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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2212)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board (the "**Board**") of directors (the "**Directors**") of Future Bright Mining Holdings Limited (the "**Company**") hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2019 (the "**Period**") together with the comparative figures for the corresponding period in 2018 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2019

	Notes	**2019 (unaudited) *RMB'000***	2018 (unaudited) *RMB'000*
CONTINUING OPERATIONS			
REVENUE	*5*	**1,100**	18,862
Cost of sales		**(2,012)**	(15,756)
Gross (loss)/profit		**(912)**	3,106
Other income and gains		**806**	170
Selling and distribution expenses		**(8)**	(4,525)
Administrative expenses		**(9,739)**	(10,374)
Reversal of impairment losses/(impairment losses) on financial assets, net		**1,320**	(1,364)
(Losses)/Gains on change in fair value of financial assets at fair value through profit or loss		**(2,338)**	1,461
Other expenses		**(1,174)**	(188)
Finance costs	*6*	**(234)**	(37)

	Notes	**2019 (unaudited) *RMB'000***	2018 (unaudited) *RMB'000*
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	*7*	**(12,279)**	(11,751)
Income tax expense	*8*	**(232)**	(276)
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**(12,511)**	(12,027)
DISCONTINUED OPERATIONS			
Profit for the period from a discontinued operation	*9*	**125**	19
LOSS FOR THE PERIOD		**(12,386)**	(12,008)
Attributable to:			
Owners of the Company		**(11,639)**	(11,878)
Non-controlling interests		**(747)**	(130)
		(12,386)	(12,008)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted			
— For loss for the period	*10*	**RMB0.30 cents**	RMB0.31 cents
— For loss from continuing operations		**RMB0.30 cents**	RMB0.31 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2019

	2019 **(unaudited)** ***RMB'000***	2018 (unaudited) *RMB'000*
LOSS FOR THE PERIOD	**(12,386)**	(12,008)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**463**	792
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**463**	792
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(11,923)**	(11,216)
Attributable to:		
Owners of the Company	**(11,202)**	(11,086)
Non-controlling interests	**(721)**	(130)
	(11,923)	(11,216)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2019

	Notes	**30 June 2019 (unaudited) *RMB'000***	31 December 2018 (audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**11,378**	11,848
Long-term prepayments	*12*	**540**	618
Right-of-use assets		**3,638**	—
Other intangible assets	*12*	**21,569**	22,074
Total non-current assets		**37,125**	34,540
CURRENT ASSETS			
Inventories		**1,283**	3,869
Trade receivables	*13*	**6,316**	31,071
Prepayments, other receivables and other assets		**19,495**	23,036
Financial assets at fair value through profit or loss		**3,294**	8,774
Loans receivables		**—**	8,026
Cash and cash equivalents		**29,134**	2,655
Total current assets		**59,522**	77,431
CURRENT LIABILITIES			
Trade payables	*14*	**489**	480
Other payables and accruals		**6,270**	9,345
An amount due to the ultimate controlling shareholder		**—**	4,152
Lease liabilities due within one year		**1,104**	—
Tax payable		**84**	84
Total current liabilities		**7,947**	14,061
NET CURRENT ASSETS		**51,575**	63,370
TOTAL ASSETS LESS CURRENT LIABILITIES		**88,700**	97,910

	Notes	30 June 2019 (unaudited) RMB'000	31 December 2018 (audited) RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		**2,521**	—
Deferred tax liabilities		**9,555**	9,395
Provision for rehabilitation	*15*	**1,222**	1,182
Total non-current liabilities		**13,298**	10,577
Net assets		**75,402**	87,333
EQUITY			
Equity attributable to owners of the Company			
Share capital	*16*	**3,087**	3,087
Reserves		**68,792**	80,002
Non-controlling interests		**3,523**	4,244
Total equity		**75,402**	87,333

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2019

1. CORPORATE INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2019 (the "**Period**"), the Group was involved in the following principal activities:

- excavate and sale of marble blocks;
- production and sale of marble related products; and
- trading of mineral commodities.

In the opinion of the directors, the holding company of the Company is Zhong Ke Jiu Tai Technology Group Limited, a private company incorporated in the Hong Kong, and the ultimate controlling shareholder of the Company is Mr. Li Yuguo.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2019 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2018.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of the new and revised International Financial Reporting Standards ("**IFRSs**") effective as of 1 January 2019.

Amendments to IFRS 9	*Prepayment Features with Negative Compensation*
IFRS 16	*Leases*
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*
IFRIC-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Other than as explained below regarding the impact of IFRS 16 Leases, the new and revised standards are not relevant to the preparation of the Group's interim condensed consolidated financial information. The nature and impact of the new and revised IFRSs are described below:

Adoption of IFRS 16

IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease,* SIC-Int 15 *Operating Leases — Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of accumulated losses at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under IAS 17.

New definition of a lease

Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC-Int 4 at the date of initial application. Contracts that were not identified as leases under IAS 17 and IFRIC-Int 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of IFRS 16

The Group has lease contracts for buildings and properties. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under IFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for leases that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on IAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

The Group has used the following elective practical expedients when applying IFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application

- Used hindsight in determining the lease term where the contract contains options to extend/terminate the lease

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The impacts arising from the adoption of IFRS 16 as at 1 January 2019 are as follows:

	Increase/ (Decrease) (unaudited) *RMB'000*
Assets	
Increase in right-of-use assets	1,859
Decrease in prepayments, other receivables and other assets	(9)
Increase in total assets	1,850
Liabilities	
Increase in lease liabilities	1,850

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

	RMB'000 (unaudited)
Operating lease commitments as at 31 December 2018	
Weighted average incremental borrowing rate as at 1 January 2019	8%
Discounted operating lease commitments as at 1 January 2019	2,301
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	(451)
Lease liabilities as at 1 January 2019	1,850

Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of IFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group did not have the option to renew its building leases therefore no renewal period was included as part of the lease term.

