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Future Bright Mining Holdings Limited

高鵬礦業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2212)

DISCLOSEABLE TRANSACTIONS IN RELATION TO THE ESTABLISHMENT OF THE JV COMPANIES

Reference is made to the announcements of the Company dated 28 June 2017 and 28 July 2017.

ESTABLISHMENT OF THE FIRST JV COMPANY

On 31 August 2017 (after trading hours), Future Bright (H.K.) (an indirect wholly-owned subsidiary of the Company) entered into the First Joint Venture Agreement with Zhong Xi and Super Vision to establish the First JV Company. The total issued share capital of the First JV Company shall be HK\$10,000,000. Pursuant to the First Joint Venture Agreement, Future Bright (H.K.), Zhong Xi and Super Vision shall contribute HK\$5,100,000, HK\$1,500,000 and HK\$3,400,000 in cash and shall hold the equity interests in the First JV Company as to 51%, 15% and 34% respectively.

ESTABLISHMENT OF THE SECOND JV COMPANY

On 31 August 2017 (after trading hours), Future Bright (H.K.) (an indirect wholly-owned subsidiary of the Company) entered into the Second Joint Venture Agreement with China Africa Minerals to establish the Second JV Company. The total issued share capital of the Second JV Company shall be HK\$10,000,000. Pursuant to the Second Joint Venture Agreement, Future Bright (H.K.) and China Africa Minerals shall contribute HK\$5,100,000 and HK\$4,900,000 in cash and shall hold the equity interests in the Second JV Company as to 51% and 49% respectively.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the transactions contemplated under the Joint Venture Agreements, when aggregated, exceed 5% but are less than 25%, the transactions contemplated under the Joint Venture Agreements constitute a discloseable transaction of the Company under the Listing Rules and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

ESTABLISHMENT OF THE FIRST JV COMPANY

On 31 August 2017 (after trading hours), Future Bright (H.K.) (an indirect wholly-owned subsidiary of the Company) entered into the First Joint Venture Agreement with Zhong Xi and Super Vision to establish the First JV Company. The total issued share capital of the First JV Company shall be HK\$10,000,000. Pursuant to the First Joint Venture Agreement, Future Bright (H.K.), Zhong Xi and Super Vision shall contribute HK\$5,100,000, HK\$1,500,000 and HK\$3,400,000 in cash and shall hold the equity interests in the First JV Company as to 51%, 15% and 34% respectively.

The First Joint Venture Agreement

Principal terms of the First Joint Venture Agreement are set out below:

Date

31 August 2017 (after trading hours)

Parties

- (1) Future Bright (H.K.);
- (2) Zhong Xi; and
- (3) Super Vision.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Zhong Xi, Super Vision and their respective ultimate beneficial owners is an Independent Third Party.

Nature of the transaction

The total issued share capital of the First JV Company shall be HK\$10,000,000, of which HK\$5,100,000, HK\$1,500,000 and HK\$3,400,000 shall be contributed by Future Bright (H.K.), Zhong Xi and Super Vision, respectively. Upon the establishment of the First JV Company, its equity interests shall be held by Future Bright (H.K.), Zhong Xi and Super Vision as to 51%, 15% and 34%, respectively.

All parties to the First Joint Venture Agreement shall make their respective contributions by way of a one-off cash payment.

The total issued share capital of the First JV Company is determined after arm's length negotiations between the parties to the First Joint Venture Agreement with reference to the anticipated financing requirement of the First JV Company. The amount of contribution of each party is determined with reference to their respective shareholdings in the First JV Company.

The amount to be contributed by Future Bright (H.K.) will be funded by the net proceeds from the placing of new shares of the Company which was completed on 18 August 2017, details of which are set out in the announcement of the Company dated 18 August 2017.

Proposed scope of business

The scope of business of the First JV Company covers the wholesale of mineral ores and mineral products.

Management organisation

The board of directors of the First JV Company shall comprise 5 directors of which 3 shall be appointed by Future Bright (H.K.), 1 shall be appointed by Zhong Xi and 1 shall be appointed by Super Vision, respectively. The chairman of the board of directors shall be appointed by Future Bright (H.K.), while the vice-chairman of the board of directors of the First JV Company shall be appointed by Zhong Xi. Each of the chairman, the vice-chairman and the directors of the First JV Company shall have a term of office of three years, upon expiry of which they can offer themselves for re-election.

