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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2212)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Key Financial Highlights

	2018 *RMB'000*	2017 *RMB'000*	Change
RESULTS			
Revenue	**38,746**	42,540	(8.92%)
Gross profit	**8,506**	9,930	(14.34%)
Loss before tax	**(49,766)**	(42,397)	17.38%
Income tax credit/(expense)	**113**	(831)	(113.60%)
Loss for the year	**(49,653)**	(43,228)	14.86%
Attributable to:			
Owners of the Company	**(49,528)**	(43,171)	14.73%
Basic and diluted			
For loss for the year	**RMB1.28 cents**	RMB1.16 cents	10.34%

	2018 *RMB'000*	2017 *RMB'000*	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Company	**83,089**	129,695	(35.94%)
Total assets	**111,971**	143,644	(22.05%)
Net assets per share	**RMB0.023**	RMB0.035	(34.29%)

- Revenue decreased by 8.92% to approximately RMB38.75 million.
- Gross profit decreased by 14.34% to approximately RMB8.51 million.
- Gross profit margin decreased by 5.96% to approximately 21.95%.
- Loss attributable to owners of the Company increased by 14.73% to approximately RMB49.53 million.
- Basic and diluted loss per share was RMB1.28 cents (2017: RMB1.16 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

The board (the "**Board**") of directors (the "**Directors**") of Future Bright Mining Holdings Limited (the "**Company**") hereby presents the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2018 (the "**Year**") as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	**2018** *RMB'000*	2017 *RMB'000*
REVENUE	*5*	**38,746**	42,540
Cost of sales		**(30,240)**	(32,610)
Gross profit		**8,506**	9,930
Other income and gains	*5*	**1,823**	2,109
Selling and distribution expenses		**(6,623)**	(2,251)
Administrative expenses		**(21,191)**	(48,927)
Other expenses		**(23,298)**	(2,115)
Impairment losses on financial assets		**(6,567)**	—
Losses on change in fair value of financial assets at fair value through profit or loss		**(2,342)**	(1,073)
Finance costs	*6*	**(74)**	(70)
LOSS BEFORE TAX	*7*	**(49,766)**	(42,397)
Income tax credit/(expense)	*8*	**113**	(831)
LOSS FOR THE YEAR		**(49,653)**	(43,228)
Attributable to:			
Owners of the Company		**(49,528)**	(43,171)
Non-controlling interests		**(125)**	(57)
		(49,653)	(43,228)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*10*		
Basic and diluted			
For loss for the year		**RMB1.28 cents**	RMB1.16 cents
Dividend		**Nil**	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2018	2017
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(49,653)**	(43,228)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**3,404**	(3,565)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**3,404**	(3,565)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(46,249)**	(46,793)
Attributable to:		
Owners of the Company	**(46,602)**	(46,736)
Non-controlling interests	**353**	(57)
	(46,249)	(46,793)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2018 RMB'000	2017 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**11,848**	19,420
Long-term prepayments		**618**	754
Goodwill		**—**	4,249
Other intangible assets		**22,074**	35,940
Total non-current assets		**34,540**	60,363
CURRENT ASSETS			
Inventories	*11*	**3,869**	2,387
Trade receivables	*12*	**31,071**	34,285
Prepayments, other receivables and other assets	*13*	**23,036**	9,998
Financial assets at fair value through profit or loss	*14*	**8,774**	11,489
Loans receivable	*15*	**8,026**	5,852
Cash and cash equivalents		**2,655**	19,270
Total current assets		**77,431**	83,281
CURRENT LIABILITIES			
Trade payables	*16*	**480**	150
Other payables and accruals	*17*	**9,345**	2,464
Tax payable		**84**	474
An amount due to the ultimate controlling shareholder		**4,152**	—
Total current liabilities		**14,061**	3,088
NET CURRENT ASSETS		**63,370**	80,193
TOTAL ASSETS LESS CURRENT LIABILITIES		**97,910**	140,556
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**9,395**	9,810
Provision for rehabilitation		**1,182**	1,108
Total non-current liabilities		**10,577**	10,918
Net assets		**87,333**	129,638
EQUITY			
Equity attributable to owners of the Company			
Share capital		**3,087**	3,087
Reserves		**80,002**	126,608
		83,089	129,695
Non-controlling interests		**4,244**	(57)
Total equity		**87,333**	129,638

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 23 August 2013 under the Companies Law, Chapter 22 of the Cayman Islands. The registered office address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 16/F., Guangdong Finance Building, 88 Connaught Road West, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**") and International Accounting Standards ("**IASs**") and Standing Interpretations Committee interpretations approved by the International Accounting Standards Committee and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has applied its accounting policies consistently throughout the financial period ended 31 December 2017 and 2018.

3. APPLICATION OF REVISED STANDARDS AND NEW INTERPRETATION

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

Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*
IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
Amendments to IFRS 15	*Clarifications to IFRS 15 Revenue from Contracts with customers*
Amendments to IAS 40	*Transfers of Investment Property*
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	Amendments to IFRS 1 and IAS 28

Other than as explained below regarding the impact of IFRS 9 and IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

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

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment.

The adoption of IFRS 9 had no significant impact on the company's classification and measurement, impairment and reserves and accumulated losses at 1 January 2018.

IFRS 15 and its amendments replace IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The disclosures are included in note 5 to the financial statements. As a result of the application of IFRS 15, the Group has changed the accounting policy with respect to revenue recognition.

The Group has adopted IFRS 15 using the modified retrospective method of adoption.

There was no financial impact of the transition to IFRS 15 on the Group's accumulated losses at 1 January 2018.