Amounts recognised in the interim condensed consolidated statement of financial position and profit or loss

The carrying amounts of the Group's right-of-use assets and lease liabilities, and the movement during the period are as follow:

	Right-of-use assets	
	Buildings	**Lease liabilities**
	RMB'000	*RMB'000*
As at 1 January 2019	1,859	1,850
Additions	2,985	2,985
Depreciation charge	(1,222)	—
Interest expense	—	194
Exchange realignment	16	17
Payments	—	(1,421)
As at 30 June 2019	3,638	3,625

The Group recognised rental expenses from short-term leases of RMB451,000 for the six months ended 30 June 2019.

4. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2019

	Marble blocks (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Segment revenue:			
Sales to external customers	**1,100**	**—**	**1,100**
Revenue from continuing operations			**1,100**
Segment results	**(1,625)**	**(3,533)**	**(5,158)**
Reconciliation:			
Interest income			**27**
Finance costs			**(234)**
Corporate and other unallocated expenses			**(6,914)**
Loss before tax from continuing operations			**(12,279)**

Six months ended 30 June 2018

	Marble blocks (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Segment revenue:			
Sales to external customers	1,860	17,002	18,862
Intersegment sales	628	—	628
	2,488	17,002	19,490
Reconciliation:			
Elimination of intersegment sales			(628)
Revenue from continuing operations			18,862
Segment results	(5,203)	(771)	(5,974)
Reconciliation:			
Elimination of intersegment results			884
Interest income			793
Finance costs			(37)
Corporate and other unallocated expenses			(7,417)
Loss before tax from continuing operations			(11,751)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2019 and 31 December 2018, respectively.

30 June 2019

	Marble blocks (unaudited) *RMB'000*	**Commodity trading (unaudited)** *RMB'000*	**Total (unaudited)** *RMB'000*
Segment assets:	**36,242**	**44,492**	**80,734**
Reconciliation:			
Elimination of intersegment receivables			**(18,685)**
Corporate and other unallocated assets			**34,598**
Total assets			**96,647**
Segment liabilities	**21,091**	**8,376**	**29,467**
Reconciliation:			
Elimination of intersegment payables			**(18,685)**
Corporate and other unallocated liabilities			**10,463**
Total liabilities			**21,245**

31 December 2018

	Marble blocks (audited) *RMB'000*	Commodity trading (audited) *RMB'000*	Total (audited) *RMB'000*
Segment assets:	54,556	56,954	111,510
Reconciliation:			
Elimination of intersegment			(19,778)
Assets related to a discontinued operation			8,464
Corporate and other unallocated assets			11,775
Total assets			111,971
Segment liabilities	22,552	5,933	28,485
Reconciliation:			
Elimination of intersegment payables			(19,778)
Liabilities related to a discontinued operation			37
Corporate and other unallocated liabilities			15,894
Total liabilities			24,638

5. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**1,100**	18,862

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2019

Segments	**Marble blocks**	**Commodity trading**	**Total**
	(unaudited)	**(unaudited)**	**(unaudited)**
	RMB'000	***RMB'000***	***RMB'000***
Type of goods or services			
Sale of goods	**1,100**	**—**	**1,100**
Geographical markets			
Mainland China	**1,100**	**—**	**1,100**
Timing of revenue recognition			
Goods transferred at a point in time	**1,100**	**—**	**1,100**

For the six months ended 30 June 2018

Segments	Marble blocks	Commodity trading	Total
	(unaudited)	(unaudited)	(unaudited)
	RMB'000	*RMB'000*	*RMB'000*
Type of goods or services			
Sale of goods	1,860	17,002	18,862
Geographical markets			
Hong Kong	—	12,193	12,193
Mainland China	1,860	4,809	6,669
Total revenue from contracts with customers	1,860	17,002	18,862
Timing of revenue recognition			
Goods transferred at a point in time	1,860	17,002	18,862

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the six months ended 30 June 2019

Segments	**Marble blocks (unaudited)** ***RMB'000***	**Commodity trading (unaudited)** ***RMB'000***	**Total (unaudited)** ***RMB'000***
Revenue from contracts with customers			
External customers	**1,100**	**—**	**1,100**

For the six months ended 30 June 2018

Segments	Marble blocks (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Revenue from contracts with customers			
External customers	1,860	17,002	18,862
Intersegment sales	628	—	628
	2,488	17,002	19,490
Intersegment adjustments and eliminations	(628)	—	(628)
Total revenue from contracts with customers	1,860	17,002	18,862

6. FINANCE COSTS

	For the six months ended 30 June	
	2019 (unaudited) ***RMB'000***	2018 (unaudited) *RMB'000*
Interest on lease liabilities	**194**	—
Unwinding of discount *(Note 15)*	**40**	37
	234	37

7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**2,012**	15,756
Staff costs (including directors' emoluments)		
Wages and salaries	**3,650**	4,132
Pension scheme contributions	**183**	79
	3,833	4,211
Auditor's remuneration	**550**	625
Amortisation of intangible assets *(note 12)*	**68**	953
Amortisation of a long-term prepayment *(note 12)*	**78**	83
Depreciation of items of property, plant and equipment *(note 12)*	**981**	1,323
Rental expenses from short-term leases	**451**	—
(Reversal of impairment losses)/impairment losses on trade receivables, net *(note 13)*	**(1,442)**	1,364
Impairment losses on other receivables	**122**	—
Write-down of inventories to net realisable value	**1,000**	—
Losses on disposal of subsidiaries	**132**	—
Losses/(Gains) on change in fair value of financial assets at fair value through profit or loss	**2,338**	(1,461)

