Company or cease to hold a controlling interest (that is to say, an interest of over 30% or such lower amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer); and

(iii) in the event of any disposal of Shares or any such interests referred to in paragraph (i) above after expiry of the six-month period referred to in paragraph (i) above, all reasonable steps will be taken to ensure that such disposal will not create a false or disorderly market in the Shares.

Undertakings pursuant to the Listing Rules

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders shall not and shall procure that the relevant registered holder(s) shall not, without the prior written consent of the Stock Exchange or unless in compliance with the Listing Rules:

(a) during the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities of us in respect of which it is shown by this prospectus to be the beneficial owner; or

(b) during the period of six months commencing on the date on which the period referred to in (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or securities referred to in (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interest or encumbrances, he or it would cease to be a controlling shareholder (as defined in the Listing Rules) of our Company.

Each of the Controlling Shareholders has undertaken to the Stock Exchange and our Company that, within the period commencing on the date by reference to which disclosure of the shareholding of the Controlling Shareholders is made in this prospectus and ending on the date which is twelve months from the Listing Date, he or it shall:

(a) when he or it pledges or charges any Shares or securities beneficially owned by him/it in favor of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform our Company of such pledge or charge together with the number of the Shares so pledged or charged; and

(b) when he or it receives any indications, either verbal or written, from any pledgee or chargee of any of the pledged or charged Shares or securities will be disposed of, immediately inform our Company of any such indications.

Our Company shall inform the Stock Exchange as soon as it has been informed of such matters and disclose such matters by way of an announcement which will be published by way of announcement in accordance with Rule 2.07C of the Listing Rules as soon as possible.

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that no further Shares or securities convertible into our equity securities (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or our securities will be completed within six months from the commencement of dealing), except for certain circumstances prescribed by Rule 10.08 of the Listing Rules.

(b) International placing

International Underwriting Agreement

In connection with the International Placing, our Company is expected to enter into the International Underwriting Agreement with the International Underwriters and the Sole Global Coordinator. Under the International Underwriting Agreement, the International Underwriters would, subject to certain conditions set out therein, severally agree to purchase the International Placing Shares being offered pursuant to the International Placing or procure purchasers for such International Placing Shares.

It is expected that under the International Underwriting Agreement, our Company will grant to the International Underwriters the Offer Size Adjustment Option, exercisable by the Sole Lead Manager on behalf of the International Underwriters during the period commencing from the date of this prospectus to 5:00 p.m. on the Business Day immediately prior to the date of the announcement of the results of allocations and the basis of allocation of the Hong Kong Offer Shares, at its sole and absolute discretion, to require our Company to allot and issue up to an aggregate of 13,200,000 additional Shares, representing 15% of the Offer Shares initially available under the Global Offering. These additional Shares will be issued at the Offer Price and will be solely for the purpose of covering over-allocations in the International Placing, if any.

(c) Commissions and expenses

The Hong Kong Underwriters will receive an underwriting commission of 3% on the aggregate Offer Price of all the Hong Kong Offer Shares, out of which they will pay any sub-underwriting commission. For unsubscribed Hong Kong Offer Shares reallocated to the International Placing, we will pay an underwriting commission at the rate applicable to the International Placing and such commission will be paid to the relevant International Underwriters subject to the terms and conditions of the Underwriting Agreements. The commission payable to the Underwriters, together with the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing and other expenses relating to the Global Offering which are currently estimated to be approximately RMB26.8 million in aggregate (based on an Offer Price of HK$0.9 per Share, being the mid-point of the stated range of the Offer Price of between HK$1.00 and HK$0.80 per Share and the assumption that the Offer Size Adjustment Option is not exercised) is to be borne by our Company.

(d) Underwriters' interests in our Company

Other than pursuant to the Underwriting Agreements, none of the Underwriters has any shareholding in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Global Offering (the "Syndicate Members") and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own accounts and for the account of others. In relation to our Shares, other activities could include acting as agent for buyers and sellers of our Shares, entering into transactions with other buyers and sellers in a principal capacity, proprietary trading in our Shares, and entering into over-the-counter or listing derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying, assets including our Shares. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling our Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in our Shares, in baskets of securities or indices including our Shares, in units of funds that may purchase our Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having our Shares as their underlying, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of other securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and these will also result in hedging activity in our Shares in most cases.

These activities may affect the market price or value of our Shares, the liquidity or trading volume in our Shares, and the volatility of our Share price, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilising or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of 8,800,000 Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in the paragraph headed "The Hong Kong Public Offering" of this section; and

(b) the International Placing of an aggregate of 79,200,000 Shares (subject to reallocation and the Offer Size Adjustment Option as mentioned below) outside the United States to professional and institutional investors.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Placing, but may not do both. References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

The Offer Shares will represent 25% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Offer Size Adjustment Option and any option which may be granted under the Share Option Scheme. If the Offer Size Adjustment Option is exercised in full, the Offer Shares will represent approximately 27.7% of the enlarged issued share capital immediately after completion of the Global Offering and the exercise of the Offer Size Adjustment Option as set out in the paragraph headed "Offer Size Adjustment Option" in this section.

THE HONG KONG PUBLIC OFFERING

Number of Shares initially offered

We are initially offering 8,800,000 new Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Shares initially available under the Global Offering. Subject to the reallocation of Shares between the International Offering and the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.5% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised). The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in the paragraph headed "Conditions of the Hong Kong Public Offering" in this section.

Allocation

Allocation of Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

Multiple or suspected multiple applications and any application for more than 8,800,000 Hong Kong Offer Shares (being 100% of the Hong Kong Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment. The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing is subject to the following adjustments:

(a) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Placing will be increased so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 26,400,000 Offer Shares, representing approximately 30% of the Offer Shares initially available under the Global Offering;

(b) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Placing will be increased, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 35,200,000 Offer Shares, representing approximately 40% of the Offer Shares initially available under the Global Offering; and

(c) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Placing will be increased, so that the total number of the Offer Shares available under the Hong Kong Public Offering will 44,000,000 Offer Shares, representing approximately 50% of the Offer Shares initially available under the Global Offering.

Any such clawback and reallocation between the International Placing and the Hong Kong Public Offering will be completed prior to any adjustment of the number of the Offer Shares pursuant to the exercise of the Offer Size Adjustment Option, if any.

In each case, based on the additional Offer Shares reallocated to the Hong Kong Public Offering, the number of Offer Shares allocated to the International Placing will be correspondingly reduced in such manner as the Sole Global Coordinator deems appropriate. In addition, the Sole Global Coordinator may reallocate Offer Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Sole Global Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing in such proportions as the Sole Global Coordinator deems appropriate. Conversely, the Sole Global Coordinator may at its sole discretion re-allocate Offer Shares from the International Placing to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Placing.

Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK$1.00 per Offer Share in addition to the brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing of the Global Offering" of this section, is less than the maximum price of HK$1.00 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out below in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL PLACING

Number of Offer Shares offered

The International Placing will consist of an initial offering of 79,200,000 Offer Shares, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering and approximately 22.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming the Offer Size Adjustment Option is not exercised. The International Placing will be offered by us outside of the United States in reliance on Regulation S under the U.S. Securities Act, including to professional and institutional investors in Hong Kong.

Allocation

The International Placing will include selective marketing of the International Placing Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for the International Placing Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of the International Placing Shares pursuant to the International Placing will be effected in accordance with the "book-building" process described in the section entitled "Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and the Shareholders as a whole.

The Sole Global Coordinator (for itself and on behalf of the other Underwriters) may require any investor who has been offered International Placing Shares under the International Placing, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sole Global Coordinator so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application of the Hong Kong Offer Shares under the Hong Kong Public Offering.

OFFER SIZE ADJUSTMENT OPTION

In connection with the Global Offering and pursuant to the International Underwriting Agreement, we expect to grant an Offer Size Adjustment Option to the International Underwriters.

Offer Size Adjustment Option

Pursuant to the Offer Size Adjustment Option, the Sole Global Coordinator (for itself and on behalf of the other International Underwriters) will have the right, exercisable at any time during the period from the date of this prospectus to 5:00 p.m. on the Business Day immediately prior to the date of the announcement of the results of allocations and the basis of allocation of the Hong Kong Offer Shares, at its sole and absolute discretion, to require our Company to issue, at the Offer Price, up to an aggregate of 13,200,000 additional Shares, representing 15% of the initial Offer Shares to cover over-allocations in the International Placing, subject to the terms of the International Underwriting Agreement. The Sole Global

Coordinator in its sole and absolute discretion may decide to whom and proportions in which the additional shares will be allotted. If the Offer Size Adjustment Option is exercised in full, the additional Shares will represent approximately 3.6% of the enlarged issued share capital of our Company immediately following the completion of the Global Offering, the Capitalisation Issue and the exercise of the Offer Size Adjustment Option.

For the avoidance of doubt, the purpose of the Offer Size Adjustment Option is to provide flexibility for the Sole Global Coordinator to meet any excess demand in the International Placing. The Offer Size Adjustment Option will not be associated with any price stabilisation activities of the Shares in the secondary market after the Listing and will not be subject to the Securities and Futures (Price Stabilizing) Rules of the SFO (Chapter 571W of the laws of Hong Kong). No purchase of the Shares in the secondary market will be effected to cover any excess demand in the International Placing which will only be satisfied by the exercise of the Offer Size Adjustment Option in full or in part.

Our Company will disclose in its allotment results announcement whether and to what extent the Offer Size Adjustment Option has been exercised, and will confirm in the announcement that, if the Offer Size Adjustment Option is not exercised by then, the Offer Size Adjustment Option will lapse and cannot be exercised at any future date. The allotment results announcement will be published on the Stock Exchange website at (**www.hkexnews.hk**) and our Company's website at (**www.futurebrightltd.com**).

Pricing of the Global Offering

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Placing. Prospective professional and institutional investors will be required to specify the number of the International Placing Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about 5 January 2015, and in any event on or before 7 January 2015, by agreement between the Sole Lead Manager (for itself and on behalf of the other Underwriters), and our Company and the number of Offer Shares to be allocated or sold under various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$1.00 per Share and is expected to be not less than HK$0.80 per Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this prospectus.

The Sole Global Coordinator (for itself and on behalf of the other Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the indicative offer price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause there to be published in The Standard (in English) and Hong Kong Economic Journal (in Chinese), on the website of our Company (**www.futurebrightltd.com**) and the website of the Stock Exchange (**www.hkexnews.hk**) a notice of the reduction. Upon issue of such a notice, the number of Offer Shares offered in the Global Offering and/or the revised offer price range will be final and conclusive and the offer price, if agreed upon by the Sole Global Coordinator (for itself and on behalf of the other Underwriters) and our Company, will be fixed within such revised offer price range. Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the indicative offer price range may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. In the event there is a reduction in the Offer Shares and/or indicative Offer Price range, if the applicants have already submitted an application for the Hong Kong Offer Shares before the last day for lodging applications under the Hong Kong Public Offering, they will be allowed to subsequently withdraw their applications. In the absence of any such notice so published, the Offer Price, if agreed upon with our Company and the Sole Global Coordinator, will under no circumstances be set outside the offer price range as stated in this prospectus.

The net proceeds from the Global Offering accruing to our Company (after deduction of underwriting fees and estimated expenses payable by our Company in relation to the Global Offering, assuming the Offer Size Adjustment Option is not exercised) are estimated to be approximately HK$57.8 million, assuming an Offer Price per Share of HK$0.90 (being the mid-point of the stated indicative Offer Price range of HK$0.80 to HK$1.00 per Share) or if the Offer Size Adjustment Option is exercised in full, approximately HK$69.3 million, assuming an Offer Price per Share of HK$0.90 (being the mid-point of the stated indicative Offer Price range of HK$0.80 to HK$1.00 per Share).

The final Offer Price, the indications of interest in the Global Offering, the results of applications and the basis of allotment of the Hong Kong Offer Shares available under the Hong Kong Public Offering, are expected to be announced on 8 January 2015 in The Standard (in English) and Hong Kong Economic Journal (in Chinese), on the website of our Company (**www.futurebrightltd.com**) and the website of the Stock Exchange (**www.hkexnews.hk**).

UNDERWRITING AGREEMENTS

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company, our Controlling Shareholders, the Sole Sponsor, the Sole Global Coordinator and the International Underwriters expect to enter into the International Underwriting Agreement relating to the International Placing on or around the Price Determination Date. These underwriting arrangements, and the respective Underwriting Agreements, are summarised in the section headed "Underwriting Agreements" of this prospectus.

THE SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made to enable the Shares to be admitted into the CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CONDITIONS OF THE HONG KONG PUBLIC OFFERING

Acceptance of all applications for the Hong Kong Offer Shares pursuant to the Hong Kong Public Offering will be conditional on:

(a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares being offered pursuant to the Global Offering (including the additional Offer Shares which may be made available pursuant to the exercise of the Offer Size Adjustment Option) (subject only to allotment);

(b) the Offer Price having been fixed on or about the Price Determination Date;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between our Company and the Sole Global Coordinator (for itself and on behalf of the other Underwriters), or the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company in The Standard (in English) and Hong Kong Economic Journal (in Chinese) on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Shares are expected to be issued on 8 January 2015 but will only become valid certificates of title at 8:00 a.m. on 9 January 2015 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting – Underwriting arrangements and expenses – Hong Kong Underwriting Agreement – Grounds for termination" of this prospectus has not been exercised.

DEALINGS

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on 9 January 2015, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on 9 January 2015.

The Shares will be traded in board lots of 4,000 Shares each.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** Service Provider at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sole Global Coordinator, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** Service Provider, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Sole Global Coordinator may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** Service Provider for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- an associate (as defined in the Listing Rules) of any of the above;
- a connected person of our Company or will become a connected person of our Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.eipo.com.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between 9:00 a.m. on Monday, 29 December 2014 until 12:00 noon on Friday, 2 January 2015 from:

(i) the following office of the Hong Kong Underwriters:

Guotai Junan Securities (Hong Kong) Limited
27/F, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

CNI Securities Group Limited
10/F., Sun's Group Centre
200 Gloucester Road
Wanchai
Hong Kong

Ever-Long Securities Company Limited
18th Floor, Dah Sing Life Building
99-105 Des Voeux Road Central
Hong Kong

(ii) any of the following branches of Bank of Communications Co., Ltd. Hong Kong Branch, the receiving bank for the Hong Kong Public Offering:

	Branch name	Branch address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	Chai Wan Sub-Branch	G/F., 121-121A Wan Tsui Road, Chai Wan
	Taikoo Shing Sub-Branch	Shop 38, G/F., CityPlaza 2, 18 Taikoo Shing Road
Kowloon	Tsim Sha Tsui Sub-Branch	Shop 1-3, G/F., 22-28 Mody Road, Tsim Sha Tsui
	Ngau Tau Kok Sub-Branch	Shop G1 & G2, G/F., Phase I, Amoy Plaza, 77 Ngau Tau Kok Road
New Territories	Yuen Long Sub-Branch	Shop 2B, G/F., Man Yu Building, 2-14 Tai Fung Street, Yuen Long
	Shatin Sub-Branch	Shop No. 193, Level 3, Lucky Plaza, Shatin

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 29 December 2014 until 12:00 noon on Friday, 2 January 2015 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Bank of Communications (Nominee) Co. Ltd. – Future Bright Mining Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Monday, 29 December 2014 – 9:00 a.m. to 5:00 p.m.
- Tuesday, 30 December 2014 – 9:00 a.m. to 5:00 p.m.
- Wednesday, 31 December 2014 – 9:00 a.m. to 5:00 p.m.
- Friday, 2 January 2015 – 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 2 January 2015, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Applications Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **White Form eIPO** Service Provider, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Sole Global Coordinator (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of our Company, the Sole Global Coordinator, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing nor participated in the International Placing;

(viii) agree to disclose to our Company, our Hong Kong Share Registrar, receiving bank, the Sole Global Coordinator, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sole Global Coordinator and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Hong Kong Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any e-Refund payment instructions and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to the **White Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC; and (ii) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for Yellow Application Form

You may refer to the Yellow Application Form for details.

5. APPLYING THROUGH WHITE FORM eIPO SERVICE PROVIDER

General

Individuals who meet the criteria in "Who can apply" section, may apply through the **White Form eIPO** Service Provider for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **White Form eIPO** Service Provider are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** Service Provider.

Time for Submitting Applications under the White Form eIPO

You may submit your application to the **White Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. Monday, 29 December 2014 until 11:30 a.m. on Friday, 2 January 2015, and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 2 January 2015, or such later time under the "Effects of Bad Weather on the Opening of the Applications Lists" in this section.

No Multiple Applications

If you apply by means of **White Form eIPO**, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **White Form eIPO** Service Provider to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **White Form eIPO** more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **White Form eIPO** Service Provider or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of **White Form eIPO** is to save the use of papers via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the **White Form eIPO** Service Provider, will contribute HK$2.00 for each "Future Bright Mining Holdings Limited" **White Form eIPO** application submitted via **www.eipo.com.hk** to support the funding of "Source of Dong Jiang – Hong Kong Forest" project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give electronic application instructions to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (https://ip.ccass.com) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sole Global Coordinator and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing;

- declare that only one set of electronic application instructions has been given for your benefit;

- (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorised to give those instructions as their agent;

- confirm that you understand that our Company, the Directors and the Sole Global Coordinator will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorise our Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of our Company, the Sole Global Coordinator, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to our Company, our Hong Kong Share Registrar, receiving bank, the Sole Global Coordinator, the Underwriters and/or its respective advisers and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Hong Kong Public Offering results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies Ordinance and the Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies(including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 4,000 Hong Kong Offer Shares. Instructions for more than 4,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:

- Monday, 29 December 2014 – 9:00 a.m. to 8:30 p.m.*(Note)*
- Tuesday, 30 December 2014 – 8:00 a.m. to 8:30 p.m.*(Note)*
- Wednesday, 31 December 2014 – 8:00 a.m. to 8:30 p.m.*(Note)*
- Friday, 2 January 2015 – 8:00 a.m.*(Note)* to 12:00 noon

Note: These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Monday, 29 December 2014 until 12:00 noon on Friday, 2 January 2015, (24 hours daily, except on the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Friday, 2 January 2015, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Application Lists" in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Share Registrar, the receiving bank, the Sole Global Coordinator, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving electronic application instructions to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** Service Provider is also only a facility provided by the **White Form eIPO** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Bookrunner, the Sole Sponsor, the Sole Global Coordinator and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** Service Provider will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their electronic application instructions, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CASS Internet System for submission of electronic application instructions, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for electronic application instructions before 12:00 noon on Friday, 2 January 2015.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or through **White Form eIPO** Service Provider, is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** Service Provider in respect of a minimum of 4,000 Hong Kong Offer Shares. Each application or electronic application instruction in respect of more than 4,000 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure of the Global Offering".

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warming signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, 2 January 2015. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Friday, 2 January 2015 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable", an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Thursday, 8 January 2015 in The Standard (in English) and Hong Kong Economic Journal (in Chinese) on our Company's website at **www.futurebrightltd.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.futurebrightltd.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Thursday, 8 January 2015;

- from the designated results of allocations website at **www.iporesults.com.hk** with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Thursday, 8 January 2015 to 12:00 midnight on Wednesday, 14 January 2015;

- by telephone enquiry line by calling 2862 8669 between 9:00 a.m. and 10:00 p.m. from Thursday, 8 January 2015 to Sunday, 11 January 2015;

- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 8 January 2015 to Saturday, 10 January 2015 at all the designated receiving bank branches and sub-branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC or to **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

Our Company, the Sole Global Coordinator, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Offer Shares is void:

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or

- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;

- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Offer Shares and International Placing Shares;

- your Application Form is not completed in accordance with the stated instructions;

- your electronic application instructions through the **White Form eIPO** Service Provider are not completed in accordance with the instructions, terms and conditions on the designated website;

- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;

- the Underwriting Agreements do not become unconditional or are terminated;

- our Company or the Sole Global Coordinator believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or

- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK$1.00 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering – Conditions" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Thursday, 8 January 2015.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by electronic application instructions to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Thursday, 8 January 2015. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 9 January 2015 provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from our Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 8 January 2015 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on or before Thursday, 8 January 2015, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Thursday, 8 January 2015, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 8 January 2015, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- **If you apply through a designated CCASS participant (other than a CCASS investor participant)**

For Hong Kong Public Offering shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offering shares allotted to you with that CCASS participant.

- **If you are applying as a CCASS investor participant**

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 8 January 2015 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the White Form eIPO Service Provider

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Computershare Hong Kong Investor Services Limited at shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 8 January 2015, or such other date as notified by the Company in the newspapers as the date of despatch/collection of Share certificates e-Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Thursday, 8 January 2015 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 8 January 2015, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "Publication of Results" above on Thursday, 8 January 2015. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m on Thursday, 8 January 2015 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Thursday, 8 January 2015. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 8 January 2015.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

EY 安永
Building a better working world

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 December 2014

The Directors
Future Bright Mining Holdings Limited
Guotai Junan Capital Limited

Dear Sirs,

We set out below our report on the financial information of Future Bright Mining Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") comprising the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the period from 21 September 2012 (the date of acquisition) to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2012, 31 December 2013 and 30 June 2014 and the statements of financial position of the Company as at 31 December 2013 and 30 June 2014, together with the notes thereto (the "Financial Information"), and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the six months ended 30 June 2013 (the "Interim Comparative Information"), prepared on the basis of presentation set out in note 2.1 of Section II below, for inclusion in the prospectus of the Company dated 29 December 2014 (the "prospectus") in connection with the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 August 2013. Pursuant to a group reorganisation (the "Reorganisation") as set out in note 2.1 of Section II below, which was completed on 27 November 2013, the Company became the holding company of the other subsidiaries comprising the Group. The Group is principally engaged in the production and sale of marble and marble related products and does not start its commercial production by the end of June 2014.

As at the date of this report, no statutory financial statements have been prepared for the Company since the date of its incorporation, as the Company has not been involved in any significant business transaction other than the Reorganisation described above.

As at the date of this report, the Company has direct and indirect interests in the subsidiaries as set out in note 1 of Section II below. All companies now comprising the Group have adopted 31 December as their financial year end date. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). The Underlying Financial Statements for the period from 21 September 2012 to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014 were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with IFRSs, and for such internal control as the Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report and on the basis of presentation set out in note 2.1 of Section II below, the Financial Information gives a true and fair view of the state of affairs of the Group as at 31 December 2012, 2013 and 30 June 2014 and of the Company as at 31 December 2013 and 30 June 2014, and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

REVIEW CONCLUSION IN RESPECT OF THE INTERIM COMPARATIVE INFORMATION

Based on our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

Consolidated statements of comprehensive income

	Notes	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
		RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Revenue		–	–	–	–
Cost of sales		–	–	–	–
Gross profit		–	–	–	–
Other income		1	9	1	7
Selling and distribution costs		–	–	–	(351)
Administrative expenses		(2,403)	(10,958)	(5,686)	(4,241)
Other expenses		(29)	(183)	(188)	(16)
Finance costs	*5*	–	(94)	(18)	(93)
Loss before tax	6	(2,431)	(11,226)	(5,891)	(4,694)
Income tax benefit	*8*	410	1,428	650	720
Loss for the period/year attributable to owners of the parent	*9*	(2,021)	(9,798)	(5,241)	(3,974)
Other comprehensive income/ (loss)					
Items not to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of financial statements		18	(202)	(128)	1
Total comprehensive loss for the period/year attributable to owners of the parent	*9*	(2,003)	(10,000)	(5,369)	(3,973)
Loss per share attributable to ordinary equity holders of the parent:					
– Basic and diluted	*10*	N/A	N/A	N/A	N/A

Consolidated statements of financial position

		31 December		30 June
		2012	**2013**	**2014**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*11*	2,964	11,081	13,436
Long-term prepayment	*12*	274	453	441
Intangible assets	*13*	42,600	42,600	42,600
Total non-current assets		45,838	54,134	56,477
Current assets				
Cash and cash equivalents	*16*	5,290	2,959	10,702
Prepayments, deposits and other receivables	*17*	57	1,965	2,368
Due from related parties	*20*	9,225	1,659	–
Total current assets		14,572	6,583	13,070
Current liabilities				
Interest-bearing bank borrowing	*18*	–	483	503
Other payables and accruals	*19*	1,119	2,921	9,136
Due to related parties	*20*	521	424	–
Total current liabilities		1,640	3,828	9,639
Net current assets		12,932	2,755	3,431
Total assets less current liabilities		58,770	56,889	59,908
Non-current liabilities				
Interest-bearing bank borrowing	*18*	–	1,195	938
Deferred tax liabilities	*15*	9,904	8,476	7,756
Provision for rehabilitation	*21*	–	853	881
Total non-current liabilities		9,904	10,524	9,575
Net assets		48,866	46,365	50,333
Equity				
Equity attributable to owners of the parent				
Share capital	*22*	–	–	–
Reserves	*23*	48,866	46,365	50,333
Total equity		48,866	46,365	50,333

Consolidated statements of changes in equity

	Share capital	Share premium*	Capital reserve*	Contributed reserve*	Foreign currency translation reserve*	Accumulated losses*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 22	*Note 22*	*Note 23*	*Note 23*			
At 21 September 2012	–	–	4,088	34,152	–	–	38,240
Loss for the period	–	–	–	–	–	(2,021)	(2,021)
Exchange differences on translation of financial statements	–	–	–	–	18	–	18
Total comprehensive income/(loss) for the period	–	–	–	–	18	(2,021)	(2,003)
Capital injection	–	–	12,629	–	–	–	12,629
At 31 December 2012 and 1 January 2013	–	–	16,717	34,152	18	(2,021)	48,866
Loss for the year	–	–	–	–	–	(9,798)	(9,798)
Exchange differences on translation of financial statements	–	–	–	–	(202)	–	(202)
Total comprehensive loss for the year	–	–	–	–	(202)	(9,798)	(10,000)
Capital injection	–	–	7,499	–	–	–	7,499
At 31 December 2013 and 1 January 2014	–	–	24,216	34,152	(184)	(11,819)	46,365
Loss for the period	–	–	–	–	–	(3,974)	(3,974)
Exchange differences on translation of financial statements	–	–	–	–	1	–	1
Total comprehensive income/(loss) for the period	–	–	–	–	1	(3,974)	(3,973)
Issue of ordinary shares	–	7,941	–	–	–	–	7,941
At 30 June 2014	–	7,941	24,216	34,152	(183)	(15,793)	50,333

* These reserve accounts comprise the consolidated reserves of RMB50,333,000 as at 30 June 2014 (31 December 2013: RMB46,365,000, 2012: RMB48,866,000) in the consolidated statements of financial position.

	Share capital	Capital reserve	Contributed reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 22	*Note 23*	*Note 23*			
At 1 January 2013	–	16,717	34,152	18	(2,021)	48,866
Loss for the period	–	–	–	–	(5,241)	(5,241)
Exchange differences on translation of financial statements	–	–	–	(128)	–	(128)
Total comprehensive loss for the period	–	–	–	(128)	(5,241)	(5,369)
Capital injection	–	7,499	–	–	–	7,499
At 30 June 2013 (unaudited)	–	24,216	34,152	(110)	(7,262)	50,996

Consolidated statements of cash flows

	Notes	Period from 21 September to 31 December 2012 RMB'000	Year ended 31 December 2013 RMB'000	Six months ended 30 June 2013 RMB'000 (Unaudited)	Six months ended 30 June 2014 RMB'000
Cash flows from operating activities					
Loss before tax		(2,431)	(11,226)	(5,891)	(4,694)
Adjustments for:					
Depreciation of items of property, plant and equipment	6, 11	48	390	100	303
Less: Depreciation capitalised	6	(29)	(314)	(62)	(264)
		19	76	38	39
Amortisation of a long-term prepayment	6	5	24	12	12
Loss on disposal of items of property, plant and equipment	6	–	4	–	3
Foreign exchange loss/(gain)	6	28	(65)	50	–
Finance costs	5	–	94	18	93
		(2,379)	(11,093)	(5,773)	(4,547)
Increase in prepayments, deposits and other receivables		(51)	(1,908)	(1,046)	(403)
Decrease/(increase) in amounts due from related parties		–	(1,659)	(1,690)	1,659
Increase/(decrease) in other payables and accruals		696	1,798	1,486	(649)
Increase in advance from customers		–	–	–	6,865
Decrease in amounts due to related parties		–	(97)	(498)	(424)
Net cash flows from/(used in) operating activities		(1,734)	(12,959)	(7,521)	2,501
Cash flows from investing activities					
Purchase of items of property, plant and equipment		(414)	(7,389)	(4,660)	(2,397)
Payment for prepaid forest lease		–	(203)	(203)	–
Net cash flows used in investing activities		(414)	(7,592)	(4,863)	(2,397)
Cash flows from financing activities					
Proceeds from bank loan		–	1,830	–	–
Contribution from shareholders		3,404	16,724	16,724	7,941
Repayment of bank loan		–	(152)	–	(237)
Interest paid		–	(45)	–	(66)
Net cash flows from financing activities		3,404	18,357	16,724	7,638
Net increase/(decrease) in cash and cash equivalents		1,256	(2,194)	4,340	7,742
Cash and cash equivalents at beginning of period/year		4,044	5,290	5,290	2,959
Effect of foreign exchange rate changes, net		(10)	(137)	(179)	1
Cash and cash equivalents at end of period/year		5,290	2,959	9,451	10,702
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	16	5,290	2,959	9,451	10,702

Statements of financial position of the Company

	Notes	31 December 2013 RMB'000	30 June 2014 RMB'000
Non-current assets			
Investment in a subsidiary	*14*	20,739	28,680
Total non-current assets		20,739	28,680
Current assets			
Cash and cash equivalents	*16*	–	4
Total current assets		–	4
Current liabilities			
Other payables and accruals	*19*	–	32
Due to a subsidiary	*20*	31	102
Total current liabilities		31	134
Net current liabilities		(31)	(130)
Total assets less current liabilities		20,708	28,550
Net assets		20,708	28,550
Equity			
Equity attributable to owners of the parent			
Share capital		–	–
Reserves		20,708	28,550
Total equity		20,708	28,550

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND REORGANISATION

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, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the production and sale of marble and marble related products and has not started its commercial production as at 30 June 2014.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed "The Reorganisation" in the section headed "History, Development and Reorganisation" in the prospectus.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Name	Place and date of incorporation/ registration and business	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Gold Title Investments Limited *(a)* ("Gold Title")	British Virgin Islands 16 August 2012	USD100	100%	–	Investment holding
Future Bright (H.K.) Investment Limited *(b)* ("Future Bright (H.K.)")	Hong Kong 7 April 2011	HKD100	–	100%	Investment holding
Xiangyang Future Bright Mining Limited *(c)* ("Future Bright (Xiangyang)")	People's Republic of China ("PRC") 8 July 2011	RMB20,000,000	–	100%	Mining exploration and sale of marble

Notes:

(a) As at the date of this report, no audited financial statements of Gold Title has been prepared since its date of incorporation as Gold Title was not subject to any statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

(b) The statutory financial statements of Future Bright (H.K.) for the period from 7 April 2011 to 31 December 2011, the years ended 31 December 2012 and 31 December 2013 prepared under HKFRS were audited by JH CPA Alliance Limited (晉華會計師事務所有限公司), certified public accountants registered in Hong Kong.

(c) The statutory financial statements of Future Bright (Xiangyang) for the period from 8 July 2011 to 31 December 2011, the years ended 31 December 2012 and 31 December 2013 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Hubei Huaju Certified Public Accountants Co., Ltd. (湖北華炬會計師事務所有限公司), certified public accountants registered in the PRC.

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed "The Reorganisation" in the section headed "History, Development and Reorganisation" in the prospectus, the Company became the holding company of the companies now comprising the Group on 27 November 2013 by way of share swaps with the existing shareholders of Gold Title. The share swaps have no substance and do not form a business combination, and accordingly, the Financial Information of the Company was consolidated with that of Gold Title using the predecessor carrying amounts.

The consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group include the results and cash flows of all companies now comprising the Group for the period from 21 September 2012 (the date on which Gold Title obtained the control over Future Bright (H.K.)) to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014 ("the Relevant Periods"). The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group. The acquisition of subsidiaries by the Group from entities other than those under common control is accounted for using the acquisition method of accounting.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with IFRSs, which comprise all standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing from 1 January 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3.1 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSs

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Financial Information:

IFRS 9	*Financial Instruments*[4]
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[1]
IFRS 14	*Regulatory Deferral Accounts*[2]
IFRS 11 Amendments	Amendments to IFRS 11 *Accounting for Acquisition of Interests in Joint Operations*[2]
IAS 16 and IAS 41 Amendments	Amendments to IAS 16 and IAS 41: *Bearer Plants*[2]
IAS 16 and IAS 38 Amendments	Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets: Clarification of acceptable methods of depreciation and amortisation*[2]
IFRS 15	*Revenue Recognition*[3]
IAS 27 Amendments	Amendments to IAS 27 *Equity Method in Separate Financial Statements*[2]
IFRS 10 and IAS 28 Amendments	Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint ventures*[2]
Annual Improvements Project	*Annual Improvements to IFRSs 2010-2012 Cycle*[#]
Annual Improvements Project	*Annual Improvements to IFRSs 2011-2013 Cycle*[#]

1 Effective for annual periods beginning on or after 1 July 2014

2 Effective for annual periods beginning on or after 1 January 2016

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

4 Effective for annual periods beginning on or after 1 January 2018

Generally for annual periods or transactions beginning on or after 1 July 2014, although entities are permitted to apply them earlier

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.

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity) controlled by the Company and/or its other subsidiaries.

The Group controls an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., the existing rights that give the Group the current ability to direct the relevant activities of the investee).

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control described above.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation of items of property, plant and equipment, other than mining infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

	Residual value	Useful lives
Buildings	3%	5 – 10 years
Plant and machinery	3%	5 – 10 years
Motor vehicles	3%	4 years
Office equipment	3%	3 – 5 years

Depreciation of mining infrastructure is calculated using the Units of Production ("UOP") method to write off the cost of the assets proportionate to the extraction of the proved and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Stripping costs

As part of its mining operations, the Group incurs stripping (waste removal) costs during the development phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised in property, plant and equipment as part of the cost of constructing the mine and subsequently amortised over its useful life using the UOP method.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licenses, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

The estimated useful life of the mining right is based on its unexpired period, i.e., no later than 30 December 2021.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement

The subsequent measurement of loans and receivables is as follows:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Other income" in the consolidated statements of comprehensive income. The loss arising from impairment is recognised in the consolidated statements of comprehensive income in "Other expenses".

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the

Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to "Other expenses" in the consolidated statements of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

During the Relevant Periods, the Group's financial liabilities included other payables, amounts due to related parties and interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of loans and borrowings is as follows:

After initial recognition, interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in the consolidated statements of comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in "Finance costs" in the consolidated statements of comprehensive income.

Provisions for the Group's obligations for rehabilitation are based on estimates of required expenditure at the mines in accordance with the PRC rules and regulations. The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operation's location. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining infrastructure.

Over time, the discounted liability is increased for the change in present value based on the appropriate discount rate. The periodic unwinding of the discount is recognised within "Finance costs" in the consolidated statements of comprehensive income. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure. Additional disturbances or changes in estimates will be recognised as additions or charges to the corresponding assets and rehabilitation liabilities when they occur.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investment in a subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in a subsidiary, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Foreign currencies

The Financial Information is presented in RMB. The functional currency of the Company is the Hong Kong dollar ("HKD"). The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Employee benefits

Pension scheme

The employees of the subsidiary in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. The subsidiary is required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred. The Group's liability in respect of the housing fund is limited to the contribution payable in each period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Useful lives of property, plant and equipment

The Group estimates useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will record an impairment provision for technically obsolete assets that have been abandoned. The carrying amounts of property, plant and equipment as at 31 December 2012 and 2013 and 30 June 2014 were RMB2,964,000, RMB11,081,000 and RMB13,436,000, respectively.

(b) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Intangible assets with indefinite useful lives or intangible assets not yet available for use are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable mine reserves also changes. This change is considered as a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated on the UOP basis and the time period for discounting the rehabilitation provision. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

(d) Provision for rehabilitation

Provision for rehabilitation is based on estimates of future expenditures incurred by management to undertake rehabilitation and restoration work which are discounted at a rate reflecting the term and nature of the obligation to their present value. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rate. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the consolidated statements of financial position by adjusting the rehabilitation asset and liability. The carrying amounts of provision for rehabilitation as at 31 December 2012 and 2013 and 30 June 2014 were nil, RMB853,000 and RMB881,000, respectively.

(e) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amounts of deferred tax assets as at 31 December 2012 and 2013 and 30 June 2014 were RMB673,000, RMB2,101,000 and RMB2,821,000, respectively.

4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is mining development, during the Relevant Periods. Further, all the principal assets employed by the Group are located in Hubei Province, the PRC. Accordingly, no segment analysis is provided.

5. FINANCE COSTS

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Interest on bank borrowings	–	49	–	65
Interest on discounted provision for rehabilitation	–	45	18	28
	–	94	18	93

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Staff costs (including directors' remuneration *(Note 7)*):				
Wages and salaries	367	1,973	700	1,762
Pension scheme contributions	29	338	106	338
	396	2,311	806	2,100
Less: Staff costs capitalised	(90)	(756)	(222)	(1,043)
	306	1,555	584	1,057
Auditors' remuneration	–	5	–	1
Amortisation of a long-term prepayment	5	24	12	12
Depreciation of items of property, plant and equipment *(Note 11)*	48	390	100	303
Less: Depreciation capitalised	(29)	(314)	(62)	(264)
	19	76	38	39
Foreign exchange loss/(gain)	28	160	176	–
Minimum lease payments under operating leases – office	3	527	269	221
Loss on disposal of items of property, plant and equipment	–	4	–	3

7. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of directors and chief executive are as follows:

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Fees	–	–	–	–
Other emoluments:				
Salaries, allowances and benefits in kind	67	290	125	229
Pension scheme contributions	–	8	–	22
	67	298	125	251

(a) Non-executive directors and Independent non-executive directors

There were no independent non-executive directors during the Relevant Period.

Mr. Hu Jin Xiong was appointed as a non-executive director on 28 April 2014.

There were no emoluments payable to a non-executive director or independent non-executive directors during the Relevant Periods.

(b) Executive director and the chief executive

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Six months ended 30 June 2014:				
Executive director:				
Mr. Guo Xiao Ping*	–	229	22	251
Year ended 31 December 2013:				
Executive director:				
Mr. Guo Xiao Ping*	–	290	8	298
Period from 21 September to 31 December 2012:				
Executive director:				
Mr. Guo Xiao Ping*	–	67	–	67
Six months ended 30 June 2013 (unaudited):				
Executive director:				
Mr. Guo Xiao Ping*	–	125	–	125

* Mr. Guo Xiao Ping is an executive director and the chief executive of the Company.

Mr. Zhang Decong was newly appointed as an executive director on 26 September 2014.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

(c) Five highest paid employees

The five highest paid employees during the Relevant Periods fall into the following categories:

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Directors	1	1	1	1
Non-director	4	4	4	4
	5	5	5	5

Details of directors' and the chief executive's remuneration are set out in Notes (a) and (b) above.

Details of the remuneration of the remaining non-director, highest paid employees during the Relevant Periods are as follows:

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	Six months ended 30 June 2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	151	702	282	538
Pension scheme contributions	13	54	29	72
	164	756	311	610

The remuneration of each of the individuals during each of the Relevant Periods was below HK$1,000,000.

During the Relevant Periods, no emoluments were paid by the Group to any of the persons who are directors of the Company, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

8. INCOME TAX BENEFIT

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 Relevant Periods.

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 Relevant Periods. The Group's subsidiary located in Mainland China is subject to the PRC CIT rate of 25% during the Relevant Periods.

The major components of income tax benefit for the Relevant Periods are as follows:

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Current – Mainland China				
PRC CIT for the period/year	–	–	–	–
Deferred *(Note 15)*	(410)	(1,428)	(650)	(720)
Total tax credit for the period/year	(410)	(1,428)	(650)	(720)

A reconciliation of income tax benefit applicable to loss before tax at the applicable income tax rate in the PRC to income tax benefit of the Group at the effective tax rate for each of the Relevant Periods is as follows:

	Period from 21 September to 31 December 2012	Year ended 31 December 2013	Six months ended 30 June 2013	2014
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Loss before tax	(2,431)	(11,226)	(5,891)	(4,694)
Tax at the applicable tax rate of companies within the Group	(608)	(2,807)	(1,473)	(1,174)
Expenses not deductible for tax	198	1,379	823	454
Income tax credit at the Group's effective rate	(410)	(1,428)	(650)	(720)

9. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated loss attributable to owners of the parent for the Relevant Periods was generated by the subsidiaries now comprising the Group (Note 1).

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

No loss per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganization and the basis of presentation of the results for the Relevant Periods as disclosed in Note 2.1 above.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
Cost:						
At 21 September 2012	550	148	32	277	1,670	2,677
Additions	–	6	–	–	437	443
At 31 December 2012 and 1 January 2013	550	154	32	277	2,107	3,120
Additions	–	2,796	27	284	5,404	8,511
Disposals	–	(5)	–	–	–	(5)
At 31 December 2013 and 1 January 2014	550	2,945	59	561	7,511	11,626
Additions	–	250	3	668	1,740	2,661
Disposals	–	–	(5)	–	–	(5)
At 30 June 2014	550	3,195	57	1,229	9,251	14,282
Accumulated depreciation:						
At 21 September 2012	28	26	3	51	–	108
Provided for the period	21	8	2	17	–	48
At 31 December 2012 and 1 January 2013	49	34	5	68	–	156
Provided for the year	85	192	11	102	–	390
Disposals	–	(1)	–	–	–	(1)
At 31 December 2013 and 1 January 2014	134	225	16	170	–	545
Provided for the period	43	185	7	68	–	303
Disposals	–	–	(2)	–	–	(2)
At 30 June 2014	177	410	21	238	–	846
Net carrying amount:						
At 21 September 2012	522	122	29	226	1,670	2,569
At 31 December 2012	501	120	27	209	2,107	2,964
At 31 December 2013	416	2,720	43	391	7,511	11,081
At 30 June 2014	373	2,785	36	991	9,251	13,436

As at 30 June 2014, an excavation machinery of the Group with a net carrying amount of approximately RMB2,104,000 (31 December 2013: RMB2,217,000, 31 December 2012: Nil) was pledged to the bank that provided mortgage loan for the Group's equipment purchase.

12. LONG-TERM PREPAYMENT

	Forest rental costs *RMB'000*
Cost:	
At 21 September 2012	296
Additions	–
At 31 December 2012 and 1 January 2013	296
Additions	203
At 31 December 2013 and 1 January 2014	499
Additions	–
At 30 June 2014	499
Accumulated amortisation:	
At 21 September 2012	(17)
Provided for the period	(5)
At 31 December 2012	(22)
Provided for the year	(24)
At 31 December 2013	(46)
Provided for the period	(12)
At 30 June 2014	(58)
Net carrying amount:	
At 21 September 2012	279
At 31 December 2012	274
At 31 December 2013	453
At 30 June 2014	441

Long-term prepayment represents the prepayment made to villagers for the use of parcels of forest land for mining activities at the Yiduoyan marble mine. Based on agreements entered into among Future Bright (Xiangyang) and the relevant villagers, Future Bright (Xiangyang) prepaid RMB499,000 to the relevant villagers till 30 June 2014 for a right to use the said forest land for a period of 20 years since October 2011.

13. INTANGIBLE ASSETS

	Mining rights *RMB'000*
Cost:	
At 21 September 2012	42,600
Additions	–
At 31 December 2012 and 1 January 2013	42,600
Additions	–
At 31 December 2013 and 1 January 2014	42,600
Additions	–
At 30 June 2014	42,600

	Mining rights
	RMB'000
Accumulated amortisation:	
At 21 September 2012, 31 December 2012, 31 December 2013 and 30 June 2014	–
Net carrying amount:	
At 21 September 2012	42,600
At 31 December 2012	42,600
At 31 December 2013	42,600
At 30 June 2014	42,600

The mining rights represent the right for the mining of marble reserves in the Yiduoyan mine which is located in Nanzhang County, Hubei Province, the PRC. The mine is operated by Future Bright (Xiangyang). The local government granted the mining permit to Future Bright (Xiangyang) for a term of 10 years from 30 December 2011 to 30 December 2021 with a production capacity of 20,000 cubic metres per annum.

14. INVESTMENTS IN A SUBSIDIARY

Company

	31 December 2013	30 June 2014
	RMB'000	*RMB'000*
At cost:		
Gold Title	20,739	28,680

15. DEFERRED TAX

The movements in deferred tax assets are as follows:

	Losses available for offsetting against future taxable profits
	RMB'000
At 21 September 2012	263
Deferred tax credited to profit or loss during the period *(Note 8)*	410
At 31 December 2012 and 1 January 2013	673
Deferred tax credited to profit or loss during the year *(Note 8)*	1,428
At 31 December 2013 and 1 January 2014	2,101
Deferred tax credited to profit or loss during the period *(Note 8)*	720
At 30 June 2014	2,821

The movements in deferred tax liabilities are as follows:

	Fair value adjustments arising from acquisition of subsidiaries
	RMB'000
At 21 September 2012	10,577
Deferred tax credited to profit or loss during the period *(Note 8)*	–
At 31 December 2012 and 1 January 2013	10,577
Deferred tax credited to profit or loss during the year *(Note 8)*	–
At 31 December 2013 and 1 January 2014	10,577
Deferred tax credited to profit or loss during the period *(Note 8)*	–
At 30 June 2014	10,577

Deferred tax assets and liabilities related to the PRC subsidiary have been provided at an enacted corporate income tax rate of 25%.