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

Amendments to IFRS 3	*Definition of a Business*[2]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
IFRS 16	*Leases*[1]
IFRS 17	*Insurance Contracts*[3]
Amendments to IAS 1 and IAS 8	*Definition of Material*[2]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[1]
Amendments to IAS 28	*Long-term interests in Associates and Joint Ventures*[1]
IFRIC 23	*Uncertainty over Income Tax Treatments*[1]
Annual Improvements 2015–2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2020
3 Effective for annual periods beginning on or after 1 January 2021
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRSs that are expected to be applicable to the Group described below.

Other than as further explained below regarding the impact of IFRS 16 and IFRIC 23, IAS 1 and IAS 8 the Group expects that the adoption of the new and revised IFRSs will have no significant financial effect on the Group's results of operations and financial position.

IFRS 16, replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC 15 *Operating Leases — Incentives* and SIC 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 recognise assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees — leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be 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 the date of initial application.

The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of RMB1,965,000 and lease liabilities of RMB1,841,000 will be recognised at 1 January 2019, with a corresponding adjustment to the opening balance of retained earnings.

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

IFRIC 23, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group's financial statements.

4. OPERATING SEGMENT INFORMATION

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

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

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

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

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

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

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

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

Year ended 31 December 2018	Marble blocks *RMB'000*	Commodity trading *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*				
Sales to external customers	**7,854**	**30,892**	**—**	**38,746**
Intersegment sales	**2,852**	**—**	**—**	**2,852**
	10,706	**30,892**	**—**	**41,598**
Reconciliation:				
Elimination of intersegment sales				**(2,852)**
Revenue				**38,746**
Segment results	**(21,029)**	**(7,284)**	**(4,041)**	**(32,354)**
Reconciliation:				
Elimination of intersegment results				**897**
Interest income				**1,375**
Finance costs				**(74)**
Corporate and other unallocated expenses				**(19,610)**
Loss before tax				**(49,766)**
Segment assets	**54,556**	**56,954**	**8,464**	**119,974**
Reconciliation:				
Elimination of intersegment receivables				**(19,778)**
Corporate and other unallocated assets				**11,775**
Total assets				**111,971**
Segment liabilities	**22,552**	**5,933**	**37**	**28,522**
Reconciliation:				
Elimination of intersegment payables				**(19,778)**
Corporate and other unallocated liabilities				**15,894**
Total liabilities				**24,638**
Other segment information:				
Depreciation and amortisation	**4,505**	**1,020**	**341**	**5,866**
Capital expenditure	**320**	**10**	**—**	**330**

Year ended 31 December 2017	Marble blocks *RMB'000*	Commodity trading *RMB'000*	Others *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	15,079	27,461	—	42,540
Intersegment sales	1,133	—	—	1,133
	16,212	27,461	—	43,673
Reconciliation:				
Elimination of intersegment sales				(1,133)
Revenue				42,540
Segment results	1,384	(2,766)	(37)	(1,419)
Reconciliation:				
Elimination of intersegment results				(570)
Interest income				517
Finance costs				(70)
Corporate and other unallocated expenses				(40,855)
Loss before tax				(42,397)
Segment assets	80,812	39,094	6,551	126,457
Reconciliation:				
Elimination of intersegment receivables				(18,301)
Corporate and other unallocated assets				35,488
Total assets				143,644
Segment liabilities	21,654	337	4	21,995
Reconciliation:				
Elimination of intersegment payables				(18,301)
Corporate and other unallocated liabilities				10,312
Total liabilities				14,006
Other segment information:				
Depreciation and amortisation	4,694	367	—	5,061
Capital expenditure*	4	1,099	432	1,535

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

Geographical information

(a) Revenue from external customers

	2018	2017
	RMB'000	*RMB'000*
Hong Kong	**22,015**	25,526
Mainland China	**16,731**	17,014
	38,746	42,540

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

(b) Non-current assets

	2018	2017
	RMB'000	*RMB'000*
Hong Kong	**1,187**	6,077
Mainland China	**33,353**	54,286
	34,540	60,363

The non-current asset information above is based on the locations of the assets.

Information about major customers

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

	2018	2017
	RMB'000	*RMB'000*
Customer A	**7,294**	—
Customer B	**4,728**	—
Customer C	**4,366**	—
Customer D	**4,128**	—
Customer E	**—**	14,463
Customer F	**—**	8,017
Customer G	**—**	7,551

5. REVENUE, OTHER INCOME AND GAINS

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

An analysis of revenue is as follows:

	2018	2017
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**38,746**	42,540

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2018

Segments	**Marble blocks**	**Commodity trading**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Type of goods or services				
Sale of goods	**7,854**	**30,892**	**—**	**38,746**
Geographical markets				
Hong Kong	**—**	**22,015**	**—**	**22,015**
Mainland China	**7,854**	**8,877**	**—**	**16,731**
Total revenue from contracts with customers	**7,854**	**30,892**	**—**	**38,746**
Timing of revenue recognition				
Goods transferred at a point in time	**7,854**	**30,892**	**—**	**38,746**
Revenue from contracts with customers				
External customers	**7,854**	**30,892**	**—**	**38,746**
Intersegment sales	**2,852**	**—**	**—**	**2,852**
	10,706	**30,892**	**—**	**41,598**
Intersegment adjustments and eliminations	**(2,852)**	**—**	**—**	**(2,852)**
Total revenue from contracts with customers	**7,854**	**30,892**	**—**	**38,746**

There are no revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods.

(ii) Performance obligations

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 180 days from delivery, except for new customers, where payment in advance is normally required.

There are no transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018.

