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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2212)

INTERIM RESULTS ANNOUNCEMENT **FOR THE SIX MONTHS ENDED 30 JUNE 2024**

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 2024 (the “**Period**”) together with the comparative figures for the corresponding period in 2023 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

		2024	2023
		(unaudited)	(unaudited)
	<i>Notes</i>	RMB'000	<i>RMB'000</i>
REVENUE	4	44,895	11,526
Cost of sales		<u>(43,804)</u>	<u>(11,480)</u>
Gross profit		1,091	46
Other income	5	123	64
Administrative expenses		(7,626)	(6,532)
Losses on changes in fair value of financial assets at fair value through profit or loss		(3)	(62)
Other operating income/(expenses)		109	(3,151)
Finance costs	6	<u>(3,577)</u>	<u>(484)</u>

	<i>Notes</i>	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
LOSS BEFORE TAX	7	(9,883)	(10,119)
Income tax credit	8	<u>172</u>	<u>255</u>
LOSS FOR THE PERIOD		<u>(9,711)</u>	<u>(9,864)</u>
(Loss)/Profit attributable to:			
Owners of the Company		(9,742)	(9,622)
Non-controlling interests		<u>31</u>	<u>(242)</u>
		<u>(9,711)</u>	<u>(9,864)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (RMB cents)	9	<u>0.940</u>	<u>1.10</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024	2023
	(unaudited)	(unaudited)
	RMB'000	RMB'000
LOSS FOR THE PERIOD	<u>(9,711)</u>	<u>(9,864)</u>
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	105	495
Realisation of exchange reserve upon deregistration of a subsidiary	<u>1</u>	<u>122</u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>106</u>	<u>617</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(9,605)</u>	<u>(9,247)</u>
Attributable to:		
Owners of the Company	(9,636)	(9,004)
Non-controlling interests	<u>31</u>	<u>(243)</u>
	<u>(9,605)</u>	<u>(9,247)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2024

		30 June 2024 (unaudited) <i>RMB'000</i>	31 December 2023 (audited) <i>RMB'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	15,342	16,018
Right-of-use assets	<i>11</i>	1,408	2,879
Other intangible assets	<i>11</i>	100,255	100,255
Total non-current assets		117,005	119,152
CURRENT ASSETS			
Inventories		531	531
Prepayments, deposits and other receivables	<i>12</i>	4,895	5,041
Financial assets at fair value through profit or loss		30	33
Cash and cash equivalents	<i>13</i>	44,583	13,092
Total current assets		50,039	18,697
CURRENT LIABILITIES			
Trade payables	<i>14</i>	496	492
Other payables and accruals		23,779	9,855
Short-term borrowings	<i>15</i>	12,478	–
Amount due to a director	<i>19</i>	10	10
Amount due to the ultimate controlling shareholder	<i>19</i>	–	544
Tax payable		–	21
Lease liabilities	<i>16</i>	127	1,860
Total current liabilities		36,890	12,782
NET CURRENT ASSETS		13,149	5,915
TOTAL ASSETS LESS CURRENT LIABILITIES		130,154	125,067

		30 June	31 December
		2024	2023
		(unaudited)	(audited)
	<i>Notes</i>	RMB'000	RMB'000
NON-CURRENT LIABILITIES			
Long-term borrowings	15	46,708	58,124
Amount due to the ultimate controlling shareholder	19	–	7,385
Other payables and accruals		2,772	2,596
Deferred tax liabilities		332	529
Mining right payable		22,967	21,636
Provision for rehabilitation	17	1,690	1,635
		<hr/>	<hr/>
Total non-current liabilities		74,469	91,905
		<hr/>	<hr/>
Net assets		55,685	33,162
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	4,323	3,524
Reserves		51,362	29,669
		<hr/>	<hr/>
		55,685	33,193
Non-controlling interests		<hr/>	<hr/>
		–	(31)
Total equity		55,685	33,162
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2024

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 2024 (the “**Period**”), the Group was principally engaged in the following activities:

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

In the opinion of the Directors, for the period from 1 January 2024 to 22 January 2024, the holding company of the Company was Zhong Ke Jiu Tai Technology Group Limited, a private company incorporated in Hong Kong, and the ultimate controlling shareholder of the Company was Mr. Li Yuguo. On 23 January 2024, Zhong Ke Jiu Tai Technology Group Limited and Mr. Li Yuguo ceased to be the holding company and the ultimate controlling shareholder of the Company respectively. There is no controlling shareholder of the Company subsequently and up to the date of this announcement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“**IAS 34**”). 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 2023.