Equity transfer

No partial or entire transfer, sale, gifting or disposal of the shares in the First JV Company held by any party could be made to any person not being a shareholder of the First JV Company without the written consent of other parties. Such shareholder wishing to dispose of its shares in the First JV Company shall notify other shareholders in writing and seek their approval in respect of the proposed equity transfer. The other shareholders shall enjoy a pre-emptive right on the same terms in relation to the shares to be disposed. If no pre-emptive right is exercised within three months after the date of the said written notice, then the shares in question can be transferred to another person not being a shareholder of the First JV Company on no better terms than those offered to other shareholders.

Profit sharing

The First JV Company shall distribute its profits to its shareholders in proportion to their respective shareholdings.

Termination of the First Joint Venture Agreement

If any of the following events occur and with the unanimous approval of the board of directors of the First JV Company, any party to the First Joint Venture Agreement is entitled to notify the other parties in writing of its intention to terminate the First Joint Venture Agreement:

- (i) the occurrence of force majeure events, which nullifies the purpose of the First Joint Venture Agreement or are unable to be cured or mitigated, where the parties to the First Joint Venture Agreement fail to arrive at a conclusion on the continual development or restructuring of the First JV Company within 90 days of the occurrence of such event;
- (ii) the First JV Company incurs a substantial loss;
- (iii) the failure of other parties to perform their obligations under the First Joint Venture Agreement, which causes the First JV Company unable to continue its operations;
or
- (iv) the First JV Company may be dissolved with the approval of all the parties to the First Joint Venture Agreement if the First JV Company fails to achieve the expected operational goals and there is no development prospect for the First JV Company.

ESTABLISHMENT OF THE SECOND JV COMPANY

On 31 August 2017 (after trading hours), Future Bright (H.K.) (an indirect wholly-owned subsidiary of the Company) entered into the Second Joint Venture Agreement with China Africa Minerals to establish the Second JV Company. The total issued share capital of the Second JV Company shall be HK\$10,000,000. Pursuant to the Second Joint Venture Agreement, Future Bright (H.K.) and China Africa Minerals shall contribute HK\$5,100,000 and HK\$4,900,000 in cash and shall hold the equity interests in the Second JV Company as to 51% and 49% respectively.

The Second Joint Venture Agreement

Principal terms of the Second Joint Venture Agreement are set out below:

Date

31 August 2017 (after trading hours)

Parties

- (1) Future Bright (H.K.); and
- (2) China Africa Minerals.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of China Africa Minerals and its ultimate beneficial owners is an Independent Third Party.

Nature of the transaction

The total issued share capital of the Second JV Company shall be HK\$10,000,000, of which HK\$5,100,000 and HK\$4,900,000 shall be contributed by Future Bright (H.K.) and China Africa Minerals, respectively. Upon the establishment of the Second JV Company, its equity interests shall be held by Future Bright (H.K.) and China Africa Minerals as to 51%, and 49%, respectively.

All parties to the Second Joint Venture Agreement shall make their respective contributions in cash.

The total issued share capital of the Second JV Company is determined after arm's length negotiations between the parties to the Second Joint Venture Agreement with reference to the anticipated financing requirement of the Second JV Company. The amount of contribution of each party is determined with reference to their respective shareholdings in the Second JV Company.

The amount to be contributed by Future Bright (H.K.) will be funded by the net proceeds from the placing of new shares of the Company which was completed on 18 August 2017, details of which are set out in the announcement of the Company dated 18 August 2017.

Proposed scope of business

The scope of business of the Second JV Company covers the wholesale and trading of non-ferrous metal ores.

Management organisation

The board of directors of the Second JV Company shall comprise three directors, of which two shall be appointed by Future Bright (H.K.) and one shall be appointed by China Africa Minerals, respectively. The chairman of the board of directors shall be appointed by Future Bright (H.K.), while the vice-chairman of the board of directors of the Second JV Company shall be appointed by China Africa Minerals. Each of the chairman, the vice-chairman and the directors of the Second JV Company shall have a term of office of three years, upon expiry of which they can offer themselves for re-election.

Equity transfer

No partial or entire transfer, sale, gifting or disposal of the shares in the Second JV Company held by any party could be made to any person not being a shareholder of the Second JV Company without the written consent of the other party. Such shareholder wishing to dispose of its shares in the Second JV Company shall notify the other shareholder in writing and seek their approval in respect of the proposed equity transfer. The other shareholder shall enjoy a pre-emptive right on the same terms in relation to the shares to be disposed. If no pre-emptive right is exercised within three months after the date of the written notice, then the shares in question can be transferred to another person not being a shareholder of the Second JV Company on no better terms than those offered to the other shareholder.