For the presentation purpose, deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December		**30 June**
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax assets recognised in the consolidated statements of financial position	673	2,101	2,821
Deferred tax liabilities recognised in the consolidated statements of financial position	(10,577)	(10,577)	(10,577)
	(9,904)	(8,476)	(7,756)

16. CASH AND CASH EQUIVALENTS

Group

	31 December		**30 June**
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	5,290	2,959	10,702

The Group's cash and bank balances are all denominated in RMB at the end of each of the Relevant Periods, except for the following:

	RMB equivalent		
	31 December		30 June
	2012	2013	2014
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances (HKD)	5,183	61	5,831

Company

	31 December	30 June
	2013	2014
	RMB'000	*RMB'000*
Cash and bank balances	–	4

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of the cash and cash equivalents in the consolidated statements of financial position approximate to their fair values.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December		30 June
	2012	2013	2014
	RMB'000	*RMB'000*	*RMB'000*
Deferred offering costs	–	1,637	2,286
Other receivables	50	6	6
Deposits	–	–	1
Others	7	322	75
Total	57	1,965	2,368

The carrying amounts of prepayments, deposits and other receivables closely approximate to their respective fair values.

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.

18. INTEREST-BEARING BANK BORROWING

	31 December 2012 *RMB'000*	31 December 2013 *RMB'000*	30 June 2014 *RMB'000*
Bank loans, secured	–	1,678	1,441
Repayable within one year	–	483	503
Repayable in the second year	–	525	547
Repayable in the third to fifth years	–	670	391
	–	1,678	1,441
Analysed into:			
Current	–	483	503
Non-current	–	1,195	938
	–	1,678	1,441

The Group's interest-bearing bank borrowing is denominated in RMB. The Group's interest-bearing bank borrowing is a mortgage loan with annual interest rate of 30% higher than Loan Prime Rate issued by the People's Bank of China and repayable by instalments before 28 February 2017, which is secured by an excavation machinery (Note 11).

19. OTHER PAYABLES AND ACCRUALS

Group

	31 December 2012 *RMB'000*	31 December 2013 *RMB'000*	30 June 2014 *RMB'000*
Advances from customers	–	–	6,865
Payroll accruals	241	791	949
Interest payable	–	4	3
Other payables	878	2,126	1,319
	1,119	2,921	9,136

Company

	30 June 2014 *RMB'000*
Payroll accruals	30
Other payables	2
	32

The carrying amounts of other payables and accruals approximate to their fair values.

20. BALANCES WITH RELATED PARTIES

Group

		31 December		30 June
		2012	**2013**	**2014**
		RMB'000	*RMB'000*	*RMB'000*
Due from related parties:				
Mr. Guo	*(a)*	–	1,659	–
World Allied	*(b)*	9,225	–	–
		9,225	1,659	–
Due to related parties:				
Mr. Guo	*(a)*	499	–	–
Ms. Guo	*(c)*	22	22	–
World Allied	*(b)*	–	402	–
		521	424	–

Company

	31 December		30 June
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Due to a subsidiary:			
Gold Title	–	31	102
	–	31	102

(a) Mr. Guo is a director and the chief executive of the Company, and the owner of Future Bright (International).

(b) World Allied and Future Bright (International) jointly controlled over the Group during the period from 21 September 2012 to 28 April 2014. Pursuant to the investment agreement entered into on 11 September 2012, World Allied subscribed for 49 ordinary shares of Gold Title at a total consideration of HKD30,000,000, of which RMB16,717,000 should be injected by World Allied in 2012 and the remaining shall be injected according to the demands of the Group's daily operations. RMB9,225,000 represented the balance receivable from World Allied as at 31 December 2012, which was injected by World Allied in 2013.

(c) Ms. Guo, sister of Mr. Guo, held 100% equity interest of Future Bright (International) on behalf of Mr. Guo as a nominee shareholder before 2 December 2013.

Balances with related parties are interest-free, unsecured and have no fixed terms of repayment.

The carrying amounts of the balances with related parties approximate to their fair values.

21. PROVISION FOR REHABILITATION

	31 December		30 June
	2012	2013	2014
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of period/year	–	–	853
Additions	–	808	–
Unwinding of discount *(Note 5)*	–	45	28
At the end of period/year	–	853	881

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.

22. SHARE CAPITAL

The Company was incorporated in the Cayman Islands on 23 August 2013, with authorised share capital of HKD1 divided into 100 ordinary shares of HKD0.01 each. On the date of incorporation, one nil-paid share was allotted and issued to Sharon Pierson, and subsequently transferred to Future Bright (International) at par. On the same date, 50 and 49 nil-paid Shares were allotted and issued to Future Bright (International) and World Allied, respectively. On 27 November 2013, the Company acquired 100% equity interest of Gold Title from Future Bright (International) and World Allied, in consideration of which, the Company credited as fully paid the 51 nil-paid Shares and 49 nil-paid shares respectively held by Future Bright (International) and World Allied. On 28 April 2014, 49 shares of the Company held by World Allied were transferred to Easy Flourish Limited. On 7 May 2014, 51 and 49 ordinary shares of HKD0.01 each, credited as fully paid, were allotted and issued to Future Bright (International) and Easy Flourish Limited, respectively, at a total cash consideration of HKD10,000,000. Other than the Reorganisation mentioned in Note 1, the Company has not conducted any business since the date of its incorporation.

23. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

The capital reserve represents the capital contribution from the shareholders of Gold Title prior to the incorporation of the Company and the capital contribution from the shareholders of the Company in 2014.

Contributed reserve

The Group's contributed reserve mainly represents the excess of (a) the fair value of the identifiable net assets of Future Bright (H.K.) and its subsidiary at the date of acquisition, over (b) the consideration paid to the former owner of Future Bright (H.K.) who was also a shareholder of Gold Title. Further details are set out in note 24 to the Financial Information.

24. BUSINESS COMBINATION

Before 21 September 2012, Future Bright (H.K.) was owned by Mr. Guo. On 21 September 2012, Gold Title completed the acquisition of a 100% equity interest in Future Bright (H.K.) from Mr. Guo, who was also a shareholder of Gold Title, for a cash consideration of HKD100. Subsequent to the acquisition, Gold Title was jointly controlled by World Allied and Future Bright (International) which is owned by Mr. Guo. Future Bright (H.K.) holds a 100% equity interest in Future Bright (Xiangyang), which operates the Yiduoyan marble mine located in Nanzhang County, Hubei Province, the PRC.

The fair values of the identifiable assets and liabilities of Future Bright (H.K.) as at the date of acquisition were as follows:

	Notes	**Fair value recognised on acquisition** *RMB'000*
Property, plant and equipment	*11*	2,569
Long-term prepayment	*12*	279
Intangible assets	*13*	42,600
Deferred tax assets	*15*	263
Cash and cash equivalents		4,044
Prepayments, deposits and other receivables		6
Other payables and accruals		(423)
Due to related parties		(521)
Deferred tax liabilities	*15*	(10,577)
Total identifiable net assets at fair value		38,240

25. PLEDGE OF ASSETS

As at 30 June 2014, an excavation machinery of the Group with a net carrying amount of approximately RMB2,104,000 (31 December 2013: RMB2,217,000, 31 December 2012: Nil) was pledged to the bank that provided mortgage loan for the Group's equipment purchase.

26. COMMITMENTS AND CONTINGENCY

(a) Capital commitments

As at 31 December 2012 and 2013 and 30 June 2014, the Group had the following capital commitments principally for the construction and purchase of property, plant and equipment.

	31 December		**30 June**
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Authorised, but not contracted for	–	42,991	39,448
Contracted, but not provided for	–	–	–

(b) Operating lease arrangements

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to four years. At the end of each of the Relevant Periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 December		30 June
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	19	317	115
In the second to fourth years, inclusive	32	26	888
	51	343	1,003

(c) Contingent liabilities

The Group did not have any material contingent liabilities as at the end of each of the Relevant Periods.

27. RELATED PARTY TRANSACTIONS

(a) During the Relevant Periods, the Group had no material transactions with related parties.

(b) Outstanding balances with related parties:

Details of the Group's balances with related parties at the end of each of the Relevant Periods are disclosed in Note 20.

(c) Compensation of key management personnel of the Group:

	Period from 21 September to 31 December	Year ended 31 December	Six months ended 30 June	
	2012	**2013**	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
			(Unaudited)	
Salaries, allowances and benefits in kind	190	837	360	609
Pension scheme contributions	9	60	19	80
	199	897	379	689

Further details of directors' and chief executive's emoluments are included in note 7 to the Financial Information.

28. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Group

	31 December		30 June
	2012	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets – loans and receivables			
Cash and cash equivalents	5,290	2,959	10,702
Financial assets included in prepayments, deposits and other receivables	50	6	7
Due from related parties	9,225	1,659	–
	14,565	4,624	10,709
Financial liabilities – financial liabilities at amortised cost			
Interest-bearing bank borrowing	–	1,678	1,441
Financial liabilities included in other payables and accruals	878	2,130	1,322
Due to related parties	521	424	–
	1,399	4,232	2,763

Company

Financial assets – loans and receivables			
Cash and cash equivalents	–	–	4
	–	–	4
Financial liabilities – financial liabilities at amortised cost			
Due to related parties	–	31	101
Financial liabilities included in other payables and accruals	–	–	32
	–	31	133

29. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amount and fair value of the Group's financial instrument, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amount 31 December 2013 *RMB'000*	**Fair value 31 December 2013** *RMB'000*
Interest-bearing bank borrowing	1,195	1,140

	Carrying amount 30 June 2014 *RMB'000*	**Fair value 30 June 2014** *RMB'000*
Interest-bearing bank borrowing	938	905

Except as detailed in the above table, management has assessed that the fair value of cash and cash equivalents, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, amounts with related parties, the current portion of interest-bearing bank borrowing approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

The fair value of the non-current portion of interest-bearing bank borrowing has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2014 was assessed to be insignificant.

At the end of each of the Relevant Periods, neither the Group nor the Company had any financial asset or liability measured at fair value.

During the Relevant Periods, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into or out of Level 3 fair value measurements.

Liabilities for which fair values are disclosed:

As at 31 December 2013

	Fair value measurement using significant unobservable inputs (Level 3) *RMB'000*
Interest-bearing bank borrowing	1,140

As at 30 June 2014

	Fair value measurement using significant unobservable inputs (Level 3) *RMB'000*
Interest-bearing bank borrowing	905

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include cash and cash equivalents, deposits and other receivables and amounts due from related parties, which arise directly from its operations. Financial liabilities of the Group mainly include other payables, amounts due to related parties and interest-bearing bank borrowing.

Risk management is carried out by the finance department which is led by the Group's executive directors. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk and foreign currency risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The board regularly reviews these risks and they are summarised below.

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings and advances from the shareholders.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

Period ended 31 December 2012

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Financial liabilities under other payables and accruals	878	–	–	–	878
Due to related parties	521	–	–	–	521
	1,399	–	–	–	1,399

Year ended 31 December 2013

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	151	453	1,310	1,914
Financial liabilities under other payables and accruals	2,130	–	–	–	2,130
Due to related parties	424	–	–	–	424
	2,554	151	453	1,310	4,468

Period ended 30 June 2014

	On demand *RMB'000*	Less than 3 months *RMB'000*	3 to 12 months *RMB'000*	Over 1 year *RMB'000*	Total *RMB'000*
Interest-bearing bank borrowing	–	151	453	1,007	1,611
Financial liabilities under other payables and accruals	1,322	–	–	–	1,322
	1,322	151	453	1,007	2,933

Interest rate risk

The Group has no significant interest-bearing assets other than cash and cash equivalents (Note 16).

The Group's interest rate risk arises from its borrowing, details of which are set out in Note 18. Borrowing at variable rates exposes the Group to the risk of changes in market interest rates.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on long-term floating rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax *RMB'000*
Year ended 31 December 2013		
RMB	50	(25)
RMB	(50)	25
Year ended 30 June 2014		
RMB	50	(33)
RMB	(50)	33

Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents, deposits and other receivables and amounts due from related parties included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's cash and cash equivalents are deposited in major reputable financial institutions without significant credit risk. The credit risk of the Group's other financial assets, which comprise other receivables and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments. The Group has no other financial assets which carry significant exposure to credit risk.

During the Relevant Periods, the Group had no concentration of credit risk with any single counterparty.

Foreign currency risk

The Group's exposure to foreign currency risk relates to the Group's bank deposits denominated in HKD.

The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

The following table demonstrates the sensitivity to a 5.0% change in RMB against HKD. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of the Group's exposure to foreign currency risk at the end of each of the Relevant Periods have been determined based on the adjustment of translation of the monetary assets at the end of each of the Relevant Periods for a 5.0% of change in RMB against HKD, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of cash and cash equivalents denominated in HKD).

	Period from 21 September to 31 December	Year ended 31 December	Six months ended 30 June	
	2012	**2013**	**2013**	**2014**
	RMB'000	*RMB'000*	*RMB'000* *(Unaudited)*	*RMB'000*
Increase/(decrease) in profit before tax:				
If RMB weakens against HKD	248	–	132	–
If RMB strengthens against HKD	(248)	–	(132)	–

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors. The Directors review the capital structure on a regular basis. During the start-up stage of the Group, the equity holders of the Company contributed capital based on the needs of the Group. The dividend policy will be established when the Group starts to generate significant revenues from its activities.

No changes were made in the objectives, policies or processes for managing capital risk during the Relevant Periods.

31. EVENTS AFTER THE REPORTING PERIOD

As of the date of approval of Financial Information, the Group did not have any significant event subsequent to 30 June 2014.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of its subsidiaries in respect of any period subsequent to 30 June 2014.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 December 2014

The Director
Future Bright (H.K.) Investment Limited
Guotai Junan Capital Limited

Dear Sirs,

We set out below our report on the financial information of Future Bright (H.K.) Investment Limited (the "Company") and its subsidiary (hereinafter collectively referred to as the "Group") comprising the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for the period from 7 April 2011 (the date of incorporation of the Company) to 31 December 2011 and the period from 1 January 2012 to 20 September 2012 (the "Relevant Periods"), and the consolidated statements of financial position of the Group as at 31 December 2011 and 20 September 2012 and the statements of financial position of the Company as at 31 December 2011 and 20 September 2012, together with the notes thereto (the "Financial Information"), for inclusion in the prospectus of Future Bright Mining Holdings Limited dated 29 December 2014 (the "Prospectus") in connection with the listing of the shares of Future Bright Mining Holdings Limited on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was incorporated in Hong Kong as a limited company on 7 April 2011. Xiangyang Future Bright Mining Limited ("Future Bright (Xiangyang)") was incorporated on 8 July 2011 by the Company. The Group is principally engaged in the production and sale of marble and marble related products and does not start its commercial production by 20 September 2012.

Pursuant to an acquisition completed on 21 September 2012, the Company became a subsidiary of Gold Title Investments Limited ("Gold Title").

As at the date of this report, the Company has direct interests in its subsidiary as set out in note 1 of Section II below. All companies now comprising the Group have adopted 31 December as their financial year end date. The statutory financial statements of the companies now comprising the Group were prepared in accordance with the relevant accounting principles applicable to these companies in the countries in which they were incorporated and/or established. Details of their statutory auditors during the Relevant Periods are set out in note 1 of Section II below.

For the purpose of this report, the director of the Company (the "Director") have prepared the consolidated financial statements of the Group (the "Underlying Financial Statements") in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB"). The Underlying Financial Statements for the period from 7 April 2011 to 31 December 2011 and the period from 1 January 2012 to 20 September 2012 were audited by us in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

DIRECTOR'S RESPONSIBILITY

The Director is responsible for the preparation of the Underlying Financial Statements, the Financial Information that give a true and fair view in accordance with IFRSs, and for such internal control as the Director determines is necessary to enable the preparation of the Underlying Financial Statements and the Financial Information that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

It is our responsibility to form an independent opinion on the Financial Information, and to report our opinion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of the Group as at 31 December 2011 and 20 September 2012 and of the Company as at 31 December 2011 and 20 September 2012, and of the consolidated results and cash flows of the Group for each of the Relevant Periods.

I. FINANCIAL INFORMATION

Consolidated statements of comprehensive income

	Notes	Period from 7 April to 31 December 2011 RMB'000	Period from 1 January to 20 September 2012 RMB'000
Revenue		–	–
Cost of sales		–	–
Gross profit		–	–
Other income	*5*	–	6
Administrative expenses		(367)	(736)
Other expenses		(28)	(1)
Loss before tax	6	(395)	(731)
Income tax benefit	*8*	87	176
Loss for the period		(308)	(555)
Other comprehensive income/(loss)			
Items not to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of financial statements		(61)	3
Total comprehensive loss for the period attributable to owners of the Company	9	(369)	(552)
Loss per share attributable to ordinary equity holders of the parent:			
– **Basic and diluted**	10	N/A	N/A

Consolidated statements of financial position

	Notes	31 December 2011 RMB'000	20 September 2012 RMB'000
Non-current assets			
Property, plant and equipment	11	1,279	2,569
Long-term prepayment	12	206	279
Intangible assets	13	294	294
Deferred tax assets	15	87	263
Total non-current assets		1,866	3,405
Current assets			
Cash and cash equivalents	16	1,930	3,390
Prepayments, deposits and other receivables	17	9	6
Total current assets		1,939	3,396
Current liabilities			
Other payables and accruals	18	322	423
Due to related parties	19	508	521
Total current liabilities		830	944
Net current assets		1,109	2,452
Total assets less current liabilities		2,975	5,857
Net assets		2,975	5,857
Equity			
Equity attributable to owners of the Company			
Issued capital	20	–	–
Reserves	21	2,975	5,857
Total equity		2,975	5,857

Consolidated statements of changes in equity

	Issued capital	Capital reserve*	Foreign currency translation reserve*	Accumulated losses*	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 20	*Note 21*			
At 7 April 2011	–	–	–	–	–
Loss for the period	–	–	–	(308)	(308)
Exchange differences on translation of financial statements	–	–	(61)	–	(61)
Total comprehensive loss for the period	–	–	(61)	(308)	(369)
Capital injection	–	3,344	–	–	3,344
At 31 December 2011 and 1 January 2012	–	3,344	(61)	(308)	2,975
Loss for the period	–	–	–	(555)	(555)
Exchange differences on translation of financial statements	–	–	3	–	3
Total comprehensive income/(loss) for the period	–	–	3	(555)	(552)
Capital injection	–	3,434	–	–	3,434
At 20 September 2012	–	6,778	(58)	(863)	5,857

* These reserve accounts comprise the consolidated reserves of RMB5,857,000 as at 20 September 2012 (31 December 2011: RMB2,975,000) in the consolidated statements of financial position.

Consolidated statements of cash flows

	Notes	Period from 7 April to 31 December 2011 RMB'000	Period from 1 January to 20 September 2012 RMB'000
Cash flows from operating activities			
Loss before tax		(395)	(731)
Adjustments for:			
Depreciation of items of property, plant and equipment	6, 11	21	87
Less: Depreciation capitalised	6	(7)	(48)
		14	39
Amortisation of a long-term prepayment	6, 12	3	14
Foreign exchange loss/(gain)	6	28	(5)
		(350)	(683)
(Increase)/decrease in prepayments, deposits and other receivables		(9)	3
Increase in other payables and accruals		44	101
Increase in amounts due to related parties		508	13
Net cash flows from/(used in) operating activities		193	(566)
Cash flows from investing activities			
Purchase of items of property, plant and equipment		(1,015)	(1,329)
Purchase of mining rights		(294)	–
Payment for prepaid forest lease		(209)	(87)
Net cash flows used in investing activities		(1,518)	(1,416)
Cash flows from financing activities			
Capital injection		3,344	3,434
Net cash flows from financing activities		3,344	3,434
Net increase in cash and cash equivalents		2,019	1,452
Cash and cash equivalents at beginning of period		–	1,930
Effect of foreign exchange rate changes, net		(89)	8
Cash and cash equivalents at end of period		1,930	3,390
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	16	1,930	3,390

Statement of financial position of the Company

	Notes	31 December 2011 RMB'000	20 September 2012 RMB'000
Non-current assets			
Investment in a subsidiary	14	3,281	3,281
Total non-current assets		3,281	3,281
Current assets			
Cash and cash equivalents	16	81	3,388
Total current assets		81	3,388
Current liabilities			
Due to a related party	19	98	24
Total current liabilities		98	24
Net current assets/(liabilities)		(17)	3,364
Total assets less current liabilities		3,264	6,645
Net assets		3,264	6,645
Equity			
Equity attributable to owners of the parent			
Share capital		–	–
Reserves		3,264	6,645
Total equity		3,264	6,645

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in Hong Kong. The registered office of the Company is located at 28 Queen's Road Central, Hong Kong.

The Company is an investment holding company. The statutory financial statements of the Company for the period from 7 April 2011 to 31 December 2011, the years ended 31 December 2012 and 31 December 2013 prepared under Hong Kong Financial Reporting Standards were audited by JH CPA Alliance Limited (晉華會計師事務所有限公司), certified public accountants registered in Hong Kong.

During the Relevant Periods, the Company's subsidiary was involved in production and sale of marble and marble related products and has not started its commercial production as at 20 September 2012.

As at the date of this report, particulars of the Company's subsidiary are set out below:

Name	Place and date of registration and business	Nominal value of registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Xiangyang Future Bright Mining Limited (a) ("Future Bright (Xiangyang)")	People's Republic of China ("PRC") 8 July 2011	RMB20,000,000	100%	–	Mining exploration and sale of marble

Note:

(a) The statutory financial statements of Future Bright (Xiangyang) for the period from 8 July 2011 to 31 December 2011, the years ended 31 December 2012 and 31 December 2013 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by Hubei Huaju Certified Public Accountants Co., Ltd. (湖北華炬會計師事務所有限公司), certified public accountants registered in the PRC.

2.1 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with IFRSs, which comprise all standards and interpretations approved by the IASB. All IFRSs effective for the accounting period commencing from 1 January 2014, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Financial Information throughout the Relevant Periods.

The Financial Information has been prepared under the historical cost convention. The Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

3.1 IMPACT OF ISSUED BUT NOT YET EFFECTIVE IFRSS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in the Financial Information:

IFRS 9	*Financial Instruments*[4]
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[1]
IFRS 14	*Regulatory Deferral Accounts*[2]
IFRS 11 Amendments	Amendments to IFRS 11 *Accounting for Acquisition of Interests in Joint Operations*[2]

IAS 16 and IAS 41 Amendments	Amendments to IAS 16 and IAS 41: *Bearer Plants*[2]
IAS 16 and IAS 38 Amendments	Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets: Clarification of acceptable methods of depreciation and amortisation*[2]
IFRS 15	*Revenue Recognition*[3]
IAS 27 Amendments	Amendments to IAS 27 *Equity Method in Separate Financial Statements*[2]
IFRS 10 and IAS 28 Amendments	Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint ventures*[2]
Annual Improvements Project	*Annual Improvements to IFRSs 2010-2012 Cycle*[#]
Annual Improvements Project	*Annual Improvements to IFRSs 2011-2013 Cycle* [#]

1 Effective for annual periods beginning on or after 1 July 2014

2 Effective for annual periods beginning on or after 1 January 2016

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

4 Effective for annual periods beginning on or after 1 January 2018

Generally for annual periods or transactions beginning on or after 1 July 2014, although entities are permitted to apply them earlier

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.

3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity) controlled by the Company and/or its other subsidiaries.

The Group controls an investee when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., the existing rights that give the Group the current ability to direct the relevant activities of the investee).

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control described above.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Business combinations and goodwill

Business combinations not under common control are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); or

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation of items of property, plant and equipment, other than mining infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of items of property, plant and equipment are as follows:

	Residual value	Useful lives
Buildings	3%	5 – 10 years
Plant and machinery	3%	5 – 10 years
Motor vehicles	3%	4 years
Office equipment	3%	3 – 5 years

Depreciation of mining infrastructure is calculated using the Units of Production ("UOP") method to write off the cost of the assets proportionate to the extraction of the proved and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents items of property, plant and equipment under construction, which are stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Stripping costs

As part of its mining operations, the Group incurs stripping (waste removal) costs during the development phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised in property, plant and equipment as part of the cost of constructing the mine and subsequently amortised over its useful life using the UOP method.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Mining rights

Mining rights are stated at cost less accumulated amortisation and any impairment losses. Mining rights include the cost of acquiring mining licenses, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining rights are amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the UOP method. Mining rights are written off to profit or loss if the mining property is abandoned.

The estimated useful life of the mining right is based on its unexpired period, i.e., no later than 30 December 2021.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement

The subsequent measurement of loans and receivables is as follows:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Other income" in the consolidated statements of comprehensive income. The loss arising from impairment is recognised in the consolidated statements of comprehensive income in "Other expenses".

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to "Other expenses" in the consolidated statements of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

During the Relevant Periods, the Group's financial liabilities included other payables, amounts due to related parties and interest-bearing bank loans.

Subsequent measurement

The subsequent measurement of loans and borrowings is as follows:

After initial recognition, interest-bearing bank loans are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Finance costs" in the consolidated statements of comprehensive income.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in "Finance costs" in the consolidated statements of comprehensive income.

Provisions for the Group's obligations for rehabilitation are based on estimates of required expenditure at the mines in accordance with the PRC rules and regulations. The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operation's location. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining infrastructure.

Over time, the discounted liability is increased for the change in present value based on the appropriate discount rate. The periodic unwinding of the discount is recognised within "Finance costs" in the consolidated statements of comprehensive income. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure. Additional disturbances or changes in estimates will be recognised as additions or charges to the corresponding assets and rehabilitation liabilities when they occur.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investment in a subsidiary, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investment in a subsidiary, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Foreign currencies

The Financial Information is presented in RMB. The functional currency of the Company is the Hong Kong dollar ("HKD"). The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currency of the Company is currency other than RMB. As at the end of the reporting period, the assets and liabilities of the Company are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and the profits or losses are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statements of cash flows, the cash flows of the Company are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of the Company which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Employee benefits

Pension scheme

The employees of the subsidiary in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. The subsidiary is required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as incurred. The Group's liability in respect of the housing fund is limited to the contribution payable in each period.

3.3 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Financial Information requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

(a) Useful lives of property, plant and equipment

The Group estimates useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will record an impairment provision for technically obsolete assets that have been abandoned. The carrying amounts of property, plant and equipment as at 31 December 2011 and 20 September 2012 were RMB1,279,000 and RMB2,569,000, respectively.

(b) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Intangible assets with indefinite useful lives or intangible assets not yet available for use are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable mine reserves also changes. This change is considered as a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated on the UOP basis and the time period for discounting the rehabilitation provision. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

(d) Provision for rehabilitation

Provision for rehabilitation is based on estimates of future expenditures incurred by management to undertake rehabilitation and restoration work which are discounted at a rate reflecting the term and nature of the obligation to their present value. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rate. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the consolidated statements of financial position by adjusting the rehabilitation asset and liability. The carrying amounts of provision for rehabilitation as at 31 December 2011 and 20 September 2012 were nil.

(e) ***Deferred tax assets***

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amounts of deferred tax assets as at 31 December 2011 and 20 September 2012 were RMB87,000 and RMB263,000, respectively.

4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment, which is mining development, during the Relevant Periods. Further, all the principal assets employed by the Group are located in Hubei Province, the PRC. Accordingly, no segment analysis is provided.

5. OTHER INCOME

Other income represents bank interest income during the Relevant Periods.

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Period from 7 April to 31 December 2011	**Period from 1 January to 20 September 2012**
	RMB'000	*RMB'000*
Staff costs (including director's remuneration):		
Wages and salaries	56	515
Pension scheme contributions		
– Defined contribution scheme	14	79
	70	594
Less: Staff costs capitalised	(10)	(242)
	60	352
Bank charges	1	1
Auditors' remuneration	–	1
Amortisation of a long-term prepayment	3	14
Depreciation of items of property, plant and equipment	21	87
Less: Depreciation capitalised	(7)	(48)
	14	39
Foreign exchange loss/(gain)	28	(5)
Operating lease rentals for office	3	3

7. DIRECTOR'S REMUNERATION AND FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the director are as follows:

	Period from 7 April to 31 December 2011	Period from 1 January to 20 September 2012
	RMB'000	*RMB'000*
Fees	–	–
Other emoluments:		
Salaries, allowances and benefits in kind	–	–
Pension scheme contributions	–	–
	–	–

(a) Independent non-executive directors

There were no independent non-executive directors during the Relevant Periods.

There were no emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive director

	Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Period from 7 April to 31 December 2011:				
Executive director:				
Guo Li Yun	–	–	–	–
Period from 1 January to 20 September 2012:				
Executive director:				
Guo Li Yun	–	–	–	–

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

(c) Five highest paid employees

The five highest paid employees during the Relevant Periods fall into the following categories:

	Period from 7 April to 31 December 2011	Period from 1 January to 20 September 2012
	RMB'000	*RMB'000*
Director	–	–
Non-director	5	5
	5	5

Details of director's remuneration are set out in Notes (a) and (b) above.

Details of the remuneration of the remaining non-director, highest paid employees during the Relevant Periods are as follows:

	Period from 7 April to 31 December 2011	Period from 1 January to 20 September 2012
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	35	190
Pension scheme contributions	12	53
	47	243

The remuneration of each of the individuals during each of the Relevant Periods was below HK$1,000,000.

During the Relevant Periods, no emoluments were paid by the Group to any of the persons who are director of the Company, or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

8. INCOME TAX BENEFIT

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 Relevant Periods.

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 Relevant Periods. The Group's subsidiary located in Mainland China is subject to the PRC CIT rate of 25% during the Relevant Periods.

The major components of income tax benefit for the Relevant Periods are as follows:

	Period from 7 April to 31 December 2011 *RMB'000*	Period from 1 January to 20 September 2012 *RMB'000*
Current – Mainland China		
Charge for the period	–	–
Deferred *(Note 15)*	(87)	(176)
Total tax credit for the period	(87)	(176)

A reconciliation of income tax benefit applicable to loss before tax at the applicable income tax rate in the PRC to income tax benefit of the Group at the effective tax rate for each of the Relevant Periods is as follows:

	Period from 7 April to 31 December 2011 *RMB'000*	Period from 1 January to 20 September 2012 *RMB'000*
Loss before tax	(395)	(731)
Tax at the applicable tax rate of companies within the Group	(99)	(183)
Expenses not deductible for tax	12	7
Income tax credit at the Group's effective rate	(87)	(176)

9. LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated loss attributable to owners of the parent for the period from 7 April to 31 December 2011 and period from 1 January to 20 September includes a loss of RMB19,000 and RMB56,000 which has been dealt with in the financial statements of the Company (Note 21(b)), respectively.

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

No loss per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

11. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Plant and machinery *RMB'000*	Office equipment *RMB'000*	Motor vehicles *RMB'000*	Construction in process *RMB'000*	Total *RMB'000*
Cost:						
At 7 April 2011	–	–	–	–	–	–
Additions	–	105	9	128	1,058	1,300
At 31 December 2011 and 1 January 2012	–	105	9	128	1,058	1,300
Additions	–	43	23	149	1,162	1,377
Transfers	550	–	–	–	(550)	–
At 20 September 2012	550	148	32	277	1,670	2,677
Accumulated depreciation:						
At 7 April 2011	–	–	–	–	–	–
Provided for the period	–	7	1	13	–	21
At 31 December 2011 and 1 January 2012	–	7	1	13	–	21
Provided for the period	28	19	2	38	–	87
At 20 September 2012	28	26	3	51	–	108
Net carrying amount:						
At 7 April 2011	–	–	–	–	–	–
At 31 December 2011	–	98	8	115	1,058	1,279
At 20 September 2012	522	122	29	226	1,670	2,569

As at 31 December 2011 and 20 September 2012, there were no pledged property, plant and equipment.

12. LONG-TERM PREPAYMENT

	Forest rental costs *RMB'000*
Cost:	
At 7 April 2011	–
Additions	209
At 31 December 2011 and 1 January 2012	209
Additions	87
At 20 September 2012	296

	Forest rental costs *RMB'000*
Accumulated amortisation:	
At 7 April 2011	–
Provided for the period	(3)
At 31 December 2011	(3)
Provided for the period	(14)
At 20 September 2012	(17)
Net carrying amount:	
At 7 April 2011	–
At 31 December 2011	206
At 20 September 2012	279

Long-term prepayment represents a prepayment made to villagers for the use of parcels of forest land for mining activities at the Yiduoyan marble mine. Based on agreements entered into among Future Bright (Xiangyang) and the relevant villagers, Future Bright (Xiangyang) prepaid RMB296,000 to the relevant villagers till 20 September 2012 for a right to use the said forest land for a period of 20 years since October 2011.

13. INTANGIBLE ASSETS

	Mining rights *RMB'000*
Cost:	
At 7 April 2011	–
Additions	294
At 31 December 2011 and 1 January 2012	294
Additions	–
At 20 September 2012	294
Accumulated amortisation:	
At 7 April 2011, 31 December 2011 and 20 September 2012	–
Net carrying amount:	
At 7 April 2011	–
At 31 December 2011	294
At 20 September 2012	294

The mining rights represent the rights for the mining of marble reserves in the Yiduoyan mine which is located in Nanzhang County, Hubei Province, the PRC. The mine is operated by Future Bright (Xiangyang). The local government granted the mining permit to Future Bright (Xiangyang) for a term of 10 years from 30 December 2011 to 30 December 2021 with a production capacity of 20,000 cubic metres per annum. No amortisation was made as the mine had not yet commenced commercial production.

14. INVESTMENTS IN A SUBSIDIARY

Company

	31 December 2011 *RMB'000*	**20 September 2012** *RMB'000*
At cost:		
Future Bright (Xiangyang)	3,281	3,281

15. DEFERRED TAX

The movements in deferred tax assets are as follows:

	Losses available for offsetting against future taxable profits *RMB'000*
At 7 April 2011	–
Deferred tax credited to profit or loss during the period *(Note 8)*	87
At 31 December 2011 and 1 January 2012	87
Deferred tax credited to profit or loss during the period *(Note 8)*	176
At 20 September 2012	263

Deferred tax assets related to the PRC subsidiary have been provided at an enacted corporate income tax rate of 25%.

16. CASH AND CASH EQUIVALENTS

Group

	31 December 2011 *RMB'000*	**20 September 2012** *RMB'000*
Cash and bank balances	1,930	3,390

The cash and bank balances are all denominated in RMB at the end of each of the Relevant Periods, except for the following:

	RMB equivalent	
	31 December 2011	**20 September 2012**
	RMB'000	*RMB'000*
Cash and bank balances (HKD)	1,656	3,388

Company

	31 December 2011	**20 September 2012**
	RMB'000	*RMB'000*
Cash and bank balances	81	3,388

The RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The carrying amounts of the cash and cash equivalents in the consolidated statements of financial position approximate to their fair values.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	31 December 2011	**20 September 2012**
	RMB'000	*RMB'000*
Prepayments:		
Prepaid operating lease rentals to be amortised within one year		
– Office	9	6
Total	9	6

18. OTHER PAYABLES AND ACCRUALS

	31 December 2011	**20 September 2012**
	RMB'000	*RMB'000*
Payroll accruals	39	141
Other payables	283	282
	322	423

The carrying amounts of other payables and accruals approximate to their fair values.

19. BALANCES WITH RELATED PARTIES

<u>Group</u>

		31 December 2011	20 September 2012
		RMB'000	*RMB'000*
Due to related parties:			
Guo Xiao Ping	*(a)*	410	497
Guo Li Yun	*(b)*	98	24
		508	521

<u>Company</u>

		31 December 2011	20 September 2012
		RMB'000	*RMB'000*
Due to a related party:			
Guo Li Yun	*(b)*	98	24

(a) Guo Xiao Ping is the ultimate shareholder of the Company during the Relevant Periods.

(b) Guo Li Yun, sister of Guo Xiao Ping, held 100% equity interest of the Company on behalf of Guo Xiao Ping as a nominee shareholder during the Relevant Periods.

The balances with related parties are interest-free, unsecured and have no fixed terms of repayment.

The carrying amounts of the balances with related parties approximate to their fair values.

20. SHARE CAPITAL

The Company was incorporated in Hong Kong as a limited company on 7 April 2011. The authorised share capital of the Company is HKD10,000 divided into 10,000 ordinary shares with par value of HKD1 each share. 1 share and 99 shares of HKD1 each were issued for cash on 7 April 2011 and 21 April 2011, respectively. The paid-in capital was HKD100 as at 31 December 2011 and 20 September 2012.

21. RESERVES

The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

Capital reserve

(a) The Group

The capital reserve represents the capital contribution from the shareholders of the Company.

(b) The Company

	Capital reserve *RMB'000*	Exchange Fluctuation reserve *RMB'000*	Accumulated losses *RMB'000*	Total *RMB'000*
At 7 April 2011	–	–	–	–
Loss for the period	–	–	(19)	(19)
Other comprehensive income				
Exchange difference on translation	–	(61)	–	(61)
Total comprehensive loss	–	(61)	(19)	(80)
Capital injection	3,344	–	–	3,344
At 31 December 2011 and 1 January 2012	3,344	(61)	(19)	3,264
Loss for the period	–	–	(56)	(56)
Other comprehensive income				
Exchange difference on translation	–	3	–	3
Total comprehensive loss	–	3	(56)	(53)
Capital injection	3,434	–	–	3,434
At 20 September 2012	6,778	(58)	(75)	6,645

22. COMMITMENTS AND CONTINGENCY

(a) Capital commitments

The Group did not have capital commitments at 31 December 2011 and 20 September 2012.

(b) Operating lease arrangements

As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to five years. At the end of each of the Relevant Periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	31 December 2011 *RMB'000*	20 September 2012 *RMB'000*
Within one year	13	16
In the second to fifth years, inclusive	42	36
	55	52

(c) Contingent liabilities

The Group did not have any material contingent liabilities as at the end of each of the Relevant Periods.

23. RELATED PARTY TRANSACTIONS

(a) During the Relevant Periods, the Group had no material transactions with related parties.

(b) Outstanding balances with related parties:

Details of the Group's balances with related parties at the end of each of the Relevant Periods are disclosed in Note 19.

(c) Compensation of key management personnel of the Group:

	Period from 7 April to 31 December 2011	**Period from 1 January to 20 September 2012**
	RMB'000	*RMB'000*
Salaries, allowances and benefits in kind	28	141
Pension scheme contributions	6	27
	34	168

Further details of director's emoluments are included in note 7 to the Financial Information.

24. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

Group

	31 December 2011	**20 September 2012**
	RMB'000	*RMB'000*
Financial assets – loans and receivables		
Cash and cash equivalents	1,930	3,390
Financial liabilities – financial liabilities at amortised cost		
Financial liabilities included in other payables and accruals	283	282
Due to related parties	508	521
	791	803

Company

	31 December 2011 RMB'000	20 September 2012 RMB'000
Financial assets – loans and receivables		
Cash and cash equivalents	81	3,388
Financial liabilities – financial liabilities at amortised cost		
Due to a related party	98	24

25. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair value of cash and cash equivalents, financial liabilities included in other payables and accruals, amounts with related parties, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

At the end of each of the Relevant Periods, neither the Group nor the Company had any financial asset or liability measured at fair value.

During the Relevant Periods, there were no transfers between Level 1 and Level 2 fair value measurements and no transfer into or out of Level 3 fair value measurements.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial assets of the Group mainly include cash and cash equivalents, which arise directly from its operations. Financial liabilities of the Group mainly include other payables and amounts due to related parties.

Risk management is carried out by the finance department which is led by the Group's executive director. The Group's finance department identifies and evaluates financial risks in close co-operation with the Group's operating units. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk and foreign currency risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The board regularly reviews these risks and they are summarised below.

Liquidity risk

The Group monitors its exposure to a shortage of funds by considering the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing borrowings and advances from the shareholders.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

Period from 7 April to 31 December 2011

	On demand	**less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities under other payables and accruals	283	–	–	–	283
Due to related parties	508	–	–	–	508
	791	–	–	–	791

Period from 1 January 2012 to 20 September 2012

	On demand	**less than 3 months**	**3 to 12 months**	**Over 1 year**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Financial liabilities under other payables and accruals	282	–	–	–	282
Due to related parties	521	–	–	–	521
	803	–	–	–	803

Interest rate risk

The Group has no significant interest-bearing assets other than cash and cash equivalents (Note 16).

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of cash and cash equivalents included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

The Group's cash and cash equivalents are deposited in major reputable financial institutions without significant credit risk. The Group has no other financial assets which carry significant exposure to credit risk.

During the Relevant Periods, the Group had no concentration of credit risk with any single counterparty.

Foreign currency risk

The Group's exposure to foreign currency risk relates to the Group's bank deposits denominated in HKD.

The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

The following table demonstrates the sensitivity to a 5.0% change in RMB against HKD. The 5.0% is the rate used when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign currency rate. The sensitivity analyses of the Group's exposure to foreign currency risk at the end of each of the Relevant Periods have been determined based on the adjustment of translation of the monetary assets at the end of each of the Relevant Periods for a 5.0% of change in RMB against HKD, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of cash and cash equivalents denominated in HKD).

	Period from 7 April to 31 December 2011	**Period from 1 January to 20 September 2012**
	RMB'000	*RMB'000*
Increase/(decrease) in profit before tax:		
If RMB weakens against HKD	79	–
If RMB strengthens against HKD	(79)	–

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or raise new capital from its investors. The Director reviews the capital structure on a regular basis. During the start-up stage of the Group, the equity holder of the Company contributed capital based on the needs of the Group. The dividend policy will be established when the Group starts to generate significant revenues from its activities.

No changes were made in the objectives, policies or processes for managing capital risk during the Relevant Periods.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The information set forth in this Appendix does not form part of the accountants' reports prepared by the reporting accountants of our Company, Ernst & Young, Certified Public Accountants, Hong Kong, as set forth in Appendix IA and IB to this prospectus. The following unaudited pro forma financial information prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules is for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the accountants' report set forth in Appendix IA to this prospectus.

The accompanying unaudited pro forma financial information on our Group is based on currently available information along with a number of assumptions, estimates and uncertainties. As a result of these assumptions, estimates and uncertainties, the accompanying unaudited pro forma financial information on our Group does not purport to predict our Group's future financial position and results.

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a true picture of our Group's financial position.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The unaudited pro forma adjusted consolidated net tangible assets of our Group has been prepared, on the basis of the notes set forth below, for the purpose of illustrating the effect of the Global Offering as if it had taken place on 30 June 2014. It has been prepared for illustrative purpose only and, because of its hypothetical nature, may not give a true and fair picture of our financial position.

	Audited consolidated net tangible assets attributable to owners of our Company as at 30 June 2014	**Estimated net proceeds from the Global Offering**	**Unaudited pro forma adjusted consolidated net tangible assets**	**Unaudited pro forma adjusted consolidated net tangible assets per Share**	**Unaudited pro forma adjusted consolidated net tangible assets per Share**
	RMB'000	*RMB'000*	*RMB'000*	*RMB*	*(HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*equivalent)*
Based on an Offer Price of HK$0.80 per Share	7,733	39,508	47,241	0.13	0.17
Based on an Offer Price of HK$1.00 per Share	7,733	53,166	60,899	0.17	0.22

Notes:

1. The consolidated net tangible assets attributable to owners of our Company as at 30 June 2014 is arrived at after deducting RMB42,600,000 intangible assets from the audited consolidated equity attributable to owners of our Company of RMB50,333,000 as at 30 June 2014, as shown in the accountants' report, the text of which is set out in Appendix IA to this prospectus.

2. The estimated net proceeds from the Global Offering are based on estimated offer prices of HK$0.80 or HK$1.00 per Share after deduction of the underwriting fees and other related expenses payable by our Company and taking no account of any Shares which may be issued upon the exercise of the Offer Size Adjustment Option. The estimated net proceeds from the Global Offering are converted into RMB at an exchange rate of HK$1 to RMB0.8000. No representation is made that the RMB amounts have been, could have been or could be converted to HK$, or vice versa, at the rate or at any other rates or at all.

3. The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after adjustments referred to in the preceding paragraphs and on the basis that 352,000,000 Shares are in issue assuming that the Global Offering has been completed on 30 June 2014 and an Offer Price of HK$0.80 per Share, being the low end of the Offer Price range, and 352,000,000 Shares are in issue assuming that the Global Offering has been completed on 30 June 2014 and an Offer Price of HK$1.00 per Share, being the high end of the Offer Price range, excluding Shares which may be issued upon the exercise of the Offer Size Adjustment Option.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

29 December 2014

To the Directors of Future Bright Mining Holdings Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information on Future Bright Mining Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 30 June 2014, and related notes as set out on pages II-1 to II-2 of the Prospectus issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in section A of Appendix II of the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at 30 June 2014 as if the transaction had taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2014, on which an accountant's report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting Accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information, in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information on the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant’s judgment, having regard to the reporting accountant’s understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
ERNST & YOUNG
Certified Public Accountants
Hong Kong

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this prospectus received from Cushman & Wakefield Valuation Advisory Services (HK) Limited, an independent valuer, in connection with its valuation as at 31 October 2014 of the property interests of our Group.

29 December 2014

Cushman & Wakefield Valuation Advisory Services (HK) Limited

9/F St. George's Building
2 Ice House Street, Central, Hong Kong
Tel: (852) 2956 3888
Fax:(852) 2956 2323

www.cushmanwakefield.com

CUSHMAN & WAKEFIELD® 高緯環球

The Board of Directors
Future Bright Mining Holdings Limited
16/F
Guangdong Finance Building
88 Connaught Road West
Central
Hong Kong

Dear Sirs,

Preliminary

In accordance with your instructions to value the properties in which Future Bright Mining Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") have interests in The People's Republic of China ("The PRC") and in Hong Kong. We confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 31 October 2014 (the "valuation date").

Basis of Valuation

Our valuations of the property interests represent the "market value" which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

The valuation has been prepared in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules; the International Valuation Standards (2013) published by the International Valuation Standards Council and effective from 1 January 2014; and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors effective from 1 January 2013.