8. INCOME TAX

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

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

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

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

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Current — Mainland China		
Under provision in prior years	**—**	219
Deferred	**232**	57
Total tax charge for the period from continuing operations	**232**	276
Total tax charge for the period from a discontinued operation	**—**	—
	232	276

9. DISCONTINUED OPERATION

On 20 March 2019, the Company announced the decision of its board of directors to dispose of Future Bright Finance Limited. Future Bright Finance Limited engages in the money lending business. The Group decided to cease its money lending business to focus on its main mining sector. The disposal of Future Bright Finance Limited was completed on 30 May 2019. Future Bright Finance Limited was classified as a discontinued operation. With Future Bright Finance Limited being classified as a discontinued operation, the others segment, which mainly comprised of Future Bright Finance Limited's money lending business, was no longer included in the note for operating segment information.

The results of Future Bright Finance Limited for the period are presented below:

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Other income	**—**	790
Expenses	**(173)**	(771)
(Loss)/profit before tax from the discontinued operation	**(173)**	19
Gain on disposal of the discontinued operation	**298**	—
Profit for the period from the discontinued operation	**125**	19

The net cash flows generated from the disposal of Future Bright Finance Limited are as follows:

	For the six months ended 30 June 2019 (unaudited) *RMB'000*
Cash received from disposal of the discontinued operation	**8,776**
Cash and bank balances disposed of	**(30)**
	8,746

The net cash flows incurred by Future Bright Finance Limited are as follows:

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Operating activities	**(173)**	393
Investing activities	**—**	(4,729)
Net cash outflow	**(173)**	(4,336)
Earnings per share:		
Basic and diluted, from the discontinued operation	**RMB0.003 cents**	RMB0.0005 cents

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Profit attributable to ordinary equity holders of the Company from the discontinued operation	**125**	19
Weighted average number of ordinary shares in issue during the period	**3,870,000,000**	3,870,000,000

10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 3,870,000,000 (six months ended 30 June 2018: 3,870,000,000) in issue during the period, as adjusted to reflect the rights issue during the period.

The Group had no potentially dilutive ordinary shares in issue for the six months ended 30 June 2019. No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2018 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amounts presented.

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

	For the six months ended 30 June	
	2019	2018
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company	**(11,639)**	(11,878)

	Number of shares For the six months ended 30 June	
	2019	2018
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic loss per share calculation	**3,870,000,000**	3,870,000,000

11. DIVIDEND

The Board did not declare or recommend the payment of an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

12. PROPERTY, PLANT AND EQUIPMENT, LONG-TERM PREPAYMENTS AND INTANGIBLE ASSETS

Movements in property, plant and equipment, long-term prepayments and intangible assets during the six months ended 30 June 2019 are as follows:

	Property, plant and equipment (unaudited) *RMB'000*	**Long-term prepayments (unaudited)** *RMB'000*	**Intangible assets (unaudited)** *RMB'000*
Carrying amount at 1 January 2019	11,848	618	22,074
Additions	823	—	—
Disposals	(139)	—	—
Exchange realignment	(9)	—	2
Depreciation/amortisation charged for the period	(981)	(78)	(68)
Disposal of subsidiaries *(note 17)*	(164)	—	(439)
Carrying amount at 30 June 2019	11,378	540	21,569

13. TRADE RECEIVABLES

	30 June 2019 (unaudited) ***RMB'000***	31 December 2018 (audited) *RMB'000*
Trade receivables	**8,208**	34,405
Impairment	**(1,892)**	(3,334)
Total	**6,316**	31,071

The ageing analysis of trade receivables, based on the revenue recognition date, is as follows:

	30 June 2019 (unaudited) ***RMB'000***	31 December 2018 (audited) *RMB'000*
Within 6 months	**795**	8,422
6 to 12 months	**5,521**	107
Over 12 months	**—**	22,542
Total	**6,316**	31,071

The movements in the loss allowance for impairment of trade receivables are as follows:

	30 June 2019 (unaudited) *RMB'000*	31 December 2018 (audited) *RMB'000*
At beginning of period	**3,334**	—
Impairment losses recognised	**66**	3,325
Reversal of impairment losses	**(1,508)**	—
Exchange differences on translation of foreign operations	**—**	9
At end of period	**1,892**	3,334

14. TRADE PAYABLES

	30 June 2019 (unaudited) *RMB'000*	31 December 2018 (audited) *RMB'000*
Over 3 months	**489**	480

15. PROVISION FOR REHABILITATION

	30 June 2019 (unaudited) *RMB'000*	31 December 2018 (audited) *RMB'000*
At the beginning of Period	**1,182**	1,108
Unwinding of discount *(note 6)*	**40**	74
At the end of Period	**1,222**	1,182

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

16. SHARE CAPITAL

	30 June 2019 (unaudited) *RMB'000*	31 December 2018 (audited) *RMB'000*
Issued and fully paid:		
3,870,000,000 (31 December 2018: 3,870,000,000) ordinary shares	**3,087**	3,087

17. DISPOSAL OF SUBSIDIARIES

On 3 April 2019, the Group completed the disposal transaction of a 100% equity interest in Future Bright Enterprise Group Limited and Gogo Education Group Limited at a consideration of HKD485,000 (RMB420,000). On 30 May 2019, the Group completed the disposal transaction of a 100% equity interest in Future Bright Finance Limited at a consideration of HKD10,000,000 (RMB8,776,000).