	2018	2017
	RMB'000	*RMB'000*
Other income		
Interest income from loans receivable	**1,360**	496
Bank interest income	**15**	21
Rendering of services	**448**	382
Others	**—**	29
	1,823	928
Gains		
Foreign exchange differences, net	**—**	1,181
	1,823	2,109

6. FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Interest on discounted provision for rehabilitation	**74**	70

7. LOSS BEFORE TAX

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

	2018	2017
	RMB'000	*RMB'000*
Cost of inventories sold	**30,240**	32,610
Staff costs (including directors' remuneration):		
Wages and salaries	**9,147**	7,998
Equity-settled share option expense	**—**	29,105
Pension scheme contributions	**207**	372
	9,354	37,475
Auditor's remuneration	**1,185**	1,155
Amortisation of intangible assets	**2,966**	2,386
Amortisation of a long-term prepayment	**140**	92
Depreciation of items of property, plant and equipment	**2,760**	2,916
Fair value losses of financial assets at fair value through profit or loss	**2,342**	1,073
Foreign exchange differences, net	**1,384**	(1,181)
Impairment of goodwill	**4,453**	—
Impairment of trade receivables *(note 12)*	**3,325**	—
Impairment of financial assets included in prepayments, other receivables and other assets *(note 13)*	**256**	—
Impairment of loans receivable *(note 15)*	**2,986**	—
Impairment of property, plants and equipment	**4,872**	—
Impairment of long-term prepayments	**316**	—
Impairment of other intangible assets	**10,919**	—
Minimum lease payments under operating leases	**2,252**	1,950

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.

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

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 year ended 31 December 2018. The Group's subsidiaries located in Mainland China were subject to the PRC CIT rate of 25% during the year ended 31 December 2018.

	2018	2017
	RMB'000	*RMB'000*
Current — Mainland China		
Charge for the year	**—**	1,030
Underprovision in prior years	**224**	16
Current — Hong Kong		
Charge for the year	**82**	—
Deferred	**(419)**	(215)
Total tax (credit)/charge for the year	**(113)**	831

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

	2018	2017
	RMB'000	*RMB'000*
Loss before tax	**(49,766)**	(42,397)
Tax at the statutory tax rate of 25%	**(12,442)**	(10,599)
Tax effect of different taxation rates in other tax jurisdictions	**4,492**	9,381
Adjustments in respect of current tax of previous years	**224**	16
Expenses not deductible for tax	**56**	1,115
Tax losses not recognised	**2,196**	918
Tax effect of temporary differences not recognised	**5,361**	—
Income tax (credit)/charge at the Group's effective rate	**(113)**	831

9. DIVIDENDS

The Board of directors does not recommend the payment of dividends to the ordinary equity holders of the Company for the year ended 31 December 2018 (2017: Nil).

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 3,870,000,000 (2017: 3,734,684,932) in issue during the year.

No adjustment had been made to the basic loss per share amounts presented for the years ended 31 December 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 (2017: Nil).

The calculation of basic loss per share is based on:

	2018	2017
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company	**(49,528)**	(43,171)

	Number of shares	
	2018	2017
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,870,000,000**	3,734,684,932

11. INVENTORIES

	2018	2017
	RMB'000	*RMB'000*
Finished goods	**2,584**	718
Materials and supplies	**1,285**	1,669
	3,869	2,387

12. TRADE RECEIVABLES

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**34,405**	34,285
Impairment	**(3,334)**	—
	31,071	34,285

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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

	2018	2017
	RMB'000	*RMB'000*
Within 6 months	**8,422**	12,673
6 months to 12 months	**107**	16,346
Over 12 months	**22,542**	5,266
	31,071	34,285

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

	2018	2017
	RMB'000	*RMB'000*
At beginning of year	**—**	—
Impairment losses *(note 7)*	**3,325**	—
Exchange differences on translation of foreign operations	**9**	—
At end of year	**3,334**	—

Impairment under IFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for each customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

			Past due		
		Less than	**3 to 6**	**Over**	
	Current	**3 month**	**months**	**6 months**	**Total**
Expected credit loss rate	**3%**	**3.75%**	**4.26%**	**23.18%**	**9.69%**
Gross carrying amount (RMB'000)	**8,681**	**1,973**	**13,241**	**10,510**	**34,405**
Expected credit losses (RMB'000)	**260**	**74**	**564**	**2,436**	**3,334**

Impairment under IAS 39 for the year ended 31 December 2017

The ageing analysis of the trade receivables as at 31 December 2017 that were not individually nor collectively considered to be impaired under IAS 39 is as follows:

	2017
	RMB'000
Neither past due nor impaired	29,019
1 to 3 months past due	—
3 to 6 months past due	—
Over 6 months past due	5,266
	34,285

Receivables that were neither past due nor impaired relate to a customer for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, the directors of the Company were of the opinion that no provision for impairment under IAS 39 was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered fully recoverable.

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2018	2017
	RMB'000	*RMB'000*
Prepayments	**18,942**	2,938
Deposits and other receivables	**4,050**	6,700
Interests receivable	**262**	234
Others	**44**	126
	23,298	9,998
Impairment allowance	**(262)**	—
	23,036	9,998

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

	2018	2017
	RMB'000	*RMB'000*
At beginning of year	**—**	—
Impairment losses *(note 7)*	**256**	—
Exchange differences on translation of foreign operations	**6**	—
At end of year	**262**	—

Deposits and other receivables mainly represent rental deposits and deposits with suppliers. Where applicable, an impairment analysis is performed at each reporting date by considering the probability of default of comparable companies with published credit ratings. In the situation where no comparable companies with credit ratings can be identified, expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. The loss rate applied for where there are no comparable companies as at 31 December 2018 was 6%.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	RMB'000	*RMB'000*
Listed equity investments, at fair value	**8,774**	11,489

The above equity investments at 31 December 2018 were classified as financial assets at fair value through profit or loss.