Valuation Assumptions

Our valuations have been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

As the properties in the PRC are held under long term land use rights, and the property in Hong Kong is held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the properties for the whole of the unexpired term of the land use rights and the leasehold interests.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and/or official plans handed to us by the Group are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Site Inspection

We have inspected the exterior and, where possible, the interior of the properties. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Valuation Methodology

We have adopted the Direct Comparison Approach by making reference to market comparables as available in the relevant markets to test any profit rents on existing leases of the properties. We have attributed no commercial value to the property interests which are leased by the Group, due either to the short-term nature of the leases or the prohibition against assignment or sub-letting or otherwise due to the lack of substantial profit rents.

Source of Information

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, identification of the properties and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Title Investigations

We have been, in some instances, provided by the Group with extracts of the title documents including Woodland Ownership Certificates relating to the property interests in the PRC, caused searches to be made at the Hong Kong Land Registry in respect of the property interests in Hong Kong and have made relevant enquiries. However, we have not searched the original documents to verify the existing titles to the property interests and any material encumbrances that might be attached to the properties or any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the PRC Legal Advisers, Jingtian & Gongcheng Law Firm, concerning the validity of the Group's titles to the property interests in the PRC.

Currency & Exchange Rate

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollar (HK$). The exchange rate adopted in our valuations is approximately Renminbi Yuan (RMB)1 = HK$1.2618 which was approximately the prevailing exchange rates as at the valuation date.

Our valuations are summarised below and the valuation certificates are attached.

Yours faithfully,
for and on behalf of
Cushman & Wakefield Valuation Advisory Services (HK) Limited
Vincent K. C. Cheung
Registered Professional Surveyor (GP)
BSc(Hons) MBA MRICS MHKIS
Executive Director and Head of Valuation & Advisory, Greater China

Note: Mr. Vincent K. C. Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 17 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a member of The Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

SUMMARY OF VALUES

GROUP I – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN THE PRC

No.	Property	Market Value in existing state as at 31 October 2014 *HK$*	Interest attributable to the Group	Market Value in existing state as at 31 October 2014 attributable to the Group *HK$*
1.	A Parcel of Woodland located at Nanzhang County Xiangfan City Hubei Province The PRC	No commercial value	100%	Nil
2.	Room No. 718 Xi Bai Nian Hotel No. 189 Shuijing Road Nanzhang County Xiangfan City Hubei Province The PRC	No commercial value	100%	Nil
3.	West Room of East Unit Level 3 of Block 15 Phoenix Garden No. 69 Xuefu Road Nanzhang County Xiangfan City Hubei Province The PRC	No commercial value	100%	Nil
4.	West Room of Middle Unit Level 3 of Block 15 Phoenix Garden No. 69 Xuefu Road Nanzhang County Xiangfan City Hubei Province The PRC	No commercial value	100%	Nil
	Sub-total:	**Nil**		**Nil**

SUMMARY OF VALUES

GROUP II – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN HK

No.	Property	Market Value in existing state as at 31 October 2014 *HK$*	Interest attributable to the Group	Market Value in existing state as at 31 October 2014 attributable to the Group *HK$*
5.	16th Floor of Guangdong Finance Building No. 88 Connaught Road West Hong Kong	No commercial value	100%	Nil
	Sub-total:	**Nil**		**Nil**
	Grand-total:	**Nil**		**Nil**

VALUATION CERTIFICATE

GROUP I – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN THE PRC

	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2014 *HK$*
1.	A Parcel of Woodland located at Nanzhang County Xiangfan City Hubei Province The PRC	The property comprises a parcel of land with a total site area of approximately 114,867.26 square metres, on which are erected various ancillary buildings and structures which were completed in various stages between 2010 and 2012. As per our on-site measurement, the total gross floor area of the buildings of the property is approximately 276.34 square metres. The ancillary buildings of the property comprise a 1-storey site office with dormitory and kitchen, a storage room, a mechanical room, a toilet, and an electrical distribution room. The land use rights of the property were granted for a term expiring on 31 December 2077 for woodland uses.	Portion of the property is currently occupied by the Group for mining, while the remaining portion of the property is pending for future mining.	No commercial value

Notes:–

1. The property was inspected by Mr. Vincent K. C. Cheung and Mr. Nick W. Yeung on 29 November 2013. Mr. Vincent K. C. Cheung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS) as well as Registered Professional Surveyors (General Practice Division), with over 17 years' experience in real estate valuations. Mr. Nick W. Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), with over 7 years' experience in real estate valuations.

2. The general description of the property is summarized as below:

Location	:	The property is situated in Xiaoyao Town and the distance between the property and Nanzhang County is about 27 kilometres.
Nature of Surrounding Area	:	The subject area is a rural area in Xiangfan City.
Transportation	:	The property can be accessed by Provincial Highway No. S251.

3. Pursuant to various woodland tenancy agreements entered into between Xiangyang Future Bright Mining Limited and various lessors, the property with a total site area of approximately 114,867.26 square metres was leased to Xiangyang Future Bright Mining Limited for mining uses. The details of the tenancy agreements are as follows:

Lessor	Ownership	Leased Area	Lease Term	Total Rent
		(square metre)		
蘇月虎	南漳政林證字2007號第040410號	6,666.70	16 December 2011 to 15 December 2031	RMB11,000
劉泳	非國有林林權登記申請審批表	800.00	27 March 2012 to 26 March 2032	RMB40,000
閆光滿	南漳政林證字2011號第000152號及南漳政林證字2007號第003540號	20,266.77	16 December 2011 to 15 December 2031	RMB110,000
林敬沛	南漳政林證字2007號第003598號	3,200.02	16 December 2011 to 15 December 2031	RMB4,000
張敬學	南漳政林證字2007號第003594號	41,200.21	30 October 2011 to 30 October 2031	RMB180,000
王化蛟	南漳政林證字2007號第003553號	3,200.02	11 November 2011 to 10 November 2031	RMB2,000
王文重	南漳政林證字2007號第003556號	3,200.02	11 November 2011 to 10 November 2031	RMB2,000
林敬華	南漳政林證字2007號第003602號及南漳縣肖堰鎮苗家溝村村委會出具的林地權屬證明	6,400.03	11 November 2011 to 10 November 2031	RMB4,000
王文富	南漳政林證字2007號第003601號	3,200.02	11 November 2011 to 10 November 2031	RMB2,000
劉傳友	南漳政林證字2007號第003542號	4,800.02	11 March 2012 to 10 March 2032	RMB40,000
王文濤	南漳政林證字2007號第003545號	17,400.09	28 May 2013 to 27 May 2033	RMB35,000
林朝安	南漳政林證字2007號第003452號	4,533.36	27 May 2013 to 26 May 2033	RMB68,000
Total		**114,867.26**		**RMB498,000**

4. Pursuant to three Letters of Consent of the Temporary Use of Woodland issued by Forestry Bureau of Nanzhang Country, portion of the property with a total site area of approximately 3.6569 hectares (36,569 square metres) was permitted to be used by Xiangyang Future Bright Mining Limited for mining purposes for a term of two years. The details of the Temporary Land Notifications are as follows:

Certificate No.	Site Area (hectare)	Issued Date
襄南林地審字(2013) 007號	0.887	15 December 2013
襄南林地審字(2014) 002號	0.8085	28 February 2014
襄南林地審字(2014) 015號	1.9614	2 September 2014
Total	**3.6569**	

5. Pursuant to a Temporary Land Use Notification, 南土臨字(2014) 第01號, dated 10 September 2014 and issued by the Land and Resources Bureau of Nanzhang County, portion of the property with a total site area of approximately 36,569 square metres was permitted to be used by Xiangyang Future Bright Mining Limited for mining purposes.

6. Xiangyang Future Bright Mining Limited is a wholly-owned subsidiary of the Company.

7. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC Legal Advisers, which contains, inter alia, the following:

   a. the woodland tenancy agreements entered into between Xiangyang Future Mining Limited and various lessors are legal, effective and legally binding. The lessors of the woodland tenancy agreements are the obligees of the woodland use rights and are entitled to lease the woodland specified in the woodland tenancy agreements to Xiangyang Future Mining Limited. Xiangyang Future Mining Limited is entitled to use the woodland according to the woodland tenancy agreements;

   b. the Forestry Bureau of Nanzhang County has the authority to issue the Letters of Consent of the Temporary Use of Woodland. Xiangyang Future Bright Mining Limited is entitled to use the specified land according to the rules of the Letters of Consent of the Temporary Use of Woodland and the woodland tenancy agreements;

   c. after the expiry of the term specified in the Letters of Consent of the Temporary Use of Woodland issued by the Forestry Bureau of Nanzhang County, there is no substantial legal impediment for the Forestry Bureau of Nanzhang County to grant the approval for Xiangyang Future Bright Mining Limited to continue to use the woodland if Xiangyang Future Bright Mining Limited satisfies the legal requirements and adhere the procedures set out by the relevant authority;

   d. the Land and Resources Bureau of Nanzhang County has the authority to issue the Temporary Land Use Notification. Xiangyang Future Bright Mining Limited is entitled to use the temporary land according to the rules of the Temporary Land Use Notifications and the woodland tenancy agreements;

   e. after the expiry of the term specified in the Temporary Land Use Notification issued by the Land and Resources Bureau of Nanzhang County, there is no substantial legal impediment for the Land and Resources Bureau of Nanzhang County to grant the approval for Xiangyang Future Bright Mining Limited to continue to use the woodland if Xiangyang Future Bright Mining Limited satisfies the legal requirements and adhere the procedures set out by the relevant authority; and

   f. as at the issue date of the legal opinion, Xiangyang Future Bright Mining Limited has obtained the major approval or permit for using temporarily the said woodland with a site area of 36,569 square metres. The risk of being penalized due to the belated application of the temporary use of land from the land and resources bureau is relatively low.

VALUATION CERTIFICATE

Property		Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2014 *HK$*
2.	Room No. 718 Xi Bai Nian Hotel No. 189 Shuijing Road Nanzhang County Xiangfan City Hubei Province The PRC	The property comprises a hotel unit on Level 7 of a 8-level hotel building plus one basement level which was completed in about 2008. The gross floor area of the property is approximately 60 square metres. The property is currently leased by Xiangyang Future Bright Mining Limited for a term commenced on 1 January 2012 and expiring on 31 May 2015 at a daily rent of RMB220 inclusive of the provision of hotel service.	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:–

1. The property was inspected by Mr. Vincent K. C. Cheung and Mr. Nick W. Yeung on 29 November 2013. Mr. Vincent K. C. Cheung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS) as well as Registered Professional Surveyors (General Practice Division), with over 17 years' experience in real estate valuations. Mr. Nick W. Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), with over 7 years' experience in real estate valuations.

2. The general description of the property is summarized as below:

Location	:	The subject building abuts Shuijing Road to the northwest and it is situated in the centre of Nanzhang County.
Nature of Surrounding Area	:	The subject area is a predominately residential area in Nanzhang County.
Transportation	:	Taxi and public bus services are available along Shuijing Road.

3. Pursuant to a tenancy agreement entered into between Xiangyang Future Bright Mining Limited and 李金玉, the property with a gross floor area of 60 square metres was leased to Xiangyang Future Bright Mining Limited for office uses for a term of 3 years commenced on 1 January 2012 and expiring on 31 May 2015 at an daily rent of RMB220 inclusive of the provision of hotel service.

4. Xiangyang Future Bright Mining Limited is a wholly-owned subsidiary of the Company.

5. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC Legal Advisers, which contains, inter alia, the following:

   a. 李金玉 has the rights to lease the property to Xiangyang Future Bright Mining Limited and the tenancy agreement is a legal, effective and enforceable document and legally binding.

   b. Xiangyang Future Bright Mining Limited is entitled to use the property according to the tenancy agreement and the tenancy agreement has been registered according to the relevant law.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2014 *HK$*
3. West Room of East Unit Level 3 of Block 15 Phoenix Garden No. 69 Xuefu Road Nanzhang County Xiangfan City Hubei Province The PRC	The property comprises a residential unit on Level 3 of an 8-storey residential building within a residential development known as Phoenix Garden, which was completed in about 2010. The gross floor area of the property is approximately 134 square metres. The property is currently leased by Xiangyang Future Bright Mining Limited for a term commenced on 11 November 2011 and expiring on 10 November 2016 at an annual rent of RMB9,600 exclusive of management fees, water, electricity and telephone charges and other outgoings.	The property is currently occupied by the Group for residential purposes.	No commercial value

Notes:–

1. The property was inspected by Mr. Vincent K. C. Cheung and Mr. Nick W. Yeung on 29 November 2013. Mr. Vincent K. C. Cheung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS) as well as Registered Professional Surveyors (General Practice Division), with over 17 years' experience in real estate valuations. Mr. Nick W. Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), with over 7 years' experience in real estate valuations.

2. The general description of the property is summarized as below:

Location	:	The property is situated within a residential development known as Phoenix Garden. The development abuts Xuefu Road to the northeast and other residential and commercial developments to the other aspects.
Nature of Surrounding Area	:	The subject area is a predominately residential area in Nanzhang County.
Transportation	:	Taxi and public bus services are available along Shuijing Road which is located at the south of Xuefu Road.

3. Pursuant to a tenancy agreement and a supplementary agreement entered into between Xiangyang Future Bright Mining Limited and 熊國榮 whom was authorised by 熊國華, the property with a gross floor area of 134 square metres was leased to Xiangyang Future Bright Mining Limited for a term of 5 years commenced on 11 November 2011 and expiring on 10 November 2016 at an annual rent of RMB9,600, exclusive of management fees, water, electricity and telephone charges and other outgoings.

4. Xiangyang Future Bright Mining Limited is a wholly-owned subsidiary of the Company.

5. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC Legal Advisers, which contains, inter alia, the following:

   a. 熊國華 has the rights to lease the property to Xiangyang Future Bright Mining Limited and the tenancy agreement and the supplementary agreement are legal, effective and enforceable documents and legally binding; and

   b. Xiangyang Future Bright Mining Limited is entitled to use the property according to the tenancy agreement and the supplementary agreement, and the agreements have been registered according to the relevant law.

VALUATION CERTIFICATE

	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2014 *HK$*
4.	West Room of Middle Unit Level 3 of Block 15 Phoenix Garden No. 69 Xuefu Road Nanzhang County Xiangfan City Hubei Province The PRC	The property comprises a residential unit on Level 3 of an 8-storey residential building within a residential development known as Phoenix Garden, which was completed in about 2010. The gross floor area of the property is approximately 160 square metres. The property is currently leased by Xiangyang Future Bright Mining Limited for a term commenced on 11 September 2014 and expiring on 10 September 2015 at a total rent of RMB12,000 exclusive of management fees, water, electricity and telephone charges and other outgoings as at the valuation date.	The property is currently occupied by the Group for residential purposes.	No commercial value

Notes:–

1. The property was inspected by Mr. Vincent K. C. Cheung and Mr. Nick W. Yeung on 29 November 2013. Mr. Vincent K. C. Cheung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS) as well as Registered Professional Surveyors (General Practice Division), with over 17 years' experience in real estate valuations. Mr. Nick W. Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), with over 7 years' experience in real estate valuations.

2. The general description of the property is summarized as below:

Location	:	The property is situated within a residential development known as Phoenix Garden. The development abuts Xuefu Road to the northeast and other residential and commercial developments to the other aspects.
Nature of Surrounding Area	:	The subject area is a predominately residential area in Nanzhang County.
Transportation	:	Taxi and public bus services are available along Shuijing Road which is located at the south of Xuefu Road.

3. Pursuant to a tenancy agreement entered into between Xiangyang Future Bright Mining Limited and 豆聰, the property with a gross floor area of 160 square metres was leased to Xiangyang Future Bright Mining Limited for a term of 1 year commenced on 11 September 2014 and expiring on 10 September 2015 at a total rent of RMB12,000, exclusive of management fees, water, electricity and telephone charges and other outgoings.

4. Xiangyang Future Bright Mining Limited is a wholly-owned subsidiary of the Company.

5. We have been provided with a legal opinion regarding the legality of the Group's property interests by the Group's PRC Legal Advisers, which contains, inter alia, the following:

   a. 豆聰 has the rights to lease the property to Xiangyang Future Bright Mining Limited and the tenancy agreement are a legal, effective and enforceable documents and legally binding; and

   b. Xiangyang Future Bright Mining Limited is entitled to use the property according to the tenancy agreement and the tenancy agreement has been registered according to the relevant law.

VALUATION CERTIFICATE

GROUP II – PROPERTY INTERESTS LEASED AND OCCUPIED BY THE GROUP IN HK

Property		Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 October 2014 *HK$*
5.	16th Floor of Guangdong Finance Building No. 88 Connaught Road West Hong Kong	The property comprises the whole 16th Floor of a 31-storey office building which was completed in about 1998. The saleable area of the property is approximately 2,403.45 square feet. The property is currently leased by Future Bright (H.K.) Investment Limited for a term commenced on 16 May 2014 and expiring on 15 May 2016 at a monthly rent of HK$67,200 exclusive of air-conditioning charges, government rates, and management charges.	The property is currently occupied by the Group for office purposes.	No commercial value

Notes:–

1. The property was inspected by Mr. Nick W. Yeung on 7 January 2014. Mr. Nick W. Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), with over 7 years' experience in real estate valuations.

2. The general description of the property is summarized as below:

Location	:	The subject building abuts Connaught Road West to the north, Sutherland Street to the east, Sze Yap Building to the south and Kong Tak Building to the west.
Nature of Surrounding Area	:	The subject area is a predominately residential and commercial area in Central and Western District in Hong Kong.
Zoning Use	:	Commercial under Sai Ying Pun & Sheung Wan OZP No. S/H3/29
Transportation	:	Taxi and public bus services are available along Connaught Road West.

3. Pursuant to a tenancy agreement entered into between Future Bright (H.K.) Investment Limited and Hong Kong Guangdong Finance Building Corporation Limited, the property was leased to Future Bright (H.K.) Investment Limited for a term commenced on 16 May 2014 and expiring on 15 May 2016 (both days inclusive) at a monthly rent of HK$67,200 exclusive of air-conditioning charges, government rates, and management charges.

4. The registered owner of the property is Hong Kong Guangdong Finance Building Corporation Limited registered vide Memorial No. UB6481760 dated 7 December 1995. The consideration of the subject development was HK$365,000,000.

5. Future Bright (H.K.) Investment Limited is a wholly-owned subsidiary of the Company.

6. The property is subject to the following:

   a. Occupation Permit No. H77/98 registered vide Memorial No. UB7656544 dated 22 December 1998;

   b. Mortgage registered vide Memorial No. 06101401200089 dated 15 September 2006 in favour of Bank of China (Hong Kong) Limited for the consideration of all monies (PT.);

   c. Assignment of Rentals registered vide Memorial No. 06101401200090 dated 15 September 2006 in favour of Bank of China (Hong Kong) Limited;

   d. Second Legal Charge registered vide Memorial No. 14011600550055 dated 7 January 2014 in favour of Bank of China (Hong Kong) Limited for the consideration of all monies (PT.); and

   e. Assignment of Rentals registered vide Memorial No. 14011600550068 dated 7 January 2014 in favour of Bank of China (Hong Kong) Limited.

Independent Technical Report of Xiangyang Future Bright Mining's Yiduoyan Marble Project

Report Prepared for

Future Bright Mining Holdings Limited

Report Prepared by

srk consulting

SRK Consulting (Hong Kong) Limited
XFB002
29 December 2014

Independent Technical Report of Xiangyang Future Bright Mining's Yiduoyan Marble Project

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SRK Project Number XFB002

29 December 2014

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EXECUTIVE SUMMARY

SRK Consulting (Hong Kong) Limited ("SRK") has been commissioned by Future Bright Mining Holdings Limited ("Future Bright" or the "Company") to prepare an Independent Technical Report ("ITR" or "Report") on its Yiduoyan Marble Project (the "Project"), located in Xiaoyan Township, Nanzhang County, Xiangyang, Hubei Province of Peoples' Republic of China. The ITR is prepared in a format which meets the requirements for a proposed listing on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEx" or "Stock Exchange").

The Scope of Works for the ITR includes a review and reporting of the following technical aspects:

- Geology;
- Resources Estimate;
- Mining Methods and Ore Reserves;
- Environment, Permits and Social Impacts;
- Capital and Operating Costs;
- Marble Quality and Marketing; and
- Risk Assessment.

Work Programme

SRK has reviewed information supplied by the Company including a feasibility study ("FS"), prepared by the Suzhou Sinoma Design & Research Institute of Non-metallic Minerals Industry Co., Ltd ("Sinoma"), a market study, drilling information, test reports and various requested documents. SRK consultants visited the site twice in July 2013 and May 2014. This Report comprises the results of the investigations, Resource and Reserve estimations and discussions with Future Bright.

Project Background and Current Status

Future Bright proposes to develop the Project to extract white and grey marble dimension stone blocks for sale to processing plants for the production of polished slabs and other products. The Project is located in Nanzhang County, Hubei Province of China, approximately 45 km from Nanzhang. The Project area is covered by a mining licence, measuring approximately 0.5 km^2.

The Project site has not previously been systematically explored before 2012. In 2012, Future Bright commissioned the Team 932 of Nonferrous Metals Geological Bureau of Guangdong Province ("Team 932") to conduct geological investigation comprising 12 diamond drillholes totalling 1,009.2 m, of which nine were logged, a topographical survey, geological mapping, hydrological study, and sampling for physical and chemical tests. In July 2013, Future Bright also commissioned Sinoma to undertake a Feasibility Study ("FS") on the Project.

Future Bright conducted limited site construction between September 2012 and July 2013, and has begun full-scale mine construction since August 2013. In April 2014, Future Bright had already constructed three production benches at 556 m, 548 m and 540 m respectively at the initial mining area, located between Exploration Lines 101 and 102. These benches measure 120 m, 220 m and 260 m respectively. As of the end of June 2014, the production bench at 556 m had been completely mined out whereas mining continues at level 548 m and 540 m. According to the FS, mining will then proceed to pushback downwards bench by bench and form a final open pit with the bench height of 8 m, a safety cleaning berm width of 3 m and a haulage berm width of 6 m. The working bench angle is 90°, but the final slope angle will become 55° and 45° within marble and the weathered zone, respectively. The final pit will measure a depth of 160 m. The dimension of the pit top will measure 517 m x 298 m and the pit bottom will measure 312 m x 140 m.

As of the end of June 2014, topsoil and weathered materials had been stripped off at the initial mining area. These materials have been used as fill materials for the haulage road and the foundation of the transfer pad area. A 900-m-long haulage road, connecting the Provincial Highway S251 to the temporary office complex and the mining area has been constructed. According to the FS, the haulage road will further be extended to 1.89 km long and 6.5 m wide.

Geology

The Project area is underlain by the Jialingjiang Formation of Triassic age. Two units of marble of economic interest have been identified, a light to dark grey fine to very fine grained marble (Grey Marble V-2) which is overlain by a milky white to light grey and pink fine grained marble (White Marble V-1). The marble occurs in a southeast gently plunging asymmetric open syncline. A fault occurs in the eastern part of the Project area, the extent of which has been deducted in Resource and Reserve estimations. Structural mapping has identified two main joint sets as well as bedding parallel jointing. The marble within the mining licence area is affected by shallow weathering karst features and two sinkholes. No subsurface information is available about the sinkholes and they have been excluded from the proposed pit area and hence Reserve estimation.

Mineral Resources

A detailed topographical survey and geological mapping have been conducted on the mining licence area, with more detailed investigations in the proposed quarry area. In all, 12 wireline diamond drillholes were drilled during the geological investigation of the site. Nine of the drillholes were considered in the geological model and Resources estimation, and the remaining three have not yet been logged or tested. Core recovery within the marble units was 96%.

Physical tests have been carried out on core and surface samples from the Project area. Bulk density, water absorption, compressive and flexural strength tests, abrasion resistance, gloss and radioactivity tests have been carried out on surface and drill core samples. The results of the tests meet Chinese standard specifications for marble dimension stone with the exception of a limited number of water absorption tests, most of which are associated with either weathering or joints. Chemical analysis and inspection of core and quarry faces and polished samples have indicated that no deleterious minerals are present. Samples of the marble also meet the national mandatory standard for radionuclides in building materials for Class A materials which places no restrictions on its use. SRK has carried out a limited number of check tests that, in general, confirm the results of the tests carried out by the Company.

The block yield, the number of blocks (1.7 m x 1.7 m x 2.5 m) that can be produced from a cleaned bench which contains a volume of 1,112 m^3, was estimated by Team 932 as 35%. This was verified by SRK through joint mapping at one of the recently cleaned benches in July 2013. Actual production data for early 2014 also yielded similar results.

SRK is of the opinion that there is sufficient confidence in the continuity of marble colour and quality to classify Resources within 70 m from drillholes as Indicated and those within 140 m as Inferred. SRK considers that the data are of sufficient quality, and the Resource estimate is considered by SRK to comply with Joint Ore Reserves Committee ("JORC") Code, 2012 (Table ES-1).

Table ES-1: Yiduoyan Marble Resource Statement as at 1 July 2014

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	3.4
Indicated	5.6	1.8	7.3
Total	7.4	3.3	10.7

The Resource has been limited to the area within the mining licence between the approved elevations limits of 420 to 589 m RL. The Resource is calculated to have a block yield of approximately 35%. Based on the testwork conducted we have determined the whole Resource is of potentially mineable quality and has a potentially economic block yield. Areas of the deposit that are not potentially marketable on the grounds of appearance, quality or potential block size have been excluded from the Resource estimate. Marble blocks produced prior to 1 July 2014 have been deducted from the estimated Resources.

Ore Reserves

Based on the mine planning and modifying factors (defined in Figure 6-1) described in the FS and the defined Indicated Resources, SRK has classified the final saleable marble block product portion of the Indicated Resources, within the proposed pit (517 m long and 298 m wide), designed by Sinoma as Probable Reserves, as shown in Table ES-2.

Table ES-2: Yiduoyan Marble Reserve Statement as at 1 July 2014

Reserve Category	White Marble V-1 *(million m^3)*	Grey Marble V-2 *(million m^3)*	Total *(million m^3)*
Probable	0.87	0.04	0.91

The proportion of marble Resources that can be mined out as blocks of the dimensions specified (i.e. block yield) is estimated at 35%. A 5% block handling loss has also been assumed. A further estimated 2% of marble that may be rejected on the basis of quality, including features such as colour, texture, grain-size and consistency, has been estimated by SRK. The final saleable marble block product is thus estimated at 32.6% of the Resources in the proposed pit. Considerations of items listed in Table 1 of the JORC Code (2012) are tabulated in Appendix B. Marble blocks produced prior to 1 July 2014 have been deducted from the estimated Reserves.

Mining

The mine is planned to take two years of construction, followed by a ramp up period to reach full annual production of 20,000 m^3 of marble blocks. A 2-year ramping down period is estimated prior to the end of the mine life, in approximately 47 years. The marble will be mined by isolating a large primary block from the main rock mass and then cutting it into secondary and tertiary blocks with an arm sawing machine and diamond wire saws. The blocks will be moved by fork loaders and trucks. Natural fractures and joints will influence the design of the extraction area and the size of blocks extracted.

SRK considers the mining method appropriate for the mine design and production rate being achieved. The equipment types selected for cutting, tilting, trimming, loading and hauling, as well as the ancillary equipment, are considered to be suitable for the planned operation. SRK noticed that there is 30-50 m-thick waste rock immediately below the overburden over the northern part of the open pit area. During overburden removal, a pre-blasting separation measure, i.e., wire saw and short hole method must be used to isolate marble to be extracted and minimise the possibility of the propagation of cracks formed by blasting into the marble.

The current level of geotechnical and hydrogeological studies are considered appropriate.

Capital and Operating Costs

The construction of the Project requires a 2-year construction period (August 2013-July 2015) and passes into a ramp-up period (August 2015-December 2016). The Project will reach full production of 20,000 m^3 per year by 2017.

The initial capital cost estimate, currently amounts to RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million has already been incurred and a further RMB37.6 million will be spent between July 2014 and 2016. SRK has reviewed the detailed breakdown in the FS and the current update made by the Future Bright and considers that the initial capital cost is reasonable. However, an additional amount of RMB32.3 million of sustaining capital cost should be included in 2026 and 2036 respectively for equipment replacement.

The unit cash operating cost is estimated at RMB1,423 per m^3, and the total annual cash operating cost is estimated at RMB28.5 million when the Project reaches its full production rate of 20,000 m^3 per annum by 2017. The cost estimate is broken down and traceable to unit costs and consumption rates, with most of the cost assumptions considered appropriate. SRK considers the estimate is reasonable and is of similar order of magnitude to other similar dimension stone projects in China.

Environmental

Table ES-3 summarises the status of the key operational licences and permits for the Project.

Table ES-3: Key operational licences and permits status

Project	Business Licence	Mining Licence	Safety Production Permit	Water Use Permit	Site Discharge Permit
Yiduoyan Marble Mine	Y	Y	Y	Y	Y

Notes:

'Y' denotes that the licence/permit has been granted.

'N' means that the licence/permit is not available.

'NYR' means that the licence/permit is not yet required for the current operation.

SRK has sighted a temporary land use notification for the Project which was issued by Nanzhang County Land and Resources Bureau on September 10, 2014. The approved land use area is 36,596 m^2.

Table ES-4 summarises the status of the environmental assessment and approvals for the Project.

Table ES-4: Status of the environmental assessment and approvals

Project	Environmental Impact Assessment Report (EIA)	Approval for EIA[1]	Water and Soil Conservation Plan (WSCP[2])	Approval for WSCP[2]	Environmental Final Checking and Acceptance Approval[3]
Yiduoyan Marble Mine	Y	Y	Y	Y	Y

Notes:

"Y" denotes that the licence/permit has been granted and viewed by SRK.

"N" means that the licence/permit has not been completed or is not available.

"NYR" means that the approval is not yet required.

1 Environmental Impact Assessment.

2 Water and Soil Conservation Plan.

3 Formal environmental approval to commence operating.

SRK has sighted the following project safety assessments for the Project:

- Safety Pre Assessment Report for the Yiduoyan Marble Project; and
- Safety Final Check Assessment Report for the Yiduoyan Marble Project.

SRK has not sighted the approval (by the relevant safety bureau) for the Safety Pre-Assessment Report for the Project. However, SRK noted that the Safety Working Permit for the Project was issued after the approval of the Safety Final Check Assessment Report which provides assessment to the working conditions of the Project.

At the time of the site visits in July 2013 and May 2014, the Project was generally being developed in accordance with the Project EIA approval conditions.

SRK has reviewed the Safety Assessment Reports as provided by the Project and is of the opinion that the reports cover items that are generally in line with recognised Chinese industry practices and Chinese safety regulations.

The operational Occupational Health and Safety (OHS) management system/procedures for the Project cover the basic safety production managements for drilling, loading, transportation, air compressor operation, etc. In addition, the safety assessment reports for the Project provide safety management measures for open pit mining. SRK notes that these proposed safety management measures in the safety assessment reports have formed the basis for the operational OHS management system/procedures.

SRK has not sighted, as part of this review, any operational OHS records for the current construction of the Project. At the time of this site visit, Future Bright informed SRK that no injuries or fatal accidents have taken place on site.

Marketing

The primary product of the Project will be unprocessed marble blocks ranging from 0.5 to 9 m^3 in volume. Seven white, cream, and grey colour variants have been identified from the white and grey units identified in the quarry area. The marble will be marketed as "Nanzhang white and grey jade" to processing plants. The plants will cut the blocks into slabs of marble and either sell them as slabs or further process them to achieve various finishes. As China is a net importer of marble, particularly white and light coloured marble, it is anticipated that most of the slabs will be sold within China, but some may be exported.

The average sale price anticipated for the marble blocks have been estimated as of the order of RMB4,151 (before VAT) per m^3. In late June, a batch of 267.2 m^3 marble blocks, produced during the construction phase of the Project was sold at an average price of RMB3,301.9 per m^3 (before VAT).

It is assumed that levels of demand will be relatively stable and that the existing contract will be honoured and renewed on similar terms. It should be noted that dimension stone prices tend to be more stable than other commodities such as metallic minerals. Whilst colour and market acceptance influence the price of the marble products and the marble block products have not yet been thoroughly tested in the market place, this price estimate is considered reasonable compared to data supplied by the Company on similar marbles currently on the market. However, most potential purchasers of the marble are located in stone processing hubs scattered around China, many of which are at a considerable distance from Nanzhang County. SRK considers that the transportation cost may impact on the price received for marble blocks. SRK recommends Future Bright carry out detailed market studies and marketing activities to maximise the volume sold and prices achieved for its marble block products and waste/by-products from the mine.

Risk Assessment

The risks identified for the Project have been rated as low to medium. The initial assessment result, recommendations and company responses, together with a risk rating are shown in (Table ES-5). It is the opinion of SRK that the above risks can be generally managed if detailed risk assessments and control procedures are implemented, actions specified in the Company Responses are carried out, Chinese standards and regulatory requirements are followed, and detailed marketing plans are developed.

Table ES-5: Risk analysis

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Resource/Block Yield				
Jointing	Joints closer than expected resulting in reduction in block yield	Maintain records of jointing and have provisions to modify extraction plan to ensure maximisation of block size and yield. Inclined holes to access the joint density at depth.	The Company is working to establish an ongoing joint and void mapping program to keep track of the change of joint and void density on the working panel. As of July 2014, the Company has not seen significant joint density increase, including near those locations where geological structures are exposed on the surface. Nevertheless, the Company plans to set up inclined holes at location wherever joint density substantially increases. SRK considers that this approach adequately addresses the issue of jointing, and decreases the risk of lower block yield.	Medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Karst and weathering effects	Karst and weathering effects greater than expected, resulting in reduction in block yield and a negative impact on production	Maintain records of karst and have provisions to modify extraction plan to ensure maximisation of block size and yield, and to allow reconciliation with the assumptions used in the mine plan and Reserve estimates.	The Company is plans multiple inclined holes to drill-test geological structures whenever joint density significantly increases to determine the nature of joint-associated dissolution features, if any, at depth. SRK notes that some karst development, particularly voids along joints close to the surface, but also at depth, is very common in marble quarries, but provision has already been made for this in the Reserve estimate. The irregular nature of karstic voids makes it difficult to estimate their exact extent, even with drilling.	Medium
Colour and texture	More variation in colour and texture than anticipated, resulting in reduction in block yield and price	Maintain records of colour and texture, consider marketability of different products (colour/texture), and use selective mining to produce a range of products.	The Company is seeking to identify multiple marble buyers who purchase marble products with a variety of colours and textures.	Low
Physical properties	Quality lower than indicated in tests, resulting in reduction in block prices	Quality control testing and recording of extracted material during quarrying.	The Company seeks to identify multiple marble buyers to purchase marble blocks of varying quality where required.	Low

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Mining				
Geotechnical conditions	Geotechnical conditions in the mine and associated infrastructure, (including the approach road) are worse than anticipated, resulting in greater potential for injury/death, delays in production, reduction in block yield, lower production rate	Conduct a more detailed geotechnical analysis to identify and address potential issues. Ensure good mining practices are implemented.	The Company is working to establish a geotechnical study to address potential geotechnical issues during the period of advanced development.	Medium
Mine plan/ management	Failure to meet production targets	Monitor progress and revise mine plan as necessary.	The Company mine management regularly reviews the jointing density, quality, pattern and colour of the marble material and production data so as to timely modify the mine planning and scheduling correspondingly.	Medium
Increase in operating costs/capex	Reduced profit margins	Secure long term contracts with contractors and confirm advanced procurement orders with suppliers.	The Company keeps closely monitoring the spending of capital in accordance with the CAPEX plan and will incur additional CAPEX only if sufficient funds are available.	Medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Hydrological and Hydrogeological conditions	Siltation and/or contamination of drainage Increase of pH in natural drainage Exhaustion of water supply High intensity stormwater flows to cause disruption of operation	Conduct a more detailed hydrogeological analysis to identify and address potential issues.	The Company is working to establish a hydrogeological study to address hydrological issues and identify a secondary water source.	Medium
Waste rock management	The nearby building materials factory does not honour the contract to take the amount of waste rocks produced over the contract period (November 2013 and November 2018).	Alternative waste rock disposal plan should be conducted in order to address the possibility of the breach of the contract from the building materials factory and to fulfil the LoM requirements.	Given that there is substantial demand for building materials in the local community and numerous building materials factories nearby, the Company seeks to extend the existing supply contract with another term of 5 years as an integral part of waste rock management. The Company is also working to discuss supply contracts with adjacent building materials factories if the Company sees that the waste rock volume exceeds the capacity of the existing building factory.	Medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Land disturbance, and site rehabilitation and site closure requirements	Impact on local flora and fauna Lead to soil erosion Destruction of the ecological system	Survey and record the operational areas of land disturbed and progressively rehabilitated for the Project.	The Company has commenced an ongoing rehabilitation program using local flora and soil to reduce soil erosion and to minimize the impact on local flora and fauna during development, considering the rehabilitation program will additionally assist to restore the ecological system significantly.	Low
Water management	Pollution of the surface water and groundwater Impact on local water supply	Construct surface water drainage/flood collection system and settling pond for the Project. Develop fully functioning water monitoring report/planned programme.	The Company has put a water management system into practice, including the construction of water drainage and recycling system and settling pond. The facilities have been completed and approved by Nanzhang Environmental Protection Department in July 2014.	Medium
Dust and noise emission	Fugitive dust and noise pollution	Use covered trucks for waste rock transportation.	The Company seeks to use covered trucks to transport waste rock. The Company is working to investigate the feasibility of water-spraying during production. The Company seeks to investigate the feasibility of using low-noise equipment during production.	Low

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Flood	Flooding of quarry	Ensure drainage diverts water away from quarry. Ensure quarry is free draining.	The Company has put a water management system into practice including the construction of the water drainage and recycle system and settling pond. Such facilities have been completed and have been approved by the Environmental Protection Department in July 2014.	Low
OHS procedures	Greater potential for injury/death due to substandard OHS procedures Loss of productivity	Implement site hazard audit & monitoring programme, identify major hazards, implement risk controls.	The Company is committed to developing a comprehensive OHS management system throughout all workplace activities, and is modifying the management system as circumstances develop. The Company has been working in strict compliance with the OHS regulations required by the Safety Monitoring Authority, and has continuously and successfully passed Authority on-site inspections.	Medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Market (External to Mining Operation)				
Transport costs	Reduction in block price	Seek markets closer to mine.	Strategically located in central China, the Company enjoys an advantage of a shorter distance to a number of adjacent developing cities through a well-established transportation network. The Company has also established long-term ex-warehouse sales contract with different buyers, minimizing the Company's risk exposure to transport costs.	Medium
Markets	Anticipated market prices not achieved Market growth not as fast as anticipated Increased competition from new quarries	Modify production rate, actively seek new markets.	As of the Latest Practicable Date, the Company had entered into four sale contracts which set out an agreed price range. Upon expiry of these four contracts in 2016, the Company will seek to 1) identify new potential buyers, 2) lower production cost, and 3) lower production rate in response to possible weaker market demand in order to minimize the Company's risk of exposure to market dynamics.	Medium

Having reviewed the FS and information provided by Future Bright, it is SRK's opinion that the Project is technically and economically viable.

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DISCLAIMER

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Hong Kong) Limited ("SRK") by Future Bright Mining Holdings Limited ("Future Bright"). The opinions in this Report are provided in response to a specific request from Future Bright to do so. SRK has exercised all due care in reviewing the supplied information. Whilst SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

LIST OF TERMS AND ABBREVIATIONS

Abbreviation	Meaning
Abrasion	Erosion of rock material by friction of solid particles moved by gravity, water, ice, or wind.
Aquifer	An underground bed or layer of permeable rock, sediment, or soil that yields water.
(The) Beijing Laboratory	National Research Center for Testing Techniques for Building Materials in Beijing
Breccia	Clastic rock made up of angular fragments of such size that an appreciable percentage of rock volume consists of particles of granule size or larger.

Abbreviation	Meaning
Bulk density	Property of mineral components which is defined by the weight of an object or material divided by its volume, including the volume of its pore spaces.
Calcite	Calcium carbonate minerals
CAPEX	capital expenditure
Cataclastic	Pertaining to the structure produced in a rock by the action of severe mechanical stress during dynamic metamorphism by earth stresses; characteristic features include the bending, breaking, and granulation of the minerals.
Clay	An extremely fine-grained natural earthy material composed primarily of hydrous aluminum silicates. It may be a mixture of clay minerals and small amounts of non-clay materials or it may be predominantly one clay mineral.
Compressive strength	The capacity of a material or structure to withstand loads tending to reduce size. It can be measured by plotting applied force against deformation in a testing machine. The maximum compressive stress that can be applied to a material, such as a rock, under given conditions, before failure occurs.
CSMA	China Stone Material Association
Deformation	A general term for the process of folding, faulting, shearing, compression, or extension of the rocks as a result of various Earth forces.
Dolomite	A sedimentary carbonate rock and a mineral, both composed of Calcium magnesium carbonate $CaMg(CO3)_2$ found in crystals, commercially referred to as marble.
Drillcore	A solid, cylindrical sample of rock produced by an annular drill bit, generally rotatively driven but sometimes cut by percussive methods.
EHS	Environmental Health and Safety
EIA	Environmental Impact Assessment

Abbreviation	Meaning
EPCM	Engineering, Procurement and Construction Management
EPMP	Environmental Protection and Management Plan
ERP	Emergency Response Plan
Exploration	Activity to prove the location, volume and quality of a deposit.
Fault	A fracture or fracture zone in rock along which movement has occurred.
Flexural strength	A mechanical parameter for brittle material, defined as a material's ability to resist deformation under load.
Fold	A bend or flexure in a rock unit or series of rock units that has been caused by crustal movements.
Formation	A laterally continuous rock unit with a distinctive set of characteristics that make it possible to recognize and map from one outcrop or well to another. The basic rock unit of stratigraphy.
Fossiliferous	Bearing or containing fossils, as rocks or strata.
Future Bright	Future Bright Mining Limited
GIS	geographic information system
Gloss	Surface shininess or lustre
Hauling	The drawing or conveying of the product of the mine from the working places to the bottom of the hoisting shaft, or slope.
IRa	Internal exposure index
$I\gamma$	External exposure index
ITR	Independent Technical Report
Joint	a fracture in rock which there has no displacement

Abbreviation	Meaning
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), December 2012
k	Thousand
Karst	A type of topography that is formed on limestone, gypsum, and other rocks by dissolution, and that is characterized by sinkholes, caves, and underground drainage.
km	Kilometres
km^2	square kilometres
LoM	Life of Mine
Limestone	Rocks of sedimentary origin that primarily are composed of calcium carbonate without or with limited magnesium.
Log	The record of, or the process of recording, events or the type and characteristics of the rock penetrated in drilling a borehole, as evidenced by the cuttings, core recovered, or information obtained from electric, sonic, or radioactivity devices.
M	Metre
M	Million
m RL	metres reduced level refers to the distance above or below a datum (in this case a Chinese height datum)
m^3	cubic metre
Magmatic	Pertaining to, or derived from magma.

Abbreviation	Meaning
Marble	Rock geologically defined as metamorphosed limestone or dolomite that is thoroughly recrystallized and much or all of the sedimentary and biologic textures are obliterated. Commercially in the stone industry, and as used in this Prospectus, marble also includes limestone and dolomite that is polishable. Many decorative marbles are of this class.
Marble slabs	Marble stones of certain specifications, which are processed from cutting, burnishing and polishing the marble blocks.
mE	metres east
Mineral Resource	Concentration or occurrence of material of intrinsic economic interest upon or inside the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.
mm	millimetres
mN	metres north
mS	metres south
Mt	million tonnes
Mtpa	million tonnes per annum
Mudstone	Fine-grained, detrital sedimentary rock made up of silt- and clay-sized particles. Distinguished from shale by lack of fissility.
Nanzhang white and grey jade	Trade name of marble produced from the Yiduoyan quarry.
Open fold	A fold in which the limbs diverge at a large angle.
Open-pit mining	Mining of a deposit from a pit open to surface and usually carried out by stripping of overburden materials.
OPEX	operating expenditure

Abbreviation	Meaning
Ore Reserve	The economically mineable part of a measured and/or indicated mineral resource.
pa	per annum
Plunge or plunging	Acute angle that axis of folded rock mass makes with horizontal plane.
PRC	People's Republic of China
RMB	Renminbi, Chinese currency
Rock quality designation (RQD)	Rough measure of the degree of jointing or fracture in a rock mass, measured as a percentage of the drill core in lengths of 10 cm or more.
Sedimentary rock	A rock formed from the accumulation and consolidation of sediment, usually in layered deposits and which may consist of rock fragments of various sizes, remains or products of animals or plants, products of chemical action or of evaporation, or mixtures of these.
Siltstone	A clastic sedimentary rock that forms from silt-size (between 1/256 and 1/16 mm diameter) weathering debris.
Sinkhole	A depression in the land surface that results from the collapse or slow settlement of underground voids produced by solution weathering. The rock being dissolved is normally limestone but can also be salt, gypsum or dolostone.
Stereonet	A two-dimensional, circular representation of a sphere in which the lines of longitude and latitude form a system of coordinates (a 'net'), on which projections of great and small circles occupy the equatorial plane of a reference sphere.
Stratigraphy	The study of sedimentary rock units, including their geographic extent, age, classification, characteristics and formation.
Strike	Direction of line formed by intersection of a rock surface with a horizontal plane. Strike is always perpendicular to direction of dip.