The total net assets disposed of in respect of the disposal of the subsidiaries during the period were as follows:

	30 June 2019 (unaudited) *RMB'000*
Net assets disposed of:	
Property, plant and equipment *(Note 12)*	**164**
Intangible assets *(Note 12)*	**439**
Cash and bank balances	**86**
Loan receivables	**8,051**
Prepayment, other receivables and other assets	**276**
Accruals and other payables	**(39)**
Deferred tax liability	**(73)**
	8,904
Exchange fluctuation reserve	**126**
	9,030
Gain on disposal of subsidiaries	**166**
	9,196
Satisfied by:	
Cash	**9,196**

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary is as follows:

	30 June 2019 (unaudited) *RMB'000*
Cash consideration	**9,196**
Cash and bank balances disposed of	**(86)**
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**9,110**

18. RELATED PARTY TRANSACTIONS

(a) During the Period, the Group had no material transactions with related parties.

(b) As at the end of the Period, the Group had no outstanding balances with related parties.

(c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2019 (unaudited) *RMB'000*	2018 (unaudited) *RMB'000*
Salaries, allowances and benefits in kind	**2,080**	2,189

19. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	For the six months ended 30 June	
	2019 (unaudited) *RMB'000*	2018 (unaudited) *RMB'000*
Authorized, but not contracted for:		
Property, plant and equipment	**27,354**	27,752

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying Amounts		Fair values	
	30 June 2019	31 December 2018	**30 June 2019**	31 December 2018
	(unaudited)	(audited)	**(unaudited)**	(audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Financial assets				
Financial assets at fair value through profit or loss	**3,294**	8,774	**3,294**	8,774

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, other receivables and other assets, trade payables and other payable and accruals 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 fair values of listed equity investments are based on quoted market prices.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2019

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Financial assets at fair value through profit or loss	**3,294**	—	—	**3,294**

As at 31 December 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (audited) *RMB'000*	Significant observable inputs (Level 2) (audited) *RMB'000*	Significant unobservable inputs (Level 3) (audited) *RMB'000*	Total (audited) *RMB'000*
Financial assets at fair value through profit or loss	8,774	—	—	8,774

21. EVENTS AFTER THE REPORTING PERIOD

In addition to the disclose detailed elsewhere in this interim condensed consolidated financial information, the Group had the following event after the reporting period:

On 8 July 2019, Mr. Li Yuguo ("**Mr. Li**"), an executive director and the controlling shareholder of the Company, acquired on the market an aggregate of 86,380,000 shares of the Company, representing approximately 2.23% of the entire issued share capital of the Company as at the date of this announcement, at a total consideration of approximately HKD7.43 million. Immediately after the aforesaid acquisition, Mr. Li's shareholding in the Company increased from approximately 59.13% to approximately 61.36%. Please refer to the Company's announcement dated 8 July 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2019 (the "**Period**"), the operating revenue of Future Bright Mining Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") was approximately RMB1.10 million, which represented a significant decrease of approximately 94.17% as compared to the operating revenue of approximately RMB18.86 million for the six months ended 30 June 2018. The decrease in revenue was mainly due to the decrease in revenue generated from commodity trading. As the Group was in the course of disposing two joint venture companies involving commodity trading, no revenue was generated from this segment during the Period. The following table sets forth the breakdown of the Group's revenue by business segment for the Period:

	2019			2018		
	RMB'000	***Percentage to total revenue***	***Gross profit margin***	*RMB'000*	*Percentage to total revenue*	*Gross profit margin*
Marble blocks	**1,100**	**100%**	**−82.91%**	1,860	9.86%	48.76%
Commodity trading	**—**	**—**	**0.00%**	17,002	90.14%	12.93%
Total	**1,100**	**100%**	**−82.91%**	18,862	100%	16.47%

Cost of Sales

The Group's cost of sales decreased from approximately RMB15.76 million for the six months ended 30 June 2018 to approximately RMB2.01 million for the Period, representing a significant decrease of approximately 87.25%. This was in line with the lower sales recorded for the Period. The cost of sales for the period represented the marble blocks mining costs only and mainly included mining labour costs, materials consumption, fuel, electricity, depreciation of production equipment and amortization of mining rights.

Gross Loss/Profit and Gross Profit Margin

The gross loss of the Group amounted to approximately RMB0.91 million and the gross profit margin was approximately −82.91% for the Period, which represented a significant decrease of approximately 129.26% as compared with the gross profit for the six months ended 30 June 2018 of approximately RMB3.11 million (six months ended 30 June 2018: gross profit margin of approximately 16.47%). The significant decrease in gross profit margin was mainly due to the decrease in both the selling price and sales volume of marble blocks. The gross loss was mainly due to the disposal of the inventories carried forward from last year.

Other Income and Gains

Other income and gains for the Period were approximately RMB0.81 million, which represented a significant increase of approximately RMB0.64 million as compared to the other income and gains of approximately RMB0.17 million for the six months ended 30 June 2018. The increase was mainly due to the increase in rendering of services income and net gain on foreign exchange difference.

Selling and Distribution Expenses

Selling and distribution expenses, which mainly consisted of transportation, salaries and wages of the Group's sales and distribution staff and their entertainment and travelling expenses, were approximately RMB0.01 million for the Period (six months ended 30 June 2018: approximately RMB4.53 million), representing approximately 0.73% of the revenue for the Period (six months ended 30 June 2018: approximately 23.99%). The decrease in selling and distribution expenses was principally due to the change in the mode of operation. During the Period, the products were sold to the distributor only, and therefore minimal selling and distribution expenses were incurred.

Administrative Expenses

Administrative expenses slightly decreased by approximately RMB0.63 million or 6.08% from approximately RMB10.37 million for the six months ended 30 June 2018 to approximately RMB9.74 million for the Period. The decrease was mainly due to the decrease in staff costs during the Period. Administrative expenses mainly included the legal and professional fees, consultancy fees, rental and salaries of staff.