2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new and revised International Financial Reporting Standards (“**IFRSs**”) effective for the annual period beginning on or after 1 January 2024:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of these amendments to IFRSs does not have a material impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any other standards, interpretation or amendments that have been issued but are not yet effective.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2024

	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Segment revenue:			
Sales to external customers	–	44,895	<u>44,895</u>
Revenue			<u><u>44,895</u></u>
Segment results	(1,480)	616	(864)
<i>Reconciliation:</i>			
Interest income			120
Finance costs (Other than interest on lease liabilities)			(3,534)
Corporate and other unallocated expenses			<u>(5,605)</u>
Loss before tax			<u><u>(9,883)</u></u>

Six months ended 30 June 2023

	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Segment revenue:			
Sales to external customers	–	11,526	<u>11,526</u>
Revenue			<u><u>11,526</u></u>
Segment results	(1,174)	(436)	(1,610)
<i>Reconciliation:</i>			
Interest income			55
Finance costs (Other than interest on lease liabilities)			(302)
Corporate and other unallocated expenses			<u>(8,262)</u>
Loss before tax			<u><u>(10,119)</u></u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2024 and 31 December 2023, respectively.

30 June 2024

	Marble block (unaudited) RMB'000	Commodity trading (unaudited) RMB'000	Total (unaudited) RMB'000
Segment assets:	115,980	21,172	137,152
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(17,988)
Corporate and other unallocated assets			<u>47,880</u>
Total assets			<u><u>167,044</u></u>
Segment liabilities:	100,302	736	101,038
<i>Reconciliation:</i>			
Elimination of intersegment payables			(17,988)
Corporate and other unallocated liabilities			<u>28,309</u>
Total liabilities			<u><u>111,359</u></u>

31 December 2023

	Marble block (audited) RMB'000	Commodity trading (audited) RMB'000	Total (audited) RMB'000
Segment assets:	114,342	22,820	137,162
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(17,986)
Corporate and other unallocated assets			<u>18,673</u>
Total assets			<u><u>137,849</u></u>
Segment liabilities:	87,641	4,417	92,058
<i>Reconciliation:</i>			
Elimination of intersegment payables			(17,986)
Corporate and other unallocated liabilities			<u>30,615</u>
Total liabilities			<u><u>104,687</u></u>

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2024	2023
	(unaudited)	(unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from contracts with customers		
Sale of goods	44,895	11,526

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2024

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Type of goods or services			
Sale of coals	–	44,895	44,895
Geographical markets			
Mainland China	–	44,895	44,895
Timing of revenue recognition			
Goods transferred at a point in time	–	44,895	44,895

For the six months ended 30 June 2023

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Type of goods or services			
Sale of coals	–	11,526	11,526
	<u>–</u>	<u>11,526</u>	<u>11,526</u>
Geographical markets			
Mainland China	–	11,526	11,526
	<u>–</u>	<u>11,526</u>	<u>11,526</u>
Timing of revenue recognition			
Goods transferred at a point in time	–	11,526	11,526
	<u>–</u>	<u>11,526</u>	<u>11,526</u>

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 2024

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Revenue from contracts with customers			
External customers	–	44,895	44,895
	<u>–</u>	<u>44,895</u>	<u>44,895</u>

For the six months ended 30 June 2023

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
Revenue from contracts with customers			
External customers	–	11,526	11,526
	<u>–</u>	<u>11,526</u>	<u>11,526</u>

5. OTHER INCOME

An analysis of other income is as follows:

	For the six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Bank interest income	120	55
Others	<u>3</u>	<u>9</u>
	<u>123</u>	<u>64</u>

6. FINANCE COSTS

	For the six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Interest on lease liabilities	44	182
Interest on discounted provision for rehabilitation (<i>Note 17</i>)	55	52
Interest on borrowings	2,147	250
Interest on mining right payable	<u>1,331</u>	<u>–</u>
	<u>3,577</u>	<u>484</u>

7. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Cost of inventories sold	43,804	11,480
Staff costs (including directors' remuneration)		
Wages and salaries	3,098	2,567
Pension scheme contributions	219	220
	<u>3,317</u>	<u>2,787</u>
Depreciation of property, plant and equipment (<i>Note 11</i>)	711	163
Depreciation of right-of-use assets (<i>Note 11</i>)	1,478	1,809
Foreign exchange difference, net	134	797
Gain on disposal of property, plant and equipment	(271)	–
Losses on changes in fair value of financial assets at fair value through profit or loss:		
— Unrealised fair value losses of financial assets at fair value through profit or loss	3	62
Loss on deregistration of a subsidiary	1	2,335
Lease payments not included in the measurement of lease liabilities	7	9
Written off of property, plant and equipment (<i>Note 11</i>)	6	1
	<u>6</u>	<u>1</u>

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 Hong Kong during the Period (six months ended 30 June 2023: nil).