Abbreviation	Meaning
Strip ratio	The ratio of the volume of waste material required to be handled in order to extract some volume of ore.
Stylolite	Secondary (chemical) sedimentary structure consisting of a series of relatively small, alternating, interlocked, tooth-like columns of stone; it is common in limestone, marble, and similar rock.
Subtropical climate	A humid subtropical climate is a zone of subtropical climate characterized by hot, humid summers and generally mild winters. This category of climate type covers a broad range of attributes, especially in terms of winter temperatures.
Syncline	A trough-shaped fold with youngest strata in the centre.
t	Tonne
Tectonic breccia	A breccia formed as a result of crustal movements, usually developed from brittle rocks.
Texture	The visible characteristics of a rock which include its grain size, grain orientation, rounding, angularity or presence of vesicles.
Triassic	Relating to or denoting the earliest period of the Mesozoic era, between the Permian and Jurassic periods. The Triassic lasted from about 245 to 208 million years ago.
VALMIN Code	Australian code for the technical assessment and valuation on mineral and petroleum assets and securities for independent expert reports.
Vein	Sheet-like body of minerals formed by fracture filling or replacement of lost rock.
Waste	The part of an ore deposit that is too low in grade to be of economic value at the time of mining, but which may be stored separately for possible treatment later.
Weathering	Response of materials once in equilibrium within earth's crust to new conditions at or near contact with water, air, or living matter.

1 INTRODUCTION AND SCOPE OF REPORT

SRK Consulting (Hong Kong) Limited ("SRK") has been commissioned by Future Bright Mining Holdings Limited ("Future Bright" or the "Company") to prepare an Independent Technical Report ("ITR", or "Report") on its Yiduoyan Marble Project (the "Project"), located in Xiaoyan Township, Nanzhang County, Xiangyang, Hubei Province of the People's Republic of China. The ITR is required to be compliant with the requirements for a proposed listing on the Main Board of the Stock Exchange of Hong Kong Limited ("Stock Exchange" or "HKEx").

The Scope of Works for the ITR includes a review and reporting of the following technical aspects:

- Geology;
- Resources Estimate;
- Mining Methods and Ore Reserves;
- Environment, Permits and Social Impacts;
- Capital and Operating Costs;
- Marble Quality and Marketing; and
- Risk Assessment.

1.1 Reporting Standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment Report under the guidelines of the VALMIN Code.

The VALMIN Code is the code adopted by The Australasian Institute of Mining and Metallurgy ("AusIMM") and the standard is binding upon all AusIMM members. The VALMIN Code incorporates the JORC Code for the reporting of Mineral Resources and Ore Reserves. This Report is not a Valuation Report and does not express an opinion as to the value of the marble asset.

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code (2012).

Certain amounts and percentage figures included in this Report have been subject to rounding adjustments. As a result, any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

The effective date of this Report is 1 July 2014. There has been no material change of the Mineral Resource and Ore Reserve estimates of the Project since the effective date of this Report.

1.2 Work programme

The work programme of this commission included:

- Review of the information supplied by the Company;
- Site visit by Helen Ray, Gavin Chan and Xue Nan to the site between 2 and 4 July 2013 and Jinhui Liu between 5 and 6 May 2014; and
- Preparation of this ITR.

1.3 Project team

SRK has utilised a multidisciplinary team, comprising Consultants and Associates from various offices to complete this project (Table 1-1).

Table 1-1: SRK team members and responsibility

Consultant/Associate	Role	Office
*Gavin Chan	Project Management, Geology and Resource Review	SRK Hong Kong
*Jinhui Liu	Geology and Resource Review	SRK Hong Kong
*Helen Ray	Competent Person on Marble Resources and Reserves, Marble Quality Review	Associate, Sydney
Sue Border	Project Economics Review	Associate, Sydney
Gerard Guo	Mining and Project Economics Review	Associate, Montreal
*Xue Nan	Environmental and Permitting Review	SRK China
Petr Osvald	Peer Review – Resources and Reserves	SRK Mongolia
Peter Smith	Peer Review – Environmental and Permitting	SRK Australia
Anthony Stepcich	Peer Review – Overall Report	SRK Australia

* represents consultant/associate who undertook site visit

1.4 Corporate capability

SRK is an independent, international group providing specialised consultancy services. Among SRK's clients are many of the world's mining companies, exploration companies, financial institutions, Engineering, Procurement and Construction Management ("EPCM") and construction firms and government bodies.

Formed in Johannesburg in 1974, the SRK Group now employs some 1,600 staff internationally in over 50 permanent offices in 20 countries on 6 continents. A broad range of internationally recognised associate consultants complements the core staff.

The SRK Group's independence is ensured by the fact that it is strictly a consultancy organisation, with ownership by staff. SRK does not hold equity in the Project or Company. This permits SRK's consultants to provide clients with conflict-free and objective support on crucial issues.

SRK has prepared numerous independent technical reports for submission to the Stock Exchange. Selected examples are shown in Table 1-2.

Table 1-2: Selected examples of Independent Technical Reports prepared by SRK

Company	Year	Project Nature
Yanzhou Coal Limited	2000	Sale of Jining III Coal Project to the listed operating company
Chalco (Aluminium Corporation of China)	2001	Listing on HKEx and New York Stock Exchange
Zijin Gold Mining Group	2004	Listing on HKEx
Lingbao Gold Limited	2005	Listing on HKEx
China Coal Energy Company Limited	2006	Listing on HKEx
Sino Gold Mining Limited	2007	Dual Listing on HKEx
Xinjiang Xinxin Mining Industry Co., Ltd	2007	Listing on HKEx
Kiu Hung International Holding Limited	2008	Acquisition of shareholding in mining projects in Inner Mongolia, China
Hao Tian Resource Group	2009	Very Substantial Acquisition of two coal projects in Inner Mongolia, China
Green Global Resources Holdings Ltd	2009	Acquisition of shareholding in an iron project in Mongolia
North Mining Shares Company Limited	2009	Acquisition of a molybdenum mining project in Shanxi, China
New Times Energy Corporation Ltd	2010	Acquisition of shareholding in gold projects in Hebei, China
United Company RUSAL Limited	2010	Listing on HKEx
Citic Dameng Holdings Limited	2011	Listing on HKEx
China Hanking Holdings Limited	2011	Listing on HKEx
China Nonferrous Metal Mining Group Co Ltd	2012	Listing on HKEx
Wise Goal Enterprises Limited	2013	Very Substantial Acquisition of a galuberite project in Guangxi, China
Hengshi Mining	2013	Listing on HKEx

1.5 Project team expertise

Helen Ray, Associate (Industrial Minerals), BSc, MAppSc, MAIG, has a postgraduate qualification in the weathering of dimension sandstone in heritage buildings. She has skills and experience in a wide range of industrial, construction materials and, in particular, dimension stone. She has been providing specialist advice on dimension stone to government departments, architects and other organisations over more than 30 years. Helen has previously conducted assessments of sandstone, granite and marble resources in Australia and Vietnam and prepared public assessment reports in accordance with the principles of the JORC Code.

Gavin Chan, General Manager (Hong Kong) and Principal Consultant (Geology), PhD, MAusIMM has over eight years of academic and commercial experience in geosciences, and has worked on numerous deposit styles including ophiolitic chromite, lode gold, sediment-hosted Cu-Co, iron ore, uranium, molybdenum, phosphate and manganese. Gavin has previously worked in Niger, Sierra Leone, Tibet, Cyprus, Syria, New Zealand and Australia. His expertise lies in geological mapping, 3D modeling, geological due diligence, valuation, fatal flaw and project analysis.

Jinhui Liu, Senior Consultant (Geology), BSc, MSc, MAusIMM has over eight years' experience in geological modelling and resource estimation and is experienced in review of geology and resource projects and implementation of Quality Assurance and Quality Control (QA/QC) on exploration programmes. He has completed many due diligence projects in various countries.

Gerard Guo, Associate (Mining), BEng, PEng, has over 20 years' experience in engineering studies, mine engineering and mine operations. Gerard has held positions of senior mining engineer positions with Stantec Engineering Ltd. Mining, McIntosh Engineering Ltd., and SRK Consulting Canada and China, working on a variety of projects. Some of the former key clients include Vale Inco, Xstrata Nickel, Barrick Gold, Goldcorp, FNX Mining, Lake Shore Gold, and De Beers. He was the engineering director of Mine and Gold Branch, Changsha Engineering and Research Institute of Nonferrous Metallurgy (CINF), leading design and consultancy of key national and provincial/ministry projects. In addition, he also assumed responsibilities of leading strategic planning initiatives for developments at new and existing lead, zinc, gold, silver, antimony, and mercury mines. Areas of expertise include mine planning, feasibility studies, cost estimation, economic evaluations, risk analysis and due diligence audits. He is a member of both Professional Engineers Ontario and Canadian Institute of Mining, Metallurgy and Petroleum.

Peter Smith, Principal Consultant (Environmental), BSc, MAusIMM, is with SRK Consulting Australasia. He is an environmental scientist with over 17 years' experience in environmental management for the mining and mineral processing industries. This experience has been gained mainly from within Australia and China. He has also undertaken environmental due diligence reviews for projects in Mongolia, Uruguay and Serbia. He has been involved in all aspects associated with exploration, mining and processing and has particular expertise in environmental due diligence reviews, environmental auditing, environmental impact assessment, project approvals and permitting, environmental management systems, rehabilitation and closure planning, and environmental risk assessment.

Sue Border, Associate, BSc, GradDip (Industrial Mineral Science), FAIG, FAusIMM, has 35 years' experience in the minerals industry working mainly in Africa, Australia and Asia. She specialises in project assessment, exploration management and resource and reserve estimation. Sue's board experience includes periods as a mine geologist, consultant and exploration manager. Sue is principal of Geos Mining and has specialist experience in a wide range of metals and industrial minerals. Sue has been involved in preparation of numerous independent technical reports for stock exchange listings since the early 1980s.

Petr Osvald, MSc, MAusIMM, Principal Consultant (Geology) has over 23 years in geological exploration and economic geology, including site investigations, study and exploration for various types of mineral deposits, such as coal, kaolin, iron ore, feldspar, fluorspar, Sn-W, Cu-Au and petrugical basalt. He has also designed and supervised geological programmes in different stages of development.

Nan Xue, MSc, MAusIMM, Senior Consultant (Environmental) holds a Master's degree in environmental science from Nankai University in Tianjin. He has four years' experience in environmental impact assessment, environmental planning, and environmental management. He has been involved in a number of large EIA projects and pollution source surveys for SINOPEC, as well as the environmental planning project funded by UNDP. He has particular expertise in construction project engineering analysis, pollution source calculations, and impact predictions. In recent years after he joined SRK, Nan Xue has been involved in a number of due diligence projects.

Anthony Stepcich, MSc, Principal Consultant (Project Evaluations) is a mining engineer with 20 years' experience in the mining industry, having gained both underground and open-pit metalliferous experience, and open-pit coal experience. Anthony has postgraduate qualifications in finance and economics. He specialises in open-pit design and scheduling and project evaluations.

2 COMPETENT PERSON'S STATEMENT

2.1 Mineral Resources and Ore Reserves

The information in this Report that relates to Mineral Resources and Ore Reserves is based on work done by Helen Ray, Gavin Chan, Jinhui Liu and Gerard Guo. Statements relating to Resources and Reserves have been compiled under the supervision of Helen Ray, a Member of the Australian Institute of Geoscientists, who is an associate of SRK Consulting (Hong Kong) Limited and is employed by Geos Mining, an independent Sydney-based consultancy. Helen Ray takes overall responsibility for the Mineral Resource and Ore Reserve Estimates.

Helen Ray has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012). Helen Ray consents to the inclusion in this Report of the matters based on her information in the form and context in which it appears.

2.1.1 Stock Exchanges Requirements

Helen Ray meets the requirements of Competent Person, as set out in Chapter 18 of the Listing Rules.

Ms Ray:

- is a member in good standing of the Australian Institute of Geoscientists ("MAIG");
- has more than five years' experience relevant to the style of mineralisation and type of deposit under consideration;
- is independent of the issuer applying all of the tests in sections 18.21 and 18.22 of the listing rules of HKEx;
- does not have any economic or beneficial interest (present or contingent) in any of the reported asset;
- has not received a fee dependent on the findings outlined in the ITR;
- is not an officer, employee of proposed officer for the issuer or any group, holding or associated company of the issuer; and
- takes overall responsibility for the ITR.

2.2 Statement of SRK's independence

Neither SRK nor any of the project team members of this Report has any material present or contingent interest in the outcome of this Report, nor do they have any pecuniary or other interest that could be reasonably regarded as being capable of affecting their independence or that of SRK.

SRK has no prior association with Future Bright in regard to the mineral assets that are the subject of this Report. SRK has no beneficial interest in the outcome of the technical assessment being capable of affecting its independence.

SRK's fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The payment of that professional fee is not contingent upon the outcome of this Report.

2.3 Representation

Future Bright has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

2.4 Indemnities

As recommended by the VALMIN Code, Future Bright has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Future Bright or to Future Bright not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

2.5 Consents

SRK consents to this Report being included, in full, in the Future Bright's prospectus in relation to its proposed listing on HKEx, in the form and context in which the technical assessment is provided, and not for any other purpose.

2.6 Limitations

SRK, after due enquiry and subject to the Limitations of the Report hereunder, confirms that:

- the input, handling, computation and output of the geological data and Resources information has been conducted professionally and accurately and to the high standards commonly expected within the Geoscience profession;
- in conducting this assessment, SRK has assessed and addressed all activities and technical matters which might reasonably be considered to be relevant and material to such an assessment conducted to internationally accepted standards. Based on observations, interviews with appropriate staff and a review of available documentation, SRK has, after reasonable enquiry, been satisfied that there are no outstanding relevant material issues other than those indicated in this report. However, it is impossible to dismiss absolutely the possibility that parts of the site or adjacent properties may give rise to additional issues; and
- the conclusions presented in this report are professional opinions based solely upon SRK's interpretations of the documentation received, interviews and conversations with personnel knowledgeable about the site and other available information, as referenced in this report. These conclusions are intended exclusively for the purposes stated herein.

For these reasons, prospective readers should make their own assumptions and their own assessments of the subject matter of this report.

Opinions presented in this Report apply to the site's conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions cannot necessarily apply to conditions and features that may arise after the date of this Report, about which SRK has had no prior knowledge, nor had the opportunity to evaluate.

3 PROJECT DESCRIPTION

3.1 Property Description and Location

Future Bright is currently developing the Project, located in Xiaoyan Township, Nanzhang County, Xiangyang, Hubei Province, in the People's Republic of China (the "Project"). The Project has been defined over an area of approximately 0.5 km^2 and between geographic coordinates of 111°47'56"~111°48'48" East and 31°31'49"~31°32'18" North.

Figure 3-1: Location and accessibility map of the Project

Source: Google Map

3.2 Accessibility, Climate, Local Resources and Infrastructure

Access to the Project area from Nanzhang is through Provincial Highway S306 for 13 km and then S251 for approximately 30 km. The Provincial Highways are two-way well maintained paved roads. From Nanzhang, the distances to other major cities are 1,105 km for Shanghai, 1,295 km for Guangzhou, 328 km for Wuhan, 1,119 km for Beijing, 485 km for Xian and 432 km for Zhangzhou. This infrastructure is considered adequate for the proposed volumes of stone and waste material to be transported from the quarry.

The climate of the Project area is sub-tropical, with the recorded maximum and minimum temperatures of 39°C and -17°C respectively. Annual rainfall ranges from 592 mm to 1,323 mm, averaging 800 mm. The rainy season spans between April and August and the snowy season is between December and February. The area is marked by rolling hills, with elevations ranging from 350 m to 631 m. Future Bright advised that the Project site is usually shut down for approximately two months every year during winter. The total working days per year are scheduled as 280 days.

Nanzhang and the nearby major city Xiangyang provide mechanical and technical services for the construction of the Project. Major procurements are sourced from Wuhan. Local staff members are supplemented with senior level technical personnel from various parts of China.

3.3 Mining Licence

The Project includes one mining licence, numbered C4206242011127130122010, covering 0.5209 km^2. Figure 3-2 shows the layout of the Project, with map projection of Xian 80 37N Zone. The current Mining Licence is held by Xiangyang Future Bright Mining Limited (the PRC subsidiary of Future Bright), and was issued by Department of Land Resources of Nanzhang County on 30 December 2011. The Mining Licence has a term of 10 years and is valid until 30 December 2021. A mining licence purchase fee of RMB277,000 was paid to the Department of Land Resources of Nanzhang County on 22 December 2011.

Table 3-1 gives the coordinates of the Project. The original approved mining elevations in the licence document were between 550 m and 420 mRL. The upper mining elevation limit in the licence is approximately 40 m below the highest point within the proposed quarry area. However, a confirmation letter was issued by Department of Land Resources of Nanzhang County, on 14 October 2013, confirming that mining activities are allowed to take place up to 589 mRL (Appendix A). The adjusted mining elevations will allow the marble deposit to be mined within the proposed quarry between 588 mRL (the maximum elevation in the area) and 420 mRL.

Based on the legal opinion from Jingtian and Gongcheng Law Firm, the mining licence and confirmation letter were issued according to the laws and regulations of PRC and the mining licence is currently in good standing.

Table 3-1: Coordinates of the Mining Licence (XIAN 80 37N Zone Map Projection)

Vertex	Easting	Northing
1	37575610	3491049
2	37576795	3490505
3	37576630	3490140
4	37575448	3490684
Elevation Limit	From 420 to 550 mRL*	

Table 3-2: Summary of the Mining Licence

Mining Licence No.:	**C4206242011271301220101**
Owner of mining licence	Xiangyang Future Bright Mining Limited
Address	Xiaoyan Township, Nanzhang County
Name of mine	Yiduoyan Marble Mine of Xiaoyan Township, Nanzhang County
Type of mineral	Marble
Mining method	Open pit
Production capacity	20,000 m^3 per year
Area of mine	0.5209 square kilometres
Mining depths	Elevation of 550*m to 420m
Period of validity	from 30 December, 2011 to 30 December, 2021
Issuing authority	***Department of Land Resources of Nanzhang County***

* Department of Land Resources of Nanzhang County confirmed in writing that mining activities are allowed to take place up to 589 mRL.

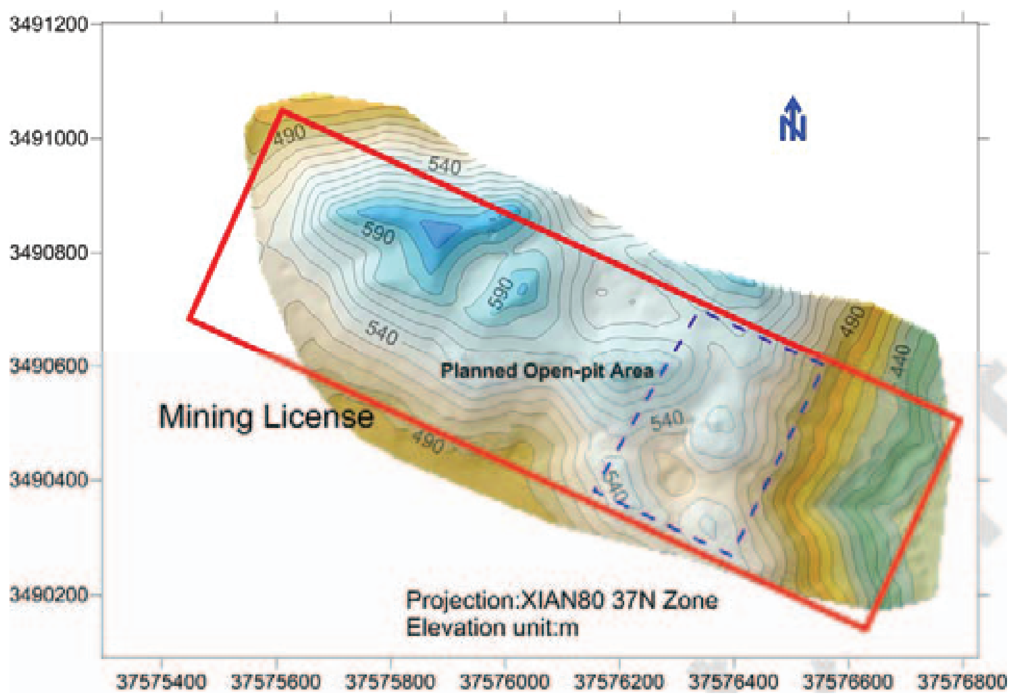

Figure 3-2: Topographical map of the Project

Note: Elevations and grid references are in metres.

3.4 Previous Exploration Work

No systematic exploration work has been conducted in the Project area prior to the exploration work undertaken by the Team 932 of Nonferrous Metals Geological Bureau of Guangdong Province ("Team 932") on behalf of Future Bright.

The exploration work was undertaken between September 2012 and January 2013, including topographical survey, geological mapping, hydrological study, and sampling for physical and chemical tests (Table 3-3). A total of 12 sub-vertical diamond holes were also drilled for a total of 1,009.2 m. Three holes were not logged and hence are outside the area used in the Resource estimation in this ITR. The drillholes were drilled at a spacing of approximately 150 m x 100 m.

Table 3-3: Summary of exploration work by Team 932

Item	Unit	Amount
Topographical survey at scale of 1:2,000	km^2	1.00
Geological mapping at scale of 1:2,000	km^2	1.50
Hydrological study	km^2	1.50
Geological profiling	m	3,700
Diamond drilling (12 holes)	m	1,009.2
Control points survey	point	15
Chemical sampling	Sample	31
Bulk density and water absorption tests	Sample	98
Compressive strength tests	Sample	49
Tensile strength tests	Sample	20
Abrasion resistance tests	Sample	8
Drillhole samples	Sample	133
Surface samples	Sample	20
Standard samples	Sample	3
Radioactive tests	Sample	2

Following exploration by Team 932, Future Bright's contract geologists conducted further exploration work in March 2013, including reconnaissance joint mapping and geomechanical zone analysis (Future Bright Mining 2013).

4 GEOLOGY

4.1 Regional Geology

The Project area is situated along the northern margin of the Yangtze Craton, and to the east of the Longmen-Dabashan Fold Belt. The geology of the area is mainly represented by successions of Permo-Triassic carbonate sedimentary rocks. The area has been deformed by regional deformation events and formed asymmetric open folds that strike mainly towards north-northwest to northwest (Team 932, 2013). No magmatic rock is exposed in the mining licence area (Figure 4-1).

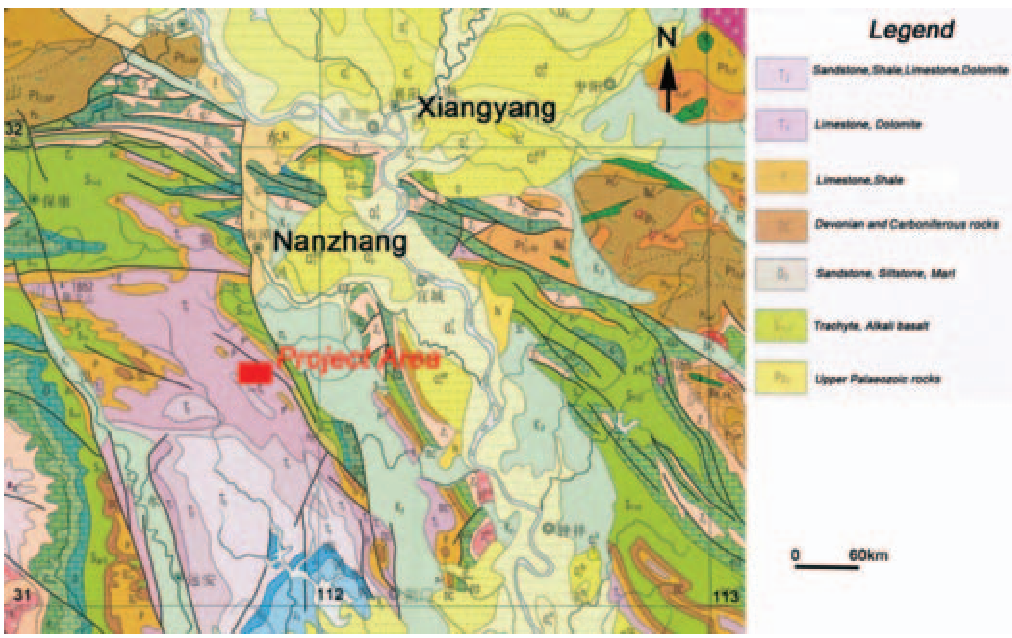

Figure 4-1: Regional geological setting of the Project

4.2 Local Geology

4.2.1 Nomenclature

In the dimension stone industry, the term "marble" includes both true metamorphic marble (in the geological sense) as well as dense limestone that is capable of being polished and used as a building material. The term limestone can imply a lower quality material that is more porous and usually does not take a good polish. The material to be extracted from the Project is locally known as marble, even though parts of it contain fossils and the degree of marmorisation (recrystallisation due to heat and/or pressure) is low and variable. Geologically, the "marble" to be extracted from the Project is on the borderline between limestone and marble, but in the dimension stone industry, it is clearly within the definition of marble because it can be polished. In this Report, the term "marble" will be used in line with local and dimension stone industry usage.

4.2.2 Stratigraphy

Figure 4-2 illustrates the geology of the Project area which was mapped by Team 932. The area is underlain by the Triassic Jialingjiang Formation (T_1j), consisting of grey bedded dolomite, dolomitic limestone and marble. The Jialingjiang Formation is further subdivided into four Members as follows (from bottom to top) (Figure 4-3; Figure 4-4; Figure 4-5):

- Jialingjiang Lower Member (T_1j^1) comprises purple calcareous siltstone, mudstone and subordinate amount of shale.

- Jialingjiang Middle Member (T_1j^2) comprises dark grey or grey limestone.

- Jialingjiang Upper Member (T_1j^3) is the major marble-bearing Member in the Project area.

- Jialingjiang Uppermost Member (T_1j^4) crops out mainly in the middle of the Project area, around the core of the syncline. It consists of light to dark grey limestone with strong degree of surface weathering and its thickness ranging from a few meters to 50 m.

The entire succession is further capped by Quaternary colluvium and alluvial sediments, with a thickness of 2-5 m.

Based on the colour, quality and texture of the rocks, the marble-bearing Jialingjiang Upper Member (T_1j^3) is further sub-divided into three units. The boundaries between these units are gradational.

Table 4-1 shows the main stratigraphic units in the Mining Licence area and their relationship to the units of economic interest.

Table 4-1: Characteristics of the key units of interest

Jialingjiang Upper Member (T_1j3)	Lithology	Team 932 nomenclature	True thickness *(m)*	Colour	Grain size	Veining/Stylolite/ Texture	Brecciation	Karst
Upper	Dolomitic Limestone	–	20-50	Ivory	Fine to medium	–	–	–
Middle	Marble	White Marble V-1	40-70	Milky white to light grey, pink	Fine to very fine	Light pinkish bands, cut by brownish veins are occasionally present; calcite recrystallisation in places; interbedded with bands of fossiliferous light grey	Very few cataclastic/ tectonic breccia are present	Centimetre-scale karstic holes occur rarely
Lower	Marble	Grey Marble V-2 ()	20-40	Light to dark grey	Fine to very fine	–	–	Centimetre-scale karstic holes occur rarely

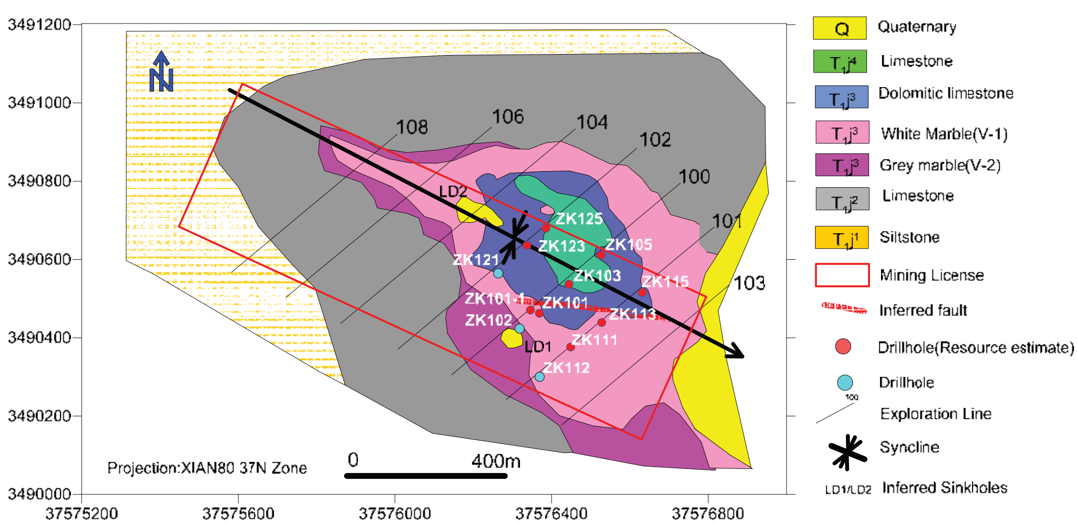

Figure 4-2: Geological map of the Project area

Source: Team 932

Note: The three drillholes shown in light blue have not been logged and hence not used in the calculation of the Resource estimate.

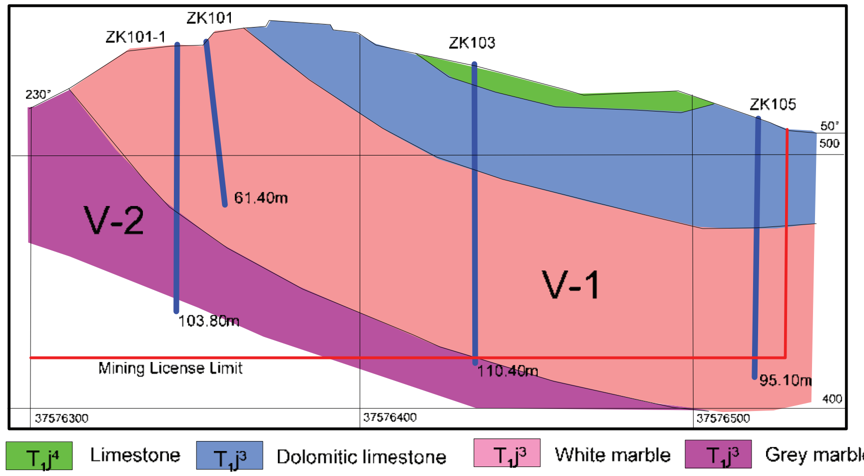

Figure 4-3: Cross-section of Exploration Line 100

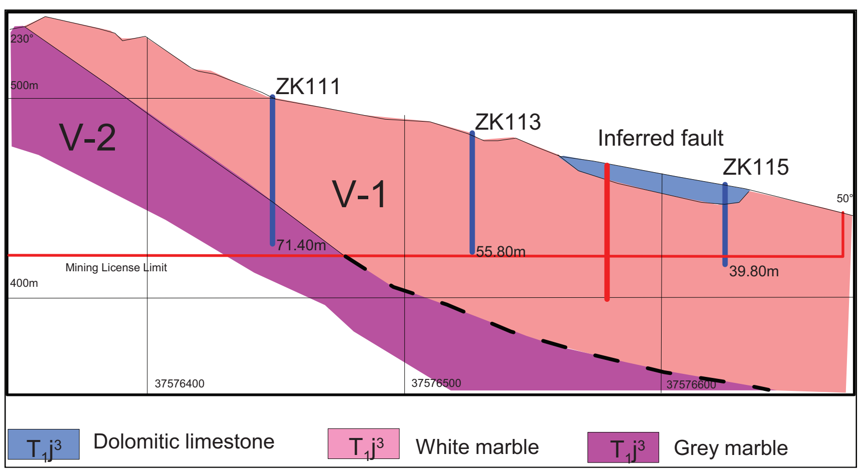

Figure 4-4: Cross-section of Exploration Line 101

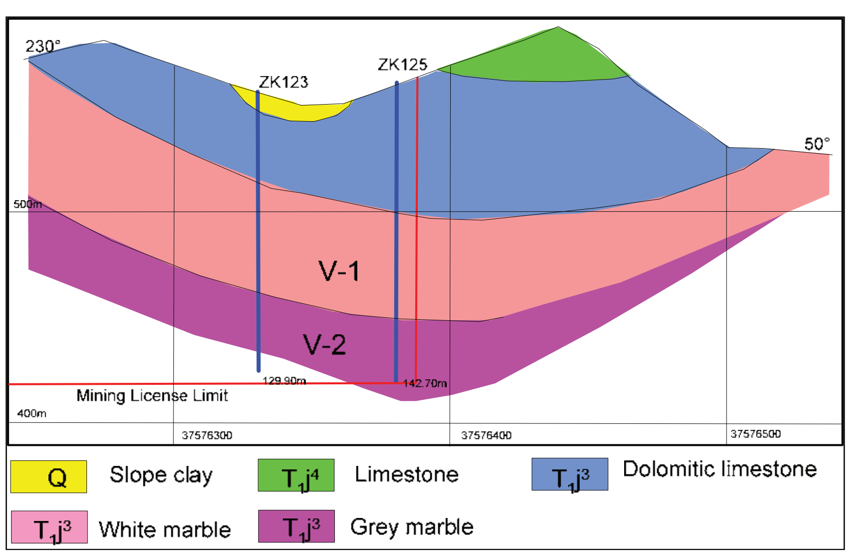

Figure 4-5: Cross-section of Exploration Line 102

4.2.3 Structure

The Project area is dominated by a major northwest trending asymmetric syncline. The fold is open and plunges gently towards southeast, with a wavelength of approximately 600 m.

A fault (F1) zone has been defined by geological mapping, located in the eastern part of the Project area. The fault zone is characterised by a 0.3 m-wide breccia zone in the core which passes into a densely fractured zone with a thickness of a few metres. This subvertical fault strikes 285° and can be traced for at least 350 m. An inclined drillhole, ZK101-1, was designed to test the extent of the fault zone at depth. Team 932 reported that this drillhole did not show any signatures of major deformation and concluded that the fault zone might only extend to approximately 60 m from the surface (Team 932, 2013). However, three-dimensional (3D) examination by SRK suggests that the drillhole was not long enough and may not have intersected the anticipated location of the fault zone. The nature of this fault zone at depth remains untested. The extent of the fault zone has been deducted from the Resource estimate.

Structural mapping and drillhole logging have identified two sets of joints and a bedding parallel fracture (Figure 4-6).

- The first set of joint is subvertical and strikes east-northeast, with a spacing varying from a few metres to decimetres. The orientation of this joint set is parallel to the principal stress direction, i.e. east-northeast-west-southwest that formed the major syncline in the area, suggesting both the syncline and this joint set was formed during the same deformation event.

- The second set of joint is subordinate to the first set. It strikes northeast and dips moderately at 60-70° towards the northwest to west, with a spacing of few to tens of metres.

- The orientation of the bedding parallel jointing, with a spacing varying from a few meters to decimetres is controlled by the syncline, dipping gently to moderately toward northeast to east in the proposed quarry area.

Examination of drill cores and cleaned benches by SRK confirmed the presence and characteristics of these major joint sets or fractures. The weighted averaged rock quality designation ("RQD", the percentage of drillcore greater than 0.1 m in length) values of the White Marble V-1 and Grey Marble V-2 units are 88.9% and 78.6% respectively.

The degree and spacing of joints and fractures affect the size of block covered and influence the design of the quarry.

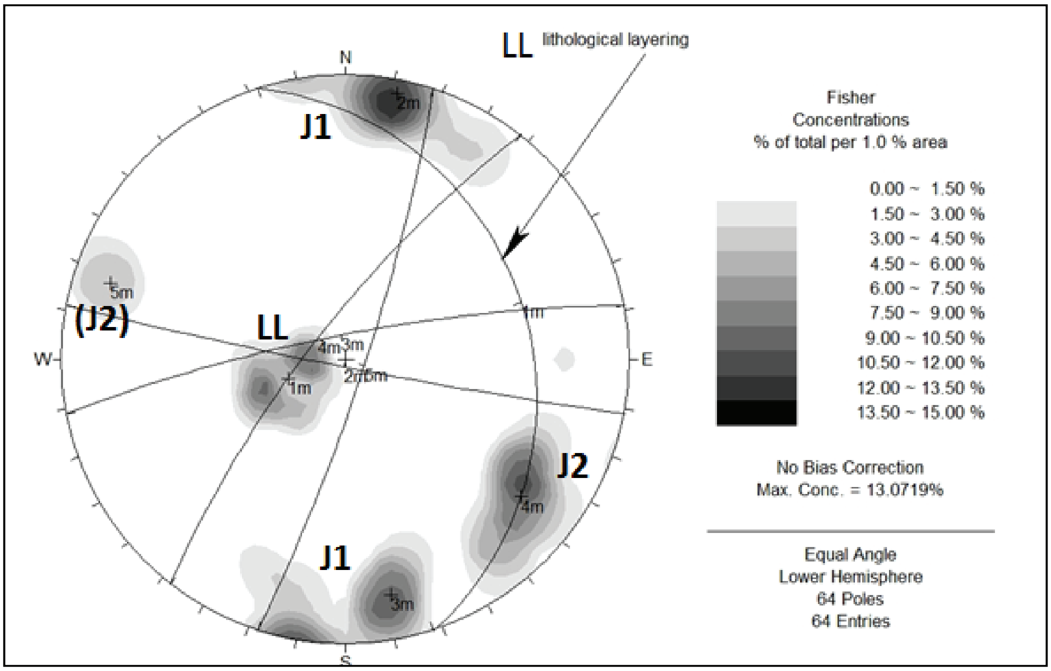

Figure 4-6: Stereonet showing the orientation of major joint sets and bedding-parallel fracture

Source: Future Bright Mining (2013).

4.2.4 Weathering and karstic features

Two sinkholes, known as LD1 and LD2 have been identified in the Project area, and are considered by SRK to be unrelated to faulting. On the surface, LD1 appears to be circular and measures 50 m in diameter, whereas the dimension of LD2 is 140 m in the northwest-southeast direction and 60 m in the northeast-southwest direction. The geometry of the sinkholes at depth remains unknown as no detailed geophysical or drilling works have been undertaken to date. However, SRK's experience of limestone drainage systems suggests that they may lead into caverns that drain to the nearest drainage line, to the southwest and lower than the base of the sinkhole. The size, depth and nature of any void that may be present under the sinkholes present have not been determined. However, both LD1 and LD2 are not within the proposed quarry or planned use area and are expected to have no material impact on the quarry operation in the future.

The weathered zone is characterised by closely spaced sub-vertical joints or fractures, filled by orange to brown soil. Other features include carbonate dissolution features and calcite veining. SRK observed at the cleaned benches that the weathered zone extends approximately 5 m below the surface. However, drillhole records and compressive strength tests recorded weathering and carbonate dissolution features (voids and earth filled voids in the marble) were observed at a depth of up to 14 m below surface in drillhole ZK 111 and ZK 113. Whilst the number and size of carbonate dissolution features decrease rapidly with depth, it is likely that occasional voids will extend to a considerable depth and have a small effect on the volume of marble extracted.

5 DATABASE FOR RESOURCE ESTIMATION

5.1 Database

Geological maps, cross-sections, drillhole records, laboratory test results and topographical map were provided in *MapGIS*, a Chinese GIS software package and *Excel* spreadsheet format. SRK digitised and compiled the provided data into a database that was further viewed and validated by *Leapfrog*, a 3D modelling software package (Table 5-1).

Drillhole ZK112, ZK102 and ZK121 have not yet been geologically logged or subject to any physical-chemical tests and therefore have not been included in the current Resource estimation. Other data provided by Future Bright were:

Report

- on geological investigation and Resource estimate (Nonferrous Metals Geological Bureau of Guangdong Province Team 932, 2013);
- Feasibility study;
- Chemical and physical test result certificates (China National Quality Supervision and Testing Center for Stone Products, 2013);
- Photographs of drill core, wet and dry;
- Scanned geological logs;
- A spreadsheet of sample records provided; and
- Market study.

5.2 Topographical survey and geological mapping

A topographical survey was conducted by electronic total station method at a scale of 1:2,000. The map projection was the XIAN 1980 projection system and the National Elevation Datum-1985 system.

Geological mapping was based on 140 m-spaced transects with in-filled 70 m-spaced transects in places. A total of 392 points of observations were made by Team 932.

5.3 Drilling

A total of 12 diamond drillholes were drilled by Team 932, totalling 1,009.2 m. Single-tube wireline drilling was undertaken. HQ diamond core was used to penetrate the weathered zone, followed by NQ core in the rest of the run. Downhole survey readings were measured at every 20 m by a XJL-Compass Survey Device. Only nine of the 12 drillholes were considered in the geological model and Resource estimation as the three remaining holes are yet to be geologically logged or tested for physical or chemical properties. SRK understands that Future Bright is planning to complete logging and laboratory tests on these three holes in the near future (Table 5-1).

Core recovery within the marble units was 96%, while the remainder of the holes reached 88%.

Table 5-1: Drillhole information

Hole ID	Easting	Northing	Elevation	End of Hole	Exploration Line	Resource Estimation
	(m)	*(m)*	*(m)*	*(m)*		
ZK115	37576632	3490516	455.5	39.9	101	√
ZK113	37576528	3490439	477.4	55.8	101	√
ZK111	37576449	3490376	497.6	71.4	101	√
ZK112	37576370	3490300	540.6	54.2	101	–
ZK102	37576318	3490423	520.3	36.2	100	–
ZK101-1	37576346	3490471	541.7	103.8	100	√
ZK101	37576369	3490463	542.1	61.4	100	√
ZK103	37576444	3490537	528.9	110.4	100	√
ZK105	37576526	3490612	506.8	95.1	100	√
ZK121	37576264	3490565	570.2	108.4	102	–
ZK123	37576337	3490636	554.5	129.9	102	√
ZK125	37576385	3490680	561.2	142.7	102	√

5.4 Laboratory tests

Laboratory tests have been carried out to determine the physical and chemical characteristics of the marble at the Project area. The results of these tests provide information on the quality of the stone and the applications for which it will be most suitable. Some of the test results are also used as geotechnical data for mine design. The price of dimension stone is affected by both quality and appearance.

Unlike traditional metal projects where drill cores are usually halved for whole rock assay, the marble drill cores are subject to a number of physical and chemical tests. With the exception of the whole rock geochemical analysis, all other physical tests require either full cores from which standard sized samples can be prepared or bulk samples from the cleaned benches. The length of all core samples submitted to the laboratory is 5 cm, whereas the core diameter ranges from 5 to 10 cm. A total of 185 core and surface samples were taken and tested at China National Quality Supervision and Testing Centre for Dimension Stones (Guangdong) according to the Chinese standard test methods for dimension stone in February 2013. The Test Center has been certified in accordance with ISO/IEC 17025:2005 (Registration Number: CNAS L5249) and Chinese national standard (Registration Number: 2011003242Z).

No duplicate samples were tested. The size of the drill core did not allow for duplicate samples for the physical tests however multiple samples were taken for each marble unit (White Marble V-1 and Grey Marble V-2). The chemical and radioactivity test results do not require duplicates in these circumstances as the results are largely used for qualitative purposes. These practices are consistent with industry practice and not considered to significantly affect the Resource estimate or assessment of the stone quality.

The main standards used for the physical tests were:

- GB/T 19766-2005 Specification for natural marble for building slab;
- GB/T 9966.1-3-2001 Test methods for natural facing stones; and
- GB/T 13891 Specular glossiness test methods for natural facing stones.

SRK considers that these tests are the most appropriate tests for assessing marble dimension stone, covering the features that most potential buyers would consider in assessing the quality of the stone. If the stone is to be used for exterior applications, particularly for extreme climates, further tests, such as freeze-thaw and salt crystallisation tests should be considered.

5.4.1 Chemical assay

One or two samples were taken from each marble units (White Marble V-1 and Grey Marble V-2), totalling 31 core samples taken from drillcore. These 1 m-long core samples were crushed, sampled and assayed by X-ray fluorescence ("XRF") for major elements (SiO_2, Al_2O_3, Fe_2O_3, MgO, CaO, Na_2O, K_2O), and P_2O_5 and SO_3. SRK understands that no standards or blanks were submitted into the sample batches and no internal or external check analysis was undertaken. As quantitative assay results are not used in the Resource estimate or assessment of the quality of the stone, standards and blanks are not considered necessary.

5.4.2 Bulk density and water absorption

A total of 98 samples were taken from drill core in each of the marble units for bulk density and water absorption. The drill core samples are 5 cm long, but vary between 10 cm and 5 cm in diameter, generally decreasing with depth down each drillhole.

The dry weight was determined after placing the samples in an oven at temperature of 105 ± 2 ºC for 48 hours. The samples were then soaked in distilled water for 48 hours and weighed again after being wiped with a dry cloth. The samples were then weighed again after being placed in a beaker of distilled water.

SRK notes that variable sample size might result in incomparable results as the amount of water absorption is partly controlled by surface area exposed to the distilled water. It is not considered that further tests would make a significant difference to the assessment of the Resource.

5.4.3 Abrasion resistance

Four core samples from each marble unit, totalling eight samples were subjected to abrasion resistance testing. The sample size is 5 cm x 5 cm x 2 cm. The samples were dried in an oven for 24 hours at temperature of 105 ± 2 ºC and cooled at room temperature. The samples were abraded for 225 rounds at the test setup and the amount of abraded materials was weighed.

5.4.4 Compressive strength

A total of 98 core samples (50 for the white marble unit and 48 for the grey marble unit) were subjected to dry and wet compressive strength test. The drillcore samples are 5 cm long, but with variable diameters. Loads were recorded and added until the core samples were broken.

5.4.5 Flexural Strength

For compressive strength and flexural strength testing, 10 samples were taken from trenches and quarry benches in each marble unit, totalling 20 samples. The dimension of the samples is 30 cm x 10 cm x 2 cm. Samples were dried in oven for 48 hours or soaked in distilled water for 48 hours before testing. Loads were recorded and added on top of the samples until the samples were broken.

5.4.6 Specular Glossiness

Two "standard samples" were collected from surface (30 cm x 30 cm). The results of these two standard samples were compared with 10 other surface samples, referred to as "basic samples" from each unit. The samples were scattered across the outcropping marble area in the Resource area at 30-50 m spacing. The surface of the polished basic samples is 30 cm x 10 cm and was tested for specular glossiness. The angle of incidence is 60°.