Impairment on Financial Assets, Net

With the International Financial Reporting Standard 9 *Financial Instruments* ("**IFRS 9**") becoming effective, the management assesses the measurement of expected credit losses ("**ECL**") in relation to trade receivables and uses provision matrix to calculate ECL. During the six months ended 30 June 2018, an impairment loss of approximately RMB1.36 million was recognised due to the adoption of the ECL requirement of IFRS 9. During the Period, the net amount of approximately RMB1.32 million of impairment was reversed as most of the outstanding trade receivables balance were settled by customers.

Losses/Gains on Change in Fair Value of Financial Assets at Fair Values Through Profit or Loss

As at 30 June 2019, the Group had current equity investments at fair value through profit or loss of approximately RMB3.29 million which comprised investments in various listed shares (six months ended 30 June 2018: RMB12.72 million). The Group recorded net fair value loss of the equity investments of approximately RMB2.34 million for the Period (six months ended 30 June 2018: gain of RMB1.46 million).

Other Expenses

Other expenses mainly included the written down of net realisable value of inventories of approximately RMB1 million and the net loss of approximately RMB0.13 million on the disposals of two subsidiaries for the Period. The Group did not incur such expenses for the six months ended 30 June 2018.

Finance Costs

Finance costs increased from approximately RMB0.04 million for the six months ended 30 June 2018 to approximately RMB0.23 million for the Period mainly because the Group has adopted the International Financial Reporting Standard 16 *Leases*. Under this standard, depreciation and lease interest expenses were recognised in the statement of profit or loss rather than rental expenses under International Accounting Standard 17 *Leases* and thus, the finance costs were significantly increased during the Period.

Loss attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company was approximately RMB11.64 million for the Period (six months ended 30 June 2018: loss of approximately RMB11.88 million). The decrease of loss was mainly resulted from the decrease in expenses incurred during the Period.

BUSINESS REVIEW

Marble and Marble-related Business

During the Period, we focused on the development of the Yiduoyan Project, which is an open pit mine located in the Hubei Province of the People's Republic of China (the "**PRC**"). A total of 601 m^3 of marble blocks had been produced and 1,914 m^3 of marble blocks had been sold. The revenue generated from this business segment during the Period amounted to approximately RMB1.10 million (approximately RMB1.86 million for the six months ended 30 June 2018).

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

By adjusting the mode of operation, the Group only sold the marble to the distributor and therefore minimized selling and distribution expenses of this segment. After the adjustment, the Group can concentrate in enhancing the output rate of the Yiduoyan Project. By appointing the distributor, it is anticipated that the market awareness and recognition of our marble will be increased through its sales channels. Therefore, we expected the demands of our marble will be increased steadily in the coming years.

Trading of Commodities Business

We have a business segment of trading of commodities which include mainly trading of metal ore products and granite slabs. In order to improve the development of marble business, the Group entered into sale and purchase agreements to dispose of two joint venture companies in Hong Kong during the Period, details of which are set out in the announcements of the Company dated 15 March 2019, 22 March 2019, 5 July 2019 and 17 July 2019. No revenue was generated from commodity trading business for the six months ended 30 June 2019 (six months ended 30 June 2018: approximately RMB17 million). Although the Group is in the course of disposing the two joint venture companies engaged in trading business, we will still look for any attractive opportunities in trading business.

Money Lending Business (Discontinued Operations)

The Group was also engaged in money lending business and was a holder of the Money Lenders License under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong). Due to the keen market competition and challenging environment, risks associated with the possible default by the borrowers and decline in loan interest rates, we have disposed of the relevant member of the Group and ceased the operation of money lending business during the Period in order to focus on the core business of the Group, details of which had been set out in the announcement of the Company dated 20 March 2019. The consideration has been received and the transaction has been completed on 30 May 2019.

No other income was generated from this business segment for the Period (approximately RMB0.79 million for the six months ended 30 June 2018).

THE YIDUOYAN PROJECT

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

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

We have completed the mineral exploration works before the Yiduoyan marble mine of the Company commenced commercial production on 1 September 2014.

For the six months ended 30 June 2019, no further mineral exploration was carried out. As a result, there was no expenditure on mineral exploration.

Development

In March 2019, we provided all the staff of the Company with training related to production safety and occupational health as well as work resumption training, and conducted assessment before work resumption. Those who failed in the assessment were retrained and were required to take the relevant exams again. Moreover, all staff have undergone occupational health examination. As such, we further consummated the staff training and examination files and occupational health records. Commencing from April 2019, we required all staffs to carry out self-examination and rectification on mining safety hazards every month, and carried out thorough inspection and maintenance for all production equipment to ensure that they operate safely during the production process. We also identified, assessed and eliminated potential risks of the mine from time to time.

During the six months ended 30 June 2019, the Group recorded safety production expenditure of approximately RMB62,900 with respect to the expansion of Yiduoyan marble mine, which mainly comprised distribution of labour protection supplies, regular education and training on production safety, occupational health check, repair and maintenance of production equipments and machineries and soil and water conservation compensation.

The detailed classification of development expenditures is as follows:

	RMB('000)
Labour protection supplies	18.2
Education and training on production safety	2.5
Production safety liability insurance	7.8
Technical consultation service fee for mine safety	15
Occupational health check	1.9
Repair and maintenance of production equipments and machineries	7
Soil and water conservation compensation	10.5
Total	62.9

Mining Operation

In the first half of 2019, we carried out the destocking of block inventories of the mine. As of 30 June 2019, we had realised sales of 1,914 m^3 of blocks. In the first half of the year, we had conducted detailed inspection, testing and preparation works on 540, 532, 524 horizontal platforms respectively and two mining benches. As of 30 June 2019, our Yiduoyan marble mine block production amounted to 601 m^3.