Provision for the PRC corporate income tax (“CIT”) is based on the CIT rate applicable to the subsidiaries 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 subsidiaries located in Mainland China were generally subject to the PRC CIT at the rate of 25% (six months ended 30 June 2023: 25%), except for subsidiaries which are eligible as Small Low-profit Enterprise* (小型微利企業). From 1 January 2023, a Small Low-profit Enterprise with an annual taxable profit of less than RMB1 million, is subject to CIT calculated at 25% of its taxable profit at a tax rate of 20%; for annual taxable profit within RMB1 million to RMB3 million, is subject to CIT calculated at 25% of its taxable profit at a tax rate of 20%. During the Period, one subsidiary (six months ended 30 June 2023: nil) is subject to the relevant preferential tax treatments.

	For the six months ended 30 June	
	2024 (unaudited) RMB’000	2023 (unaudited) RMB’000
Current — Mainland China		
Provision for the Period	25	–
Deferred		
Tax credit for the Period	<u>(197)</u>	<u>(255)</u>
Total tax credit for the Period	<u><u>(172)</u></u>	<u><u>(255)</u></u>

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

The calculation of the basic loss per share 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 1,035,897,785 (six months ended 30 June 2023: 877,716,000) in issue during the Period.

The basic and diluted loss per share are the same as there is no potentially dilutive ordinary shares in issue for the six months ended 30 June 2024 and 2023.

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

	For the six months ended 30 June	
	2024 (unaudited) RMB’000	2023 (unaudited) RMB’000
Loss		
Loss attributable to ordinary equity holders of the Company	<u><u>(9,742)</u></u>	<u><u>(9,622)</u></u>

* For identification purposes only

	Number of shares For the six months ended 30 June	
	2024 (unaudited)	2023 (unaudited)
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic loss per share calculation	<u>1,035,897,785</u>	<u>877,716,000</u>

10. DIVIDEND

The Board did not declare or recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND OTHER INTANGIBLE ASSETS

Movements in property, plant and equipment, right-of-use assets and other intangible assets during the six months ended 30 June 2024 are as follows:

	Property, plant and equipment <i>RMB'000</i>	Right- of-use assets <i>RMB'000</i>	Other intangible assets <i>RMB'000</i>
Carrying amount at 1 January 2024 (audited)	16,018	2,879	100,255
Additions	18	–	–
Written off	(6)	–	–
Depreciation/amortisation charged for the Period	(711)	(1,478)	–
Exchange realignment	23	7	–
	<u>15,342</u>	<u>1,408</u>	<u>100,255</u>
Carrying amount at 30 June 2024 (unaudited)	<u>15,342</u>	<u>1,408</u>	<u>100,255</u>

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2024 (unaudited) <i>RMB'000</i>	31 December 2023 (audited) <i>RMB'000</i>
Prepayments	2,170	578
Deposits and other receivables	<u>2,725</u>	<u>4,463</u>
	<u>4,895</u>	<u>5,041</u>

As at 30 June 2024, the loss allowance of the financial assets included in the above balances relating to receivables was assessed to be minimal (31 December 2023: nil).

13. CASH AND CASH EQUIVALENTS

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Cash and bank balances	21,766	13,092
Time deposit	22,817	—
	<u>44,583</u>	<u>13,092</u>

As at 30 June 2024, the fixed time deposit will mature in August 2024 (31 December 2023: nil).

14. TRADE PAYABLES

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Over 3 months	496	492

15. BORROWINGS

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Short-term borrowings — unsecured	12,478	—
Long-term borrowings — unsecured	46,708	58,124
	<u>59,186</u>	<u>58,124</u>

As at 30 June 2024, borrowings from third parties to the Group amounted to RMB59,186,000 (31 December 2023: RMB58,124,000). Borrowings of approximately RMB46,708,000 (31 December 2023: RMB40,000,000) were unsecured, without guarantee, interest bearing at 3% to 10% (31 December 2023: 10%) per annum and repayable between 25 January 2027 and 9 July 2028. Borrowing of approximately HKD13,671,000 (equivalent to approximately RMB12,478,000) (31 December 2023: HKD20,000,000 (equivalent to approximately RMB18,124,000)) was unsecured, without guarantee, interest bearing at 5% (31 December 2023: 5%) per annum and repayable on 14 February 2025.