15. LOANS RECEIVABLE

	Note	2018 *RMB'000*	2017 *RMB'000*
Loans receivable due from			
— Third parties	*(a,b,c)*	**11,082**	5,852
Less: Impairment		**(3,056)**	—
		(8,026)	(5,852)

(a) On 15 March 2018, Future Bright Finance, a subsidiary within the Group, signed loan agreements to extend two loans, each loan amounting to HKD3,500,000 (equivalent to approximately RMB3,067,000) to two third parties. These loans are pledged by each borrower's securities accounts, within which the value of share is not less than HKD5,000,000, bear interest at a fixed rate of 24% per annum and have a maturity date on 28 August 2018, respectively.

(b) On 15 March 2018, Future Bright Finance signed a loan agreement to provide a loan amounting to HKD2,648,000 (equivalent to approximately RMB2,320,000) to a third party. The loan is secured by personal guarantee, bear interest at a fixed rate of 12% per annum and have a maturity date on 18 October 2018.

(c) On 16 April 2018, Future Bright Finance signed a loan agreement to provide a loan, amounting to HKD3,000,000 (equivalent to approximately RMB2,628,000) to a third party. The loan is pledged by borrower's securities accounts, within which the value of share is not less than HKD5,000,000, bear interest at a fixed rate of 15% per annum and have a maturity date on 18 October 2018.

An impairment analysis is performed at each reporting date. The stage 3 lifetime approach is used, and the assumptions are based on the repayments of interest, the value of the pledged security accounts and the expected repayment period of the loan. As at 31 December, an impairment allowance of RMB3,056,000 as provided (2017: nil) as the above loans had expired and no extension agreements had been signed.

The movements in the loss allowance for impairment of loans receivable are as follows:

	2018 *RMB'000*	2017 *RMB'000*
At beginning of year	**—**	—
Impairment losses *(note 7)*	**2,986**	—
Exchange differences on translation of foreign operations	**70**	—
At end of year	**3,056**	—

16. TRADE PAYABLES

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

	2018	2017
	RMB'000	*RMB'000*
Within 1 month	**—**	150
1 to 2 months	**—**	—
2 to 3 months	**—**	—
Over 3 months	**480**	—
	480	150

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

17. OTHER PAYABLES AND ACCRUALS

		2018	2017
	Notes	***RMB'000***	*RMB'000*
Payroll accruals		**1,274**	770
Other payables	*(a)*	**2,428**	1,694
Accrued expenses		**1,752**	—
Contract liabilities	*(b)*	**3,891**	—
		9,345	2,464

Notes:

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

(b) Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

	31 December 2018	1 January 2018
	RMB'000	*RMB'000*
Short-term advances received from customers		
Sale of goods	**3,891**	—
Total contract liabilities	**3,891**	—

Contract liabilities include short-term advances received to provide goods to customers. The increase in contract liabilities in 2018 was mainly due to the increase in short-term advances received from customers in relation to the sale of goods at the end of the year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Year, the Group's operating revenue was approximately RMB38.75 million, which represented a decrease of approximately 8.92% as compared to the operating revenue of approximately RMB42.54 million for the year of 2017 (the "**FY2017**"). The decrease in revenue was mainly due to the decrease in revenue generated from sale of marble blocks during the Year. The following table sets forth the breakdown of the Group's revenue by product categories for the Year:

	2018			2017		
	RMB'000	***Percentage to total revenue***	***Gross profit margin***	*RMB'000*	*Percentage to total revenue*	*Gross profit margin*
Marble blocks	**7,854**	**20.27%**	**71.45%**	15,079	35.45%	55.50%
Commodity trading	**30,892**	**79.73%**	**9.37%**	27,461	64.55%	5.68%
Total	**38,746**	**100%**	**21.95%**	42,540	100%	23.34%

Cost of Sales

The Group's cost of sales decreased from approximately RMB32.61 million for FY2017 to approximately RMB30.24 million for the Year, representing a decrease of approximately 7.27%. This was in line with lower sales recorded for the Year. The cost of sales represented costs of products purchased from third parties, which represented approximately 92.58% of the total cost of sales, and the marble blocks mining costs, which represented approximately 7.42% of the total cost of sales and mainly included mining labour costs, materials consumption, fuel, electricity, depreciation of production equipment and amortisation of mining rights.

Gross Profit and Gross Profit Margin

The gross profit of the Group amounted to approximately RMB8.51 million and the gross profit margin was approximately 21.95% for the Year, which represented a decrease of approximately 14.34% as compared with gross profit for FY2017 of approximately RMB9.93 million (FY2017: gross profit margin of approximately 23.34%). The decrease in gross profit margin was mainly due to the significant drop of sales of marble blocks which in turn lead to the decrease in average gross profit margin of the Group.

Other Income and Gains

Other income and gains for the Year were approximately RMB1.82 million, which represented a decrease of approximately RMB0.29 million as compared to the other income and gains of approximately RMB2.11 million for the FY2017. The decrease was mainly due to decrease in the foreign exchange gain during the Year (FY2017: foreign exchange gain of approximately RMB1.18 million). The interest income generated from the money lending business in the Year amounted to approximately RMB1.36 million (FY2017: RMB0.50 million). Other income and gains mainly comprised the bank interest income, loan interest income, and rendering of services income during the Year.