During the six months ended 30 June 2019, the expenditure on mining activities of the Group was approximately RMB1.28 million. The expenditure of mining activities was approximately RMB2,138 per m^3 (for the six months ended 30 June 2018: approximately RMB1,006 per m^3). The increase of cost was mainly due to the restructure of operation in early 2019. This situation is expected to be improved in the second half of the year and the expenditure of mining activities will be reduced to reasonable level.

FUTURE PROSPECTS AND DEVELOPMENT

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

Continue to develop the Yiduoyan Project

We will continue to develop the Yiduoyan Project. However, in view of the slowdown in economic growth in the PRC, the Group focused on exploitation work to enhance the output rate of the Yiduoyan Project. The Company did not carry out any exploration activities during the Period and up to the date of this announcement.

Develop product recognition

We believe that recognition of our marble block product among industry professionals is critical to our development and success. We concentrated in enhancing the output rate to maximise the benefit of the Group. We appointed a distributor to handle all selling and distribution matters. In doing so, we believe that we will be able to keep abreast of the industry trends, which will enable us to strengthen our corporate profile, enhance our business and achieve product recognition among both industry professionals and end customers.

Expand our resource and reserve through further and selective acquisitions

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

SIGNIFICANT INVESTMENTS

For the Period, the Group had significant investments in equity securities of companies listed on the Stock Exchange which were classified as financial assets at fair value through profit or loss. The details are set out as follows:

Stock code	Name of investee company	Number of shares held as at 30 June 2019	Percentage of shareholding as at 30 June 2019	Investment cost *(HK$)*	Unrealized loss on change in fair value for the six months ended 30 June 2019 *(HK$)* *(Note 1)*	Fair value as at 30 June 2019 *(HK$)*	Percentage of total financial assets at fair value through profit or loss as at 30 June 2019	Percentage of total assets of the Group as at 30 June 2019
0204	China Investment Development Limited *(Note 2)*	2,000,000	0.19%	321,157	(41,157)	280,000	7.48%	0.26%
1227	National Investments Fund Limited *(Note 3)*	19,770,000	2.16%	4,421,009	(1,079,879)	3,341,130	89.22%	3.04%
2312	China Financial Leasing Group Limited *(Note 4)*	60,000	0.00%	16,179	(5,979)	10,200	0.27%	0.01%
8482	Wan Leader International Limited *(Note 5)*	660,000	0.08%	207,219	(93,699)	113,520	3.03%	0.10%
	Total:			4,965,565	(1,220,715)	3,744,850	100%	3.41%

Notes:

1. These figures do not take into account the realized gain or loss arising from the disposal of the relevant equity securities during the Period.

2. According to the latest annual report of China Investment Development Limited, it recorded revenue of approximately HK$600,000 and a net loss of approximately HK$87,911,000 for the year ended 31 March 2019.

3. According to the latest annual report of National Investments Fund Limited, it recorded revenue of approximately HK$9,690,000 and a net loss of approximately HK$59,654,000 for the year ended 31 December 2018.

4. According to the latest annual report of China Financial Leasing Group Limited, it recorded revenue of approximately HK$18,000 and a net loss of approximately HK$27,128,000 for the year ended 31 December 2018.

5. According to the latest annual report of Wan Leader International Limited, it recorded revenue of approximately HK$193,032,000 and a net loss of approximately HK$15,971,000 for the year ended 31 March 2019.

Brief description of principal business and future prospect of investee companies

Name of investee company	Principal business and future prospect
China Investment Development Limited	Investment holding for medium to long-term capital appreciation purposes, and investment in listed and unlisted securities. As disclosed in the annual report for the year ended 31 March 2019, the company will keep on seeking business investment opportunities in Chinese enterprises with potentials, with more tendency to look for the enterprises in relation to the Belt and Road Initiative and Guangdong-Hong Kong-Macao Bay Area (the Greater Bay Area). The company believes that they will bring considerable long-term returns. They will adopt a pragmatic and enterprising approach to deploy the investment strategy, with an objective to contribute favorable return for the shareholders.
National Investments Fund Limited	Investments in a diversified portfolio of listed and unlisted companies.

Name of investee company	Principal business and future prospect
	As disclosed in the annual report for the year ended 31 December 2018, National Investments Fund Limited did not invest any listed securities and has been focusing on the investment of unlisted companies. The company will continue to implement diversified investment strategy aimed at identifying suitable investment opportunities with potential of asset appreciation to bring about better return to the company and the shareholders. The company will also continue to adopt and maintain a prudent but proactive investment approach and will keep closely on monitoring the performance of the investment portfolios and is confident that the investment portfolios will deliver results and add value to the shareholders of the company.
China Financial Leasing Group Limited	Short to medium term capital appreciation by investing in a diversified portfolio of investments in listed and unlisted securities. As disclosed in the annual report for the year ended 31 December 2018, China Financial Leasing Group Limited will be more cautious on the investment portfolio. As the group is able to make use of competitive edge, the group will continue to look for quality investment opportunities to enhance the shareholders' return.
Wan Leader International Limited	Provision of freight forwarding and related logistics services and warehousing and related value-added services. As disclosed in the annual report for the year ended 31 March 2019, Wan Leader International Limited will look for other opportunities to work with its business partners such as airlines and freight forwarders to strengthen its sales force in the coming financial year. The new sales force of the company can widen its customer bases in the long run.

The Directors believe that the future performance of the equity securities of companies listed on the Stock Exchange held by the Group will be affected by various factors including the overall economic environment, equity market conditions, investor sentiment and the business performance of the investee companies. The Board will continue to look for attractive investment opportunities which can generate better returns to its shareholders.