16. LEASE LIABILITIES

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Current	127	1,860
Non-current	—	—
	<u>127</u>	<u>1,860</u>

17. PROVISION FOR REHABILITATION

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
At the beginning of Period	1,635	1,535
Unwinding of discount (<i>Note 6</i>)	<u>55</u>	<u>100</u>
At the end of Period	<u>1,690</u>	<u>1,635</u>

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.

18. SHARE CAPITAL

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Issued and fully paid:		
1,053,259,200 (31 December 2023: 877,716,000) ordinary shares of HKD0.005 each	4,323	3,524

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

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2023 and 1 January 2024 (audited)	877,716,000	3,524	130,899	134,423
Share placing (a)	175,543,200	799	31,951	32,750
Share issue expenses (b)	-	-	(622)	(622)
At 30 June 2024 (unaudited)	<u>1,053,259,200</u>	<u>4,323</u>	<u>162,228</u>	<u>166,551</u>

(a) On 19 January 2024, the Company completed the share placing of the year. A total of 175,543,200 placing shares have been placed at the placing price of HKD0.205 per placing share, for a cash consideration of approximately HKD35,986,000 (equivalent to approximately RMB32,750,000) before share issue expenses. The proceeds of approximately HKD878,000 (equivalent to approximately RMB799,000) representing the par value have been credited to the Company's share capital and the remaining proceeds of approximately HKD35,108,000 (equivalent to approximately RMB31,951,000) have been credited to the share premium.

(b) The share issue expenses related to the share placing of the year were approximately HKD682,000 (equivalent to approximately RMB622,000).

19. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Due to a director (<i>Note 1</i>)	10	10
Due to the ultimate controlling shareholder		
— Current portion (<i>Note 2</i>)	—	544
— Non-current portion (<i>Note 3</i>)	—	7,385
	<u>—</u>	<u>7,929</u>
	10	7,939

Notes:

- (1) The balances due to a director are unsecured, interest-free, repayable on demand and denominated in RMB.
- (2) The balances due to the ultimate controlling shareholder are unsecured, interest-free, repayable on demand and denominated in HKD. The balances were fully settled during the Period.
- (3) The balances due to the ultimate controlling shareholder are unsecured, interest-free, repayable on 17 July 2025 and denominated in HKD. The balances were fully settled during the Period.

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

	For the six months ended 30 June	
	2024 (unaudited) RMB'000	2023 (unaudited) RMB'000
Salaries, allowances and benefits in kind	1,879	1,495
Pension scheme contributions	50	44
	<u>1,929</u>	<u>1,539</u>

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 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000	30 June 2024 (unaudited) RMB'000	31 December 2023 (audited) RMB'000
Financial assets				
Financial assets at fair value through profit or loss	<u>30</u>	<u>33</u>	<u>30</u>	<u>33</u>

Management has assessed that the fair values of current financial assets including cash and cash equivalents, deposits and other receivables, and current financial liabilities including trade payables, other payables and accruals, short-term borrowings, amount due to a director and amount due to the ultimate controlling shareholder 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 2024

	Fair value measurement using			Total (unaudited) RMB'000
	Quoted prices in active markets (Level 1) (unaudited) RMB'000	Significant observable inputs (Level 2) (unaudited) RMB'000	Significant unobservable inputs (Level 3) (unaudited) RMB'000	
Financial assets at fair value through profit or loss	<u>30</u>	<u>–</u>	<u>–</u>	<u>30</u>

As at 31 December 2023

	Fair value measurement using			Total (audited) <i>RMB'000</i>
	Quoted prices in active markets (Level 1) (audited) <i>RMB'000</i>	Significant observable inputs (Level 2) (audited) <i>RMB'000</i>	Significant unobservable inputs (Level 3) (audited) <i>RMB'000</i>	
Financial assets at fair value through profit or loss	33	–	–	33

21. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the Period, the operating revenue of the Group was approximately RMB44.90 million, which represented an increase of approximately 289.42% as compared to the operating revenue of approximately RMB11.53 million for the six months ended 30 June 2023. Since the Group was undergoing expansion works of the Yiduoyan Project during the Period, no excavation work was conducted by the Group during the Period and hence no marble block was produced and sold. As a result, no revenue was derived from marble block segment for the Period (six months ended 30 June 2023: nil). All revenue was attributable to our coal trading business under the commodity trading segment.