5.4.7 Radioactivity

One sample from each unit; i.e. two samples were subjected to radioactivity analysis that included the measurement of internal exposure index (I_{Ra}) and external exposure index ($I\gamma$).

5.4.8 Test results and marble properties

Table 5-2: Physical and chemical properties for V-1 White Marble

White Marble V-1	Bulk Density (g/cm^3)	Water Absorption (%)	Compressive Strength (Mpa) Dry	Compressive Strength (Mpa) Wet	Flexural Strength (Mpa) Dry	Flexural Strength (Mpa) Wet	Abrasion Resistance (cm^{-3})	Gloss Test (GS)	Radioactivity I_{Ra}	Radioactivity Iγ
Count	85	85	43	42	5	5	4	10	1	1
Min	2.60	0.09	16.00	58.00	8.0	5.4	23	77.7	N/A	N/A
Max	2.76	1.00	138.00	135.00	15.2	17.5	26	85.5	N/A	N/A
Mean	2.70	0.28	97.40	101.00	12.6	11.7	24	82.0	≤ 0.1	≤ 0.1
Standard Deviation	0.03	0.14	30.37	22.01	2.9	5.1	1.4	2.4	N/A	N/A
Chinese Standard GB/T 19766-2005	**2.6 (min)**	**0.5 (max)**	**50 (min)**	**Not specified**	**7 (min)**	**Not specified**	**10 (min)**	**70 (min)**	**≤ 0.1 (Class A)**	**≤ 0.1 (Class A)**

Table 5-3: Physical and Chemical Properties for Grey Marble V-2

Grey Marble V-2	Bulk Density (g/cm^3)	Water Absorption (%)	Compressive Strength (Mpa) Dry	Compressive Strength (Mpa) Wet	Flexural Strength (Mpa) Dry	Flexural Strength (Mpa) Wet	Abrasion Resistance (cm^{-3})	Gloss Test (GS)	Radioactivity I_{Ra}	Radioactivity Iγ
Count	13	13	7	6	5	5	4	10	1	1
Min	2.67	0.20	67.00	84.00	7.5	8.3	18	78.9	N/A	N/A
Max	2.74	0.81	126.00	137.00	11.3	10	22	88.7	N/A	N/A
Mean	2.70	0.35	94.00	115.33	8.4	9.5	20	83.5	≤ 0.1	≤ 0.1
Standard Deviation	0.02	0.17	18.66	17.55	1.6	0.7	1.83	2.91	N/A	N/A
Chinese Standard GB/T 19766-2005	**2.6 (min)**	**0.5 (max)**	**50 (min)**	**Not specified**	**7 (min)**	**Not specified**	**10 (min)**	**70 (min)**	**≤ 0.1 (Class A)**	**≤ 0.1 (Class A)**

The bulk density for both White Marble V-1 and Grey Marble V-2 are similar with means of 2.70 g/cm^3 and meet the Chinese standard specifications.

The water absorption test results showed that a few (6%) individual samples exceed the maximum requirement of 0.5%.These samples were found to mainly occur either close to surface or in the proximity of fracture zones and hence can be identified during the quarrying process. It is recommended that stone close to major fracture zones be identified during the quarrying process to avoid any stone that may have higher water absorption characteristics.

The dry and wet compressive and flexural strength test results showed both marble types meet Chinese standard specifications and the values are generally similar to marbles sold in the international markets. The abrasion resistance test results for both White and Grey Marbles satisfy the minimum Chinese standard specification requirement of 10 cm^{-3}.

A total of 23 marble samples were tested for specular glossiness, and the results were all close to 80, well above the minimum value (70) required by the relevant Chinese standard.

The national mandatory standard (GB6566-2001) of "*Limit of Radionuclide in Building Materials*" has been effective since 1 July 2002. It divides dimension stones into three classes according to their radioactivity:

- Class A ($I_{Ra} \leq 1.0$ and $I_{\gamma} \leq 1.3$) – no restrictions.

- Class B ($I_{Ra} \leq 1.3$ and $I_{\gamma} \leq 1.9$) – cannot be used for houses, flats, hospitals, schools, and other commercial buildings.

- Class C ($I_{Ra} \leq 2.8$) – can only be used on building exteriors.

- Class D ($I_{\gamma} \geq 2.8$) – can only be used for seawalls and piers.

Where I_{Ra} is internal exposure index and I_{γ} is the external exposure index.

The analysis result for samples taken from the Project area indicates that their radioactivity is very low and the samples belong to Class A, i.e. unrestricted use.

In conclusion, almost all of the physical test results (bulk density, absorption, compressive and flexural strength) of samples are in compliance with Chinese national dimension stone standards. The small percentage of water absorption tests (6%) that did not meet the specification, is not considered significant, as most of these samples were affected either by weathering or their proximity to fracture zones and will not be included in blocks sold or in the Reserve estimate. SRK is of the opinion that the physical quality of the marble, produced from the Project is of a standard that can be sold as a good quality marble within China. It is recommended that as the quarry is developed and quarrying proceeds, further tests (bulk density, water absorption, strength and polishability) be carried out for both quality control purposes and to establish the marble quality according to various international standards (e.g. US ASTM 503-08a) to ascertain the potential of the marble products from the Project for international markets.

5.4.9 Mineralogical and chemical properties

The minerals of the marble units mainly consist of calcite and dolomite, which account for 46.8%~98.0% and 2.0%~53.2% respectively.

Table 5-4 gives the average chemical analysis based on the two marble units, sourced from 31 drillhole samples.

Table 5-4: Average chemical compositions of the Project (%)

Type	SiO_2	Al_2O_3	Fe_2O_3	MgO	CaO	Na_2O	K_2O	P_2O_5	SO_3
White Marble V-1	0.180	0.040	0.021	14.200	40.500	0.003	0.020	0.002	0.070
Grey Marble V-2	0.370	0.080	0.042	4.055	48.350	0.004	0.021	0.002	0.070

The original chemical analysis result of 31 core samples indicates that the minerals in the marble targets vary in space distribution. The appearance of dolomitic marble of the Grey Marble V-2 target is very similar to that of calcite marble and both can be generally defined as marble dimension stone. SRK agrees with the opinion of Team 932 that variation of chemical composition does not affect their use as dimension stone.

5.4.10 Block yield

Team 932 (2013) estimated the block yield as 35%, which was determined by the number of blocks (1.7 m x 1.7 m x 2.5 m), produced from a cleaned bench that contains a volume of 1,112 m^3.

During the site visit in July 2013, SRK undertook joint mapping at one of the recently cleaned benches. The dimension of the mapped bench is 28 m x 11 m x 8 m, totalling a volume of 2,464 m^3. Three sets of joints and a bedding-parallel jointing were mapped. Following modelling of the Resource, including jointing and other quarrying factors, SRK determined a block yield of 33%, assuming the block size is 1.7 m x 1.7 m x 2.5 m.

SRK was further furnished with the actual production data (See Table 5-5). The amount of mined marble volume totalled 5,221 m^3, of which 1,742 m^3 of marble blocks was recovered. The average block yield reached 33.4% for this period.

The SRK mapping result and the actual production data show the block yield (35%) estimated by Team 932 is reasonable and can be used for the entire deposit. This figure has been used in the calculation of Resources and Reserves.

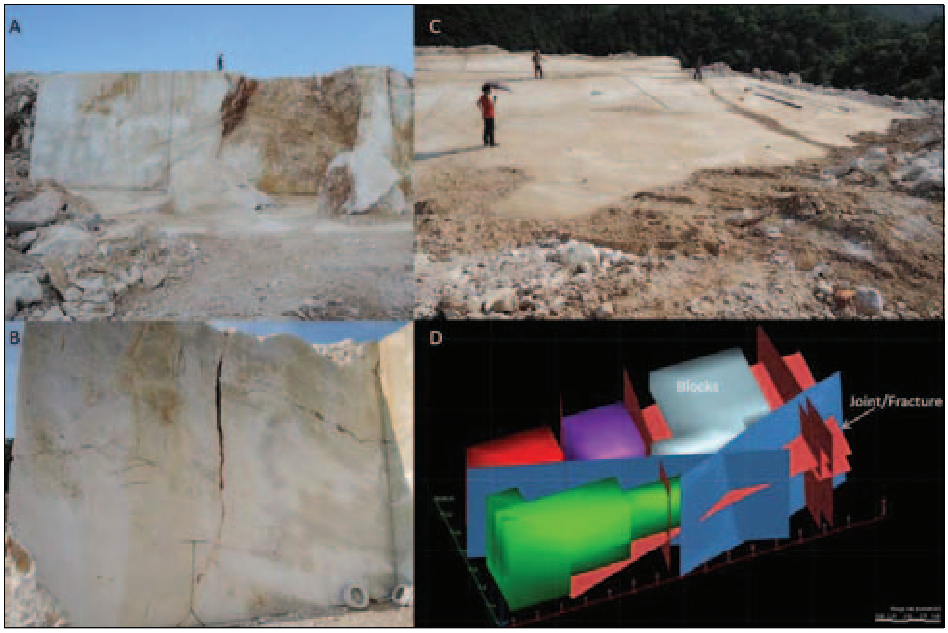

Figure 5-1: Joint mapping at a cleaned bench and block yield determination

A: North-facing front; B: west-facing front; C: bench top and D: block yield models.

Table 5-5: Actual record of block yield

Months	Mined Volume *(m^3)*	Produced Blocks *(m^3)*	Block Yield
Prior to March 2014	2,467	809	32.8%
April 2014	864	298	34.5%
May 2014	972	327	33.6%
June 2014	918	309	33.6%
Total	5,221	1,742	33.4%

5.5 Check sample results

Independent check samples were taken by SRK with the assistance of Future Bright's personnel on site. One check sample was taken from the White Marble V-1 unit and the Grey Marble V-2 unit in each drillhole in which they were intersected, totalling 13 check samples. Since there is usually a good relationship between bulk density, water absorption, compressive strength and tensile strength in dimension stone it was not considered necessary to conduct modulus of rupture tests. The SRK team observed polished samples and considered that the marble takes an acceptable polish. The chance of significant radioactivity is considered very low for marble, hence radioactivity check testing was not considered necessary. Due to the original sampling of whole core (to allow large enough samples for the tests), each check sample was taken from immediately below the original sample. The samples were tested for bulk density, compressive strength and water absorption. To ensure independence of these tests, the samples were sent to the National Research Center for Testing Techniques for Building Materials in Beijing (the "Beijing Laboratory"), whereas the original samples were tested at the China National Quality Supervision and Testing Center for Stone Products (Guangdong). The Beijing Laboratory has been certified in accordance with ISO/IEC 17025:2005 (Registration Number: CNAS L0690) and Chinese national standard (Registration Number: 2012000586E).

The check sample tests were carried out on 5 cm cubes (where core size allowed) whilst the original tests were carried out on core samples, 5 cm long with diameters of either 7 cm or 10 cm. The bulk density test results from the check tests were within 4% of the values measured in the original tests and confirmed the original results (Table 5-6).

The water absorption and strength results of the two batches could not be directly compared due to the discrepancy in sample sizes, so only very general comments can be made. The water absorption results were more variable than the original test results and four of the 13 samples were slightly above the standard maximum of 0.5%. As with the original tests, at least one of the samples is likely to be weathered. The average value of 0.36% is, however, well within the specification. The dry compressive strength results were all well above the minimum specification. The recommendation in Section 5.4.8 for identifying stone that may be affected by weathering or close to fracture zones during quarrying and block inspection is reiterated.

Table 5-6: Comparison of bulk density check tests with original test results

Check Sample Number	**Original Sample** *(g/cm^3)*	**Check Sample** *(g/cm^3)*	**Difference**
ZK101W07	2.70	2.70	0%
ZK101-1W06	2.73	2.68	2%
ZK101-1G01	2.66	2.74	-3%
ZK103W08	2.73	2.67	2%
ZK105W05	2.71	2.71	0%
ZK111W02	2.66	2.67	0%
ZK111G02	2.74	2.71	1%
ZK113W02	2.71	2.74	-1%
ZK115W03	2.76	2.66	4%
ZK123W09	2.74	2.67	3%
ZK123G02	2.77	2.68	3%
ZK125W06	2.73	2.67	2%
ZK125G03	2.72	2.73	0%

Note: sample numbers containing a "W" are white marble and those with a "G" are grey marble.

SRK comments

Overall, SRK is satisfied with the quality of drilling (core recovery, downhole survey) as well as of the topographical survey and geological mapping results.

No specific Quality Assurance/Quality Control (QA/QC) procedure was applied for the samples taken by Team 932 for the 2012-2013 exploration campaign. The standard QA/QC practice for metal projects usually involves the use of standards, blanks, duplicates and inter-laboratory checks. However, SRK is of the opinion that the marble projects are different from traditional metal projects in regard to the QA/QC protocol and is satisfied with the marble sample preparation conducted by Team 932.

SRK considered the supplied data are of sufficient quality to conduct a marble Resource estimate in accordance with the JORC Code (2012).

6 MINERAL RESOURCE AND ORE RESERVE

6.1 Marble Mineral Resource and Ore Reserve Classification

In this Report, identified Mineral Resources and Ore Reserves are quoted using categorisation in accordance with the JORC Code (2012).

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. Mineral Resources are classified as Measured, Indicated and Inferred according to the degrees of geological confidence (Figure 6-1).

An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes dilution of materials and allowances for losses which may occur when the material is mined or extracted and is defined by appropriate studies that include application of modifying factors (Figure 6-1). Such studies demonstrate that at the time of reporting, extraction could reasonably be justified. The JORC Code (2012) also requires that the studies to be at Pre-Feasibility or FS levels; this requirement will become effective on 1 December 2014.

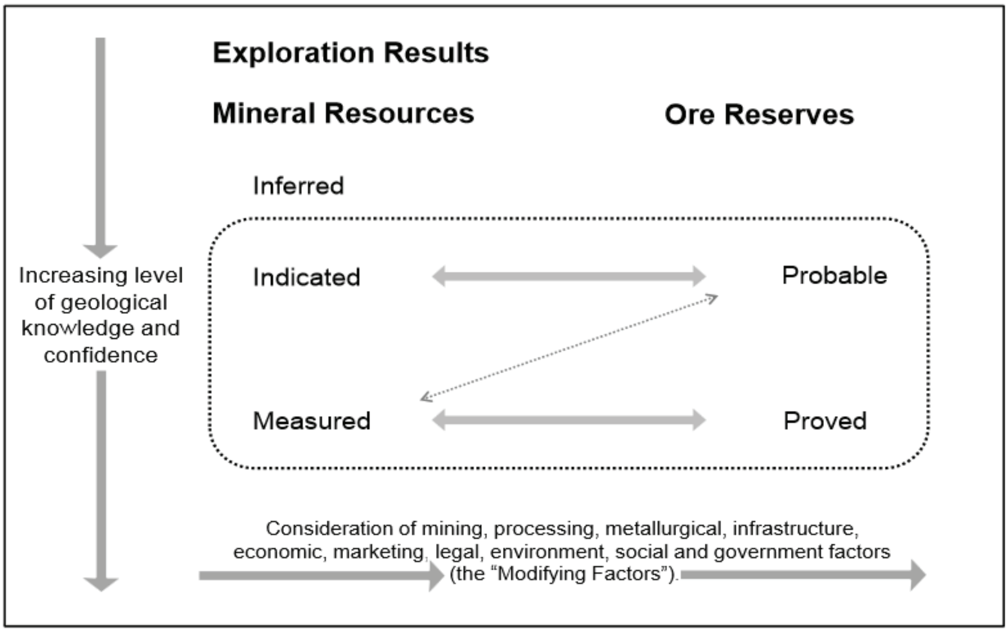

Figure 6-1: General relationship between Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)

6.2 Geological Modelling

SRK modelled the geology of the Project area based on the exploration results by Team 932 and Future Bright's contract geologists. SRK constructed 3D wireframe models from topographical maps at 1:2,000 scale, drillhole records and the geological map at a scale of 1:2,000 and used *Leapfrog*, a 3D modelling software to estimate the volume of the deposit. The geological model captures the geology at a scale appropriate for the anticipated mining method and taking into consideration the geologically viable scales of mining selectivity. Only nine of the 12 drillholes were considered in the geological model as the remaining three drillholes are yet to be geologically logged or tested for physical or chemical properties. SRK understands that Future Bright is planning to complete logging and laboratory tests on these three holes in the near future.

The modelling procedures included import of the compiled drillhole database together with the geological and topographical maps into *Leapfrog*. Wireframes were constructed from the drillhole and mapped stratigraphic contacts and a fault trace (F1) and a sink hole (LD1) were digitised and later converted to solid wireframes. Surface corresponding to the weathered/fresh interface were modelled automatically by snapping to the logged position on the drillholes, and where the weathered/fresh interfaces were not logged, a 5 m thick weathering zone was assumed. The thickness of the weathered zone varies between 5 and 14 m. The sinkhole LD1 has not been modelled (apart from its surface expression) as no detailed exploration work has been conducted on this karstic feature to date. However, the volume of the sinkhole is considered to be immaterial, compared with the size of the Resources, and SRK is of the view that no further exploration work is necessary on this feature at present.

The modelled units include (marble units are shown in bold):

- Weathering;
- Inferred Fault (F1);
- Limestone Unit;
- **White Marble Unit V-1**; and
- **Grey Marble Unit V-2**.

6.3 Resource Classification

Multiple factors were considered when determining appropriate levels of classification for the marble Resource estimate, including the items listed in Table 1 (Appendix B) of The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) 2012.

Resource classification reflects the degree of confidence in the Resource estimate. This was based primarily on data quality and drill spacing, with geological confidence. The joint pattern and density have also been taken into account in the classification. All materials within or in the proximity of the mapped sinkhole LD1 (from 520 mRL contour), leading to the nearest drainage line have been classified as Inferred. SRK is of the opinion that there is sufficient confidence in the continuity of marble colour and quality to classify Resources within 70 m from drillholes as Indicated and 140 m as Inferred. There is insufficiency in the quality of data to classify any portion of the Resources as Measured. Closer spaced drilling, more detailed joint analysis, further tests and a more detailed assessment of weathering and karstic features would be required to upgrade the Resource estimate to Measured. All materials within the F1 fault zone and the weathered zone are excluded from the Resources.

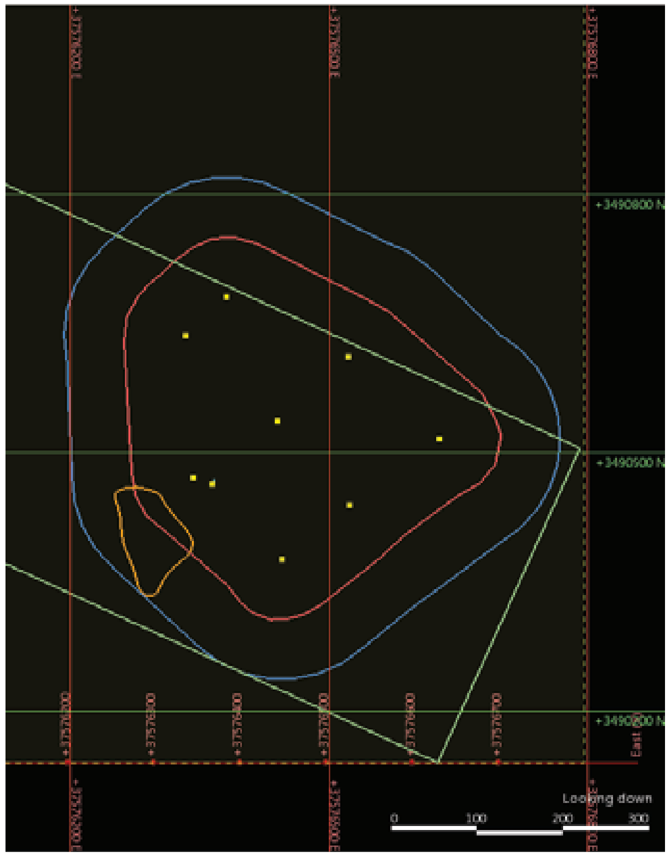

Figure 6-2: Plan view of Resource Classification

Note: Red = Indicated; Blue = Inferred; Orange = Sinkhole Influenced area and Green = Mining Licence

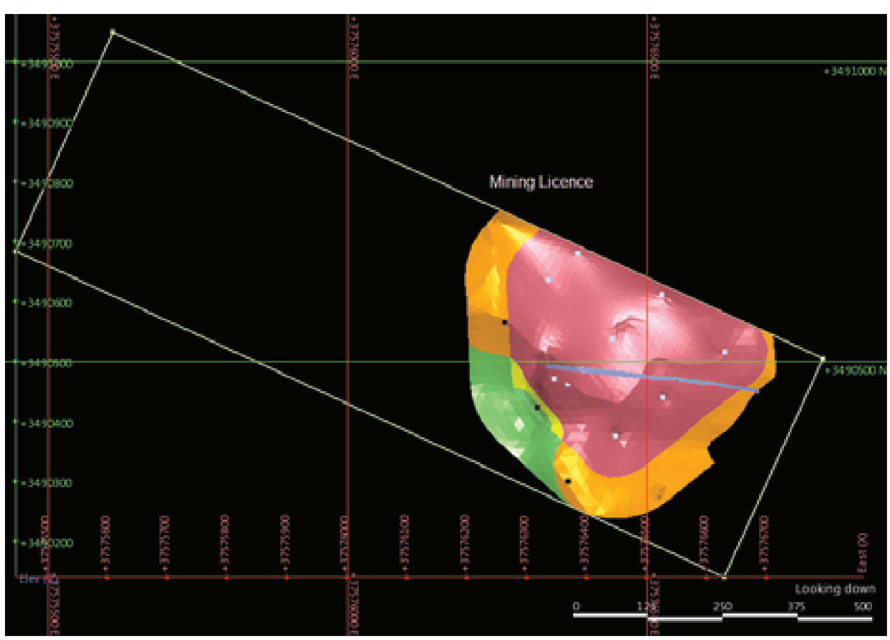

Figure 6-3: Plan view of classified Resources

Indicated: Red (White Marble), Yellow (Grey Marble); Inferred: Orange (White Marble), Green (Grey Marble); Unclassified: Purple (F1 fault zone).

6.4 SRK Resource Statement

SRK considers that the Mineral Resource Estimate conducted for the Project was undertaken utilising data of sufficient quality and density, and using suitable methodologies, to be classified as Indicated and Inferred Resources in accordance with the JORC Code, 2012. The marble Resource estimated by SRK is presented in Table 6-1 as of 1 July 2014. Marble blocks produced during the construction phase of the Project, prior to 1 July 2014 have been deducted from the estimated Resource.

Table 6-1: Yiduoyan Marble Resource Statement as at 1 July 2014

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	3.4
Indicated	5.6	1.8	7.3
Total	7.4	3.3	10.7

The Resource has been limited to the area within the mining licence between the approved elevations limits of 420 to 589 m RL. The Resource is calculated to have a block yield of approximately 35%. The typical qualities of the White Marble V-1 and Grey Marble V-2 marbles are documented in Table 5-2 and Table 5-3 respectively. Based on the testwork conducted, we have determined the whole Resource is of potentially mineable quality and has a potentially economic block yield. Areas of the deposit that are not potentially marketable on the grounds of appearance, quality or potential block size have been excluded from the Resource estimate.

6.5 Ore Reserve Estimation

Mine plan and quarry design aspects of the Project together with the associated estimates of production and costs as derived from the production schedule are detailed in the "*Feasibility Study Report on the Yiduoyan Marble Project*", by Sinoma, dated August 2013. This document is hereafter referred as "FS". Supplementary information on the waste rock management was also provided to SRK by Sinoma and Future Bright in October 2013.

SRK has not undertaken mine planning or optimisation of the Project, but has reviewed modifying factors (see Figure 6-1) in conjunction with the mining parameters and costs, detailed in the FS to define Ore Reserves, based on the Indicated Resources defined in the previous section. SRK found the FS has been well described and based on conventional planning techniques, although modern computerised methods have not been used. The FS has been considered by SRK as an appropriate study to allow conversion from Indicated Resources described above to Ore Reserves.

An open pit (Figure 6-4) was designed by Sinoma, based on the Chinese classified mineralisation, between Exploration Line 101 and 102 (Team 932, 2013). The key parameters are given in Table 6-2 and are considered by SRK to be a reasonable ultimate pit limit.

Table 6-2: Pit limit design parameters

Item		**Unit**	**Value**
Top pit dimension	Length	m	517
	Width	m	298
Bottom pit dimension	Length	m	321
	Width	m	140
Final pit depth		m	160
Bottom elevation		mRL	420
Bench height		m	8
Safety, cleaning berm width		m	3
Haulage berm width		m	6
Bench face angle (within marble)		degree	90
Final slope angle (within marble)		degree	55
Final slope angle (within weathered zone)		degree	45

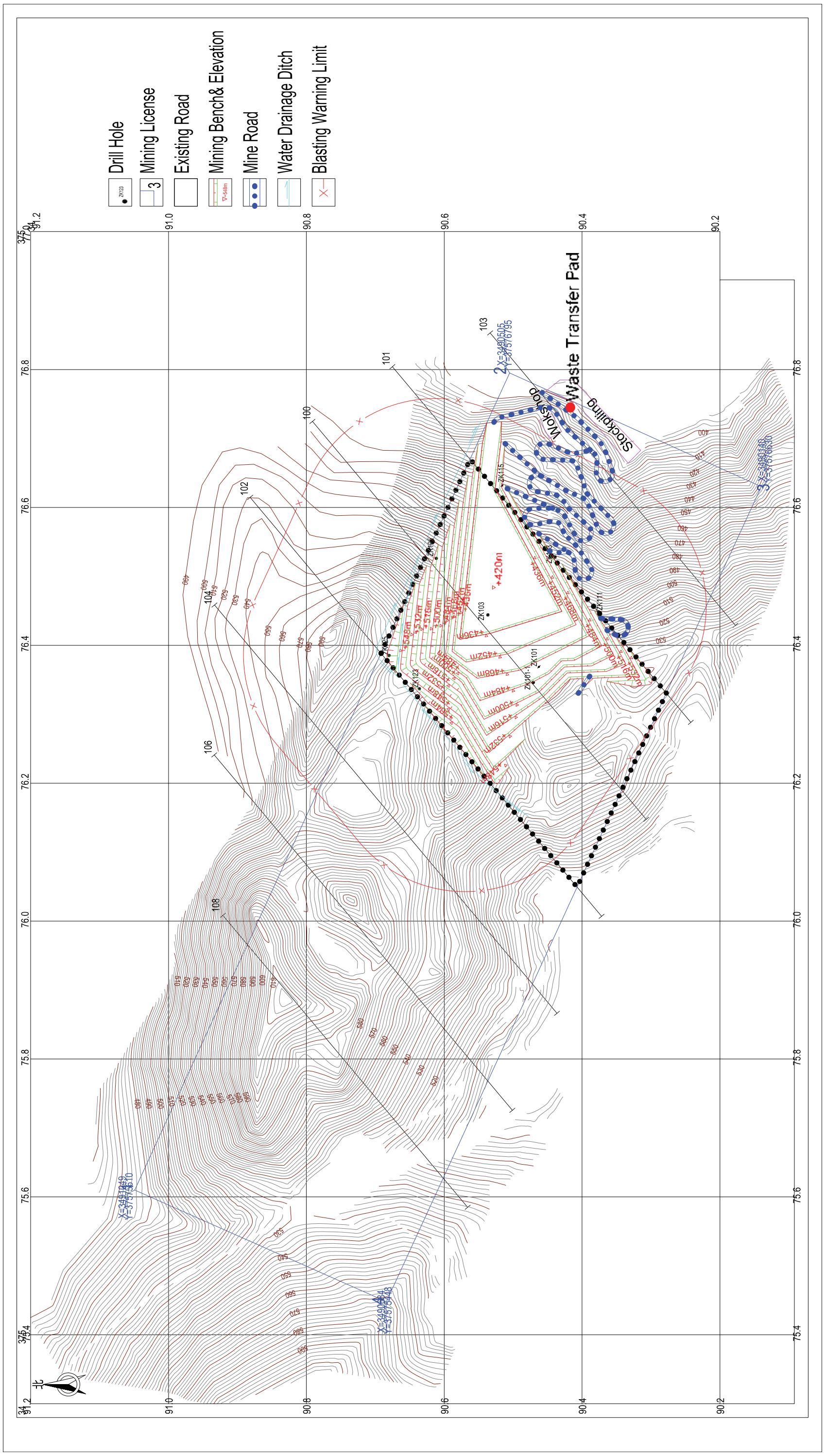

Figure 6-4: Plan of Ultimate Limit

SRK has classified the final saleable marble block product, within the pit, as Probable Reserve as shown in Table 6-3. Marble blocks produced during the construction phase of the Project prior to 1 July 2014 have been deducted from the estimated Reserve.

Table 6-3: Yiduoyan Marble Reserve Statement as at 1 July 2014

Reserve Category	**White Marble V-1** *(million m^3)*	**Grey Marble V-2** *(million m^3)*	**Total** *(million m^3)*
Probable	0.87	0.04	0.91

Note: Block yield 35%, block handling loss, 5% and block rejection due to colour, texture, grain-size and consistency 2%, i.e. (35% x (1-5%) x (1-2%) = 32.6%).

The proportion of marble Resources that can be mined out as blocks of the dimensions specified, i.e., block yield, is estimated at 35%. Based on rates typical for this type of mine, a 5% block handling loss has also been assumed. A further estimated 2% of marble that may be rejected on the basis of quality, including features such as colour, texture, grain-size and consistency, has been estimated by SRK. The final saleable marble block product is thus estimated at 32.6% of the Resource in the proposed pit. The block yields to date, detailed in Table 5-5, support these estimates, given the Project is still in the development stage. Considerations of items listed in Table 1 of the JORC Code (2012) are tabulated in Appendix B.

SRK has reviewed the designed parameters and considers the parameters suitable for the site-specific conditions. The block yield and block handling loss rate assumptions are reasonable.

6.6 Mine life analysis

The Project hosts a total of 0.91 million m^3 of Marble Reserve. The Project is expected to take two years of construction and a ramp-up period to reach full annual production rate of 20,000 m^3 by 2017. The Project is anticipated to have a 2-year ramping-down period towards the end of the mine life. SRK estimates that the Life of Mine ("LoM") is expected to be 47 years, given the currently defined Reserves and the anticipated annual production rate.

6.7 Potential for defining additional Resource and proposed programme

The defined Resources and Reserves are mainly bounded by Exploration Lines 101 and 102, whereas the target V-1 white marble unit crops out in the southern part of the Project area without being covered by the overlying limestone unit. A total of 12 drillholes have been drilled in 2012-2013. Of these, results from nine of the drillholes have been incorporated in the current Resource estimate. The nature and extent of the sinkholes LD1 and LD2 remain uncertain as well as of the F1 fault zone. The uncertainties of karstic and structural features mean that there is a chance that they could have caused medium risks to the Project. These risks are inherent in marble quarrying and have been taken into account in the Resource and Reserve estimates.

Future Bright has provided SRK with a proposed exploration programme as follows:

- Quality logging and sampling of three drillholes (ZK112, 102 and 121), drilled in early 2013;
- Two diamond holes will be drilled, along another exploration line, tentatively termed as Exploration Line 105, located 150 m southeast to existing Exploration Line 101;
- Drill test (3 to 4 diamond holes) the nature and extent of the fault zone F1;
- Geophysical surveys to ascertain the nature and extent of the sinkholes LD1 and LD2 – of these, LD1 is the prioritised target;
- Joint mapping throughout the LoM to help determine the favorable geomechanical zones; and
- Physical and chemical tests on the overlying limestone unit to ascertain its potential uses and value.

In SRK's opinion, the proposed programme represents Future Bright's commitment to determine the nature and extent of those features that have negative impacts on the Project, including the sinkholes, fault zone and joint patterns. Logging and sampling of completed drillholes and additional drillholes in the southern part of the Project area are likely to increase the Resources and potentially decrease the amount of waste rocks to be stripped, and hence lower the strip ratio. Testing of the overlying limestone unit and studies of the potential uses and value of the unit may further enhance the economics of the Project.

SRK considers that the objectives of the Company align closely with the exploration programme presented and demonstrate that the exploration strategy is based on sound technical merits, given the current understanding of the geological and structural setting of the Project area.

7 MINING ASSESSMENT

7.1 Mine Operational History and Current Status

Future Bright conducted limited site construction between September 2012 and July 2013, but has begun full-scale mine construction since August 2013. By April 2014, Future Bright has already constructed three production benches at 556 m, 548 m and 540 m respectively at the initial mining area, located between Exploration Lines 101 and 102. These benches measure 120 m, 220 m and 260 m respectively. As of the end of June 2014, the production bench at 556m had been completed mined out whereas mining continues at 548 m 540 m.

According to the FS, mining will then proceed to pushback downwards bench by bench and form a final open pit with the bench height of 8 m, a safety cleaning berm width of 3 m and a haulage berm width of 6 m. The working bench angle is 90°, but the final slope angle will become 55°and 45° within marble and the weathered zone, respectively. The final pit will measure a depth of 160 m. The dimension of the pit top will measure 517 m x 298 m and the pit bottom will measure 312 m x 140 m.

At the initial mining area (Figure 7-2; Figure 7-3; Figure 7-4), all top soil and weathered materials have been stripped off. These materials have been used as fill materials for the haulage road and foundation of the transfer pad area. A 900-m-long haulage road, connecting the Provincial Highway S251 to the temporary office complex and the mining area has been constructed. According to the FS, the haulage road will further be extended to 1.89 km long and 6.5 m wide.

7.2 Geotechnical considerations

The geology of the pit and surrounding area is comprised of a succession of dolomitic limestone, fine-to very fine-grained marble. The geometry of this package of rock is dominated by a southeast-gently dipping open syncline. Two sets of subvertical joints, trending east-northeast and northeast respectively and a low-angle bedding-parallel fracture are present. Structural mapping indicated that spacing of the joint sets ranges from a few to tens of metres. A few metre-wide sub-vertical inferred fault zone (F1) has extended from the centre to the eastern part of the pit.

The compressive strength of the marble units ranges from 16 to 138 MPa, with an average of 101 MPa. The bulk density of the marble units ranges from 2.60 to 2.74 g/cm^3 (measured dry), with an average of 2.70 g/cm^3 for both the white and grey marble. In general, about 80% of the drillcores are of RQD between 80% and 95%. The remaining 20%, which have lower RQD values of between 20% and 60%, are either close to the surface or near fracture zones.

The geotechnical conditions are considered simple and the rocks are regarded as competent and stable with good slope stability. The pit design exercise has determined that the maximum depth will reach 160 m, with vertical working faces and an 8-m-high bench. The working and cleaning beams will be 8 m and 3 m respectively. The final overall pit slope will be 55° within the marble and limestone units and 45° within the top weathered zone. The proposed slope geometry is considered conservative and adequate for this operation, providing that good quality mining practices are implemented.

7.3 Hydrogeology

The relative altitude difference within the mining licence is 281 m, with the highest elevation of +631 m RL and the lowest of +350 m RL. The elevation of the local erosion level is +350 m RL.

The precipitation is abundant, with the annual maximum rainfall of 1,323.6 mm and the minimum of 592.1 mm, averaging 800 mm. Most of the rainfall occurs from April to August. The annual evaporation capacity is about 40% of the annual rainfall.

There is no large surface water body nearby. The main aquifer is a karst-fissure aquifer. The current survey results show that the karst connectivity is good and water abundance is poor. The source of the groundwater is only from atmospheric precipitation.

To the east of Exploration Line 100, the LD1 sinkhole has a diameter of 20 to 30 m. The peripheral canal system is presumed to drain through the sinkhole. The LD2 sinkhole is located at the middle depression of the Exploration Line 104, with a diameter of 3 to 5 m. The entrance is covered by farmland. Water inflow was found in only two drillholes during the drilling, with a static water table of 61.90 m for ZK105 and 58.40 m for ZK123, corresponding to 450 m RL and 480 m RL, respectively.

The hydrogeological conditions are considered simple and precipitation is considered to be drained by the sinkholes and subvertical joints and fractures. SRK considers the hydrological considerations will not have a significant impact on the overall design of the pit slopes and operations in the future based on side hill surface mining and a low water table. Nevertheless, SRK recommends further studies to be carried out in order to have a better understanding of the water quality and drainage system in the Project area and beyond, and investigate the possibility of siltation if the acidity of the runoffs changes. Studies on the pit dewatering and depressurisation should also be conducted.

7.4 Mining Methods

7.4.1 Dimension Block Mining

The mining method of the dimension stone illustrated in the FS, which has been adopted by Future Bright, comprises a diamond wire saw and truck method. The operation's cycle is composed of primary cuts to isolate a large block from the main rock mass, secondary cuts to produce slices which are then tilted into a horizontal position for final cutting into individual blocks as detailed below. The mining scheme is described below and is shown in (Figure 7-1; Figure 7-2; Figure 7-3).

- Horizontal cutting by a diamond wire saw;
- Vertical stringing hole drilled by a vertical hole drill;
- Two vertical planes sawed with a diamond wire saw;
- A cushion layer (made up of the crushed stone and soil formed by a front end loader on the working bench);
- Tilting down of the rectangular stone by a hydraulic jack and cushion;
- Rough blocks cut by a diamond wire saw;
- Separating and reshaping with a diamond wire saw;
- Loading of rough blocks by a large capacity fork loader; and
- Cleaning conducted by a front end loader at the working surface.

SRK recommends that natural fractures should be utilised in order to improve the extraction rate of rough blocks. Working faces should be oriented parallel to or perpendicular to the major joint sets wherever possible.

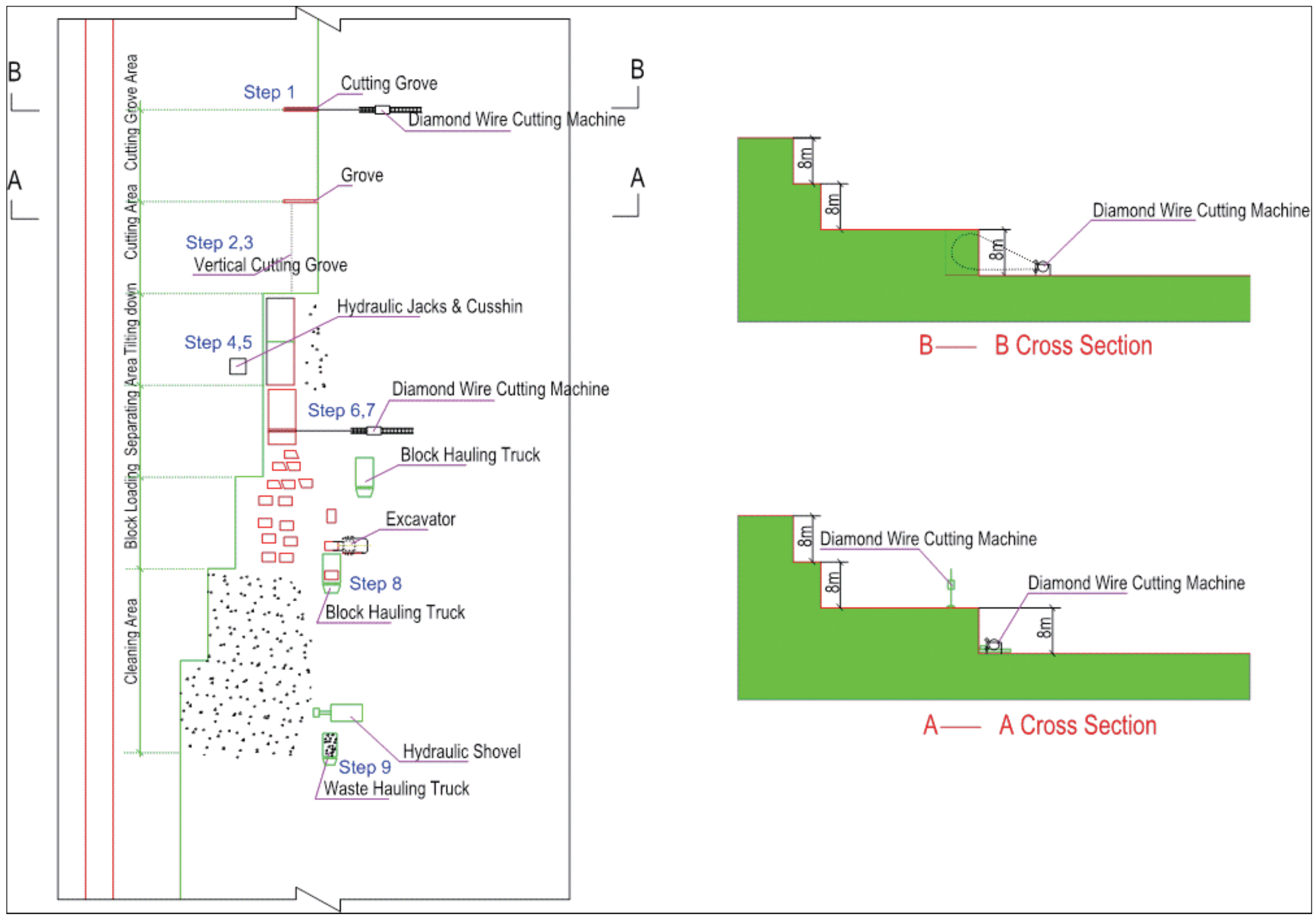

Figure 7-1: Scheme of the mining method

Figure 7-2: Mining operation at 548 m

A: Horizontal cutting by a diamond wire saw

B: Quarry face cut by both horizontal and vertical diamond belt saws

C: Preparation of cushion layer

D: Titling down of rectangular primary block

Figure 7-3: Mining procedures at 548 m

A: Colour and pattern examination of tilted primary rectangular blocks

B: Rough blocks are further shaped and cut by a diamond saw

C: Block transport by a fork loader

D: Stock piling of final rough blocks ready for transport

7.4.2 Stripping and Waste rock management

The stripping of the waste rocks will employ the same method as the marble blocks while the stripping of the overburden will be directly undertaken by excavators loading mine self-dumping trucks.

The total volume of waste materials, comprising top soil and weathered rock to be produced is estimated at 1.5 million m^3 throughout the LoM. During the construction period, ramp-up period and early years of production (246,000 m^3 in 2015, 177,000 m^3 in 2016, 90,000 m^3 in 2017, 80,000 m^3 in 2018, 70,500 m^3 in 2019 and 70,000 m^3 in 2020), a relatively large amount of waste will be produced.

As of the end of June 2014, Future Bright has used all waste materials for the haulage road and transfer pad construction. Future Bright has planned to transfer excess waste rock that will not be used for on-site construction work or future site rehabilitation to a nearby building materials factory, located approximately 15 km away from the Project site.

SRK was provided a sale contract dated 18 October 2013, which is valid for five years until 18 October 2018.

The key terms of the contract are summarised below:

- Future Bright will provide 20,000 m^3 of waste rock every month to the building factory from 1 November 2013. However, the actual amount of waste rock to be provided will be subject to the actual production activities;

- The building materials factory is responsible for the cost and logistics for trucking all waste rock from the Project to the building factory as well as the cost for access road construction and maintenance; and

- Future Bright will not charge the building materials factory for the waste rock.

In addition, Sinoma designed a 100 m^2 waste transfer pad to meet the needs of waste production fluctuation. SRK considers that the amount of waste rock proposed to be taken by the building factory will be sufficient for waste disposal over the contract period (Nov 2013 to Nov 2018). However, the Company has not undertaken any studies of waste rocks to be produced after the expiration of the contract (Nov 2018). While provision of waste rock to the nearby building materials factory is considered by SRK as an appropriate option, it is recommended that Future Bright should undertake studies on alternative waste dumping options in order to fulfil the demands of waste dumping during the LoM. SRK also recommends investigation of other potential markets for the waste materials from the quarry, which will potentially provide additional source of revenue for the Project.

7.4.3 Mining Equipment

The major mining equipment fleet consists of diamond wire cutting machines, drills, excavators and front-end-loaders. The ancillary equipment includes excavators, forklift and portable compressors. Some items of the equipment had already been purchased and were currently in use by Future Bright as of the end of June 2014. The details are listed in Table 7-1.

Table 7-1: Mining equipment fleet

Item	Type/Capacity	Currently in use (as of the end of June 2014)	To be purchased July-Dec 2014	2015	2016	Total
Wire cutting machine	110 kw	0	0	0	4	4
	75 kw	2	0	2	0	4
	55 kw	3	0	0	0	3
	37 kw	1	0	0	0	1
Excavator	PC400-8/1.9 m^3 bucket size	1	0	1	0	2
	PC240LC-8/1.2 m^3 bucket size	0	0	0	1	1
Forklift	XG9280Y/30t	0	1	1	1	3
Horizontal drill rig	HD75/11 kw	3	0	1	2	6
Air compressor	RBZ-37 kw/6.5 m^3 per min	1	0	0	0	1
	3 kw/0.4 m^3 per min	2	0	4	5	11
	1.8 kw/0.15 m^3 per min	1	0	0	0	1
Handheld Jackleg drill		4	4	8	14	30
Gantry crane	40t	0	1	0	0	1
Jaw crusher	400 x 600/30 kw	0	1	0	0	1
Dump truck	25 t	1	0	0	1	2
Flatbed block haulage truck	25 t	0	1	1	1	3
Diesel Tanker	5 t	0	0	1	0	1

SRK considers the mining method appropriate for the mine design and the production rate (see Section 7.5) achievable. The equipment types selected for cutting, tilting, trimming, loading and hauling, as well as the ancillary equipment are considered to be suitable for the planned operation (see Section 8.1). SRK noticed that there are 30 to 50-m-thick waste rocks immediately below the overburden over the northern part of the open pit area. A pre-blasting separation measure, i.e. wire saw and short hole method must be used to isolate marble to be extracted and minimize the possibility of the propagation of cracks formed by blasting into the marble.