Selling and Distribution Expenses

Selling and distribution expenses, which mainly consisted of transportation fee, salaries and wages of the Group's sales and distribution staff and their entertainment and travelling expenses, were approximately RMB6.62 million for the Year (FY2017: approximately RMB2.25 million), representing approximately 17.09% of the revenue for the Year (FY2017: approximately 5.29%).

Administrative Expenses

Administrative expenses significantly decreased by approximately RMB27.74 million or 56.69% from approximately RMB48.93 million for the FY2017 to approximately RMB21.19 million for the Year. The decrease was mainly due to no share options were granted during the Year. Administrative expenses mainly included the legal and professional fees, consultancy fees, rental and salaries of staff.

Other Expenses

Other expenses mainly included charitable donations, impairment losses on non-financial assets and fair value losses of equity investments at fair value through profit or loss and for the Year. Charitable donations made by the Group during the Year amounted to approximately HK$1.51 million (FY2017: HK$2.4 million). As at 31 December 2018, the directors of the Company performed impairment assessment on the non-financial assets of the marble block operating segment and the goodwill allocated to the money lending segment. Impairment of RMB16.1 million and RMB4.4 million has been provided during the Year (FY2017: Nil).

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

As at 31 December 2018, the Group had current equity investments at fair value through profit or loss of approximately RMB8.77 million which were investments in various listed shares. The Group recorded net fair value loss of the equity investments of approximately RMB2.34 million for the Year (FY2017: loss of RMB1.07 million).

Loss Attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company was approximately RMB49.53 million for the Year (FY2017: loss of approximately RMB43.17 million). The increase of loss was mainly attributable to the increase in the selling and distribution expenses and impairment losses on financial assets and non-financial assets during the Year.

Consolidated Statements of Financial Position of the Company

As at 31 December 2018, the Group had net current assets of approximately RMB63.37 million (as at 31 December 2017: approximately RMB80.19 million) and total assets less current liabilities of approximately RMB97.91 million (as at 31 December 2017: approximately RMB140.56 million). The decrease in net assets was mainly attributable to the loss for the Year.

BUSINESS REVIEW

Marble and Marble-related Business

During the Year, we have been focusing on the development of the Yiduoyan Project, which is an open pit mine located in Hubei Province of the People's Republic of China (the "**PRC**"). A total of 5,526 m^3 of marble blocks had already been produced and 3,824 m^3 of marble blocks had already been sold. The revenue generated from this business segment during the Year amounted to approximately RMB7.8 million.

We will increase product varieties 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 extensive industry expertise to further enhance our competitiveness. Our objective is to become a well-known marble blocks supplier in the PRC.

Trading of Commodities Business

We have a business segment on the trading of commodities which are mainly metal ore products and granite slabs and the revenue generated from commodity trading business in the Year amounted to approximately RMB30.89 million. During the Year, the Group has three joint venture companies in Hong Kong and the PRC which are principally engaged in the trading of commodities. In order to focus on our core business, we have disposed of two joint venture companies in Hong Kong subsequent to the end of the reporting period, details of which are set out in the announcement of the Company dated 15 March 2019 and 22 March 2019.

Money Lending Business

During the Year, the Group also engaged in money lending business as a holder of the Money Lenders License under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong). The other income generated from this business segment during the Year amounted to approximately RMB1.36 million.

Subsequent to the end of the reporting period, the Group entered into sale and purchase agreement to dispose of the entire issued share capital of the subsidiary in order to focus on the core business, details of which are set out in the announcement of the Company dated 20 March 2019.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

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

For the Year, no further mineral exploration was carried out. As a result, there was no expenditure on mineral exploration.

Development

In March 2018, we provided all the staffs 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 took exams again. Moreover, all staff have undergone occupational health examination. As such, we further consummated the staff training and examination files and occupational health records. In April 2018, we required all staffs to carry out self-examination and rectification on mining safety hazards, and carried on thorough inspection and maintenance for all production equipment to ensure that they operate safely in the production process; and we also screened, assessed and eliminated potential risks of the mine.

For the year ended 31 December 2018, the Group recorded safety production expenditure of approximately RMB621,700 with respect to the expansion of Yiduoyan marble mine, which mainly comprised the procurement and preparation of production safety signs, distribution of labour protection supplies, regular education and training for production safety, safety rescue agreement, education and training for occupational health, occupational health check, repair and maintenance of production equipments and machineries, technical consulting service fee for environmental assessment, soil and water conservation scheme, mine resources, mine safety and extension of safety production permit.

The detailed classification of development expenditures during the Year is as follows:

	RMB'000
Production safety signs	2.8
Labour protection supplies	5
Education and training for production safety	0.8
Safety rescue agreement	8
Education and training for occupational health	5.6
Technical consulting service fee for environmental assessment	120
Production safety liability insurance	8.5
Technical consultation service fee for mine safety	15
Occupational health check	5
Repair and maintenance of production equipments and machineries	101
Consultation service fee for soil and water conservation scheme	120
Consultation fee for extension of safety production permit	80
Technical consultation service fee for mine resources	150
	621.7

Mining Operation

During the Year, we carried out the destocking of marble block inventories of the mine. As at 31 December 2018, we had realised sales of 3,824 m^3 of marble blocks. In the first half of the Year, we had conducted detailed inspection, testing and preparation works on 540, 532, 524 horizontal platforms respectively and two mining benches. During the Year, our Yiduoyan marble mine block production amounted to 5,526 m^3. It also laid a solid foundation for the commencement of mining in next year.