Owing to the serious coal mining accident in Inner Mongolia which occurred in February 2023, the coal mining activities of our major suppliers were temporarily suspended and the Group's coal trading business for the six months ended 30 June 2023 was adversely affected. During the Period, revenue increased significantly to approximately RMB44.90 million as the coal trading business was resumed to normal.

	Six months ended 30 June 2024			Six months ended 30 June 2023		
	<i>RMB'000</i>	<i>Percentage to total revenue</i>	<i>Gross profit margin</i>	<i>RMB'000</i>	<i>Percentage to total revenue</i>	<i>Gross profit margin</i>
Marble block	–	0.00%	0.00%	–	0.00%	0.00%
Commodity trading	<u>44,895</u>	<u>100.00%</u>	<u>2.43%</u>	<u>11,526</u>	<u>100.00%</u>	<u>0.40%</u>
Total	<u>44,895</u>	<u>100.00%</u>	<u>2.43%</u>	<u>11,526</u>	<u>100.00%</u>	<u>0.40%</u>

Cost of Sales

The Group's cost of sales increased from approximately RMB11.48 million for the six months ended 30 June 2023 to approximately RMB43.80 million for the Period, representing an increase of approximately 281.53%, and such cost was solely attributable to our coal trading business under the commodity trading segment.

Since there was no mining operation during the Period, the cost of this segment was zero (six months ended 30 June 2023: nil). The increase in cost of sales of commodity trading was in line with the increase in revenue derived from the same segment.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased to approximately RMB1.09 million for the Period when compared with the gross profit for the six months ended 30 June 2023 of approximately RMB46,000.

Since no revenue was generated from marble block segment and no mining activity was conducted during the Period, the gross profit margin of this segment was zero (six months ended 30 June 2023: nil). The gross profit margin of the commodity trading segment increased to approximately 2.43% for the Period (six months ended 30 June 2023: gross profit margin of approximately 0.40%).

Other Income

Other income for the Period was approximately RMB0.12 million, which represented an increase of approximately RMB0.06 million as compared to the other income of approximately RMB64,000 for the six months ended 30 June 2023. The increase was mainly attributable to the increase of bank interest income for the Period.

Administrative Expenses

Administrative expenses mainly included legal and professional fees, printing and announcement fee, depreciation, amortisation of annual listing fee, directors' remuneration, salaries and benefits of staff and other general office expenses. During the Period, administrative expenses of the Group increased by approximately RMB1.10 million or 16.85% from approximately RMB6.53 million during the six months ended 30 June 2023 to approximately RMB7.63 million for the Period. The increase was mainly driven by the increment of staff costs and depreciation of leasehold improvement for our Hong Kong office for the Period.

Losses on Changes in Fair Value of Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2024, the Group had current equity investments at fair value through profit or loss of approximately RMB30,000 (representing approximately 0.02% of the Group's total assets as at 30 June 2024) which comprised investments in various Hong Kong listed shares and other investments (as at 31 December 2023: approximately RMB33,000). The Group recorded net fair value loss of the equity investments of approximately RMB3,000 for the Period (six months ended 30 June 2023: approximately RMB62,000).

Other Operating Income/Expenses

Other operating expenses of approximately RMB3.15 million for the six months ended 30 June 2023 turned into other operating income of approximately RMB0.11 million for the Period as gain of approximately RMB0.27 million was recorded from disposal of property, plant and equipment (six months ended 30 June 2023: nil). Besides, loss arising from deregistration of subsidiary decreased to approximately RMB1,000 during the Period (six months ended 30 June 2023: approximately RMB2.34 million). Other operating expenses also included net foreign exchange loss of approximately RMB0.13 million for the Period (six months ended 30 June 2023: approximately RMB0.80 million).

Finance Costs

Finance costs increased from approximately RMB0.48 million for the six months ended 30 June 2023 to approximately RMB3.58 million for the Period. The Group's finance costs represented interest on discounted provision for rehabilitation, interest on lease liabilities of office premises, interest on borrowings and interest on mining right payable. The increase was mainly attributable to the interest of mining right payable of approximately RMB1.33 million (six months ended 30 June 2023: nil) and the interest on borrowings of approximately RMB2.15 million (six months ended 30 June 2023: approximately RMB0.25 million).

Loss attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company slightly increased from approximately RMB9.62 million for the six months ended 30 June 2023 to approximately RMB9.74 million for the Period.