7.5 Mine Plan and Production Schedule

SRK agrees with the production plan and the initial mining area proposed by Sinoma, which has been adopted by Future Bright. The time allowance made for construction, the ramping up and down process is reasonable, as shown in Figure 7-4.

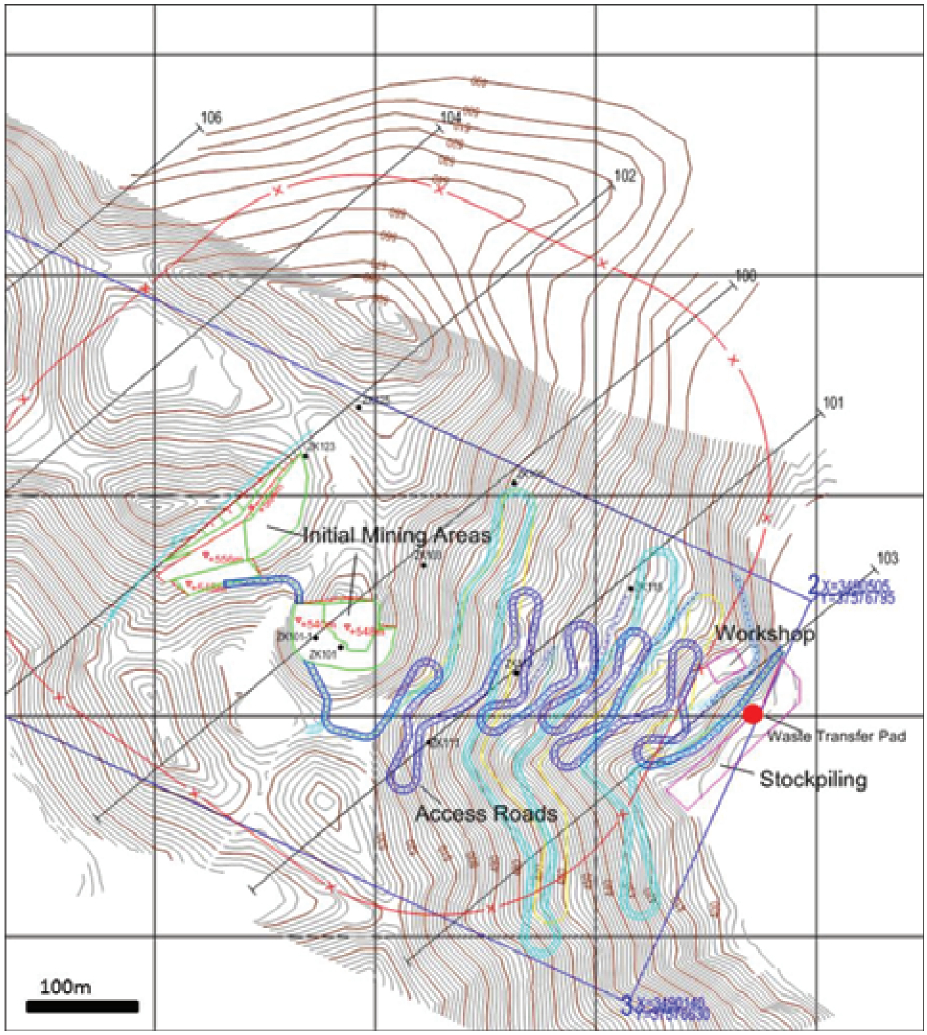

Figure 7-4: Initial mining areas

The mine production schedule has been generated with considerations regarding the approved annual production rate (20,000 m^3) and the mine design. The FS indicates a 2-year construction period and 1-year ramp-up period. The Project will reach the full production rate of 20,000 m^3 by Year 4.

Future Bright commenced limited site construction between September 2012 and July 2013, but has begun full-scale mine construction since August 2013. In April 2014, Future Bright had three production benches at 556 m, 548 m and 540 m respectively at the initial mining area, located between Exploration Lines 101 and 102. These benches measure 120 m, 220 m and 260 m long respectively and produce 1,742 m^3 marble blocks, during the construction phase of the Project (Table 5-1). Marble block production is targeted to reach 3,000 m^3 by the end of 2014, 7,500 m^3 in 2015 and 16,000 m^3 in 2016 and the full production rate of 20,000 m^3 is expected to be reached by 2017 (Table 7-3). Mining operations are scheduled for 280 days per annum with two 8-hour shifts, which has taken into account holidays and down time due to weather.

The in-pit volumes of block, recoverable block, waste and strip ratio, estimated by SRK are given in Table 7-2. The strip ratio over the life of the mine is 0.54.

Table 7-2: Production estimates by Levels

From *(mRL)*	**To** *(mRL)*	**White Marble V-1** *(m^3)*	**Grey Marble V-2** *(m^3)*	**In-pit Resources** *(m^3)*	**Block Yield, Including Handling Loss & Other Losses**	**Marble Blocks** *(m^3)*	**Waste** *(m^3)*	**Strip Ratio**
420	428	133,104	12,701	145,805	32.6%	47,511	6,564	0.0
428	436	151,352	670	152,022	32.6%	49,536	6,419	0.0
436	444	190,336	13,995	204,331	32.6%	66,581	11,016	0.1
444	452	208,297	1,764	210,061	32.6%	68,448	12,688	0.1
452	460	237,769	13,425	251,194	32.6%	81,852	17,838	0.1
460	468	240,226	3,684	243,910	32.6%	79,478	28,559	0.1
468	476	247,760	17,348	265,108	32.6%	86,385	46,050	0.2
476	484	236,119	6,188	242,307	32.6%	78,956	62,270	0.3
484	492	227,720	16,971	244,691	32.6%	79,733	84,000	0.3
492	500	202,820	7,687	210,507	32.6%	68,594	104,213	0.5
500	508	182,070	14,606	196,676	32.6%	64,087	128,472	0.7
508	516	151,253	6,987	158,240	32.6%	51,563	147,421	0.9
516	524	128,048	6,390	134,438	32.6%	43,807	176,278	1.3
524	532	85,935	1,697	87,632	32.6%	28,555	183,803	2.1
532	540	44,957	78	45,035	32.6%	14,675	198,452	4.4
540	548	13,070	–	13,070	32.6%	4,259	156,431	12.0
548	556	3,776	–	3,776	32.6%	1,230	83,411	22.1
556	564	479	–	479	32.6%	156	32,360	67.6
564	572	–	–				14,380	
572	580	–	–				4,171	
580	588	–	–				74	
Total		2,685,091	124,191	2,809,282		915,405	1,504,870	0.54

Table 7-3 summarises the amount of marble blocks produced between 2014 and 2020, respectively.

Table 7-3: Production Schedule

Type/Year	2014	2015	2016	2017	2018	2019	2020
White Marble V-1	3,000	7,475	15,800	19,750	19,000	18,800	18,500
Grey Marble V-2	–	25	200	250	1,000	1,200	1,500
Total Block Production	3,000	7,500	16,000	20,000	20,000	20,000	20,000

SRK believes that the production target can be achieved if the requirements such as development schedule, quarrying sequence, and equipment type and fleet can be met, especially the necessary measures that need to be taken during the mine operations.

7.6 Mine Services

7.6.1 Water supply

Fresh water is sourced from wells located within the Project area. As of the end of June 2014, three wells have been drilled. Two of the wells are equipped with 5.5 kw and 7.5 kw pumps. Water is pumped at a rate of 5 m^3/hour from one of the two wells that are equipped with pumps. The third well is served as a contingency. SRK opines that the water source is reliable and sufficient to supply the planned operation.

7.6.2 Power supply

As of the end of June 2014, the Project has already connected to Nanzhang grid, through a dedicated T-connection from Xiaoyan Regional transforming station to the mine site at a 10 KV capacity, for a distance of 2.5 km. The installed capacity of the transformers is 250 KVA. Future Bright plans to increase the transformer capacity to 500 KVA by the end of 2014 and further increase the capacity to 750 KVA by the end of 2015.

It is SRK's opinion that the designed capacity of power supply will be reliable and able to meet the requirements of the planned mine operations (891 KW).

7.6.3 Explosive supply and management

The isolated blast of the waste stripping will be undertaken by contractors. Therefore, a powder magazine was excluded based on a just-in-time supply manner.

7.6.4 Maintenance facilities

Equipment maintenance will be carried out on the mine site, and repairs will be contracted out to contractors.

8 CAPITAL AND OPERATING COSTS

8.1 Project Execution Plan

The Project is scheduled to be developed through a 2-year construction period (August 2013-July 2015) and a ramp-up period (August 2015-December 2016) and it will reach the full production rate of 20,000 m^3 by 2017.

As of the end of June 2014, a 900-m haulage road, connecting the Provincial highway and the temporary office complex and the initial mining area, had already been constructed. A 250 KVA transformer has already been installed and is connected to Nanzhang power grid and is targeted to increase the transformer capacity to 750 KVA by the end of 2015. A temporary maintenance workshop, storage facility and workers' dormitory have already been constructed. Three working benches have been developed at 556 m, 548 m and 540 m, respectively, located between Exploration Lines 101 and 102. In April 2014, three benches measure 120 m, 220 m and 260 m, respectively. As of the end of June 2014, the production bench at 556m had been completely mined out whereas mining continues at level 548 m and 540 m.

All top soil and overburden at the initial mining area has been stripped. Mining will proceed in a bench-by-bench pushback manner downwards. A total of 1,742 m^3 of marble blocks have already been produced. The total scheduled production capacity for 2014 is 3,000 m^3.

In 2015, mining will be carried out at two benches at level 548 m and 540 m and two other benches at level 532 m and 524 m will also be developed. The mining area will be increased with the target production capacity expected to reach 7,500 m^3 by the end of the year, with a total of 246,000 m^3 of waste materials also having to be stripped.

In 2016, mining will be carried out at the 540 m and 532 m benches, while the 516 m bench is to be developed. The mining area will further be increased with the target production capacity expected to reach 16,000 m^3 by the end of the year, with a total of 177,000 m^3 of waste materials to be stripped.

From 2017, the mine is expected to reach the full production rate of 20,000 m^3 annually.

It is SRK's opinion that Future Bright's mine development plan which includes, among others, the aspect of environmental protection and the associated environmental protection facilities, scheduled production, and cost estimates, supported by the FS prepared by Sinoma which illustrates the Project is technically and economically viable, are generally appropriate and achievable. This is subject to the budgeted capital investment is made for the mine as scheduled and Future Bright has gained sufficient market share for the sale of the marble products produced. SRK has been furnished with three sales contracts, with block processers in Guangdong in which the scheduled production of marble blocks during the construction and trial production phases of the Project in 2014, 2015 and 2016 will be sufficiently covered by these contracts.

Maintenance of the various cutting tools and mobile equipment and having adequate supplies of spare parts and consumables are critical for maintaining the planned production volumes. Workshop and support facilities will be constructed to support the planned mining operations. The current haulage road has to be expanded to connect directly to the working benches at different levels in the future.

8.2 Capital Costs

8.2.1 Initial Capital

Sinoma's FS has provided a baseline for capital cost estimates. The cost items have been updated by Future Bright. The total capital cost for developing currently stands at RMB51.3 million. As of the end of June 2014, a total of RMB13.7 million has already been incurred and a further RMB37.6 million will be spent between July 2014 and 2016, with an 8.3% contingency. The capital costs by category are summarised in Table 8-1. A brief description of each cost centre is given below:

- Mine construction includes the cost for stripping, construction of access road, water supply system, water drainage system, electricity supply system, maintenance facilities, mine office and accommodation facilities;

- Equipment and Installation includes the cost for excavators, wire saw, bulldozer, truck, mine vehicles, forklifts, electricity supply facilities outside the mine, transport equipment, loading equipment, loading equipment and to install them on site for production operation;

- Engineering, Procurement and Construction Management (EPCM) includes the cost for administration facilities, staff training work and facilities relating to Environmental Health and Safety (EHS), exploration, feasibility, engineering design;

- Land Use Fees is the payment the Company needs to make to the government and community for using the land; and

- Mining Right Fees is the payment the Company needs to make to the government for receiving the mining license.

Table 8-1: Capital costs by category

	Actual		Forecasted				
	September 2012-December 2013	**January 2014-June 2014**	**July 2014-December 2014**	**2015**	**2016**	**Total**	**Forecasted capital costs per cubic metre over the life of the mine ("Costs per Cubic Metre")** *(Note 1)*
(RMB'000)							*(RMB/m^3)*
Mine construction	5,407	284	2,700	1,505	2,321	12,217	13.43
Equipment and installation	3,815	919	4,036	7,143	8,618	24,531	97.95 *(Note 2)*
Engineering, procurement and construction management	2,454	3	302	508	2,690	5,957	6.55
Land use fees	499	50	2,000	–	2,551	5,100	5.60
Mining right fees	294	–	–	–	–	294	0.32
Contingency	–	–	994	916	1,295	3,205	3.52
Total	12,469	1,256	10,032	10,072	17,475	51,304	127.37

Notes:

1. Calculated based on the total capital expenditure divided by the total volume of marble blocks expected to be produced throughout the 47-year life of the mine which is expected to be equivalent to the estimated Probable Reserve of approximately 0.91 million m^3 as at 1 July 2014.

2. To calculate the costs per cubic metre for the capital costs classified in the "Equipment and installation" category, other than the capital costs of approximately RMB24.53 million required to be spent to achieve the production volume of 20,000m^3 per annum according to the development plan, an equipment replacement cost of a total amount of approximately RMB64.6 million was added in the calculation of such Costs per Cubic Metre. This is because an additional amount of approximately RMB32.3 million of sustaining capital cost is expected to be incurred in 2026 and 2036 respectively for equipment replacement.

8.2.2 Sustaining capital

A review of the capital cost estimates in conjunction with the production plan and proposed mining fleet revealed that no allowance for mining equipment replacement has been made. SRK suggests that RMB32.3 million for sustaining capital cost be included in 2026 and 2036 respectively for equipment replacement.

8.2.3 Summary

The construction of the Project requires two years, passing into a ramp-up period. The Project is planned to reach full production by 2017. Almost 73% of the capital costs are scheduled to occur between July 2014 and 2016 to support the construction and development of the Project. The completed and planned Project development schedule is as follows:

- **September 2012-June 2014:** The temporary office complex, workers' dormitory, warehouse, and maintenance workshop were constructed. A 250 KVA transformer connecting to Nanzhang power grid has been established. A water supply facility has been built. Three working benches at level 556 m, 548 m and 540 m have been developed, with working faces measuring 120 m, 220 m and 260 m, respectively. A total of 1,742 m^3 of marble blocks have been produced during the construction phase of the Project. Production bench at 556 m has been completely mined out as of the end of June.

- **July 2014-December 2014:** Construction will continue at level 548 m and 540 m. The total target production capacity for 2014 is 3,000 m^3, with a significant amount of equipment being procured during this period, including 4 handheld jackleg drills, 1 gantry crane, 1 jaw crusher and a flatbed block haulage truck. The transformer capacity will also be doubled to 500 KVA by the end of 2014.

- **2015:** Two more benches are to be developed at 532 m and 524 m levels. Production will gradually increase and is targeted to reach 7,500 m^3 production capacity by the end of the year. The transformer capacity will further be increased to 750 KVA by the end of 2015. The following equipment will be procured during this period: 2 wire cutting machines (75 kw), 1 forklift, 1 horizontal drill rig, 4 compressors, 1 excavator, 8 handheld jackleg drills and 1 flatbed block haulage truck.

- **2016:** Another bench at the 516 m level will be developed. The production target for the year will reach 16,000 m^3. An additional 4 wire cutting machines (110kw), 1 forklift, 2 horizontal drills, 5 air compressors, 14 handheld jackleg drills, 1 dump truck and 1 flatbed block haulage truck will be purchased.

Overall, SRK is of the opinion that the proposed capital expenditure estimated by Sinoma and adjusted by Future Bright is reasonable. The budgeted amount of contingency is also appropriate for any unanticipated factors. The unit capital costs over the LoM is estimated to be approximately RMB127.37/m^3. It is SRK's opinion that the target production rate will likely be met for the Project, given the required capital expenditure is sourced and spent according to the plan.

8.3 Operating costs

The recent actual operating cost between January and June 2014 provided by Future Bright and the forecast operating cost between July 2014 and 2018 are tabulated in Table 8-2, based on:

- Sinoma's FS August 2013 cost estimates;
- Actual operating cost between January and June 2014 provided by Future Bright;
- A Resource tax of RMB5/m^3;
- Value added tax ("VAT") of 3% is levied for the sale of marble blocks;
- VAT of 17% is levied for the purchase of the consumables and fuel and electricity;
- City maintenance and construction levy (5% of the total amount of VAT created by Project);
- An education levy of 5% of the total amount of VAT created by the Project; and
- A resource compensation levy (2% of sale revenue multiplied by a "coefficient" set by the provincial government, where the coefficient is currently set as 1.2)

The cost estimates show a typical pattern of being front loaded during the construction and ramp-up phases of the Project. The unit cash operating cost will peak between July and December 2014, which is mainly related to the employment of key administrative staff and mining labour force. The unit cash operating cost will gradually lower and become steady. The unit cash operating cost is estimated at RMB1,423/m^3, and the total annual cash operating cost is estimated at RMB28.5 million when the Project reaches the full production rate of 20,000 m^3 by 2017.

Table 8-2: Actual and forecasted operating costs

	Unit	Actual January-June 2014	Forecasted July-December 2014	2015	2016	2017	2018 onwards
Variable costs *(Note 1)*							
Consumables	RMB/m^3	231	197	232	232	232	232
Fuel, electricity and other services	RMB/m^3	206	171	205	205	205	205
Workforce employment *(Note 2)*	RMB/m^3	617	928	787	502	402	402
Environmental protection monitoring	RMB/m^3	–	19	8	4	3	3
Non-income taxes, royalties and other governmental charges	RMB/m^3	16	109	110	110	110	110
Product marketing	RMB/m^3	202	340	207	121	107	107
Transportation of workforce	RMB/m^3	–	–	–	–	–	–
Contingency allowances	RMB/m^3	–	–	–	–	–	–
Total variable costs		1,272	1,764	1,549	1,174	1,059	1,059
Fixed costs *(Note 1)*							
On-and off-site administration	RMB/m^3	733	985	950	445	356	356
Environmental protection equipment	RMB/m^3	–	44	19	9	7	7
Total fixed costs		733	1,029	969	454	363	363
Unit cash operating cost	RMB/m^3	2,004	2,793	2,518	1,628	1,423	1,423
Total cash operating cost	RMB	4,544,801	4,189,445	18,882,546	26,052,792	28,485,445	28,458,445

Notes:

1. Fixed and variable costs are independent and dependent of marble block outputs respectively.

2. The average monthly salary of workers in Hubei Province, the PRC increased from approximately RMB1,800 in 2009 to approximately RMB3,300 in 2013 according to the Antaike Report. Based on the historical rate of increase of the average salary of workers in Hubei from 2009 to 2013, even though the salary of workers is expected to increase with a CAGR of 12.9% from 2015, it is expected that the number of workers required for the mining operation will increase at a slower rate than the rate of increase in the volume of production due to the reliance of the production on the use of machineries, the automisation of the production process and increase of productivity of the workers through provision of training. As such, it is estimated that the forecasted unit operating costs for workforce employment, which is equal to the total forecasted operating costs for workforce employment divided by the volume of marble blocks to be produced, will decrease as the volume of production increases.

SRK has reviewed the detailed breakdown of the operating cost and opines that the estimate is reasonable and is of a similar order of magnitude as other similar dimension stone projects in China.

8.4 Economic viability

An analysis of the economic viability of the Project has been conducted. The analysis is based on the capital and operating costs, the production schedule and an expected block yield presented in this Report. A base case scenario of the Project from July 2014 to December 2021, until the expiry date of the current mining licence (7.1 years) has been constructed. It is important to note that the purpose of the analysis is only to demonstrate the economic viability of the Project. The derived net-present values (NPVs) do not indicate the fair market values or the profitability of the Project. In the base case analysis, a RMB3,500/m^3 (including 3% VAT) marble block price and a discount rate of 10% were used. The discount rate used in the base case analysis was based on the considerations of the real, risk-free, long term interest rate (4% for the 5 year PRC Government Bond Rate), mining project risk that includes the consideration of the operating expenditure contingency allowance (2% to 4%) and country risk (2% to 4%). SRK notes that it is not an uncommon industry practice to include the risk of operating expenditure contingency allowance as part of the discount rate.

The analysis shows that the after tax (25% corporate income tax) NPV, based on a 7.1-year scenario at a discount rate of 10%, returned RMB93.3 million as of 1 July 2014. The internal rate of return (IRR) is 77%. The Project has a break-even marble block selling price of 1,934 RMB/m^3 (VAT inclusive), at which the Project's NPV equals zero. The estimated payback period is 4.1 year, as the initial capital began to spend from 1 August 2013. A straight line depreciation method was used. Any finance costs or company debt have not been taken into account in this analysis.

A sensitivity analysis (after tax) has also been undertaken with respect to the capital and operating costs, production rate, selling price and discount rate (Figure 8-1 and Table 8-3). The results show that

- A 1% change in OPEX will result in a negative 1.09% change in NPV;
- A 1% change in CAPEX will result in a negative 0.41% change in NPV;
- A 1% change in selling price will result in a positive 2.30% change in NPV; and
- A 1% change in production volume will result in a positive 2.23% change in NPV.

Of these parameters, the selling price is the most sensitive parameter, followed by the production volume. The least sensitive parameter is the CAPEX. Overall, the economic analysis for the first 7.1 years of the Project, until the expiry date of the current mining licence, together with the sensitivity analysis have demonstrated that the Project is economically viable and justified the reporting of Reserve determined in Section 6.5, as shown in Figure 8-1.

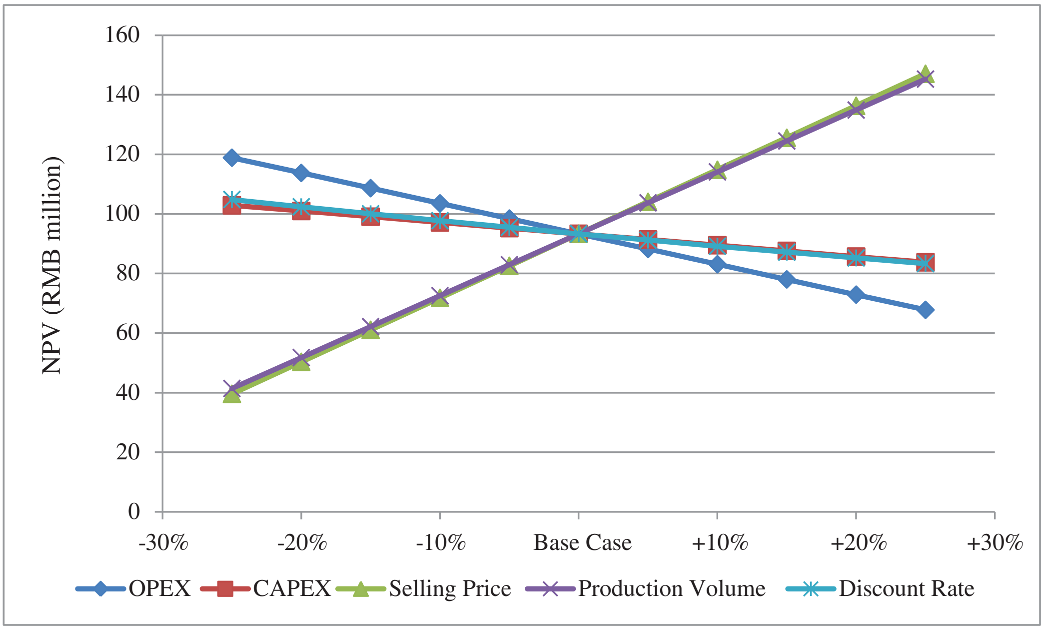

Figure 8-1: After-tax NPV sensitivity analysis of the Project

Table 8-3 Sensitivity analysis of the Project

After-tax NPV variation *(RMB million)*

Parameters	**+25%**	**+20%**	**+15%**	**+10%**	**+5%**	**Base case**	**-5%**	**-10%**	**-15%**	**-20%**	**-25%**
OPEX	67.8	72.9	78.0	83.1	88.2	93.3	98.4	103.6	108.7	113.8	118.9
CAPEX	83.8	85.7	87.6	89.5	91.4	93.3	95.2	97.2	99.1	101.0	102.9
Selling price	147.1	136.3	125.6	114.8	104.1	93.3	82.6	71.8	61.1	50.4	39.6
Production volume	145.3	134.9	124.5	114.1	103.7	93.3	82.9	72.6	62.2	51.8	41.4
Discount rate	83.3	85.2	87.2	89.2	91.2	93.3	95.5	97.7	100.0	102.4	104.9

9 ENVIRONMENT, PERMITS AND SOCIAL IMPACTS

9.1 Operational Licences and Permits

9.1.1 Business Licence

The Business Licence details for the Project are presented in Table 9-1.

Table 9-1: Details of the Business Licence

Project/ Company	Business Licence No.	Issued to	Issued by	Issue date	Expiry date	Licensed business activities
Yiduoyan Marble Project	420600400002042	Xiangyang Future Bright Mining Co., Ltd	Xiangyang City Industry and Commerce Administration Bureau	22-July-13	7-Jul-21	Marble mining, stone processing and sales

9.1.2 Mining Licence

The Mining licence for the Project is presented in Table 9-2.

Table 9-2: Details of the Mining Licence

Project	Mining Licence No.	Issued to	Issued by	Issue date	Expiry date	Area *(km^2)*	Mining type	Production rate *(m^3 per year)*
Yiduoyan Marble Project	C42062420 111271301 22010	Xiangyang Future Bright Mining Co., Ltd.	Nanzhang County Land and Resources Bureau	30-Dec-11	30-Dec-21	0.5209	Open pit	20,000

9.1.3 Safety Production Permit

The Safety Production Permit for the e Project is presented in Table 9-3.

Table 9-3: Details of the Safety Production Permit

Project	Safety Production Permit No.	Issued to	Issued by	Issue date	Expiry date
Yiduoyan Marble Project	[2012]060896	Xiangyang Future Bright Mining Co., Ltd. Yiduoyan Marble Mine	Hubei Province Safety Production Inspection Bureau	28-Sep-12	27-Sep-15

9.1.4 Other Operational Permits

The Water Use Permit for the Project is presented in Table 9-4.

Table 9-4: Details of the Water Use Permit

Project	Water Use Permit No.	Issued to	Issued by	Issue date	Expiry date	Water supply source	Water use allocation *(m^3)*
Yiduoyan Marble Project	[2013]13	Xiangyang Future Bright Mining Co., Ltd.	Nanzhang County Water Bureau	1-Jan-13	31-Dec-17	Ground water	20,000

The Temporary Forestry Land Use Permit for the Project is presented in Table 9-5.

Table 9-5: Details of the Temporary Forestry Land Use Permit

Project	Land Use Permit No.	Issued to	Issued by	Issue date	Expiry date	Land use	Area (ha)
Yiduoyan Marble Project	[2014]002	Xiangyang Future Bright Mining Co., Ltd.	Nanzhang County Forestry Bureau	28-Feb-14	27-Feb-16	Construction of mining project	0.8085
	[2013]007	Xiangyang Future Bright Mining Co., Ltd.	Nanzhang County Forestry Bureau	15-Dec-13	14-Dec-15	Construction of mining project	0.887

SRK has sighted a temporary land use notification for the Project which was issued by Nanzhang County Land and Resources Bureau on September 10, 2014. The approved land use area is 36,596 m^2. The Site Discharge Permit for the Project is presented in Table 9-6.

Table 9-6: Details of the Site Discharge Permit

Project	Site Discharge Permit No.	Issued to	Issued by	Issue date	Expiry date	Pollutant Discharge Type
Yiduoyan Marble Project	F-NAN-14-001	Xiangyang Future Bright Mining Co., Ltd.	Nanzhang County Environmental Protection Bureau	9-Sep-14	9-Sep-17	Particulate Matter

9.2 Environmental, Social, Health and Safety (ESHS) Review Process, Scope and Standards

The process for the verification of the environmental compliance and conformance for the Project comprised a review and inspection of the Project's environmental management performance against:

- Chinese national environmental regulatory requirements; and
- Equator Principles (World Bank/International Finance Corporation ("IFC") environmental and social standards and guidelines) and Internationally Recognised Environmental Management Practices.

The site visit for the environmental review was undertaken from 2 to 4 July 2013.

9.3 Status of ESHS Approvals and Permits

The details of the Environmental Impact Assessment ("EIA") table and approval for the Project are presented in Table 9-7.

Table 9-7: EIA Table and Approval

Project	Produced by	Production date	Approved by	Approval date
Marble Mining and Processing Project (20,000 m^3 per year)	Xiangyang Environmental Protection Institute	Nov-12	Nanzhang County Environmental Protection Bureau	18-Dec-12

SRK observed that the date of issuing Mining Licence for the Project was earlier than the EIA Approval.

The details of the Water and Soil Conservation Plan ("WSCP") table and approval for the Project are presented in Table 9-8.

Table 9-8: WSCP Table and Approval

Project	Produced by	Production date	Approved by	Approval date
Xiangyang Future Bright Mining Co., Ltd.	Xiangyang Future Bright Mining Co., Ltd.	22-Oct-12	Nanzhang County Water Bureau	20-Nov-12

The Project's Environmental Final Check and Acceptance ("FCA") Report was produced by Nanzhang County Environmental Monitoring Station in August 2014.

SRK has sighted of following project safety assessments for the Project:

- Safety Pre Assessment Report for the Yiduoyan Marble Mine Project; and
- Safety Final Check Assessment Report for the Yiduoyan Marble Mine Project.

SRK has sighted the approval (by the relevant safety bureau) for the Safety Pre Assessment Report for the Project. However, SRK noted that the Safety Working Permit for the Project was issued after the approval of the Safety Final Check Assessment Report which provides assessment of the working conditions of the Project.

9.4 Environmental Conformance and Compliance

SRK notes that the EIA report has been compiled in accordance with the relevant Chinese laws and regulations. At the time of the July 2013 site visit, the Project (20,000 m^3 per year) was under construction. SRK observed that the Project was generally being developed in accordance with the Project EIA approval conditions.

In the following sections, SRK provides comments in respect of the Project's existing and proposed environmental management measures, and their conformance to recognised international industry environmental management standards, guidelines and practices.

9.5 Key Environmental, Social, and Health and Safety Aspects

9.5.1 Land Disturbance

The WSCP table for the Project estimates that the construction will lead to a total land disturbance of 0.8085ha (8,085 m^2). SRK notes that the approved forest area for Project construction specified in the two Temporary Forestry Land Use Permits are 0.8085 ha and 0.887 ha respectively.

The area of disturbed land estimation in the WSCP table for the Project is generally consistent with SRK's observation at the time of this site visit.

No current surveyed documented estimated areas of land disturbance for the Project have been viewed as part of this review. SRK recommends that the operational areas of land disturbed and progressively rehabilitated for the Project be surveyed and recorded on an annual basis.

9.5.2 Flora and Fauna

The EIA table for the Project makes the following statements in relation to flora and fauna:

"*The shrubs dominates the area, the main vegetation comprises masson pine, sawtooth oak, quercus variabilis, Cephalotaxus fortunei, etc.; the forest coverage rate is above 80%; the mining activities will not lead to significant impact on rare species and water and soil erosion.*"

The EIA table also states that no protected vegetation species at national level have been found in the Project area.

9.5.3 Waste Rock Management

The EIA table states that the waste rock dump ("WRD"), with an area of 1,350 m^2, is located southwest of the Project site. At the time of the second site visit in May 2014, SRK observed that the planned waste rock dump site has been terminated for use and has been rehabilitated appropriately. As described in the previous section, Future Bright has used all waste materials for the haulage road and transfer pad construction. Future Bright has planned to transfer excess waste rock that will not be used for on-site construction work or future site rehabilitation to a nearby building materials factory, located approximately 15 km away from the Project site. According to the Verification Report produced by Nanzhang County on 23 July 2014, the waste rock was dumped in a depression in the west of Project site and retaining wall had been constructed. The Verification Report also stated the waste rock dump had been partly rehabilitated.

9.5.4 Solid Waste Management

The EIA table states that the total domestic waste, in the amount of 4 tpa, will be reused as fertilizer. Future Bright reported that the domestic waste is burned and disposed at a landfill site. SRK has viewed the landfill site as part of this review. However, SRK also observed that some domestic waste was casually discarded around the site.

9.5.5 Water Management

The EIA table states that there are some rivers and a reservoir in Nanzhang County. However, the EIA table does not state the distance between the rivers/reservoir and the Project site. The EIA table also states that there is no residence within 500m of the Project site and the Project is surrounded by forest (i.e. there are no other significant water users within this vicinity of the Project site).

The EIA table also states that the water supply of the mine is sourced from an underground well which is located in the southeast corner of the Project area. The water use for production and domestic use is estimated to be 13,905 tpa and 391 tpa respectively. The estimated total water use, including a contingency water use of 100 tpa, will be 14,396 tpa. The waste water from dust removal and precipitation at the mining site will be collected and disposed of by a settling pond for reuse in production. The domestic waste water of 376 m^3 per year is to be treated by a septic system and reused on site for irrigation.

Future Bright reported to SRK that water use is not currently recorded for the mine, and that the current estimated water use for the mine is about 10,000 tpa (most of which is used for production). SRK notes that this estimated operational water use is within the permitted water use allocation of 20,000 m^3 per year. No water supply/use records for the current Project have been sighted as part of this review.

SRK did not observe any settling pond on site during the site visit. However, Future Bright stated that the settling pond is to be constructed in the near future and the waste water during the construction phase of the Project is currently discharged to ground (i.e. it is not contained) and allowed to evaporate. SRK also noticed that four water tanks (20 m^3 each) had been constructed on the Project site for the storage of production water. The Verification Report stated two settling ponds are used to collect industrial waste water generated by drilling and sawing and the collected waste water is reused for production.

At the time of this site visit, SRK did not observe any surface water drainage/flood collection system constructed for the WRD and mining site. However, Future Bright stated that the Project was still under construction and did not provide any proposed schedule for the construction of the drainage system. In addition, SRK did not sight any operational water monitoring report and planned programme for the Project at the time of this site visit.

9.5.6 Air emissions

The EIA table states that the fugitive dust emission sources for the Project are mainly from drilling, cutting, and movement of vehicles and mobile equipment. SRK did not observe any significant site fugitive dust emissions at the time of this site visit.

The EIA table for the Project provides the following proposed site dust management measures:

- Water sprinkling of open pit mining and on roads; and
- Airtight transportation for the mining.

SRK considers airtight transportation of marble blocks is not necessary. However, consideration of covered truck transportation of waste rocks to the nearby building material factory should be taken.

The EIA table predicts that the maximum concentration of unorganised air pollutants emission complies with the second class of Ambient Air Quality Standard GB3095-1996. Future Bright states that the wet drilling is conducted to prevent fugitive dust emission. However, during the site visit, SRK did not observe this wet drilling or the use of a water truck for dust suppression.

SRK considers that the potential for significant off-site impacts from site dust emissions is low, as Future Bright stated that the nearest residence (i.e. the Miaojiagou Village) is located more than 1 km away from the Project.

9.5.7 Noise emissions

The main sources of noise emissions for the Project are drilling and cutting equipment, blasting and mobile equipment. The EIA table proposes the following noise management measures:

- Use of ear plugs and covers;
- Use of low noise equipment where possible;
- Enhancement of the control measures of high noise equipment; and
- Flattening the roads.

The EIA table also states that there are no residents within 500 m of the Project site and the Project operation will not disturb such residents. No operational noise monitoring report/planned programme has been viewed as part of this review.

SRK considers that the potential for significant off-site impacts from site noise emissions is low as Future Bright stated that the nearest residence (i.e. the Miaojiagou Village) is located 1 km away from the Project.

9.5.8 Hazardous Materials Management

Future Bright reported to SRK that there is a maintenance workshop on site and the waste oil will be collected and recycled by an independent contractor. SRK observed this workshop and waste oil storage/collection facility during the site visit. Future Bright also stated that a new maintenance workshop is to be constructed. During the site visit, SRK observed that there was no evidence of any significant hydrocarbon (i.e. fuel and oils) spillage on site. SRK observed a diesel tank on site with no secondary containment. SRK recommends that all hydrocarbon storage facilities have secondary containment. Future Bright stated that the capacity of the diesel tank is 3 t (i.e. 3,000 L).

Future Bright also stated that there is no explosive magazine on site and blasting is conducted by an independent contractor. However, SRK has not sighted any contracts for waste oil collection and blasting as part of this review.

9.5.9 Environmental Protection and Management Plan ("EPMP")

The EIA table states that the environmental monitoring should be conducted by Nanzhang County Environmental Monitoring Station during the formal operation period. However, a fully functioning and documented operational EPMP has not yet been developed and implemented for the Project.

SRK recommends Future Bright to develop and implement an operational EPMP, inclusive of a monitoring programme for the Project in line with Chinese National requirements and recognised international practices as the Project moves toward operation.

9.5.10 Emergency Response Plan

SRK has reviewed the Emergency Response Plan ("ERP") for the Project which describes the Project's proposed operational emergency response process for pit wall collapse, explosion, drop accidents (i.e. falling from height) and overall emergency response management. SRK notes that the ERP does not cover accidents/emergencies related to flood and fire. The emergency response plan for overall management describes the general rules for accident handling. Future Bright stated that the emergency response plan meets the requirements of the local safety inspection bureau. SRK notes that an ERP is a requirement from the Safety Production Bureau for the issuing of a Safety Production Permit.

Site Closure Planning and Rehabilitation

The Chinese national requirements for mine closure are covered under Article 21 of the *Mineral Resources Law (1996)*, the *Rules for Implementation of the Mineral Resources Law of the People's Republic of China (2006)*, the *Land Use Regulations of the People's Republic of China (1986.6.25)* and the *Land Rehabilitation Regulation issued by the State Council on 5 March 2011*. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a site closure report, and submit a site closure application for assessment and approval.

The recognised international industry practice for managing site closure is to develop and implement an operational site closure planning process and document this through an operational closure plan. While this site closure planning process is not specified in the Chinese national requirements for mine closure, the implementation of this process for a Chinese mining project will:

- facilitate achieving compliance with these Chinese national legislative requirements; and
- demonstrate conformance to a recognised international industry management practice.

There is currently no overall operational closure planning process in place for the Project that is in line with the recognised international industry management practices. However, SRK notes that the Yiduoyan Marble Mine Geological Environment Treatment and Recovery Plan, prepared by Hubei Yongyehong Appraising Consulting Co., Ltd in November, 2011 describes the proposed rehabilitation of the site as being undertaken in the following two stages:

- Stage 1 (2011-2016) – treatment works on the WRD and open pit (retaining wall and drainage system for the WRD, open pit slope treatment). SRK notes that during the July 2013 site visit, the retaining wall and drainage system had not yet been constructed. However, Future Bright stated that the Project is still under construction; and

- Stage 2 (2017-2023) – treatment works on the WRD, open pit and roads after the mine is closed.

The Plan also stated that the total cost for the mine geological environment treatment and recovery is estimated to be RMB397,700. SRK has sighted a receipt for the geological environment treatment and recovery fund which shows that RMB119,300 was paid by Future Bright on 14 December 2011. The receipt shows the fund was received by Nanzhang County Land and Resources Bureau. SRK has not sighted any further information on this geological environment treatment and recovery fund. In addition, the Yiduoyan Marble Mine Land Reclamation Report indicates that the total static investment on the land reclamation is RMB1,104,000 and the assessment opinion given by the experts states that the investment estimation of land reclamation is reasonable.

9.5.11 Occupational Health and Safety (OHS)

SRK has reviewed the Safety Assessment Reports as provided by the Future Bright, and is of the opinion that the reports cover items that are generally in line with recognised Chinese industry practices and Chinese safety regulations.

Operational OHS management system/procedures for the Project have been developed. The system/procedures cover the basic safety production managements for drilling, loading, transportation, air compressor operation, respiratory protection for marble cutting. In addition, the safety assessment report for the Project provides safety management measures including open pit mining and WRD management. SRK notes that these proposed safety management measures are the basis for the operational OHS management system/procedures.

SRK has not sighted, as part of this review, any operational OHS records for the current construction of the Project. At the time of this site visit, Future Bright reported to SRK that no injuries or fatal accidents had taken place on site since the commencement of the Project.

9.5.12 Social aspects

The Project is located in Nanzhang County approximately 43 km southwest of Xiangyang City, Hubei Province. The general surrounding land comprises mainly forest and farmland.

The main administrative body for the Project is the Hubei Province Government, with some delegation of environmental regulation to Xiangyang City and Nanzhang County. SRK has not sighted any historical or current non-compliance notices and/or other documented regulatory directives in relation to the development of the Project's mine.

The EIA report does not report any natural reserves or significant cultural heritage sites, within or surrounding the Project.

The nearest residents, most of whom are Han Chinese living in Miaojiagou Village, are 1 km away from the Project. Future Bright stated that there are existing land compensation agreements with local villagers. No historical or current outstanding land access/compensation agreements for the Project site have been viewed as part of this review. However, SRK observed that a certification had been issued by Miaojiagou Village Committee on 11 November 2011 which states that Future Bright has entered into forest land transaction agreements with local villagers.

No public consultation survey and assistance activities to local community have been viewed as part of this review.

As part of this review, SRK has not sighted any documentation in relation to any actual or potential impacts of non-governmental organisations on the sustainability of the Project.

10 MARBLE QUALITY AND MARKETING REVIEW

10.1 Marble Quality

The two marble units identified in the Yiduoyan quarry, known as White Marble V-1 and Grey Marble V-2, have quite distinct characteristics from a marble marketing perspective.

Unit V-1 comprises alternating layers of fine-grained micritic pure white to whitish-milky and very light grey marble. They have irregular thin bands of fossiliferous light grey marble, pinkish bands often crossed by thin reddish brown veins (mainly close to the surface or major joint zones), and irregular light brownish veined marble. Pinkish tones are sometimes observed on the milky white or milky grey marble. Darker bands and recrystallized calcite are present in some areas. Figure 10-1, supplied by Future Bright, shows examples of the major colour variants encountered in drilling and initial quarrying operations. Whilst the colour reproduction of these photographs is not good compared to the marble observed as polished samples, in the quarry faces and in core, SRK considers that they provide a reasonable representation of the variety and textures of the marble encountered in drilling and the quarry faces exposed at the time of the quarry inspection.

Unit V-2 is a greyish fine-grained marble with alternate layers of light grey to grey fine-grained crystalline marble.

Seven main colour/texture varieties have been identified in the proposed pit area by Future Bright (Figure 10-1):

1 Type a – pure isotropic white marble

2 Type b – pure isotropic light-grey marble

3 Type c – finely laminated (or with convolute structure) whitish-beige (or greyish) marble

4 Type d – light pinkish marble

5 Type e – grey marble

6 Type f – grey marble with irregular textures (layered or convoluted)

7 Type g – dark grey marble.

The first four types belong to Unit V-I and the last three belong to Unit V-2.

As stated in Section 5.4, the marble samples tested meet Chinese national standard specifications for dimension stone, but have not been tested according to any international standard procedures at this stage.

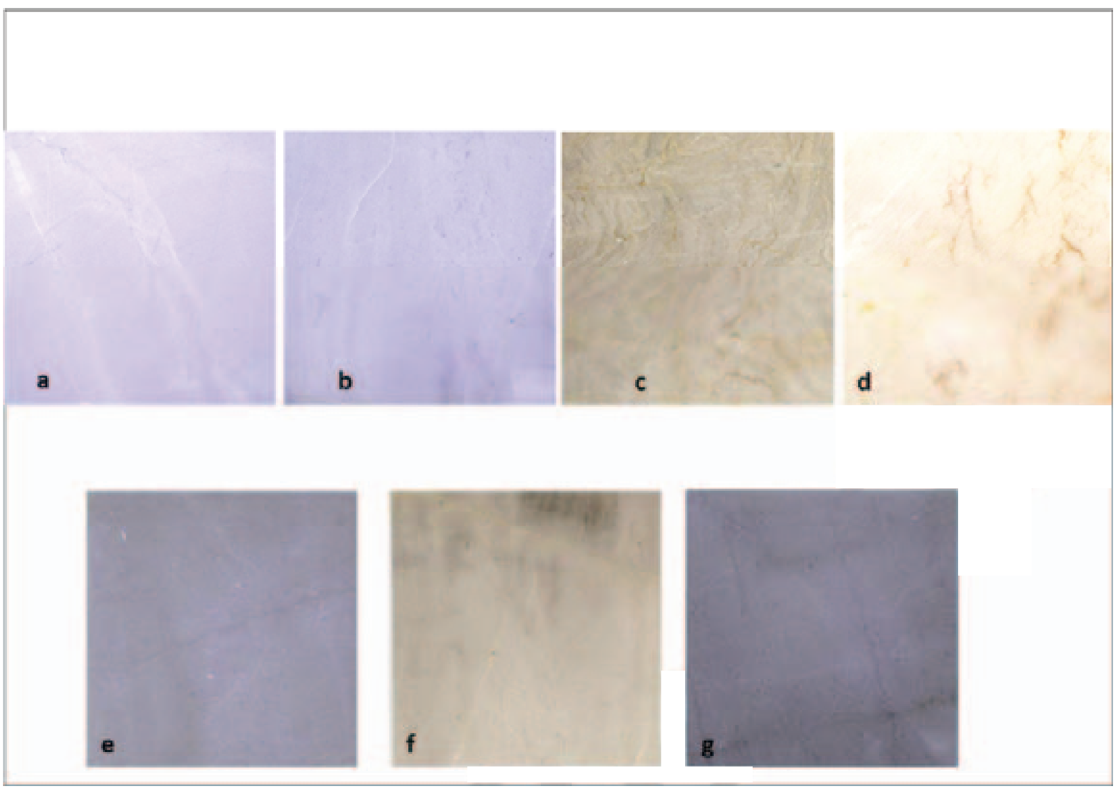

Figure 10-1: Major marble colour variants identified from units White Marble V-1 and Grey Marble V-2

10.2 Marketing

Marble dimension stone can be cut and processed into a wide range of shapes, sizes and finishes. It is used for slabs and tiles for walls, floors and bench-tops, for columns and balusters, monumental objects such as tombstones, monuments and sculpture, and for craft items such as furniture, lamps and utensils. It may be given a variety of finishes, including honed, polished, hammered, etched and rough. Marble can be used for both interior and exterior applications, but due to the softness and susceptibility to weathering and staining, many marbles are used mainly for interior applications. Crushed marble is used for terrazzo, fine aggregate and rock powder, cement, and industrial fillers for paint, plastic and rubber.