Save as disclosed above, there were no other significant investments by the Group during the Period.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

MAJOR DISPOSALS DURING THE PERIOD

On 28 February 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of Gogo Education Group Limited for a cash consideration of HKD185,000. The disposal was completed on 3 April 2019.

On 28 February 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of Future Bright Enterprise Group Limited for a cash consideration of HKD300,000. The disposal was completed on 3 April 2019.

On 15 March 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose of the 51% equity interest of Future Bright Manganese Company Limited for a cash consideration of HKD5,650,000. It was originally scheduled to be completed on or before 30 June 2019. On 17 July 2019, both parties have agreed to postpone the long-stop date to 30 September 2019. For details, please refer to the Company's announcements dated 15 March 2019 and 17 July 2019.

On 20 March 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose of the entire equity interest of Future Bright Finance Limited for a cash consideration of HKD10,000,000. The disposal was completed on 30 May 2019. For details, please refer to the Company's announcement dated 20 March 2019.

On 22 March 2019, the Group entered into a sale and purchase agreement with one of the other existing shareholders of Future Bright Lithium Technology Company Limited to dispose of the 51% equity interest of the said company for a cash consideration of HKD5,240,000. It was originally scheduled to be completed on or before 30 June 2019. On 29 June 2019, both parties have agreed to postpone the long-stop date to 30 September 2019. This disposal constituted an exempted connected transaction under the Listing Rules. For details, please refer to the Company's announcements dated 22 March 2019 and 5 July 2019.

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

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

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

As at 30 June 2019, the Group had cash and cash equivalents of approximately RMB29.13 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2018: approximately RMB2.66 million).

The Group had no borrowings as at 30 June 2019 and therefore the gearing ratio (defined as long term debt divided by total shareholder's equity) is not applicable. The current ratio of the Group as at 30 June 2019 was about 7.49 times as compared to 5.51 times as at 31 December 2018, based on current assets of approximately RMB59.52 million (as at 31 December 2018: approximately RMB77.43 million) and current liabilities of approximately RMB7.95 million (as at 31 December 2018: approximately RMB14.06 million).

CHARGES ON GROUP ASSETS

There had been no charge on the Group's assets as at 30 June 2019.

CAPITAL STRUCTURE

There had been no material change in the capital structure of the Group since 31 December 2018.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group has a total of approximately 40 full time employees who were located in Hong Kong and the PRC. The total staff costs (including directors' emoluments) were approximately RMB3.83 million for the Period.

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

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds (the "**Net Proceeds**") from the listing (the "**Listing**") of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 9 January 2015, being the date on which the shares of the Company were first listed on the Stock Exchange, after deducting the underwriting fees and commissions and other fees and expenses in relation to the Listing, amounted to approximately HK$56 million (equivalent to approximately RMB45 million).

Up to 30 June 2019, the Group had used the Net Proceeds as follows:

	Original allocation of Net Proceeds			**Change in use of Net Proceeds** *(Note)*		**Utilisation up to 30 June 2019**		**Remaining balance of unused Net Proceeds as at 30 June 2019**	
	HK$ (million)	*RMB Equivalent (million)*	*% of Net Proceeds*	*HK$ (million)*	*RMB Equivalent (million)*	*HK$ (million)* (unaudited)	*RMB Equivalent (million)* (unaudited)	*HK$ (million)* (unaudited)	*RMB Equivalent (million)* (unaudited)
Capital expenditure of the Yiduoyan Project	45.6	36.5	81.3%	(12.5)	(10)	12.7	10.2	20.4	16.3
Development of sales channels and marketing	5	4.1	9%	—	—	5	4.1	—	—
Working capital and other general corporate purposes including expenses for our day-to-day operation	5.4	4.4	9.7%	12.5	10	17.9	14.4	—	—
Total	56	45	100%	—	—	35.6	28.7	20.4	16.3

Note:

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

During the Period, the utilized Net Proceeds were approximately RMB0.1 million (details are set out as follow) and the remaining proceeds as at 30 June 2019 were approximately RMB16.3 million.

	Remaining Net Proceeds as at 30 June 2019 *(RMB million)* (unaudited)	**Net Proceeds utilized for the Period** *(RMB million)* (unaudited)
Capital expenditure of Yiduoyan Project	16.3	0.1
Development of sales channels and marketing	—	—
Working capital and other general corporate purposes	—	—
Total	16.3	0.1

As the property market has slowed down in the PRC, the Group's marble trading business faces uncertainty. While it is the intention of the Group to continue to develop the Yiduoyan Project, in view of the slowdown in market growth in the PRC, the Group focused on exploitation work to enhance the output rate of the Yiduoyan Project.

With a view to putting the Company's resources to a better use, the Board had therefore temporarily re-allocated the aforesaid unutilized Net Proceeds of approximately HK$20.4 million (equivalent to approximately RMB16.3 million) for equity investment of securities listed on the Stock Exchange and general working capital of the Group. The Board will keep monitoring the overall development of the marble market and industry in the PRC and will deploy the unutilized Net Proceeds of approximately HK$20.4 million back to the development of the Yiduoyan Project as and when appropriate after taking into account the market environment at the material time.

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing of new shares on 16 February 2017

The net proceeds from the placing of new shares under general mandate on 16 February 2017, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HK$34 million (equivalent to approximately RMB30 million).