BUSINESS REVIEW

Marble and Marble-related Business

During the Period, we are continuously focusing on the development of the Yiduoyan Project, which is an open pit mine in the Hubei Province of the PRC. Since the Group was undergoing expansion works of the Yiduoyan Project during the Period, no excavation work was conducted by the Group during the Period and hence no marble block was produced and sold (six months ended 30 June 2023: nil). As a result, no revenue was derived from this business segment for the Period (six months ended 30 June 2023: nil).

Trading of Commodities Business

Revenue generated from this segment was approximately RMB44.90 million (six months ended 30 June 2023: approximately RMB11.53 million), with a gross profit margin of approximately 2.43% (six months ended 30 June 2023: approximately 0.40%).

Owing to the serious coal mining accident in Inner Mongolia which occurred in February 2023, the coal mining activities of our major suppliers were temporarily suspended and the Group's coal trading business for the six months ended 30 June 2023 was adversely affected. During the Period, revenue increased significantly to approximately RMB44.90 million as the coal trading business was resumed to normal.

THE YIDUOYAN PROJECT

The Yiduoyan Project is an open pit mine located in the Hubei Province of the PRC. On 12 July 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project, for a term of 20 years, from 12 July 2023 to 12 July 2043.

The renewed mining permit covers a mining area of 0.3973 km² and an annual production capacity of 540,000 tonnes (equivalent to approximately 200,000 m³, as compared to the permitted annual production capacity of 20,000 m³ under the original mining permit). With the increase in permitted annual production capacity, it is expected that the Group would be able to expand its mining production in the future.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

We have completed the mineral exploration works at the time of renewing the mining permit, and no further mineral exploration work was carried out for the Period. As a result, there was no expenditure on mineral exploration.

Development

Since the Group was undergoing expansion works of the Yiduoyan Project during the Period, mining operation was temporarily suspended during the Period. The Group recorded development expenditures of approximately RMB2.56 million with respect to the expansion of the Yiduoyan Project during the Period (six months ended 30 June 2023: approximately RMB3,000). A detailed breakdown of the development expenditures is set out below:

	<i>RMB'000</i>
Design service fee for expansion of mine facilities	170.0
Education and training for production safety	0.3
Forest lease prepayment	1,534.7
Purchase of office equipment	4.5
Rental of production equipment and machinery	100.0
Service fee of resource reserve verification report	750.0
Water resource fee for mine	2.9
	<hr/>
Total	<u>2,562.4</u>

Mining Operation

Since the Group was undergoing expansion works of the Yiduoyan Project during the Period, no excavation work was conducted during the Period and hence no marble block was produced and sold. As a result, the expenditure of mining activities per m³ was nil (six months ended 30 June 2023: nil).

FUTURE PROSPECTS

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:

Business Outlook

Develop marble and marble-related business

The Group remained cautiously optimistic about its future prospects of the marble business. The Group is actively exploring new customers by different ways including through the network of the senior management. We expect the current decline in the marble business to be temporary and that our business will have a stable growth in the coming years.

As disclosed in the Company's annual report for the year ended 31 December 2023 (the "**2023 Annual Report**"), on 12 July 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project, for a term of 20 years, from 12 July 2023 to 12 July 2043.

The renewed mining permit covers a mining area of 0.3973 km² and an annual production capacity of 540,000 tonnes (equivalent to approximately 200,000 m³, as compared to the permitted annual production capacity of 20,000 m³ under the original mining permit). With the increase in permitted annual production capacity, it is expected that the Group would be able to expand its mining production in the future.

The Group is currently undergoing expansion of the road between the mining surface and the main roads. Afterwards, the expansion of mining surface and construction of the mining facilities will be proceeded simultaneously. It is expected marble production can be resumed in the fourth quarter of 2024.

The Group has signed sales contract of marble with a customer, of which partial deposit has been received. The Group expects that more sales contracts can be concluded after the completion of expansion works.

Besides, we will increase product varieties and recognition through industry exchanges. As part of our future plans for acquisitive growth, we continue to carefully identify and evaluate selective acquisition opportunities.

Develop the commodities trading business

We believe that continued development of the commodities trading business will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. Other than trading of coals, we will look for other attractive opportunities whenever the same arises.

SIGNIFICANT INVESTMENTS

The Group had no material investments during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in this announcement, the Group does not have other plans for material investments and capital assets as at 30 June 2024.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

MAJOR ACQUISITIONS AND DISPOSALS DURING THE PERIOD

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 the mine and for its operations and such funds were funded by a combination of capital contribution by shareholders, borrowings from independent third parties as well as cash generated from operation.

As at 30 June 2024, the Group had cash and cash equivalents of approximately RMB44.58 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2023: approximately RMB13.09 million).