Marble is mainly used in the decorative materials industry, from large public buildings to residential buildings. It is also used for monuments, furniture, lamps, carvings etc. Crushed marble is used for terrazzo, fine aggregate and rock powder, cement and industrial fillers for paint, plastic and rubber.

The majority of dimension stone is marketed as quarry blocks with only minor trimming, polished or honed slabs and polished tiles. Many techniques are used to create surface textures to finished marble products.

At present, Future Bright proposes to produce only marble block. Hence its major customers are most likely to be processing plants. In the longer term it may build a processing plant to produce slabs to add value to the marble and provide greater flexibility in accessing markets.

The development of industrial and mining operations is being strongly supported by county and provincial government authorities in line with China's 12th Five Year Plan as part of the continuing growth of the Chinese economy.

10.2.1 Marble markets

World market and trade

Future Bright Holdings Limited has commissioned a market study of marble, particularly white marble to assess market size, growth and opportunities. The report (Antaike, 2014) is based largely on publicly available data including the United States Geological Survey, data from industry associations such as the Marble in the World Databank the China Stone Material Association, the Chinese building Materials Federation and Chinese National Bureau of Statistics. Some of these data were checked by SRK for correctness. The following notes draw on Antaike, 2014 as well as other sources, as noted.

The world gross dimension stone block production was estimated at 123.5 million tonnes (Mt) in 2012. It increased from 92.8 Mt in 2006 at a compound annual growth rate of 4.9%. Of the 2012 production, 31% was produced in China, by "above-designated-size-enterprises", with India being in second place at 14.2% (Antaike, 2014). Above-designated size were defined as having annual revenue RMB5 million, but since 2011 have included only those with revenue RMB20 million or more (approximately USD3.2 million). Antaike (2014) quotes the China Stone Material Association as estimating that above-designated-size stone enterprises account for about half the national stone industry.

World marble block production increased from 53.4 million tonnes in 2006 to 72.3 million tonnes in 2012, a compound annual growth rate of 5.2% (Antaike 2014).

In recent years China's dimension stone industry has grown very rapidly and China is now the world's largest stone raw material importer and the world's largest stone product exporter.

In 2013, China imported 9.5 Mt of raw marble. Between 2006 and 2012, Chinese marble imports grew at the extremely high compound annual rate of 16.9% although the rate of growth stabilised in 2012 after a maximum of 9.1 Mt in 2011, rising again in 2013 to 9.5 Mt. Raw marble imports to China come largely from Turkey, Egypt, Iran, Spain and Italy.

The quantity of stone imported from Turkey and Egypt reflects the demand for high quality marble. Imports of marble to China are dominantly marble blocks and exports are dominantly processed marble products.

In 2013, China exported 103.6 thousand tonnes of marble raw materials (blocks) (Antaike, 2014), mainly to Chinese Taiwan, Hong Kong, Japan, India and Italy.

Chinese marble product exports grew from 1.2 million tonnes in 2006 to 2.2 million tonnes in 2012 and 2013, a compound annual growth rate of 8.8%. Marble was exported to 170 countries of which the top destinations were South Korea, USA, Hong Kong, Vietnam and Belgium.

China is thus a net importer of raw marble and exporter of marble products. A significant portion of the imported block marble is processed in China and exported, contributing to China's position as a net exporter of marble products. The data presented in Antaike, 2014 (sourced largely from the China Stone Materials Association) have demonstrated that in the period from 2006 to 2013, imports of processed marble and exports of raw marble have decreased slightly whilst raw materials imports and products exports have increased significantly. After a very rapid increase until 2011, raw materials imports and products exports decreased slightly from 2011 to 2012 and then increased slightly again in 2013, reflecting the general slowdown of growth of the economy generally shown by economic indicators. Various forecasts including those of Marble in the World are optimistic, predicting that world marble consumption is likely to continue increasing over the next five year period, largely driven by China.

The Chinese market

China is the largest consumer and producer of marble dimension stone in the world. In China, Marble is mainly used in the decorative materials industry, from large public buildings to residential buildings.

According to the China Stone Material Association (in Antaike, 2014), marble consumption breakdown by colour, warm colours, including beige and yellow, and light colours, including white and cream, are the most popular colours in China. White and black marbles are also popular. White marble accounts for about a quarter of the total marble consumption in China. Most marble is used in large and medium sized cities, with the largest being Shanghai and Beijing (Antaike 2013). In China, decisions about colours are usually made by property owners rather than architects and builders, but in both cases, demand for different colours may change with time. However, the demand for basic white and very light colours is less likely to fluctuate than stronger colours. It is estimated (Antaike, 2014) that around 25% of total marble consumption in China is white marble.

The Chinese stone industry is highly fragmented. It has been estimated (that in 2011 there were around 30,000 stone producing enterprises in China of which around 6000 were stone quarry enterprises. Of these, only 514 of the stone quarry enterprises are above designated size enterprises i.e. they have annual revenue over RMB20 million (approximately USD3.2 million).

China has been undergoing a period of rapid growth and urbanisation. According to CSMA (in Antaike 2014 the rapidly growing construction industry accounts for over 50% of total marble consumption in China. The arts and carvings sector accounts for another 30% and furniture 10%. With increasing urbanisation and affluence, it is likely that the proportion of marble being used in the construction industry will increase in coming years.

The consumption of marble blocks is largely driven by the demand for slabs which constitute for about half of marble blocks the remainder being shaped pieces, monumental stone etc. Antaike (2014) estimated on the basis of marble slab consumption that Chinese marble block production increased from 6.1 million tonnes in 2006 to 51.0 million tonnes in 2013 with the greatest increases between 2009 and 2013.

Antaike (2014) also estimated that the Chinese marble self-sufficiency ratio increased from 25% in 2008 to 81.4% in 2013, mainly driven by a surge in Chinese domestic marble production.

Demand for marble is directly related to the construction industry, particularly large buildings, but an increasing number of small residential buildings are now using marble. Building decoration currently uses around 50% of domestic stone consumption and has been forecast to increase to 58% by 2017. Increased construction activity is associated with rapidly increasing disposable income, urbanisation (which has recently passed 50%), and industrial development as well as an increase in the amount of stone being used in buildings.

According to the China 12th Five Year Plan, for 2011-2015, released in 2011 by the Ministry of Industry and Information Technology, marble slab consumption is projected to grow at a compound annual growth rate of 17.6%, somewhat slower than previously, but still a relatively high rate.

Whilst the growth of the Chinese domestic marble industry was extremely high in 2006-2012, SRK considers that, the industry is likely to continue to grow in the next few years. However, as the Chinese economy matures and consolidates, it may not grow at such a high rate as it did in 2010 to 2012. It is, however, considered highly likely that adequate markets will be found for the marble blocks from the Yiduoyan quarry.

10.2.2 Markets for Nanzhang white and grey jade marble

The marble from the Yiduoyan quarry, which is to be given the trade name of "Nanzhang white and grey jade marble" is light coloured marble that is fine textured and takes a good polish and is hence regarded as a relatively high grade stone. SRK considers that its relatively high water absorption may exclude it from the highest grade exterior applications, but nevertheless it is likely to find significant markets for interior use which is a significant proportion of the marble market both in China and worldwide.

Given the large domestic market and distance from ports, the majority of the market for Nanzhang white and grey marble will be processing plants that will then supply marble slabs and other products to domestic and potentially export markets.

The response of potential customers to limited exhibition of samples of Nanzhang white and grey jade marble has been positive. Future Bright has provided three sale contracts that were signed and dated on 12 June 2014, 26 June 2014 and 29 June 2014 respectively, with three processors in Guangdong Province, a large stone processing centre in the south of China.

The sale contracts has already commenced in June 2014. In late June, a batch of 267.2 m^3 marble blocks, produced during the construction phase of the Project was sold at an average price of RMB3,301.9 per m^3(before VAT). All planned marble block produced during the construction and trail production phases in 2014, 2015 and 2016 will be covered by these sale contracts. The price of the marble blocks in the contract varies depending on block size and quality of the marble and is a price that falls within the range of prices of other white to light grey marbles quoted in the FS and compares favourably with the sale price estimated in the FS.

The FS for the Project considers that the crushed aggregate by-products of the marble could be sold for manufacture of cement, lime, calcium carbide and flux for metallurgy as well as paper making and a range of industrial fillers, medicine, and soft abrasives. The specifications for some of these products may be quite strict and it is not clear whether the Yiduoyan marble would meet the requirements of all local industries. Some of those applications also require specialised processing facilities that are not currently planned for the site or likely to be nearby. It is most likely that initially the bulk of the waste material would be used for building and landscaping, handicrafts (if pieces are large enough), road materials and fill. No prices for sale of waste material from the quarry have been discussed in the FS. It is recommended that studies of local markets for crushed marble be conducted in the early years of the operation of the quarry to maximise the return from by-products.

A contract has been signed between Future Bright and a local building materials company for supply of waste stone from the quarry that whilst not being a source of revenue, will remove the waste from the site and save considerable costs and environmental impacts relating to disposal and management.

10.2.3 Marble processing plants

China is estimated to produce 198.2 million m^2 of marble slab from above-designated-size enterprises in 2013. Antaike (2014) also reported estimates that above-designated-size enterprises account for only about 50% of total marble slab production in China, hence total production is likely to be close to 400 million m^2.

There are a number of other dimension stone processing hubs in China, usually located either near quarries or near large cities. These stone processing hubs are the most likely markets for marble from the Yiduoyan quarry. As many hubs are a considerable distance from the quarry, the cost of transport may be a significant consideration for those purchasing marble from the Project.

The majority of the stone processing plants are located in around twenty clusters scattered around China. The major marble processing provinces in China are summarised in Table 10-1. They are located in Fujian, Guangxi, Guangdong, all of which are close to the coast and supply export markets, and other stone centres including Hubei.

Table 10-1: Marble slab output of above designated size stone enterprises by province in 2012

Region or Province	Production 2013 *(million m^2)*	Proportion of National Total 2013
Fujian	49	24.7%
Guangxi	57	28.7%
Hubei	24	11.9%
TOTAL	129.0	65%

Source: Antaike (2014)

In Hubei Province, marble is mainly processed in Xianning, in the south of the province, and Enshi, in the west, with a few plants in Xiaogan near Wuhan and other locations.

10.2.4 Competition

There are almost 200 white marble quarries in China. The largest producing regions are in southwestern China, Sichuan and Yunnan. In Northern China the main white marbles are quarried in Hebei and Beijing, and in the east of the country, they are in Jiangsu and Shandong (Antaike, 2014).

There are few major marble quarries close to the Project at present so currently there is not much local competition. Most of the major stone processing centres in China are several hundred to over 1,000 km from the quarry. White and light coloured marbles have considerable and generally stable markets both in China and abroad, so it is considered likely that, as long as transportation is economic, there will be adequate markets for the marble. However, there are risks that both competition and transport costs will increase; hence SRK recommends that further detailed studies be conducted to identify competitors and address marketing issues relating to them.

10.2.5 Marble prices

Unlike many commodities, dimension stone prices are, based on several variables, including production cost, general appearance, block size, colour, texture, polishabililty, standard test results and the size of the order. The choice of a marble is subjective and is also likely to change with time and availability of particular products. Transactions are almost always by private contract and hence rarely find their way into the public domain hence it is not easy to predict prices of individual marbles except by comparison with similar products. Values quoted for official statistical collections are not reliable indicators of purchase prices of dimension stone.

Chinese white marble raw materials are mainly imported from Greece and Italy. At present there are relatively few white marble brands produced locally. Some FOB prices for imported marbles, based on data supplied by the company data that were sourced from an independent consultant in early 2013). The data were checked to ensure that they fall within the range of prices advertised on the internet and elsewhere:

- Blocks ex-factory, Italy
  - Bianco Carrara tipo CD €/t 350.00
  - Bianco Carrara tipo C €/t 550.00
  - Bianco Carrara Venato €/t 400.00
  - Bianco Namibia €/t 780.00
- Polished Slabs 2 cm ex-factory, Italy
  - Bianco Carrara tipo CD €/m^2 40.00
  - Bianco Carrara tipo C €/m^2 55.00
  - Bianco Carrara Venato €/m^2 45.00
  - Bianco Namibia €/m^2 90.00
- Chinese Shandong pure white marble: USD2000-3000/m^3
- Vietnam White Marble: 600-800 or up to USD120/t (Slabs USD20-50/m^2) (from Yen Bai Vietnam)

- Carrara Statuario or Calacatta (Carrara, Italy): 1300 USD-1800/t or even more if it is a very rare niche material
- Bianco Lasa pure (Italy): USD800-1200/t
- Sivec white (Macedonia): USD1000-1200/t
- Greek white marbles (average): 1st grade USD700-900/t; 2nd grade USD400-600/t
- White Turkish marbles (average FOB price): USD200-400/t (medium quality); USD500-800/t (high quality)
- White Namibia (CIF price in Italy): USD800-850/t

One cubic metre of marble block can usually produce 35-37 square metres of 20 mm slabs.

Checks of advertised prices for these and similar light coloured marbles on the international market confirm that, whilst prices advertised for dimension stone vary a great deal due to the nature and quality of the stone being advertised, the prices above are generally representative of the prices for which they are traded.

Chinese marble is usually cheaper than imported products with similar colour, texture and polish. Comparison with the prices of similar products from domestic suppliers gives a guide to the price that may be achieved for marble from the Yiduoyan quarry.

Prices supplied by the company for quarry blocks from five different Chinese white marble quarries range from 4,000 to RMB10,000 per square metre. Most quarries quoted had a range such as RMB5,000-9,000 per cubic metre, reflecting different products and block sizes. According to the FS, the proposed prices of Nanzhang white and grey jade marble to be produced from the Project of RMB4,400 (or RMB4,151 before VAT) per cubic metre falls within the lower part of the price range of selected marbles from other Chinese quarries. The quarry is a considerable distance from current major processing centres so the cost of transport is likely to impact on the price of marble from the quarry. The contract between Future Bright and stone processing companies contain quarry gate prices (i.e. transport costs are borne by the purchaser) that vary depending on block size and quality and compare favourably with the sale price estimated in the FS. It is assumed that levels of demand will be relatively stable and that the existing contract will be honoured and renewed on similar terms. It should be noted that dimension stone prices tend to be more stable than other commodities such as metallic minerals. SRK was advised that at the end of June 2014, the first batch of marble blocks (267.2 m^3 at 3,500 RMB after VAT), which were produced during the construction stage of the Project, were sold to a stone processing company.

SRK considers that the prices proposed for the marble products from the Yiduoyan quarry are reasonable compared to advertised prices and those reported by the Company and independent sources, given the quarry's distance from the major processing centres. However, as the sale price has not yet been tested in the market there is a risk that this price may not be achieved. SRK recommends that markets be studied in greater detail to ensure that prices received are maximised and all the quarry production is sold. In addition, development of markets for the overburden and waste from the Yiduoyan quarry would provide additional revenue and reduce issues relating to waste disposal.

11 RISK ASSESSMENTS

The mining industry inherently has a high level of risk. This risk 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 body but are rather an analysis of the returned results from drilling 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 for ore quantities and qualities based on this sample data will have inherent errors. The final or actual mined ore tonnage and grade may not precisely match the estimated results. In this case, the test faces have provided a limited amount of information on colour, texture and karstification. Reconciliation studies should be undertaken as mining progresses, to reduce the risk that mining is not recovering all of the designated reserves.

Similarly, error factors exist in any calculations of capital and operating costs for the development phase of the Project, as not all the parameters affecting these estimates can be accurately defined or valued for future events.

Mining operations incomes are also affected by the variations in the price of marble, transport costs, fluctuations in the construction industry and other market instabilities.

Table 11-1: Risk assessment probability

CONSEQUENCE	PROBABILITY					
	A	B	C	D	E	
1	1	2	4	7	11	HIGH 1-6
2	3	5	8	12	16	MEDIUM 7-15
3	6	9	13	17	20	LOW 16-25
4	10	14	18	21	23	
5	15	19	22	24	25	

Probability		Consequence	
A	Common	1	Catastrophic loss
B	Has happened	2	Major disruption/ impediment
C	Could happen	3	Moderate disruption/ impediment
D	Not likely	4	Minor disruption/ impediment
E	Practically impossible	5	No lasting effect

For the purposes of this risk assessment, SRK has adopted the matrix above as a measure of the Project risk over a seven-year period (Table 11-1) and the initial assessment result, recommendations together with a risk rating. The company responses are also shown in Table 11-2.

Table 11-2: Risk analysis

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Resource/Block Yield				
Jointing	Joints closer than expected resulting in reduction in block yield	Maintain records of jointing and have provisions to modify extraction plan to ensure maximisation of block size and yield. Inclined holes to access the joint density at depth.	The Company is working to establish an ongoing joint and void mapping program to keep track of the change of joint and void density on the working panel. As of July 2014, the Company has not seen significant joint density increase, including near those locations where geological structures are exposed on the surface. Nevertheless, the Company plans to set up inclined holes at location wherever joint density substantially increases. SRK considers that this approach adequately addresses the issue of jointing, and decreases the risk of lower block yield.	13 medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Karst and weathering effects	Karst and weathering effects greater than expected, resulting in reduction in block yield and will have a negative impact on production	Maintain records of karst and have provisions to modify extraction plan to ensure maximisation of block size and yield, and to allow reconciliation with the assumptions used in the mine plan and Reserve estimates.	The Company is plans multiple inclined holes to drill-test geological structures whenever joint density significantly increases to determine the nature of joint-associated dissolution features, if any, at depth. SRK notes that some karst development, particularly voids along joints close to the surface, but also at depth, is very common in marble quarries, but provision has already been made for this in the Reserve estimate. The irregular nature of karstic voids makes it difficult to estimate their exact extent, even with drilling.	13 medium
Colour and texture	More variation in colour and texture than anticipated, resulting in reduction in block yield and price	Maintain records of colour and texture, consider marketability of different products (colour/texture), and use selective mining to produce a range of products.	The Company is seeking to identify multiple marble buyers who purchase marble products with a variety of colours and textures.	17 low
Physical properties	Quality lower than indicated in tests, resulting in reduction in block prices	Quality control testing and recording of extracted material during quarrying.	The Company seeks to identify multiple marble buyers to purchase marble blocks of varying quality where required.	17 low

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Mining				
Geotechnical conditions	Geotechnical conditions in the mine and associated infrastructure, (including the approach road) are worse than anticipated, resulting in greater potential for injury/death, delays in production, reduction in block yield, lower production rate	Conduct a more detailed geotechnical analysis to identify and address potential issues. Ensure good mining practices are implemented.	The Company is working to establish a geotechnical study to address potential geotechnical issues during the period of advanced development.	13 medium
Poor mine plan/ management	Failure to meet production targets	Monitor progress and revise mine plan as necessary.	The Company mine management regularly reviews the jointing density, quality, pattern and colour of the marble material and production data so as to timely modify the mine planning and scheduling correspondingly.	13 medium
Increase in operating costs/capex	Reduced profit margins	Secure long term contracts with contractors and confirm advanced procurement orders with suppliers.	The Company keeps closely monitoring the spending of capital in accordance with the CAPEX plan and shall incur additional CAPEX only if sufficient fund is available.	13 medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Hydrological and Hydrogeological conditions	Siltation and/or contamination of drainage Increase of pH in natural drainage Exhaustion of water supply High intensity stormwater flows to cause disruption of operation	Conduct a more detailed hydrogeological analysis to identify and address potential issues.	The Company is working to establish a hydrogeological study to address hydrological issues and identify a secondary water source.	13 medium
Waste rock management	The nearby building materials factory does not honour the contract to take the amount of waste rocks produced over the contract period (November 2013 and November 2018).	Alternative waste rock disposal plan should be conducted in order to address the possibility of the breach of the contract from the building materials factory and to fulfil the LoM requirements.	Given that there is substantial demand for building materials in the local community and numerous building materials factories nearby, the Company seeks to extend the existing supply contract with another term of 5 years as an integral part of waste rock management. The Company is also working to discuss supply contracts with adjacent building materials factories if the Company sees that the waste rock volume exceeds the capacity of the existing building factory.	13 medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Land disturbance, and site rehabilitation and site closure requirements	Impact on local flora and fauna Lead to soil erosion Destruction of the ecological system	Survey and record the operational areas of land disturbed and progressively rehabilitated for the Project.	The Company has commenced an ongoing rehabilitation program using local flora and soil to reduce soil erosion and to minimize the impact on local flora and fauna during development, considering the rehabilitation program will additionally assist to restore the ecological system significantly.	18 low
Water management	Pollution of the surface water and groundwater Impact on local water supply	Construct surface water drainage/flood collection system and settling pond for the Project Develop fully functioning water monitoring report/planned programme.	The Company has put a water management system into practice, including the construction of water drainage and recycling system and settling pond. The facilities have been completed and approved by Nanzhang Environmental Protection Department in July 2014.	13 medium
Dust and noise emission	Fugitive dust and noise pollution	Use covered trucks for waste rock transportation.	The Company seeks to use covered trucks to transport waste rock. The Company is working to investigate the feasibility of water-spraying during production. The Company seeks to investigate the feasibility of using low-noise equipment during production.	18 low

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Flood	Flooding of quarry	Ensure drainage diverts water away from quarry. Ensure quarry is free draining.	The Company has put a water management system into practice including the construction of the water drainage and recycle system and settling pond. Such facilities have been completed and have been approved by the Environmental Protection Department in July 2014.	17 low
OHS procedures	Greater potential for injury/death due to substandard OHS procedures Loss of productivity	Implement site hazard audit & monitoring programme, identify major hazards, and implement risk controls.	The Company is committed to developing a comprehensive OHS management system throughout all workplace activities, and is modifying the management system as circumstances develop. The Company has been working in strict compliance with the OHS regulations required by the Safety Monitoring Authority, and has continuously and successfully passed Authority on-site inspections.	13 medium

Factor	Potential Risk	Control Recommendation	Company Response	Risk Rating
Market (External to Mining Operation)				
Transport costs	Reduction in block price	Seek markets closer to mine.	Strategically located in central China, the Company enjoys an advantage of a shorter distance to a number of adjacent developing cities through a well-established transportation network. The Company has also established long-term ex-warehouse sales contract with different buyers, minimizing the Company's risk exposure to transport costs.	13 medium
Markets	Anticipated market prices not achieved Market growth not as fast as anticipated Increased competition from new quarries	Modify production rate, actively seek new markets.	As of the Latest Practicable Date, the Company had entered into four sale contracts which set out an agreed price range. Upon expiry of these four contracts in 2016, the Company will seek to 1) identify new potential buyers, 2) lower production cost, and 3) lower production rate in response to possible weaker market demand in order to minimize the Company's risk of exposure to market dynamics.	9 medium

It is the opinion of SRK that the above risks can be generally managed if detailed risk assessments and control procedures are implemented, actions specified in the Company Responses are carried out, Chinese standards and regulatory requirements are followed, and detailed marketing plans are developed.

12 CONCLUSIONS

The Project is in the development stage and hosts Resources and Reserves in accordance with the JORC Code (2012). The current Reserve can support the LoM of 47 years at a production rate of 20,000 m^3 per year. The identified risks range from low to medium, which require risk management measures. Having reviewed the feasibility study prepared by Sinoma and information provided by Future Bright, it is SRK's opinion that the Project is technically and economically viable.

Compiled by

Helen Ray
Associate, Industrial Minerals

Peer Reviewed by

Anthony Stepcich
Principal Consultant, Project Evaluations

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Appendices

Appendix A: Mining Licence and Confirmation Letter

中华人民共和国

采 矿 许 可 证

(副本)

证号：C4206242011127130122010

采矿权人：襄阳高鹏矿业有限公司

地　　址：南漳县肖堰镇

矿山名称：襄阳高鹏矿业有限公司南漳县肖堰镇一朵岩大理石矿

经济类型：有限责任公司

开采矿种：大理岩

开采方式：露天开采

生产规模：2.00万立方米/年

矿区面积：0.5209平方公里

有效期限：壹拾年 自2011年12月30日至2021年12月30日

发证机关

(采矿登记专用章)

二〇一一年十二月三十日

中华人民共和国国土资源部印制

此复印件与原件一致
仅供 SRK编写报告
使用，再次复印无效！

矿区范围拐点坐标：（1980西安坐标系）

点号 X坐标 Y坐标

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1, 3491049.00, 37575610.00

2, 3490505.00, 37576795.00

3, 3490140.00, 37576630.00

4, 3490684.00, 37575448.00

开采深度：由550米至420米标高　共有4个拐点圈定

关于襄阳高鹏矿业有限公司
大理岩矿开采标高测量误差的情况说明

襄阳高鹏矿业有限公司属我县肖堰镇的采矿企业，证件编号为 C4206242011127130122010 的《采矿许可证》，开采矿种为大理岩，矿证开采深度由 550 米至 420 米标高。此 550 米开采标高是根据该公司申请办理采矿证时提交的报告来确定的。现该公司委托地质队重新测量的开采范围实际最高标高为 589 米，本次储量核实报告与发证时的开采最高标高相差 39 米，属于测量误差。该公司只要在《采矿许可证》矿区范围和本次核实的实际开采标高 589 米内开采大理岩的开采行为，属于合法开采，不违反任何相关法律、法规及规范性文件，无需补缴任何相关费用。待《采矿许可证》证到期延续时再变更、更正开采标高。当前该公司持有的《采矿许可证》属于合法证件。

特此证明。

南漳县国土资源局

二〇一三年十月十四日

1

南漳县国土资源局办公室
公文处理专用章

Appendix B: JORC Code, 2012 Edition – Table 1

14 JORC CODE, 2012 EDITION – TABLE 1 CHECKLIST

14.1 Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• The deposit was sampled using sub-vertical diamond drillholes (DD) on a nominal 150 m x 100 m grid spacing. A total of 12 DD holes were drilled for 1,009.2 m. All holes were vertical. • The drillhole collars were measured by total station and downhole survey was measured every 20 m. Diamond core was used to obtain high quality samples that were logged for lithological and structural attributes. Sampling was carried out under standard dimension stone industry practice, as well as the Chinese exploration standards. • Diamond core was HQ or NQ size, sampled on representative intervals for whole rock major element geochemical analysis, bulk density, water absorption, compressive and tensile strength, abrasion resistance and radioactivity. Surface samples were also collected for specular glossiness analysis. • The determination of the marketability of marble dimension stone is based on colour, texture, colour variability, lamination etc., but these characteristics are not easy to measure objectively. The choice of marble by consumers is also subjective and subject to change over time. Issues of appearance are critical to the choice of dimension stone and often override objective measures such strength, hardness, polish, chemical composition etc.
Drilling techniques	• Diamond drilling accounts for all drilling in the resource area and comprises HQ and NQ sized core. Hole depths range from 40 to 143 m.

Criteria	Commentary
Drill sample recovery	• Diamond core recoveries were logged and recorded in the database. Recoveries within the marble units are 96%, whereas the rest of the run reached 88%. • Diamond core is reconstructed into continuous runs on an angle iron cradle. Depths are checked against the depth given on the core blocks. Rod counts are routinely carried out by the drillers. • There is a possibility of intersecting karstic voids (caves) which may affect recovery.
Logging	• RQD was measured and recorded, but other information such as structure type, dip, dip direction, alpha and beta angle, texture, shape, roughness and fill material were not logged. Logging of diamond core recorded lithology, mineralogy, weathering, structural features and colour. Core was photographed in both dry and wet form. • All drillholes were logged in full, except the loss intervals.
Sub-sampling techniques and sample preparation	• Core was cut in half by a core saw. • The sample preparation of diamond core follows the standard industry practice for dimension stones. Major element analysis involved oven drying, coarse crushing, followed by pulverisation. • No duplicates were taken. • No certified reference materials or blanks were inserted in the sample batches for assay. The assays were for semi-quantitative purposes and not used in the resource estimate of dimension stone.

Criteria	Commentary
	• The sample sizes are considered appropriate to correctly represent the nature of the marble units, style of mineralization, thickness and consistency of the intersections.
Quality of assay data and laboratory tests	• The analytical technique for major element assay is XRF. Other physical tests undertaken include bulk density, water absorption, compressive and flexural strength, abrasion resistance, radioactivity and specular glossiness. These physical tests were conducted in accordance with Chinese dimension stone standard techniques. • No geophysical tools or handheld XRF instruments were used to determine any data that was used in this resource estimate. • No certified reference materials or blanks were inserted in the sample batches for assay. Blanks are not required for physical tests. The chemical analysis does not have any reference for the resource estimation of dimension stone except those used for internal laboratory quality control.
Verification of sampling and assaying	• SRK has visually verified significant marble unit intersections in diamond cores and selected samples were taken for check analysis, as part of the resource estimation process. • No twinned holes were drilled. • Primary logging data were recorded on paper and later transferred to a set of standard Excel spreadsheets. Assay and other physical test data were provided to SRK as Excel spreadsheets, supplemented with laboratory test results certificates.

Criteria	Commentary
	• No adjustments or calibrations were made to any assay or physical test data in this resource estimate.
Location of data points	• Drillhole collars were surveyed by electronic total station method and downhole survey was undertaken every 20 m. The topography was surveyed at 1:2,000 scale. – Datum: Xi'an 1980 – Projection: Xi'an 80 Gauss Kruger zone 37 – Height datum: 1985 national elevation datum (China)
	• A topographical survey was conducted at a scale of 1:2000 using 5 D-level GPS points and 29 control points within the proposed mine area. The survey was conducted in accordance with the Specification of Topography and Geology Exploration Engineering Survey issued in 1978 (China). The survey is considered to be adequate.
Data spacing and distribution	• The nominal drill spacing is 150 m by 100 m.
	• The marble units have demonstrated sufficient continuity in geological continuity to support the definition of Mineral Resources and Ore Reserves, and the classifications applied under the JORC Code 2012.
	• No sample compositing has been applied.

Criteria	Commentary
Orientation of data in relation to geological structure	• All drillholes were sub-vertical. • The orientation of the drilling is sub-vertical and provides unbiased sampling of horizontal and angled structures; however, it does not provide sufficient information on vertical jointing. To supplement the available drillhole data on subvertical jointing, a series of outcrop scans (short traverses) were carried out and the joint data were analysed.
Sample security	• Chain of custody is managed by Future Bright. Samples are stored on site and then are transferred to the physical and chemical testing laboratories in Guangdong Province of China. Whilst in storage, they are kept on an unlocked yard and are covered by plastic covers. Tracking sheets have been set up to track the progress of batches of samples.
Audits or reviews	• A review of the sampling techniques and data was carried out by SRK as part of the Resource estimate and the database is considered to be sufficient quality to carry out Resource estimation.

14.2 Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• A Mining Licence was issued to Future Bright by Department of Land Resources of Nanzhang County on 30 December 2011 is valid until 30 December 2021. The Mining Licence is 100% owned by Future Bright Mining Limited. • No security, legal or environmental issues regarding the mining licence have been noted.

Criteria	Commentary
Exploration done by other parties	• There is no reported historic exploration of the Yiduoyan marble tenement area. • The primary exploration on this Project was carried out by Team 932 of Nonferrous Metals Geological Bureau of Guangdong Province 932 and reported in its "Report of Marble Ore Reserves for Finish Material Purpose in Yiduoyan Mina of Nanzhang County Hubei Province" dated February 2013.
Geology	• The marble strata form part of the Triassic sedimentary succession, deformed by regional folds.
Drillhole Information	• See SRK's Independent Technical Report, dated 29 December 2014.
Data aggregation methods	• Weighting averaging techniques were not applied. • Metal equivalent values are not applicable to dimension stone.
Relationship between mineralisation widths and intercept lengths	• The vertical drilling has adequately intersected and tested the shallowly-dipping marble sequence (mineralisation).
Diagrams	• Appropriate maps and sections were reported in SRK's Independent Technical Report, dated November 2013.
Balanced reporting	• Reporting is fully representative of the data.
Other substantive exploration data	• Joint mapping and block yield estimation have been undertaken as reference in SRK's Independent Technical Report, dated 29 December 2014.
Further work	• Further work is planned to extend the resource outside the initial quarrying area.

14.3 Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	• Drill cores were logged on paper and later entered into Excel spreadsheets. Laboratory test data were provided as hard copies. Spot cross checking was undertaken to minimise the potential of manual typing errors. Data transfer is electronic via e-mail. • Validation checks were also carried out using Leapfrog (3D modelling software) to identify potential overlapping entries.
Site visits	• SRK undertook a site visit on 3 July 2013. Helen Ray, SRK associate, inspected the deposit area, the core logging and sampling facility. During the visit, notes and photos were taken along with discussions with the onsite personnel regarding the available drill core and sampling procedures. Diamond cores were also examined on site. Cleaned production benches were visited and drillhole collars were sighted. • SRK subsequently undertook another site visit for report update on 5-6 May 2014. During the visit, notes and photos were taken along with discussions with the onsite personnel regarding recent mining and production aspects, numerous marble blocks were sighted on site and are ready for initial sale in June 2014.
Geological interpretation	• The confidence in the geological interpretation is considered good as the deposit is controlled by a simple asymmetric syncline. • Geological mapping and drillhole logging results were used to define the stratigraphic boundaries. • The marble units are synformal in geometry with clear boundaries which define the units.

Criteria	Commentary
	• A narrow fault zone and sinkhole were mapped, which might have influence to the volumetric resource estimate. These factors have been addressed via the resource estimation and classification process applied.
Dimensions	• The Resource has dimensions of 520 m (northwest-southeast direction) and 380 m (northeast-southwest direction). The upper and lower limits are between 420 mRL and 589 mRL.
Estimation and modelling techniques	• Volumetric models were created by Leapfrog, a 3D modelling software using geological mapping and drilling results. The modelling procedures include import of the compiled drillhole database together with the geological and topographical maps into Leapfrog. Wireframes were constructed from the drillhole and mapped stratigraphic contacts and a fault trace (F1) and a sink hole (LD1) were digitised and later converted to solid wireframes. Surface corresponding to the weathered/fresh interface were modelled automatically by snapping to the logged position on the drillholes, whereas the weathered/fresh interfaces were not logged, a 5 m-thick weathering zone was assumed. The models were clipped to the mining licence boundary and topography. • There are no previous estimates and/or mine production records for this Project. • No by-products have been taken into account in the resource and reserve estimates. • No deleterious elements or minerals or other non-grade variables of economic significance were detected. • No block model was created.

Criteria	Commentary
	• No selective mining units were assumed. • Correlation between variables is not applicable to marble dimension stones. • The geology of the Project area is dominated by an asymmetric syncline. The geological mapping results (bedding and geological contacts) were used to define the stratigraphic boundaries and hence to determine the geometry of the marble units. • Grade cutting or capping is not applicable to marble dimension stones. • No geostatistical analysis was undertaken, which is not applicable to dimension stone.
Moisture	• The resource is reported as a volume hence the moisture content is not relevant to the resource estimate.
Cut-off parameters	• Not applicable to dimension stone.
Mining factors or assumptions	• Diamond wire saw method was selected to mine the marble Resource. The operations cycle is composed of primary cuts, secondary cuts, tilting down and final block production. The ore dilution was assumed as 5%. 8 m-high production fronts were designed with 3 m and 6 m-wide safety and access at every second bench.
Metallurgical factors or assumptions	• Not applicable to marble dimension stone.
Environmental factors or assumptions	• An environmental impact assessment report approval has been issued by the relevant authority and has been taken into account in the current Resource estimate.
Bulk density	• Bulk density is not applicable to this Resource estimate as only a volumetric estimate was made.

Criteria	Commentary
Classification	• The Resource classification is based on good confidence in the geological, quality and colour continuity, along with 150 m x 100 m spaced drillhole density. The proximity to the drillholes and data quality was used during the classification process. Weathering material, geological structures, joint pattern and spacing have been taken into account of the classification. • The input data, including geological mapping and drillhole data are comprehensive in their coverage of the mineralisation. • The marble Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• This is the first marble Resource estimate for this Project.
Discussion of relative accuracy/confidence	• The relative accuracy of the Resource estimate is reflected in the reporting of the Resource as per the guidelines of the JORC Code 2012. • The statement relates to global volumetric estimates. • Actual production data has been reviewed by SRK.

14.4 Section 4 Estimation and Reporting of Ore Reserves

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• The marble Resource estimate is based on the Resource model developed by SRK. The Ore Reserve estimate is derived from the pit design, based on the design parameters prepared by the Suzhou Sinoma Design & Research Institute of Non-Metallic Minerals Industry Co Ltd, "Sinoma".

Criteria	Commentary
	• The Mineral Resource is inclusive of Ore Reserve.
Site visits	• SRK undertook a site visit on 3 July 2013. Helen Ray, SRK associate, inspected the deposit area, the core logging and sampling facility. During the visit, notes and photos were taken along with discussions with the onsite personnel regarding the available drill core and sampling procedures. Diamond cores were also examined on site. Cleaned production benches were visited and drillhole collars were sighted.
	• SRK subsequently undertook another site visit for report update on 5-6 May 2014. During the visit, notes and photos were taken along with discussions with the onsite personnel regarding recent mining and production aspects, numerous marble blocks were sighted on site and are ready for initial sale in June 2014.
Study status	• A report entitled "Feasibility Study Report" has been compiled by engineers of the Suzhou Sinoma Design & Research Institute of Non-Metallic Minerals Industry Co Ltd.
	• There is a lack of detail and analysis in the geotechnical section of the report and issues of stability of quarry walls and roadways have not been adequately discussed.
	• The hydrogeological section of the report has no water quality studies, inadequate investigation of stormwater flows in a karst environment and the effects of drawing water from a nearby well have not been investigated.
	• The company has been recommended to conduct work to resolve these issues.

Criteria	Commentary
	• Whilst these issues have not been adequately addressed, they are considered unlikely to have a significant detrimental effect on the viability of the quarry Project as a whole. Hence it is considered that conversion from Resources to Reserves is valid and that the report be considered as "Appropriate Studies".
Cut-off parameters	• For dimension stone, the following parameters are considered appropriate: – From the testwork conducted we have determined that the whole of the Reserves is of marketable quality. Areas not of marketable quality were excluded from the estimate. – An average 35% block yield has been estimated.
Mining factors or assumptions	• The conversion of Resources to Reserves is based on a pit design developed by the Mining Engineers who compiled the "Feasibility Study". • The pit is a conventional marble dimension stone pit design with adequate benches for movement of machinery and safe access. The marble will be quarried by isolating of large primary blocks, followed by cutting and dropping secondary blocks that will be sawn into the final product, quarry blocks. • Further detailed geotechnical analysis and possible design changes to the pit are required. • Joint analyses have been used to identify constraints on block size and orientation of benches in the pit.

Criteria	Commentary
Metallurgical factors or assumptions	• The following factors have been included in determining the yield of blocks: – 35% block yield – 5% block handling loss – 2% marble quality factor (colour, texture, variations, small scale quality variations) • Test work including bulk density, compressive and tensile strength, water absorption, glossiness and abrasion resistance has been carried out on marble samples. The results of these tests indicate that the marble meets Chinese standard specifications for marble dimension stone. Limited checking indicates that the bulk density is adequate. Other check tests used different test methods in the laboratory and were rejected.
Environmental	• The Project has been granted an approved Environmental Impact Assessment. Water and Soil Conservation Plan and approval have been granted by the relevant authority. • All waste material produced during production will be used for on-site construction work, rehabilitation and maintenance of access road and loading facilities. Excessive waste material will be transferred to a nearby building materials factory, located approximately 15 km away from the mine site. • The Company has not conducted a comprehensive geochemical assessment of the Project. • No monitoring system of the water quality of the local creeks is in place.

Criteria	Commentary
Infrastructure	• As of the end of June 2014, the Project has already connected to Nanzhang grid, with through a dedicated T-connection from Xiaoyan Regional transforming station to the mine site at a 10 KV capacity, for a distance of 2.5 km. The installed capacity of the transformers is 250 KVA. Future Bright plans to increase the transformer capacity to 500 KVA by the end of 2014 and further increase the capacity to 750 KVA by the end of 2015. • Fresh water is sourced from wells, located within the mine site. • The marble blocks are sold at mine gate and therefore no major road construction is needed.
Costs	• No deleterious minerals have been detected in the marble and SRK considers that the risk of deleterious minerals is extremely low. • No exchange rates are used in the study. • The product marble blocks will be sold at the gate so no transport charges were calculated in the Feasibility Study. Many processing plants are a considerable distance from the quarry; hence SRK considers that transport charges will have an impact on the prices of marble blocks. There is a risk that the reduction in prices for distant processing plants will be greater than anticipated. • The only treatment to be conducted before sale of the blocks is trimming of faces. • There are several royalties payable on the marble that is sold from this quarry. They have been adequately detailed and included in cost estimates.

Criteria	Commentary
Revenue factors	• Marble prices vary depending on the quality, block size and appearance. The marble prices contained in the Feasibility Study have been checked against those of similar products on the Chinese and international markets. However, it is not possible to find a direct comparison due to the wide variation in the appearance and properties of marble in the market and the subjectivity of purchasers' decisions.
Market assessment	• The demand and supply for marble are linked to activity in the construction industry and are also influenced by the subjective choices of building developers. As far as can be determined from the available information, the potential market for the Yiduoyan marble is considered adequate. The best approach to market fluctuations will be to modify the rate of production.
	• Whilst there is considerable demand from marble processors for raw marble blocks, there has only been a limited analysis of processing plants and competitors.
	• Forecast prices are based on comparison with similar products. Three sale contracts have been supplied by Future Bright that supports prices in the range estimated.
Economic	• The CAPEX and OPEX inputs were detailed in the FS by Sinoma and were later updated by the Future Bright financial team and checked independently by SRK as being reasonable.
	• The marble price was based on three sale contracts provided by Future Bright and checked by SRK as being reasonable.

Criteria	Commentary
	• An economic viability analysis shows that the after tax (25% corporate income tax) NPV, based on a 28-year scenario at a discount rate of 10%, returned RMB199.2 million as of 1 July 2014. The positive NPV suggests the Reserve defined is economically viable. • A sensitivity analysis was undertaken to test the key inputs, of which the selling price is the most sensitive parameter.
Social	• The general surrounding land comprises mainly forest and farmland. The nearest residents live in Maojiagou Village, located 1 km away from the site. The Company has entered into forest land transaction with local villages.
Other	• None
Classification	• The probable Ore Reserves were based on Indicated resources, the "Feasibility Study", supporting documentation provided by the Future Bright Mining Limited, and limited check tests. • The result of the classification reflects the Competent Person's view of the deposit subject to the recommendations made including geotechnical studies, hydrological studies and other recommendations made in the Competent Person's Report.
Audits or reviews	• No external audits of the Ore Reserves have been undertaken. SRK has completed an internal audit review as part of the Ore Reserve derivation process.

Criteria	Commentary
Discussion of relative accuracy/confidence	• SRK has reviewed the design parameters, detailed in the Feasibility Study diligently. • All mining estimates are based on Chinese costs and are benchmarked against similar dimension stone projects in China. • There are no unforeseen modifying factors at the time of this statement that will have material impact on the Ore Reserve estimate. • Where practical and possible, current industry practices have been used to quantify estimations made. • Further work is recommended on the hydrological, geotechnical and marketing studies.

Set out below is a summary of certain provisions of the Memorandum and Articles of our Company and of certain aspects of Cayman company law.

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 August 2013 under the Cayman Islands Companies Law. The Memorandum and the Articles comprise its constitution.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of our Company is limited to the amount, if any, for the time being unpaid on the Shares respectively held by them and that the objects for which our Company is established are unrestricted (including acting as an investment company), and that our Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Cayman Islands Companies Law and in view of the fact that our Company is an exempted company that our Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of our Company carried on outside the Cayman Islands.

(b) Our Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 8 December 2014. The following is a summary of certain provisions of the Articles:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Islands Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as our Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Cayman Islands Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of our Company or the holder thereof, they are liable to be redeemed.

Our Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of our Company on such terms as it may from time to time determine.

Subject to the provisions of the Cayman Islands Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in our Company shall be at the disposal of our Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no Shares shall be issued at a discount.

Neither our Company nor our Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of our Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of our Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of our Company or any of its subsidiaries. Our Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by our Company and which are not required by the Articles or the Cayman Islands Companies Law to be exercised or done by our Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to our Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which our Director is contractually entitled) must be approved by our Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with our Company or any of its subsidiaries

A Director may hold any other office or place of profit with our Company (except that of the auditor of our Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as our Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by our Company or any other company in which our Company may be interested, and shall not be liable to account to our Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, our Board may also cause the voting power conferred by the shares in any other company held or owned by our Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing our Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Cayman Islands Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with our Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to our Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of our Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates (as defined in the Articles) is materially interested, but this prohibition shall not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of our Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of our Company or any of its subsidiaries for which our Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by our Company or any other company which our Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which our Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of our Company by virtue only of his/their interest in shares or debentures or other securities of our Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of our Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) Remuneration

The ordinary remuneration of our Directors shall from time to time be determined by our Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst our Directors in such proportions and in such manner as our Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. Our Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of our Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of our Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as our Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

Our Board may establish or concur or join with other companies (being subsidiary companies of our Company or companies with which it is associated in business) in establishing and making contributions out of our Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with our Company or any of its subsidiaries) and ex-employees of our Company and their dependents or any class or classes of such persons.

Our Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as our Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one third of our Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. Our Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

Our Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of our Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in our Company by way of qualification.