Up to 30 June 2019, the Group had used the net proceeds as follows:

	Original allocation of net proceeds			**Utilisation up to 30 June 2019**		**Remaining balance of unused net proceeds as at 30 June 2019**	
	HK$ (million)	*RMB Equivalent (million)*	*% of net proceeds*	*HK$ (million)* (unaudited)	*RMB Equivalent (million)* (unaudited)	*HK$ (million)* (unaudited)	*RMB Equivalent (million)* (unaudited)
Building a processing plant to produce slabs	24	21	70.59%	1	0.88	23	20.12
General working capital of the Group	10	9	29.41%	10	9	—	—
Total	34	30	100%	11	9.88	23	20.12

In relation to the plan for the construction of a processing plant, the Group plans to construct such processing plant in the stone industry park* (石材產業園) invested by the Nanzhang People's Government* (南漳縣人民政府) of the PRC. As at the date of this announcement, the Group is still undergoing the relevant procedures with the government authority for the construction plan, and the land parcel on which the processing plant is to be built is undergoing infrastructure constructions (including ground leveling and access to water, electricity, telecommunication, road and sewage) (五通一平). It is expected that the subject land parcel will be available in or after December 2019. Accordingly, the Group intends to use the remaining proceeds of approximately HK$23 million for the construction of the processing plant when the subject land parcel is available in or after December 2019.

In view of the aforesaid development, up to 30 June 2019, the utilized net proceeds were approximately HK$11 million and the remaining proceeds as at 30 June 2019 were approximately HK$23 million.

As disclosed above, the land for the construction of the processing plant (the "**Subject Land Parcel**") is expected to be available in or around December 2019. In view of the postponement of the timetable for the development of the processing plant, the Group had temporarily re-allocated the remaining proceeds of approximately HK$23 million to investment in equity securities of companies listed on the Stock Exchange and general working capital of the Group. It is expected that the Group will obtain the aforesaid HK$23 million in or around December 2019 when the Subject Land Parcel will be available through the realization of the equity securities. The Group intends to use the remaining proceeds of approximately HK$23 million for the construction of a processing plant as originally planned.

	Remaining net proceeds as at 30 June 2019 *(HK$ million)* (unaudited)	**Net proceeds utilized up to 30 June 2019** *(HK$ million)* (unaudited)
Building a processing plant to produce slabs	23	1
General working capital of the Group	—	10
Total	23	11

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2019, the Group had authorized, but not contracted for capital commitments of approximately RMB27.35 million which were primarily for the construction and purchase of property, plant and equipment for our development purpose.

The Group had no significant contingent liabilities as at 30 June 2019.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

CORPORATE GOVERNANCE

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

Under Code provision A.1.3, notice of at least 14 days should be given of a regular Board meeting to give all directors an opportunity to attend. For all other Board meetings, reasonable notice should be given. Due to the practical reasons, 14 days' advanced notifications have not been given to most of the meetings of the Board during the Period. Reasons have been given in the notifications in respect of those meetings of the Board where it was not feasible to give 14 days' advanced notification. The Board will use its best endeavours to give 14 days' advanced notifications of Board meeting to the extent practicable.

Under Code provision A.6.7, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. Under Code provision E.1.2, the chairman of the board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Due to other business engagement, the chairman of the Board, the non-executive Director and all independent non-executive Directors of the Company were unable to attend the adjourned annual general meeting of the Company held on 26 June 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

EVENTS AFTER THE REPORTING PERIOD

Disposals

On 15 March 2019, the Group entered into a sale and purchase agreement with an independent third party to dispose of the 51% equity interest of Future Bright Manganese Company Limited for a cash consideration of HKD5,650,000. It was originally scheduled to be completed on or before 30 June 2019. On 17 July 2019, both parties have agreed to postpone the long-stop date to 30 September 2019. Please refer to the Company's announcements dated 15 March 2019 and 17 July 2019.

Increase in shareholding by executive director and controlling shareholder

On 8 July 2019, Mr. Li Yuguo ("**Mr. Li**"), an executive director and the controlling shareholder of the Company, acquired on the market an aggregate of 86,380,000 shares of the Company, representing approximately 2.23% of the entire issued share capital of the Company as at the date of this announcement, at a total consideration of approximately HK$7.43 million. Immediately after the aforesaid acquisitions, Mr. Li's shareholding in the Company increased from approximately 59.13% to approximately 61.36%. Please refer to the Company's announcement dated 8 July 2019.

Changes in composition of the board

Mr. Chen Gang has resigned as an executive Director with effect from 9 August 2019 due to the need to spend more time on his other personal commitments.

Mr. Liu Yan Chee James, the current chief executive officer of the Company, has been appointed as an executive Director with effect from 9 August 2019.

For details of the above changes, please refer to the announcement of the Company dated 9 August 2019.

Except as disclosed above, as from 30 June 2019 and up to the date of this announcement, the Board is not aware of any significant events that have occurred which require disclosure herein.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") consists of all independent non-executive Directors, namely Ms. Liu Shuyan, Mr. Chen Xun, Prof. Lau Chi Pang *JP* and Mr. Zhang Yijun. The major functions of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control of the Group. The Audit Committee had reviewed this announcement and the unaudited financial results of the Group for the Period and considered that they were prepared in compliance with the relevant accounting standards, and that the Company has made appropriate disclosure thereof under the requirement of the Listing Rules.

PUBLICATION OF INTERIM RESULTS AND 2019 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com). The 2019 interim report will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Future Bright Mining Holdings Limited
Li Yuguo
Executive Director

Hong Kong, 29 August 2019

As at the date of this announcement, the executive Directors are Ms. Liu Jie (the chairperson), Mr. Li Yuguo, Mr. Hu Minglong, Mr. Liu Yan Chee James, Mr. Rao Dacheng and Ms. Yang Xiaoqiu; the non-executive Director is Mr. Yang Xiaoqiang (the vice chairman); and the independent non-executive Directors are Mr. Chen Xun, Mr. Zhang Yijun, Prof. Lau Chi Pang JP and Ms. Liu Shuyan.

* *for identification purpose only*