As at 30 June 2024, borrowings of the Group comprised the loan from third parties of approximately RMB59.19 million (as at 31 December 2023: approximately RMB58.12 million) which are interest bearing at 3% to 10% (as at 31 December 2023: 5% to 10%) per annum.

The gearing ratio (defined as long-term debt divided by total shareholder's equity) as at 30 June 2024 was 0.84 (as at 31 December 2023: 1.98). The current ratio of the Group as at 30 June 2024 was about 1.36 times as compared to 1.46 times as at 31 December 2023, based on current assets of approximately RMB50.04 million (as at 31 December 2023: approximately RMB18.70 million) and current liabilities of approximately RMB36.89 million (as at 31 December 2023: approximately RMB12.78 million).

CHARGES OVER THE GROUP'S ASSETS

There were no charges over the Group's assets as at 30 June 2024.

CAPITAL STRUCTURE

On 19 January 2024, a total of 175,543,200 placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HKD0.205 per placing share under the general mandate granted to the Directors by resolution of the shareholders passed at the annual general meeting of the Company held on 27 June 2023. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 877,716,000 shares to 1,053,259,200 shares. Please refer to the Company's announcements dated 5 January 2024 and 19 January 2024 for further details of the placing.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, the Group has a total of 25 full time employees (including Directors) who are located in Hong Kong and the PRC. Employees' remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries and other employees' benefits including contributions to statutory mandatory provident funds for our Hong Kong employees, and social insurance together with housing provident funds for our PRC employees. Besides, the Group also provides medical benefits and subsidies employees in various training and continuous education programmes.

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 HKD34 million (equivalent to approximately RMB30 million).

Up to 30 June 2024, the Group had used the net proceeds of the Placing as follows:

	Original allocation of net proceeds			New allocation of the remaining proceeds after the change in use of net proceeds <i>(Note)</i>			Utilisation of the remaining proceeds up to 30 June 2024		Remaining balance of net proceeds as at 30 June 2024	
	RMB			RMB		% of	RMB		RMB	
	HKD	Equivalent	% of Net	HKD	Equivalent	Remaining	HKD	Equivalent	HKD	Equivalent
	million	million	Proceeds	million	million	Proceeds	million	million	million	million
Building a processing plant to produce slabs	24	21	70.59%	-	-	-	-	-	-	-
Capital costs for expansion of production capacity of the Yiduoyan Project	-	-	-	13	11.37	56.52%	13	11.37	-	-
General working capital of the Group	10	9	29.41%	10	8.75	43.48%	10	8.75	-	-
Total	34	30	100.00%	23	20.12	100.00%	23	20.12	-	-

**Net proceeds utilised for
the Period**

	<i>HKD million</i> (unaudited)	<i>RMB Equivalent 'million</i> (unaudited)
General working capital of the Group	<u>2.68</u>	<u>2.42</u>

The following table sets out the breakdown of the use of proceeds as general working capital of the Group during the Period:

	<i>HKD million</i> (unaudited)	<i>RMB Equivalent 'million</i> (unaudited)
Administrative expenses	0.93	0.84
Capital expenditures	0.20	0.18
Professional fee	0.26	0.23
Rental costs	0.62	0.56
Staff costs	<u>0.67</u>	<u>0.61</u>
 Total	 <u>2.68</u>	 <u>2.42</u>

During the Period, the utilised net proceeds amounted to approximately HKD2.68 million and the net proceeds were fully utilised as at 30 June 2024.

Note:

On 24 August 2023, the Board resolved to change the use of the remaining proceeds as follows:

- (i) approximately HKD13 million (equivalent to approximately RMB11.37 million) to be used as capital costs for the expansion of production capacity of the Yiduoyan Project; and
- (ii) approximately HKD10 million (equivalent to approximately RMB8.75 million) for the general working capital of the Group.

For details, please refer to the announcement of the Company dated 24 August 2023.

Placing of New Shares on 19 January 2024

The net proceeds from the placing of new shares under general mandate on 19 January 2024, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HKD35.3 million (equivalent to approximately RMB32.1 million).