A Director may be removed by an ordinary resolution of our Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and our Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by our Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

(aa) if he resigns his office by notice in writing delivered to our Company at the registered office of our Company for the time being or tendered at a meeting of our Board;

(bb) becomes of unsound mind or dies;

(cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) if he is prohibited from being a director by law; or

(ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

Our Board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with our Company for such period and upon such terms as our Board may determine and our Board may revoke or terminate any of such appointments. Our Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by our Board.

(viii) Borrowing powers

Our Board may exercise all the powers of our Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our Company and, subject to the Cayman Islands Companies Law, to issue debentures, bonds and other securities of our Company, whether outright or as collateral security for any debt, liability or obligation of our Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of our Company.

(ix) Proceedings of our Board

Our Board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Cayman Islands Companies Law and the Articles provide that our Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by our Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of our Company.

(c) Alteration of capital

Our Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Cayman Islands Companies Law:

(i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;

(ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the our Company in general meeting or as our Directors may determine;

(iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Cayman Islands Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as our Company has power to attach to unissued or new shares; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

Our Company may subject to the provisions of the Cayman Islands Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Cayman Islands Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution-majority required

Pursuant to the Articles, a special resolution of our Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given.

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of our Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of our Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of our Company or at any meeting of any class of members of our Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of our Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where our Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of our Company or restricted to voting only for or only against any particular resolution of our Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of our Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by our Board.

(h) Accounts and audit

Our Board shall cause true accounts to be kept of the sums of money received and expended by our Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of our Company and of all other matters required by the Cayman Islands Companies Law or necessary to give a true and fair view of our Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of our Company except as conferred by law or authorised by our Board or our Company in general meeting. However, an exempted company shall make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before our Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of our Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), our Company may send to such persons summarised financial statements derived from our Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on our Company, demand that our Company sends to him, in addition to summarised financial statements, a complete printed copy of our Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by our Company in general meeting or in such manner as the members may determine.

The financial statements of our Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting shall be given to all members of our Company other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from our Company, and also to the auditors for the time being of our Company.

Notwithstanding that a meeting of our Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

(i) in the case of a meeting called as an annual general meeting, by all members of our Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers;

(ee) the fixing of the remuneration of the directors and of the auditors;

(ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of our Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and

(gg) the granting of any mandate or authority to the directors to repurchase securities of our Company.

(j) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as our Board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that our Board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof. Our Board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

Our Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless our Board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Cayman Islands Companies Law.

Our Board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which our Company has a lien.

Our Board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as our Directors may from time to time require is paid to our Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for our Company to purchase its own shares

Our Company is empowered by the Cayman Islands Companies Law and the Articles to purchase its own Shares subject to certain restrictions and our Board may only exercise this power on behalf of our Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of our Company to own shares in our Company and financial assistance to purchase shares of our Company

There are no provisions in the Articles relating to ownership of shares in our Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares in our Company.

(m) Dividends and other methods of distribution

Subject to the Cayman Islands Companies Law, our Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by our Board.

The Articles provide dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Cayman Islands Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. Our Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to our Company on account of calls or otherwise.

Whenever our Board or our Company in general meeting has resolved that a dividend be paid or declared on the share capital of our Company, our Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that our Shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as our Board may think fit. Our Company may also upon the recommendation of our Board by an ordinary resolution resolve in respect of any one particular dividend of our Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of our Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to our Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever our Board or our Company in general meeting has resolved that a dividend be paid or declared our Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by our Board for the benefit of our Company until claimed and our Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by our Board and shall revert to our Company.

No dividend or other monies payable by our Company on or in respect of any share shall bear interest against our Company.

(n) Proxies

Any member of our Company entitled to attend and vote at a meeting of our Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of our Company or at a class meeting. A proxy need not be a member of our Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, our Board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. Our Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced our Company may pay interest at such rate (if any) as our Board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of our Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to our Company all monies which, at the date of forfeiture, were payable by him to our Company in respect of the shares, together with (if our Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as our Board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by our Board, at the registered office or such other place at which the register is kept in accordance with the Cayman Islands Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by our Board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of our Company or at any relevant general meeting of any class of members of our Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of our Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that our Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if our Company shall be wound up and the assets available for distribution amongst the members of our Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if our Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If our Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Cayman Islands Companies Law divide among the members in specie or kind the whole or any part of the assets of our Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, our Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, our Company has not during that time received any indication of the existence of the member; and (iii) our Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to our Company and upon receipt by our Company of such net proceeds, it shall become indebted to the former member of our Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Cayman Islands Companies Law, if warrants to subscribe for shares have been issued by our Company and our Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

Our Company is incorporated in the Cayman Islands subject to the Cayman Islands Companies Law and, therefore, operates subject to Cayman law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Operations

As an exempted company, our Company's operations must be conducted mainly outside the Cayman Islands. Our Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Cayman Islands Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Cayman Islands Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Cayman Islands Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course business.

The Cayman Islands Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "Court"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

The Articles includes certain protections for holders of special classes of shares, requiring their consent to be obtained before their rights may be varied. The consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required.

(c) Financial assistance to purchase shares of a company or its holding company

Subject to all applicable laws, our Company may give financial assistance to Directors and employees of our Company, its subsidiaries, its holding company or any subsidiary of such holding company in order that they may buy Shares in our Company or shares in any subsidiary or holding company. Further, subject to all applicable laws, our Company may give financial assistance to a trustee for the acquisition of Shares in our Company or shares in any such subsidiary or holding company to be held for the benefit of employees of our Company, its subsidiaries, any holding company of our Company or any subsidiary of any such holding company (including salaried Directors).

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

Subject to the provisions of the Cayman Islands Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Cayman Islands Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company shall be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company shall not be treated as a member for any purpose and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share shall not be voted, directly or indirectly, at any meeting of the company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Cayman Islands Companies Law. Further, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

With the exception of section 34 of the Cayman Islands Companies Law, there is no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, section 34 of the Cayman Islands Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 2(m) above for further details).

(f) Protection of minorities

The Cayman Islands courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Management

The Cayman Islands Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company shall cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, our Company has obtained an undertaking from the Governor-in-Cabinet:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to our Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of our Company.

The undertaking for our Company is for a period of twenty years from 10 September 2013.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Cayman Islands Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of our Company will have no general right under the Cayman Islands Companies Law to inspect or obtain copies of the register of members or corporate records of our Company. They will, however, have such rights as may be set out in our Articles.

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register shall be kept in the same manner in which a principal register is by the Cayman Islands Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time. There is no requirement under the Cayman Islands Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2009 Revision) of the Cayman Islands.

(n) Winding up

A company may be wound up compulsorily by order of the Court voluntarily; or, under supervision of the Court. The Court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Court, just and equitable to do so.

A company may be wound up voluntarily when the members so resolve in general meeting by special resolution, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum or articles expires, or the event occurs on the occurrence of which the memorandum or articles provides that the company is to be dissolved, or, the company does not commence business for a year from its incorporation (or suspends its business for a year), or, the company is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court, there may be appointed one or more than one person to be called an official liquidator or official liquidators; and the Court may appoint to such office such qualified person or persons, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court shall declare whether any act hereby required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court. A person shall be qualified to accept an appointment as an official liquidator if he is duly qualified in terms of the Insolvency Practitioners Regulations. A foreign practitioner may be appointed to act jointly with a qualified insolvency practitioner.

In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators for the purpose of winding up the affairs of the company and distributing its assets. A declaration of solvency must be signed by all the directors of a company being voluntarily wound up within twenty-eight (28) days of the commencement of the liquidation, failing which, its liquidator must apply to Court for an order that the liquidation continue under the supervision of the Court.

Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval. A liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories), settle the list of creditors and, subject to the rights of preferred and secured creditors and to any subordination agreements or rights of set-off or netting of claims, discharge the company's liability to them (*pari passu* if insufficient assets exist to discharge the liabilities in full) and to settle the list of contributories (shareholders) and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. At least twenty-one (21) days before the final meeting, the liquidator shall send a notice specifying the time, place and object of the meeting to each contributory in any manner authorised by the company's articles of association and published in the Gazette in the Cayman Islands.

(o) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(p) Compulsory acquisition

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(q) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman (Cayman) Limited, our Company's Legal Advisers as to Cayman Islands law, have sent to our Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Islands Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VII. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Cayman Islands Companies Law on 23 August 2013. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 11 April 2014. Our principal place of business in Hong Kong is at 16th Floor, Guangdong Finance Building, 88 Connaught Road West, Hong Kong. Mr. Ho Yuk Ming, Hugo and Mr. Leung Kar Fai who reside in Hong Kong, have been appointed as the authorised representatives of our Company for the acceptance of service of process in Hong Kong.

As our Company is incorporated in the Cayman Islands, we operate subject to Cayman Islands law and our constitution documents comprising the Memorandum and the Articles. A summary of various provisions of our constitution and relevant aspects of the Cayman Islands Companies Law is set out in Appendix V to this prospectus.

B. Changes in share capital of our Company

Our Company was incorporated in the Cayman Islands on 23 August 2013 with an authorised share capital of HK$380,000 divided into 38,000,000 Shares of HK$0.01 each. The following sets out the changes in the share capital of our Company since the date of its incorporation.

(a) On 23 August 2013, one nil-paid subscriber Share was allotted and issued to our initial subscriber, being the nominee of the company providing company secretarial service and an Independent Third Party, which was subsequently transferred to Future Bright (International) at par. On the same date, 50 nil-paid Shares were allotted and issued to Future Bright (International) and 49 nil-paid Shares were allotted and issued to World Allied.

(b) On 27 November 2013, our Company acquired the entire issued share capital of Gold Title from Future Bright (International) and World Allied, in consideration of which, our Company credited as fully paid the 51 nil-paid Shares and 49 nil-paid Shares respectively held by Future Bright (International) and World Allied.

(c) On 28 April 2014, pursuant to the Equity Transfer Agreement, World Allied transferred 49 Shares to Easy Flourish at the consideration of HK$71,550,000.

(d) On 7 May 2014, pursuant to the Shareholders' Agreement, our Company issued and allotted 51 Shares and 49 Shares to Future Bright (International) and Easy Flourish at the consideration of HK$5,100,000 and HK$4,900,000 respectively.

(e) Pursuant to the written resolutions of our Shareholders passed on 8 December 2014, the authorised share capital of our Company was increased from HK$380,000 to HK$80,000,000 by the creation of additional 7,962,000,000 Shares with effect from 8 December 2014.

Assuming that the Global Offering and the Capitalisation Issue become unconditional and the issue of Shares pursuant thereto without taking into account any Shares which may be allotted and issued upon any exercise of the Offer Size Adjustment Option and the exercise of subscription rights under any options to be granted under the Share Option Scheme, the issued share capital of our Company immediately following the completion of the Global Offering and the Capitalisation Issue will be HK$3,520,000 divided into 352,000,000 Shares of HK$0.01 each, which will be issued fully paid or credited as fully paid.

Save as disclosed in this prospectus, there has been no alteration in the share capital of our Company since its incorporation.

C. Written resolutions of our Shareholders passed on 8 December 2014

Pursuant to the written resolutions of our Shareholders passed on 8 December 2014:

(a) our Company conditionally approved and adopted the Articles;

(b) the authorised share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares of a par value of HK$0.01 each to HK$80,000,000 by the creation of an additional 7,962,000,000 Shares of HK$0.01 each in the share capital of our Company and such new Shares to rank pari passu with the existing Shares in all respects;

(c) conditional on the conditions set out in the section headed "Structure of the Global Offering" of this prospectus:

(i) the Global Offering and the Offer Size Adjustment Option were approved and our Directors were authorised to allot and issue the Offer Shares and the Shares as may be required to be allotted and issued upon the exercise of the Offer Size Adjustment Option;

(ii) conditional on the share premium account of our Company being credited with the proceeds from the Global Offering, our Directors were authorised to capitalise HK$2,639,998 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 263,999,800 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company at the close of business on 8 December 2014 in proportion to their then existing shareholdings (as nearly as possible without fractions) in our Company, each ranking pari passu in all respects with the then existing issued Shares;

(iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "Share Option Scheme" in this appendix, were approved and adopted and our Directors were authorised, at their absolute discretion, to administer the Share Option Scheme; modify or amend the Share Option Scheme from time to time as requested by the Stock Exchange; grant options to subscribe for Shares under the Share Option Scheme; allot, issue and deal with the Shares issued pursuant to the Share Option Scheme; make application as appropriate to the Stock Exchange for the listing of, and permission to deal in, any Shares of any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme; and take all such actions as they consider necessary and/or desirable to implement and give effect to the Share Option Scheme;

(c) a general unconditional mandate was given to our Directors to exercise all the powers to allot, issue and deal with, otherwise than by way of rights, scrip dividend schemes or similar arrangements in accordance with the Articles, or pursuant to the exercise of any options which may be granted under the Share Option Scheme or any other option scheme or similar arrangement for the time being adopted, Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue and to be allotted and issued pursuant to the Global Offering and the Capitalisation Issue (excluding the aggregate nominal value of the share capital of our Company which may be issued pursuant to the exercise of the Offer Size Adjustment Option);

(d) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which are recognised by the SFC and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or equivalent rules or regulations of any other stock exchanges as amended from time to time, and such number of Shares will represent up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the options under the Share Option Scheme); and

(e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (d) above provided that such extended amount shall not exceed 10%

of the total nominal value of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the Global Offering (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and any options which may be granted under the Share Option Scheme).

Each of the general mandates referred to in paragraphs (c), (d) and (e) above will remain in effect until whichever is the earliest of:

(a) the conclusion of our next annual general meeting, unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;

(b) the expiration of the period within which we are required by any applicable law or the Articles to hold our next annual general meeting; or

(c) the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

D. The Reorganisation

In preparation for the Listing, the companies comprising our Group underwent the Reorganisation. Please refer to the section headed "History, Development and Reorganisation – The Reorganisation" of this prospectus for details of the Reorganisation of our Group.

E. Changes in the share capital of our subsidiaries

Our Company's subsidiaries are referred to in the accountants' report on our Group, the text of which is set out in Appendix IA to this prospectus. The following alteration in the share capital of Gold Title has taken place within two years immediately preceding the date of this prospectus.

On 27 November 2013 and as part of the Reorganisation, Future Bright (International) and World Allied transferred 51 shares and 49 shares, representing 51% and 49% of the then issued share capital of Gold Title respectively to our Company in consideration of which our Company credited 51 Shares and 49 Shares held by Future Bright (International) and World Allied respectively as fully paid.

Save as disclosed in this prospectus, there has not been any other alternation in the share capital of any of our subsidiaries within two years preceding the date of this prospectus.

F. Repurchase by our Company of its own securities

This paragraph sets forth information required by the Stock Exchange to be included in this prospectus concerning the repurchase by us of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders in a general meeting, either by way of general mandate or by specific approval of a specific transaction.

Pursuant to the written resolutions of our Shareholders passed on 8 December 2014, our Directors were given a general unconditional mandate to repurchase 35,200,000 Shares, representing 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and the options which may be granted under the Share Option Scheme). The Repurchase Mandate will remain in effect until whichever is the earliest of the conclusion of the next annual general meeting, unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; the expiration of the period within which our Company is required by any applicable law or the Articles to hold our next annual general meeting; or the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

(ii) Source of funds

Repurchases must only be funded out of funds legally available for the purpose in accordance with its articles, the Listing Rules and the applicable laws and regulations from time to time in force of the Cayman Islands. A company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Any repurchases may be made out of funds legally available for the purpose, namely profits or the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles and subject to the Cayman Islands Companies Law, out of capital. Any premium on a purchase may be made out of profits or the company's share premium account or, if so authorised by its articles and subject to the Cayman Islands Companies Law, out of capital.

(iii) Trading restrictions

The total number of shares which a company is authorised to repurchase on the Stock Exchange is such number of shares which represents up to a maximum of 10% of the existing issued share capital of our Company as of the date of the resolution approving the repurchase. A company may not issue or announce an issue of securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. A company shall also not purchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

(iv) Shares to be purchased

The Listing Rules provide that the shares which are proposed to be purchased by a company must be fully paid up.

(v) Status of repurchased securities

The listing of all repurchased securities (whether on the Stock Exchange or otherwise) is automatically cancelled and the relative certificates for those securities must be cancelled and destroyed. Under the laws of the Cayman Islands, a company's repurchased securities are to be treated as cancelled.

(vi) Suspension of repurchases

Securities repurchases are prohibited after an inside information development has occurred or has been the subject of a decision until such time as the inside information has been publicly announced. In addition, the Stock Exchange reserves the right to prohibit repurchases of securities on the Stock Exchange if a company has breached the Listing Rules.

(vii) Reporting requirements

Repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, the company's annual report is required to disclose details regarding repurchases of securities made during the year, including the number of securities repurchased and the aggregate prices paid.

(viii) Connected persons

A company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his securities to the company.

(b) Share capital

The exercise in full of the Repurchase Mandate, on the basis of 352,000,000 Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (assuming the Offer Size Adjustment Option and the options that may be granted under the Share Option Scheme are not exercised), could accordingly result in up to 35,200,000 Shares being repurchased by our Company during the period prior to the date on which the Repurchase Mandate expires or terminates.

(c) General information relevant to the Repurchase Mandate

(i) Our Directors believe that it is in the best interests of our Company and our Shareholders to have a general authority from our Shareholders to enable our Directors to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of our net value and our assets and/or earnings per Share.

(ii) There might be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on our working capital requirements or on such gearing levels that our Directors consider appropriate from time to time.

(iii) None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, have any present intention to sell any Shares to our Company if the Repurchase Mandate is exercised.

(iv) Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands. We shall procure the broker who effects the repurchase of securities to disclose to the Stock Exchange such information in relation to the purchase as the Stock Exchange may request.

(v) If, as a result of a repurchase of securities, a shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a shareholder (or a group of shareholders acting in concert, as defined in the Takeovers Code) could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Except as aforesaid, our Directors are not aware of any consequences that may arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

(vi) Any repurchase of Shares which results in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange to waive the requirement regarding the public shareholding referred to above. Except in extraordinary circumstances, a waiver of this provision would not normally be given by the Stock Exchange.

(vii) No connected person (as defined in the Listing Rules) has notified us that he has any present intention to sell Shares to our Company, nor has any connected person undertaken not to do so, if the Repurchase Mandate is exercised.

2. FURTHER INFORMATION ABOUT THE BUSINESS

A. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are, or may be, material:

(a) the instrument of transfer dated 27 November 2013 entered into between Future Bright (International) as transferor and our Company as transferee in respect of 51 ordinary shares of Gold Title in consideration of which our Company credited 51 nil-paid Shares held by Future Bright (International) as fully paid;

(b) the instrument of transfer dated 27 November 2013 entered into between World Allied as transferor and our Company as transferee in respect of 49 ordinary shares of Gold Title in consideration of which our Company credited 49 nil-paid Shares held by World Allied as fully paid;

(c) the Shareholders' Agreement;

(d) the Deed of Indemnity;

(e) the Deed of Non-competition; and

(f) the Hong Kong Underwriting Agreement.

B. Our intellectual property rights

(A) Trademark

(i) As of the Latest Practicable Date, our Company has registered the following trademarks:

Trademark	Place of registration	Class	Registration No.	Expiry date
	Hong Kong	19, 37, 40	302739033	15 September 2023
高鹏矿业	Hong Kong	37, 40	302739042	15 September 2023
高鹏矿业	Hong Kong	37, 40	302739051	15 September 2023
高鹏矿业	Hong Kong	16	302616624	22 May 2023
	Hong Kong	16	302616642	22 May 2023
高鹏矿业	Hong Kong	16	302618262	23 May 2023

(ii) As of the Latest Practicable Date, our Company had applied for registration of the following trademarks:

Trademark	Place of application	Class	Application No.	Application Date	Applicant
高鹏矿业 Future Bright Mining	PRC	06	12294630	20 March 2013	Future Bright (Xiangyang)
高鹏矿业 Future Bright Mining	PRC	19	13414167	23 October 2013	Future Bright (Xiangyang)
	PRC	19	13414182	23 October 2013	Future Bright (Xiangyang)
高鹏矿业 Future Bright Mining	PRC	37	12294662	20 March 2013	Future Bright (Xiangyang)
银白玉	PRC	19	15238225	27 August 2014	Future Bright (Xiangyang)
银狐灰	PRC	19	15238362	27 August 2014	Future Bright (Xiangyang)

(B) Domain name

As at the Latest Practicable Date, our Company had registered the following domain names and internet keywords:

Domain name	Registered Owner	Termination Date
futurebrightltd.com	Future Bright (Xiangyang)	10 March 2015

The contents of the website(s), registered or licensed, do not form part of this prospectus.

Except as aforesaid, there are no other trade or service marks, patents, other intellectual or industrial property rights which are or may be material in relation to our Group's business.

3. FURTHER INFORMATION ABOUT OUR GROUP'S SUBSIDIARIES IN THE PRC

Brief particulars of the operating subsidiary of our Company set up in the PRC are set out below:

Future Bright (Xiangyang)

Date of establishment:	8 July 2011
Nature:	Limited liability company
Scope of business:	Exploitation of marbles (required permits for operations), processing and sales of marbles
Registered capital:	RMB20,000,000
Attributable interest to our Company:	100%
Owner of the registered capital:	Future Bright (H.K.)
Term of operation:	8 July 2011 to 7 July 2021 (10 years)
Legal Representative:	Mr. Guo

4. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

A. Particulars of directors' service agreements

Each of our executive Directors (including Mr. Yuan Shan as an alternate Director to Mr. Zhang Decong) has entered into a service agreement with our Company commencing from the Listing Date for a term of three years.

Each of our executive Directors is entitled to a director's fee and a basic salary. The current basic annual remunerations (excluding any discretionary bonus which may be paid) payable by our Group to our executive Directors are set out below:

Executive Director	*HK$*
Mr. Guo	576,000
Mr. Zhang Decong	250,000
Mr. Yuan Shan (as an alternate Director to Mr. Zhang Decong)	200,000

Each of our non-executive Directors has entered into a letter of appointment with our Company for an initial term commencing on the date of the letter of appointment and shall continue thereafter unless terminated by either party giving at least one month's notice in writing. The current basic remunerations (excluding any discretionary bonus which may be paid) payable by our Group to our non-executive Directors are set out below:

Non-executive Director	*HK$*
Mr. Li Ethan Jing	384,000
Mr. Hu	480,000 (payable as from 1 January 2015)
Mr. Leung Kar Fai	384,000

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for an initial term commencing on the date of the letter of appointment and shall continue thereafter unless terminated by either party giving at least one month's notice in writing. The current basic annual remuneration payable by our Company to the independent non-executive Directors are as follows:

Independent non-executive Director	*HK$*
Mr. Chow Hiu Tung	180,000
Mr. Sin Ka King	150,000
Mr. Lau Tai Chim	150,000

B. Directors' remuneration

(a) For the period from 21 September 2012 to 31 December, 2012, for the year ended 31 December 2013 and the six months ended 30 June 2014, the aggregate of the remuneration paid and benefits in kind granted to our Directors was HK$84,000, HK$373,000 and HK$339,000 respectively. Further information in respect of our Directors' remuneration is set out in Appendix IA to this prospectus. No remuneration or benefits in kind had been given to our Directors during the Relevant Period.

(b) Under the arrangements currently in force, the estimated amount of directors' fees and other emoluments payable to our Directors for the year ending 31 December 2014 will be HK$464,000, excluding the discretionary bonuses payable to the Directors.

C. Interests of directors and chief executive in our Shares, underlying Shares and debentures of our Company and its associated corporations

Immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares that may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and options which may be granted under the Share Option Scheme), the interests and short positions of our Directors and chief executive in our Shares, underlying Shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO), which, once the Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO), or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will require to be notified to our Company and the Stock Exchange pursuant to the Model Code, will be as follows:

(i) Long position in Shares

Name of Director	Company/ name of associated corporation	Capacity	Number and class of securities	Approximate percentage of shareholding *(%)*
Mr. Guo	Our Company	Interest in controlled corporation	134,640,000 Shares *(Note 1)*	38.25
Mr. Hu	Our Company	Interest in controlled corporation	129,360,000 Shares *(Note 2)*	36.75

Notes:

1. These Shares are registered in the name of Future Bright (International), the entire issued capital of which is owned by Mr. Guo. Under the SFO, Mr. Guo is deemed to be interested in all the Shares registered in the name of Future Bright (International).

2. These Shares are registered in the name of Easy Flourish, the issued capital of which is owned as to 80% by Guangzhou Yicheng and 20% by Ms. Jiang. The equity interest of Guangzhou Yicheng is owned as to 62.5% by Mr. Hu, 25% by Mr. Lu and 12.5% by Mr. Chen. Under the SFO, Mr. Hu is deemed to be interested in all the Shares registered in the name of Easy Flourish.

Save as disclosed above, based on the information available on the Latest Practicable Date, immediately following completion of the Global Offering (assuming the Offer Size Adjustment Option will not be exercised) and the Capitalisation Issue, none of our Directors or chief executives of our Company has any interest or short position in our Shares, underlying shares or debentures of our Company or any of its associate corporations which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the Model Code relating to securities transactions by Directors to be notified to our Company and the Stock Exchange once our Shares are listed.

D. Substantial shareholders

So far as our Directors are aware, information on the persons, not being Directors or the chief executive of our Company, who will have, immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account Shares that may be allotted and issued pursuant to the exercise of the Offer Size Adjustment Option and options which may be granted under the Share Option Scheme or Shares that may be taken by a person under the Global Offering which would affect disclosure in this section) an interest or short position in our Shares and underlying Shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group will be as follows:

Name	**Capacity/Nature of interest**	**Number of Shares directly or indirectly held**	**Approximate percentage of shareholding in our Company** *(%)*
Future Bright (International)	Beneficial owner	134,640,000	38.25
Mr. Guo *(Note 1)*	Interest in controlled corporation	134,640,000	38.25
Easy Flourish	Beneficial owner	129,360,000	36.75
Guangzhou Yicheng *(Note 2)*	Interest in controlled corporation	129,360,000	36.75
Mr. Hu *(Note 2)*	Interest in controlled corporation	129,360,000	36.75

Notes:

1. These Shares are registered in the name of Future Bright (International), the entire issued capital of which is owned by Mr. Guo. Under the SFO, Mr. Guo is deemed to be interested in all the Shares registered in the name of Future Bright (International).

2. These Shares are registered in the name of Easy Flourish, the issued capital of which is owned as to 80% by Guangzhou Yicheng and 20% by Ms. Jiang. The equity interest of Guangzhou Yicheng is owned as to 62.5% by Mr. Hu, 25% by Mr. Lu and 12.5% by Mr. Chen. Under the SFO, Mr. Hu is deemed to be interested in all the Shares registered in the name of Easy Flourish.

E. Disclaimers

Except as disclosed in this prospectus:

(a) none of our Directors nor any of the experts referred to in the paragraph headed "Consents of experts" in this appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be so acquired, disposed of or leased;

(b) none of our Directors or any of the experts referred to in the paragraph headed "Consents of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date to this prospectus which is significant in relation to our business;

(c) none of the experts referred to in the paragraph headed "Consents of experts" in this appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group, save in connection with the Underwriting Agreements, nor is in the employment or an officer of our Company;

(d) we have no outstanding convertible debt securities;

(e) none of our Directors, any of their associates (as defined in the Listing Rules) or any Shareholder (which to the knowledge of our Directors owns more than 5% of the issued share capital of our Company) has any interest in any of the five largest suppliers or five largest customers of our Group; and

(f) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this prospectus to any of our promoters nor is any such amount or securities or benefit intended to be paid or allotted or given.

5. SHARE OPTION SCHEME

(A) The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of our Shareholders passed on 8 December 2014. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

For the purpose of this section, unless the context otherwise requires:

"Board"	means our board of directors from time to time or a duly authorised committee thereof;
"Eligible Person"	means any full-time or part-time employee of our Company or any member of our Group, including any executive Directors, non-executive Directors and independent non-executive Directors, advisers, consultants of our Group;
"Option"	means an option to subscribe for Shares granted pursuant to the Share Option Scheme;
"Option Period"	means in respect of any particular Option, the period to be determined and notified by our Board to each Participant;
"Other Schemes"	means any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for Shares may be granted;
"Participant"	means any Eligible Person who accepts or is deemed to have accepted the offer of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Participant;
"Shareholders"	means shareholders of our Company from time to time;
"Subsidiary"	means a company which is for the time being and from time to time a subsidiary (within the meaning of section 15 of the Companies Ordinance) of our Company, whether incorporated in Hong Kong or elsewhere; and
"Trading Day"	means a day on which trading of Shares take place on the Stock Exchange.

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables our Company to grant Options to the Eligible Persons as incentives or rewards for their contributions to our Group.

(b) Who may join

Our Board may, at its absolute discretion, invite any Eligible Persons to take up Options at a price calculated in accordance with sub-paragraph (d) below. Upon acceptance of the Option, the Eligible Person shall pay HK$1.00 to our Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted.

(c) Grant of Option

Any grant of Options must not be made after inside information has come to our knowledge until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Board may not grant any Option to an Eligible Person who is our Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to Appendix 10 prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time, and provided that if approved by Shareholders in general meeting with such Participant and his associates abstaining from voting, our Company may make a further grant of Options to such Participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted under the Share Option Scheme and Other Schemes to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares in issue from time to time. In relation to the Further Grant, our Company must send a circular to the Shareholders, which discloses the identity of the relevant Participant, the number and the terms of the Options to be granted (and options previously granted to such Participant under the Share Option Scheme and Other Schemes) and the information required under the Listing Rules. The number and terms (including the exercise price) of Options which is the subject of the Further Grant shall be fixed before the relevant Shareholders' meeting and the date of meeting of our Board for proposing the Further Grant should be taken as the date of grant for the purpose of calculating the relevant subscription price.

(d) Price of Shares

The subscription price for the Shares subject to Options will be a price determined by our Board and notified to each Participant and shall be the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share. For the purpose of calculating the subscription price, in the event that on the date of grant, our Company has been listed for less than five Trading Days, the new issue price per Share under the initial public offerings of Shares in connection with such listing shall be used as the closing price for any Trading Day falling within the period before the Listing Date.

(e) Maximum number of Shares

(i) The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and Other Schemes must not, in aggregate, exceed 10% of the Shares in issue as at the Listing Date (the "**Scheme Mandate Limit**") provided that the Options lapsed in accordance with the terms of the Shares Option Scheme or Other Schemes will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 352,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 35,200,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) Subject to the approval of our Shareholders in general meeting, our Company may refresh the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and Other Schemes under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Approval for listing of and permission to deal in any Shares to be issued upon the exercise of the Options granted under the refreshed 10% limit of the Share Option Scheme is required to be obtained from the Stock Exchange. In relation to the Shareholders' approval referred to in this paragraph (ii), our Company shall send a circular to the Shareholders containing the information required by the Listing Rules.

(iii) Subject to the approval of Shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specifically identified by our Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph (iii), our Company shall send a circular to its Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the Listing Rules.

(iv) Notwithstanding the foregoing, our Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and Other Schemes exceeds 30% of the Shares in issue from time to time.

(f) Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the administration of our Board whose decision as to all matters arising from or in relation to the Share Option Scheme as its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties to the Share Option Scheme.

(g) Rights are personal to grantee

An Option shall be personal to the Participant and shall not be assignable or transferable and no Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option. Any breach of the foregoing by the Participant shall entitle our Company to cancel any Option or any part thereof granted to such Participant (to the extent not already exercised) without incurring any liability on our Company.

(h) Rights on death

If a Participant dies before exercising the Options in full, his or her personal representative(s) may exercise the Options in full (to the extent that it has become exercisable on the date of death and not already exercised) within a period of 12 months from the date of death, failing which such Options will lapse.

(i) Changes in capital structure

In the event of any alteration in the capital structure of our Company while an Option remains exercisable, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, reclassification, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party) or otherwise howsoever in accordance with the legal requirements and requirements of the Stock Exchange, such corresponding alterations (if any) shall be made to the number of Shares (without fractional entitlements) subject to the Options so far as unexercised, and/or the subscription price.

Except alterations made on a capitalisation issue, any alteration to the number of Shares which is the subject of the Option and the subscription price shall be conditional on the auditors of our Company or an independent financial adviser appointed by our Company confirming in writing to our Board that the alteration is made on the basis that the proportion of the issued share capital of our Company to which a Participant is entitled after such alteration shall remain the same as that to which he or she was entitled before such alteration (as interpreted in accordance with the Supplementary Guidance attached to the letter from the Stock Exchange dated 5 September 2005). No such alteration shall be made to the effect of which would be to enable any Share to be issued at less than its nominal value or which would result in the aggregate amount payable on the exercise of any Option in full being increased. Such alteration other than alterations made on a capitalisation issue shall also be conditional on such auditors or independent financial advisers confirming in writing to our Board that such alteration satisfies the requirements of the relevant provisions of the Listing Rules (as amended from time to time) and the note thereto and the Supplementary Guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issues relating to share option schemes.

(j) Rights on take-over

If a general offer (whether by way of takeover offer, repurchase offer or scheme of arrangement or otherwise in like manner) has been made to all the Shareholders (other than the offeror and/or any persons acting in concert with the offeror), to acquire all or part of the issued Shares, and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Participant shall be entitled to exercise his or her outstanding Option in full or any part thereof within 14 days after the date on which such offer becomes or is declared unconditional. For the purposes of this sub-paragraph, "acting in concert" shall have the meaning ascribed to it under the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong as amended from time to time.

(k) Rights on a compromise or arrangement

(i) If an application is made to the court (otherwise than where our Company is being voluntarily wound up), pursuant to the Cayman Islands Companies Law or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, in connection with a proposed compromise or arrangement between our Company and our creditors (or any class of them) or between our Company and our Shareholders (or any class of them), a Participant may by notice in writing to our Company, within a period of 21 days after the date of such application, exercise his or her outstanding Option in full extent or to the extent specified in such note. Upon the compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised. Notice of the application referred to herein and the effect thereof shall be given by our Company to all Participants as soon as practicable.

(ii) In the event of a notice being given by our Company to our Shareholders to convene a general meeting for the purpose of approving a resolution to voluntarily wind up our Company when our Company is solvent, our Company shall on the day of such notice to each Shareholder or as soon as practicable, give notice thereof to all Participants. Thereupon each Participant shall be entitled to exercise all or any of his or her outstanding Options at any time no later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.

(l) Lapse of Option

An Option shall lapse forthwith and not exercisable (to the extent not already exercised) on the earliest of:

(i) the date of expiry of the Option as may be determined by the Board;

(ii) subject to paragraphs (f) and (p), the expiry of the Option Period;

(iii) the first anniversary of the death of the Participant;

(iv) the commencement of the winding up of the Company;

(v) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the date on which such member of our Group terminates the Participant's employment or removes the

Participant from his or her office on the ground that the Participant has been guilty of misconduct, has committed an act of bankruptcy or become insolvent or made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty. A resolution of our Board or the board of directors of the relevant member of our Group to the effect that such employment or office has or has not been terminated or removed on one or more grounds specified in this sub-paragraph shall be conclusive;

(vi) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the expiry of a period of three months from the date of the Participant ceasing to be an employee or director of such member of our Group by reason of:

(1) his or her retirement on or after attaining normal retirement age or, with the express consent of the Board in writing for the purpose of this sub-paragraph, at a younger age;

(2) ill health or disability recognised as such expressly by our Board in writing for the purpose of this sub-paragraph;

(3) the company by which he or she is employed and/or of which he or she is a director (if not our Company) ceasing to be a subsidiary of our Company;

(4) expiry of his or her employment contract or vacation of his or her office with such member of our Group such contract or office is not immediately extended or renewed; or

(5) at the discretion of our Board, any reason other than death or the reasons described in sub-paragraph (v) or (vi)(1) to (4);

(vii) the expiry of any period referred to in paragraph (k) above, provided that in the case of paragraph (k)(i), all Options granted shall lapse upon the proposed compromise or arrangement becoming effective; and

(viii) the date the Participant commits any breach of the provisions of paragraph (g).

(m) Ranking of Shares

Shares allotted and issued upon the exercise of an Option will be subject to the Articles as amended from time to time and will rank pari passu in all respects with the fully paid or credited as fully paid Shares in issue on the date of such allotment or issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment or issue.

(n) Cancellation of Options granted

Any cancellation of Options granted in accordance with the Share Option Scheme but not exercised must be approved by the grantee concerned in writing. In the event that our Board elects to cancel any Options and issue new ones to the same grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

(o) Period of Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(p) Alteration to and termination of Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of our Board except that (a) any alteration to the advantage of the Participants or the Eligible Persons (as the case may be) relating to matters contained in Chapter 17 of the Listing Rules; and (b) any material alteration to the terms and conditions of the Scheme or any change to the terms of Options granted, except where the alterations take effect automatically under the existing terms of the Scheme, shall first be approved by the Shareholders in general meeting (with the Eligible Persons, the Participants and their associates abstaining from voting) provided that if the proposed alteration shall adversely affect any Options granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the consent or sanction of the Participants in accordance with the terms of the Share Option Scheme.

Our Company may, by ordinary resolution in general meeting, at any time terminate the operation of the Share Option Scheme before the end of its life and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the new scheme to be established after such termination.

(q) Granting of Options to a director, chief executive or substantial shareholder of our Company or any of their associates

Where Options are proposed to be granted to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates, the proposed grant must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).

If a grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective associates will result in the total number of the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant (i) representing in aggregate 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue from time to time, and (ii) having an aggregate value, based on the closing price of the Shares at the date of the grant, in excess of HK$5 million, then the proposed grant of Options must be approved by the Shareholders. Our Company must send a circular to the Shareholders. All connected persons of our Company must abstain from voting at such general meeting. The circular must contain the information required under Rule 17.04(3) of the Listing Rules.

In addition, Shareholders' approval as described above will also be required for any change in terms of the Options granted to an Eligible Person who is a Substantial Shareholder, an independent non-executive Director or any of their respective associates.

The circular must contain the following:

(i) details of the number and terms of the Options (including the subscription price relating thereto) to be granted to each Eligible Person, which must be fixed before the relevant Shareholders' meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the subscription price;

(ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Options in question) to independent Shareholders as to voting; and

(iii) all other information as required by the Listing Rules.

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the Listing Rules) set out in this paragraph (q) do not apply where the Eligible Person is only a proposed Director or proposed chief executive.

(r) Performance Target

The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by our Board to each Participant, which our Board may in its absolute discretion determine.

(s) Conditions of Share Option Scheme

The Share Option Scheme is conditional on (i) the passing of a written resolution to adopt the Share Option Scheme by all our Shareholders in general meeting; and (ii) the Stock Exchange granting approval for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of Options.

As at the Latest Practicable Date, no Options had been granted or agreed to be granted by our Company under the Share Option Scheme.

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Options granted under Share Option Scheme.

6. OTHER INFORMATION

A. Estate duty

We have been advised that no material liability for estate duty is likely to fall on us or any of our subsidiaries in the PRC and that the Cayman Islands currently have no estate duty, inheritance tax or gift tax.

B. Indemnities

Future Bright (International), Easy Flourish, Guangzhou Yicheng, Mr. Guo and Mr. Hu (together, the "**Indemnifiers**"), have entered into Deed of Indemnity in favour of our Group (being a material contract referred to in the paragraph headed "Summary of material contracts" in this appendix) to provide the following indemnities in favour of our Group. Under the Deed of Indemnity, amongst others, the Indemnifiers will jointly and severally indemnify each of the members of our Group against (a) taxation falling on any member of our Group resulting from or by reference to any income, profits or gains accrued or received (or deemed to be so earned, accrued or received) on or before the date when the Global Offering becomes unconditional or any event, act or omission occurring or deemed to occur on or before such date whether alone or in conjunction with any other event, act, omission or circumstances whenever occur of and whether or not such taxation is changeable against or attributable to any other person, firm or company; (b) any costs, expenses and operating and business losses arising from the relocation of the business or assets from any property owned, leased, rented, occupied in the event any member of our Group is not being permitted to use or occupy or being evicted from such property due to non-compliance with PRC laws and regulations on or before the date when the Global Offering becomes unconditional; (c) any costs, expenses and operating and business losses arising from any business disruption attributable to or failure of compliance with relevant the PRC laws and regulations by any member of our Group including but not limited to the non-compliance matters as disclosed in the paragraph headed "Business – Legal proceedings and compliance" in this prospectus; (d) any costs, expenses and operating and business losses arising from third-party infringement of our Group's intellectual property rights; (e) all damages, losses and liabilities which might be suffered or incurred by any member of our Group resulting from or in connection with any litigation, legal actions or other proceedings in which any member of our Group is named a party or is otherwise involved in on or before the date when the Global Offering becomes unconditional; and (f) any liabilities arising from or in connection with breach of any applicable laws or regulations on or before the date when the Global Offering becomes unconditional; and (g) all costs (including all legal costs), expenses or other liabilities which any member of our Group may reasonably incur in connection with: (i) the investigation, assessment or the contesting of any claim; (ii) the settlement of any claim under the Deed of Indemnity; (iii) any legal proceedings in which any member of our Group claims under or in respect of the Deed of Indemnity and in which judgment is given for any member of our Group; or (iv) the enforcement of any such settlement or judgment. The Indemnifiers further jointly and severally undertake to indemnify each of the members of our Group on demand against any of the foregoing losses, damages, costs or expenses.

The Indemnifiers will, however, not be liable under the Deed of Indemnity for taxation where, among others, (a) provision has been made for such taxation in the audited accounts of our Group up to and including 30 June 2014; and (b) the taxation arises or is incurred as a result of a retrospective change in law or regulation or the interpretation thereof or practice by the relevant tax authority coming into force after the date on which the Global Offering becomes unconditional or to the extent that the taxation arises or is increased by an increase in rates of taxation as a result of a change in law or regulation or interpretation thereof or practice by the relevant tax authority after the date on which the Global Offering becomes unconditional with retrospective effect.

C. Litigation

Neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance is known by the directors to be pending or threatened by or against any member of our Group.

D. Promoters

Our Company has no promoter as the term is defined under the Listing Rules.

E. Application for listing

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, and any Shares which may fall to be issued pursuant to the exercise of any options may be granted under the Share Option Scheme on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS. The Sole Sponsor is independent of our Company in accordance with Rule 3A.07 of the Listing Rules.

The Sole Sponsor will be paid by our Company a total fee of HK$3,800,000 to act as the sponsor to our Company in connection with the Global Offering.

F. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK$40,000, and are payable by our Company.

G. Qualifications of experts

The following are the qualifications of the experts which have given their opinions or advice which are contained, or referred to, in this prospectus:

Expert	Qualification
Guotai Junan Capital Limited	A licensed corporation under the SFO to engage in Type 6 (advising on corporate finance) regulated activities
Ernst & Young	Certified Public Accountants
SRK Consulting (Hong Kong) Limited	Independent technical consultant
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Property valuer
Beijing Antaike Information Development Co., Ltd.	Independent industry consultant
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands legal advisers
Conyers Dill & Pearman	BVI legal advisers
BDO Financial Services Limited	Internal control adviser
Stevenson, Wong & Co.	Hong Kong legal advisers
Jingtian & Gongcheng Law Firm	PRC legal advisers
Helen Ray	Competent person (within the meaning of Chapter 18 of the Listing Rules)

H. Consents of experts

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this prospectus with inclusion of its report and/or letter and/or valuation certificate(s) and/or the references to its name in the form and context in which they are respectively included.

As of the Latest Practicable Date, none of the experts referred to above have any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

J. Miscellaneous

Except as disclosed in this prospectus, within the two years preceding the date of this prospectus:

(a) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid for either cash or a consideration other than cash;

(b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries:

Our Directors confirm that:

(a) no founder, management or deferred shares or debentures of our Company or any of our subsidiaries have been issued or agreed to be issued;

(b) since 30 June 2014 (being the date to which the latest audited consolidated financial statements of our Group were made up) there has not been any material adverse change in the financial or trading position or prospects of our Group;

(c) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;

(d) no company within our Group is presently listed on any stock exchange or traded on any trading system;

(e) subject to the provisions of the Cayman Islands Companies Law, the register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited; and

(f) there has not been any interruption in the business of our Group which may have or have had a material adverse effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

K. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were copies of the **WHITE**, **YELLOW** and **GREEN** Application Forms, the written consents referred to in the paragraph headed "Statutory and General Information – Consents of experts" in Appendix VI to this prospectus and the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Stevenson, Wong & Co. at 4/F, Central Tower, No.28 Queen's Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and Articles;

(b) the accountants' reports prepared by Ernst & Young in relation to our Group and Future Bright (H.K.), the texts of which are respectively set out in Appendix IA and Appendix IB to this prospectus;

(c) the audited financial statements of our Group for the period from 21 September 2012 to 31 December 2012, the year ended 31 December 2013 and the six months ended 30 June 2014;

(d) the letter from Ernst & Young relating to the unaudited pro forma financial information, the texts of which are set out in Appendix II to this prospectus;

(e) the letter, summary of valuations and valuation certificates relating to the properties of our Group prepared by Cushman & Wakefield Valuation Advisory Services (HK) Limited, the texts of which are set out in Appendix III to this prospectus;

(f) the Independent Technical Report;

(g) the material contracts referred to in the paragraph headed "Summary of material contracts" in Appendix VI to this prospectus;

(h) the written consents referred to in the paragraph headed "Other Information – Consents of experts" in Appendix VI to this prospectus;

(i) the service agreements and letters of appointments referred to in the paragraph headed "Particulars of directors' service agreements" in Appendix VI to this prospectus;

(j) the Cayman Islands Companies Law;

(k) the letter of advice prepared by Conyers Dill & Pearman (Cayman) Limited summarising certain aspects of Cayman Islands company law referred to in Appendix V to this prospectus;

(l) the PRC legal opinions prepared by Jingtian & Gongcheng Law Firm as to PRC laws;

(m) the letter of advice prepared by Conyers Dill & Pearman in respect of the trust arrangement of the shares in Future Bright (International); and

(n) the Share Option Scheme.

Future Bright Mining Holdings Limited
高鵬礦業控股有限公司