During the Year, the expenditure on mining activities of the Group was approximately RMB6,927,869. The expenditure of mining activities was approximately RMB1,254 per m^3 (2017: approximately RMB1,047 per m^3).

RESOURCE AND RESERVE

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

Yiduoyan Project's marble resource statement as at 31 December 2018

Resource Category	White marble V-1 *(million m³)*	Grey marble V-2 *(million m³)*	Total *(million m³)*
Inferred	1.80	1.50	3.30
Indicated	5.48	1.80	7.28
Total	7.28	3.30	10.58

Yiduoyan Project's marble reserve statement as at 31 December 2018

Reserve Category	White marble V-1 *(million m³)*	Grey marble V-2 *(million m³)*	Total *(million m³)*
Probable	0.86	0.04	0.90

Note:

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

(2) There was no material change in these estimates during the period from 30 June 2014 to 31 December 2018.

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

MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 3 May 2018, Guangdong Future Bright Materials Limited* (廣東高鵬建材有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Huaian County Huaxin Mining Company Limited* (懷安縣華鑫礦業有限公司) ("**Target Company**"). The Target Company is a limited liability company established in the PRC on 22 October 2008 with registered capital of RMB5 million and with 525,000 m^3 of marble resource and 0.060 km^2 of marble mines, and is engaged in drilling, processing and sales of diabase for construction in the PRC. The terms of the proposed acquisition are subject to further negotiation and the signing of a formal sale and purchase agreement within 180 days after the date of the memorandum of understanding or such longer period as extended by mutual agreement between the parties. For details, please refer to the announcements of the Company dated 3 May 2018. After the expiry of the 180 days and up to the date of this announcement, there was no formal sale and purchase agreement signed.

* *For identification purpose only*

On 28 May 2018, the Company announced that, as no formal sale and purchase agreement has been entered into between Xiangyang Future Bright Mining Limited* (襄陽高鵬礦業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company and Mr. Wu Yuanwang* (吳元旺) in connection with the proposed acquisition of 51% equity interest in Jiangxi Yi Wang Mining Company Limited* (江西億旺礦業有限公司) within the exclusivity period, the memorandum of understanding has been automatically terminated. For details, please refer to the Company's announcements dated 15 November 2017 and 28 May 2018.

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

PRINCIPAL RISKS AND UNCERTAINTIES

Limited operating history

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

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

Single mining project

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

Inherently high-risk industry

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

* *For identification purpose only*

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

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

Limited number of customers

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

Operating risks and hazards

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

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

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

In order to minimise the risk of exposure to market risks, we will seek to:

(i) broaden our potential customer base so that even if any of our existing customers terminates the sales contract, we can minimise the impact of the loss of any one customer and secure orders from other potential customers to replace any loss of business on comparable terms; and

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

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:

Develop the Yiduoyan Project

We will continue to develop the Yiduoyan Project. However, in view of the slowdown in economic growth in the PRC, the Company has been slowing down the pace of development of the Yiduoyan Project. The Company did not carry out any exploration activities during the Year and up to the date of this announcement.

Develop product recognition

We believe that recognition of our marble block products among industry professionals is critical to our development and success. As such, we intend to increase promotion of our marble block products in selected trade and other high-end decorative surfacing stone magazines, as well as attend industry forums, trade fairs and exhibitions to establish communications with industry professionals, major dimension stone processors and construction and decoration companies. Moreover, to achieve further recognition of our marble block products, we plan to market our marble block products for use in landmark construction projects, such as high-end hotels and major commercial buildings, where our marble block products can be prominently displayed and showcased. In doing so, we believe that we will be able to keep abreast of the industry trends, which will enable us to strengthen our corporate profile, enhance our business and achieve product recognition among both industry professionals and end customers.

Expand our resource and reserve through further and selective acquisitions

As part of our future plans for acquisitive growth, we plan to continue to carefully 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.

Develop the commodities trading business

We believe that continued development of the trading of commodities will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance.

Money lending business

Due to keen market competition and the challenging environment, risks associated with the possible default by the borrowers and decline in lending interest rates, we have disposed of and ceased the operation of its money lending business subsequent to the end of the reporting period.

SEGMENT INFORMATION

Particulars of the Group's segment information are set out in note 4 to the financial statements of this announcement.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

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

As at 31 December 2018, the Group had cash and cash equivalents of approximately RMB2.66 million which were denominated in Hong Kong dollars and Renminbi (2017: approximately RMB19.27 million).

The Group had no borrowings as at 31 December 2018. Therefore, the gearing ratio (defined as long term debt divided by total shareholder's equity) is not applicable. The current ratio of the Group as at 31 December 2018 was about 5.51 times as compared to 26.97 times as at 31 December 2017, based on current assets of approximately RMB77.43 million (as at 31 December 2017: approximately RMB83.28 million) and current liabilities of approximately RMB14.06 million (as at 31 December 2017: approximately RMB3.09 million).

CAPITAL STRUCTURE

There had been no material change in the capital structure of the Group since 31 December 2017.

EMPLOYEES

As at 31 December 2018, the Group employed a total of approximately 50 full time employees in Hong Kong and the PRC. The total staff costs (including directors' emoluments) were approximately RMB9.35 million for the Year.

Employees' remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries and other employees' benefits including contributions to statutory mandatory provident funds for our Hong Kong employees, and social insurance together with housing provident funds for our PRC employees. Share options may also be granted to eligible employees.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2018, the Group had authorised, but not contracted for capital commitments of approximately RMB27.75 million, which are primarily for the construction and purchase of property, plant and equipment for our development purpose.

The Group had no significant contingent liabilities as at 31 December 2018.