Profit sharing

The Second JV Company shall distribute its profits to its shareholders in proportion to their respective shareholdings.

Termination of the Second Joint Venture Agreement

If any of the following events occurs and with the unanimous approval of the board of directors of the Second JV Company, any party to the Second Joint Venture Agreement is entitled to notify the other party in writing of its intention to terminate the Second Joint Venture Agreement:

- (i) the occurrence of force majeure events, which nullifies the purpose of the Second Joint Venture Agreement or are unable to be cured or mitigated, where the parties to the Second Joint Venture Agreement fail to arrive at a conclusion on the continuing development or restructuring of the Second JV Company within 90 days of such event;
- (ii) the Second JV Company incurs a substantial loss;
- (iii) the failure of the other party to perform its obligations under the Second Joint Venture Agreement, which causes the Second JV Company unable to continue its operations; or
- (iv) the Second JV Company may be dissolved with the approval of all the parties to the Second Joint Venture Agreement if the Second JV Company fails to achieve the expected operational goals and there is no development prospect for the Second JV Company.

INFORMATION OF THE PARTIES TO THE JOINT VENTURE AGREEMENTS

Future Bright (H.K.) is an indirect wholly-owned subsidiary of the Company and is an investment holding company.

Zhong Xi is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the mining and processing of mineral ores.

Super Vision is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the provision of general trading and agency services, the business of technological planning and development, enterprise operational consultation and risk investment.

China Africa Minerals is a company incorporated in Hong Kong with limited liability and is principally engaged in the import of non-ferrous mineral products to the People's Republic of China.

REASONS FOR AND BENEFITS OF ESTABLISHING THE JV COMPANIES

The Company is an investment holding company whose subsidiaries are principally engaged in mining exploration and sale of marble and marble related products. The Group also commenced a new business segment on the trading of commodities recently. The Board considers that the establishment of the JV Companies would bring further strategic investment opportunities to the Group and provide an effective platform for the Group to strengthen its market presence in the trading of commodities business. In particular, the respective markets that the JV companies target are with great demand and growth potential. Therefore, the JV Companies are likely to generate positive income and cash flow for the Group and provide a good return for the Group's investment. The Board is of the view that the terms of the Joint Venture Agreements are entered into on normal commercial terms and are fair and reasonable, and the entering of the Joint Venture Agreements are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the transactions contemplated under the Joint Venture Agreements, when aggregated, exceed 5% but are less than 25%, the transactions contemplated under the Joint Venture Agreements constitute discloseable transactions of the Company under the Listing Rules and are subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“China Africa Minerals”	China Africa Minerals Limited (中非礦產有限公司), a company incorporated in Hong Kong with limited liability
“Company”	Future Bright Mining Holdings Limited (stock code: 2212), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“First Joint Venture Agreement”	the joint venture agreement dated 31 August 2017 entered into among Future Bright (H.K.), Zhong Xi and Super Vision in relation to the establishment of the First JV Company
“First JV Company”	the joint venture company to be incorporated in Hong Kong and named as Future Bright Lithium Technology Company Limited (高鵬鋰業科技有限公司) pursuant to the First Joint Venture Agreement
“Future Bright (H.K.)”	Future Bright (H.K.) Investments Limited (高鵬 (香港) 投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or any of their respective associates (as defined under the Listing Rules)
“Joint Venture Agreements”	collectively, the First Joint Venture Agreement and the Second Joint Venture Agreement

“JV Companies”	collectively, the First JV Company and the Second JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Second Joint Venture Agreement”	the joint venture agreement dated 31 August 2017 entered into between Future Bright (H.K.) and China Africa Minerals in relation to the establishment of the Second JV Company pursuant to the Second Joint Venture Agreement
“Second JV Company”	the joint venture company to be incorporated in Hong Kong and named as Future Bright Manganese Company Limited (高鵬錳業有限公司)
“Shareholder(s)”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Super Vision”	Super Vision Development Co., Ltd., a company incorporated in the British Virgin Islands with limited liability
“Zhong Xi”	Zhong Xi Int’l Holding Limited (中禧國際控股有限公司), a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

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

Hong Kong, 31 August 2017

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