Up to 30 June 2024, the Group had used the net proceeds as originally intended as follows:

	Allocation of net proceeds			Utilisation up to 30 June 2024		Remaining balance of net proceeds as at 30 June 2024	
	<i>RMB</i>		<i>% of Net Proceeds</i>	<i>RMB</i>		<i>RMB</i>	
	<i>Equivalent HKD million</i>	<i>million</i>		<i>Equivalent million</i>	<i>million</i>	<i>HKD million</i>	<i>million</i>
Expansion and development of project facilities at the Yiduoyan Project	24.7	22.5	69.97%	2.7	2.5	22.0	20.0
General working capital of the Group	10.6	9.6	30.03%	4.6	4.1	6.0	5.5
Total	35.3	32.1	100.00%	7.3	6.6	28.0	25.5

Net proceeds utilised for the Period

	<i>RMB</i>	
	<i>Equivalent HKD million</i>	<i>million</i>
	(unaudited)	(unaudited)
Expansion and development of project facilities at the Yiduoyan Project	2.70	2.50
General working capital of the Group	4.56	4.14
Total	7.26	6.64

The following table sets out the breakdown of the use of proceeds as general working capital of the Group during the Period:

	<i>HKD million</i> (unaudited)	<i>RMB Equivalent million</i> (unaudited)
Administrative expenses	1.20	1.09
Professional fee	0.35	0.31
Rental costs	1.24	1.13
Staff costs	1.77	1.61
	<hr/>	<hr/>
Total	4.56	4.14
	<hr/> <hr/>	<hr/> <hr/>

The Group intends to use the remaining proceeds of approximately HKD22 million and HKD6 million for expansion and development of project facilities at the Yiduoyan Project and general working capital of the Group respectively by 31 December 2024.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group did not have any significant capital commitments and contingent liabilities as at 30 June 2024.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's monetary assets and transactions are mainly denominated in Hong Kong dollars (“**HKD**”) and Renminbi (“**RMB**”). During the Period, the Group did not use financial instruments for hedging purposes. The Group will continue to monitor the related foreign currency exposure and will take necessary procedures to reduce the currency risks arising from the fluctuations in exchange rates at reasonable costs.

OTHER MATTERS

During the course of the audit for the year ended 31 December 2022, it has come to the Company's attention that the Beijing branch of Shengjing Bank Co., Ltd.* (盛京銀行股份有限公司北京分行) (the "**Bank**") has, on 20 May 2022, applied and obtained an order from the Security Bureau in Faku County, Shenyang, the PRC (瀋陽市法庫縣公安局) to freeze the registered capital in the amount of RMB10 million (the "**Subject Registered Capital**") of Xiangyang Future Bright Mining Limited* (襄陽高鵬礦業有限公司) ("**XYFB**") (representing approximately 50% of the registered capital of XYFB) held by Future Bright (H.K.) Investment Limited ("**FBHK**") (the "**Order**"). Both XYFB and FBHK are wholly-owned subsidiaries of the Company. Under the Order, no transfer of the Subject Registered Capital is allowed.

Based on subsequent enquiries made by the Company, the Order was made in relation to a loan dispute (the "**Loan Dispute**") involving Mr. Li Yuguo ("**Mr. Li**"), the then executive Director (resigned on 23 May 2024) and former controlling shareholder (ceased on 23 January 2024) of the Company, and the Bank.

As advised by the PRC legal advisers to the Company, there is currently nothing to indicate that XYFB or FBHK (i) is involved in or otherwise connected with the Loan Dispute; and (ii) has provided any form of guarantee, security or assets pledge to the Bank in relation to the Loan Dispute. Based on the information currently available, the PRC legal advisers are of the view that the Order does not have any direct impact on the normal business operations of the Group.

The Company has been closely following up with Mr. Li on the above with a view of discharging the Order and will seek appropriate legal advice where necessary. The Directors confirm that, to the best of their knowledge and information having made all reasonable enquiries, the Group has not provided any form of guarantee, security or assets pledge to the Bank in relation to the Loan Dispute. As at the date of this announcement, the Directors are of the view that the Order did not have any material impact on the Group's operations. The Company will closely monitor any development and announce any updates once available.

* *For identification purposes only*

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and 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 set out in Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). During the Period, 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.

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 C3 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

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2024 and up to the date of this announcement.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

The Audit Committee of the Board consists of all INEDs, namely Ms. Wong Wan Lung, Prof. Lau Chi Pang *J.P.* and Mr. Wang Xiaolong. 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 2024 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com). The 2024 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
Xue Yunfei
Executive Director

Hong Kong, 26 August 2024

As at the date of this announcement, the executive Directors are Mr. Sun Hailong, Mr. Xue Yunfei and Mr. Yang Jiantong; the non-executive Directors are Mr. Chen Jin and Ms. Zhu Min; and the independent non-executive Directors are Prof. Lau Chi Pang J.P., Mr. Wang Xiaolong and Ms. Wong Wan Lung.