CHARGES OVER GROUP'S ASSETS

The Group had no charges over the Group's assets as at 31 December 2018.

SIGNIFICANT INVESTMENTS

For the Year, the Group had significant investments in equity securities of companies listed on the Stock Exchange which were classified as held for trading and the performance of such equity securities are as follows:

Stock code	Name of Investee company	Number of shares held	Percentage of share capital owned by the Group	Investment cost *(HK$)*	Market value as at 31 December 2018 *(HK$)*	Unrealised gain/(loss) on change in fair value for year ended 31 December 2018 *(HK$)* *(Note 1)*
1227	National Investments Fund Limited *(Note 2)*	21,000,000	0.49%	2,381,583.14	483,000	(1,898,583.14)
1323	Newtree Group Holdings Ltd *(Note 3)*	4,700,000	0.19%	2,099,064.96	2,491,000	391,935.04
2312	China Financial Leasing Group Limited *(Note 4)*	1,980,000	0.12%	775,394.89	752,400	(22,994.89)
8085	Hong Kong Life Sciences and Technologies Group Ltd. *(Note 5)*	3,660,000	0.06%	388,497.18	131,760	(256,737.18)
8331	Feishang Non-metal Materials Technology Limited (currently known as Hang Kan Group Limited) *(Note 6)*	2,200,000	0.33%	1,280,615.29	528,000	(752,615.29)
8425	Hing Ming Holdings Limited *(Note 7)*	3,100,000	0.78%	2,551,194.41	4,495,000	1,943,805.59
8437	RMH Holdings Limited *(Note 8)*	3,656,000	0.61%	1,845,221.36	1,060,240	(784,981.36)
8482	Wan Leader International Limited *(Note 9)*	140,000	0.02%	49,529.18	48,300	(1,229.18)
8547	Pacific Legend Group Limited *(Note 10)*	100,000	0.01%	24,888.91	24,500	(388.91)
		Total:		11,395,989.32	10,014,200	(1,381,789.32)

Notes:

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

2. According to the latest interim report of National Investments Fund Limited, it recorded revenue of approximately HK$8,492,000 and a net loss of approximately HK$21,002,000 for the six months ended 30 June 2018.

3. According to the latest interim report of Newtree Group Holdings Ltd, it recorded revenue of approximately HK$59,838,000 and a net loss of approximately HK$1,757,000 for the six months ended 30 September 2018.

4. According to the latest interim report of China Financial Leasing Group Limited, it recorded revenue of approximately HK$17,000 and a net profit of approximately HK$29,261,000 for the six months ended 30 June 2018.

5. According to the latest quarterly report of Hong Kong Life Sciences and Technologies Group Ltd., it recorded revenue of approximately HK$55,889,000 and a net profit of approximately HK$370,000 for the nine months ended 31 December 2018.

6. According to the latest quarterly report of Feishang Non-metal Materials Technology Limited (currently known as Hangkan Group Limited), it recorded revenue of approximately RMB36,806,000 and a net loss of approximately RMB3,966,000 for the nine months ended 30 September 2018.

7. According to the latest quarterly report of Hing Ming Holdings Limited, it recorded revenue of approximately HK$35,643,000 and a net profit of approximately HK$8,141,000 for the nine months ended 31 December 2018.

8. According to the latest annual report of RMH Holdings Limited, it recorded revenue of approximately $5,433,000 (Singaporean dollar) and a net profit of approximately $1,629,000 (Singaporean dollar) for the nine months ended 30 September 2018.

9. According to the latest quarterly report of Wan Leader International Limited, it recorded revenue of approximately HK$153,205,000 and a net loss of approximately HK$12,141,000 for the nine months ended 31 December 2018.

10. According to the latest quarterly report of Pacific Legend Group Limited, it recorded revenue of approximately HK$180,054,000 and a net loss of approximately HK$24,039,000 for the nine months ended 30 September 2018.

Brief description of principal business and future prospect of investee companies

Name of investee company	Principal business and future prospect
National Investments Fund Limited	Investment in listed and unlisted companies. The businesses invested by the company mainly include the development of bio-pharmaceutical and regenerative medicine systems and products, the provision of corporate finance services, including fund raising, mergers and acquisitions, corporate finance advisory, corporate rescue and security brokerage services, development and farming of forests and development and manufacturing of yachts.
	As disclosed in the interim report for the six months ended 30 June 2018, National Investments Fund Limited will continue to implement a diversified investment strategies and to identify suitable investment opportunities with potential assets appreciation that will furtherance the investment objectives and policies and also to generate better returns for the group and its shareholders.
Newtree Group Holdings Ltd	Wholesale and retail of household consumables, educational technology solutions through online education programs and provision of English language proficiency tests, provision of money lending services, design and development of three-dimensional animations, augmented reality technology application and e-learning Web application and trading of coal products.
	As disclosed in the interim report for the six months ended 30 September 2018, Newtree Group Holdings Limited has been actively seeking opportunities to diversify its business portfolio by exploring various investments in different sectors, with a target to find new growth drivers to support the long term development.
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 30 June 2018, China Financial Leasing Group Limited will remain cautious and continue to explore investment opportunities to enhance the shareholders' return.

Name of investee company	Principal business and future prospect
Hong Kong Life Sciences and Technologies Group Ltd.	Engaged in anti-aging and stem cell technology businesses, trading of electronic components and healthcare products, provision loan financing services and investment of securities. As disclosed in the quarterly report for the nine months ended 31 December 2018, Hong Kong Life Sciences and Technologies Group Ltd. will constantly keep reviewing the strategies and operations with a view to improving its business performance. In view of the growth potential in the PRC market, it intends to further develop the business in the PRC. It will also continue to enhance the existing business and explore other business and investment opportunities to diversify the revenue stream and business portfolios to enhance the interest of the shareholders.
Feishang Non-metal Materials Technology Limited (currently known as HangKan Group Limited)	Bentonite mining, production and sales of drilling mud and pelletising clay. As disclosed in the quarterly report for the nine months ended 30 September 2018, Feishang Non-metal Materials Technology Limited intends to continue expanding its customer base and market share by boosting product awareness of pelletising clay, refining its production technology and developing new products with a view to enhancing the overall competitiveness to cope with the unfavorable business environment. On the other hand, the group aims to maintain sales volume of drilling mud by means of improved product quality and adhering to the "selling more with lower margin" strategy.
Hing Ming Holdings Limited	Rental of temporary suspended working platforms and other construction equipment, such as tower crane and generator and trading of equipment and spare part such as permanent suspended working platforms, motors and wire rope. As disclosed in the quarterly report for the nine months ended 31 December 2018, Hing Ming Holdings Limited will strive to lead the temporary suspended working platform industry with the offer of high-quality equipment and premium service and will also seize emerging opportunities in the growing equipment rental industry.

Name of investee company	Principal business and future prospect
RMH Holdings Limited	Leading specialist dermatological and surgical practice accredited by the MOH based in Singapore that offers accessible, comprehensive, quality and specialty care services for a variety of dermatological conditions affecting skin, hair and nails by utilising a wide range of advanced and sophisticated medical, surgical, laser and aesthetic treatments. As disclosed in the quarterly report for nine months ended 30 September 2018, with strong potential in the specialist dermatology and surgical services industry in Singapore, RMH Holdings Limited will continue to seek to enlarge its market share in the dermatological and surgical services industry in Singapore and to build its reputation, grow the "Dermatology & Surgery Clinic" brand and business. It will continue to consolidate its position in the market and achieve a continued growth in its business.
Wan Leader International Limited	Provision of freight forwarding and related logistics services, including reselling cargo space which purchased from airlines' general sales agents, shipping liners and other freight forwarders to direct shippers or respective freight forwarders, which act on behalf of their shipper customers and eventually deliver the goods to the destinations, provision of warehousing and related value-added services, including labelling services and packaging services. As disclosed in the quarterly report for the nine months ended 31 December 2018, Wan Leader International Limited will further strengthen its sales and marketing effort, closely monitor the needs of the customers and carefully control the cost of services as to expand its customer base and achieve sustainable business growth and long-term benefits to its shareholders.
Pacific Legend Group Limited	Sale of home furniture and accessories, rental of home furniture and accessories and project and hospitality services which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats. As disclosed in the quarterly report for the year ended 30 September 2018, Pacific Legend Group Limited will continue to actively search for appropriate store locations in China in line with the plan for use of proceeds from the listing of the Company. Timing of this is subject to finding suitable retail locations.

The Group disposed on-market of a total of 11,940,000 shares of Basetrophy Group Holdings Limited (stock code: 8460) (a company listed on GEM of the Stock Exchange) in a series of transactions conducted between 20 October 2017 and 9 February 2018, at the price between HK$0.17 and HK$0.25 per share for an aggregate gross sale proceeds of HK$2,573,440 (excluding transaction costs). The above disposal constituted a disclosable transaction of the Company as one of the applicable percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") calculated on an aggregate basis exceeded 5% but was less than 25%, and was therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules. For details, please refer to the announcement of the Company dated 20 February 2018.

During the Year, no dividend was received from the above securities investment. As at 31 December 2018, the market value of the listed securities being held by the Group was approximately HK$10,014,200 and an unrealised loss on fair value change was approximately HK$1,381,789.32. No impairment was made to the above securities investment.

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 the overall economic environment, equity market conditions, investor sentiment and the business performance of the investee companies. The Board will continue to look out 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 Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no specific plan for material investments or capital asset as at 31 December 2018.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDIT COMMITTEE

The audit committee of the Board (the "**Audit Committee**") was set up on 8 December 2014 with written terms of reference, which was amended and revised on 10 December 2015 and 25 August 2016, in accordance with the requirements of the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Mr. Chen Xun, Mr. Zhang Yijun, Ms. Liu Shuyan and Prof. Lau Chi Pang. It is chaired by Ms. Liu Shuyan.

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

OTHER COMMITTEES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiry with the Directors, all the Directors, saved as disclosed below, confirmed that they have complied with the required standard set out in the Model Code during the Year.

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

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

The Company has put in place the following measures to ensure compliance with the Model Code by the Directors:

(1) the Company has prepared an internal guideline on share dealings by the directors (which include the relevant requirements and prohibitions under the Model Code) (the "**Internal Guideline**") and such guideline has been circulated to each of the Directors upon joining the Board;

(2) upon joining the Board, each of the Directors will be provided with a set of comprehensive training materials (the "**Training Materials**") in relation to the Listing Rules, which cover, among others, the requirements and prohibitions on the directors' shares dealing activities under the Model Code. In particular, the Training Materials contains, among others, a separate section on dealing in securities of the Company by the Directors. Such section expressly provides that dealings in the securities of the Company are absolutely prohibited during the period of 60 days immediately preceding the publication date of the annual results; and

(3) before the commencement of the black-out period for the interim results and annual results of the Company, the company secretary of the Company will, on behalf of the Board, notify all the Directors by email (the "**Notification Email**") the date of commencement of each black-out period and remind the Directors regarding the prohibition of shares dealings during the black-out period. It is also expressly set out in such email that the Directors are prohibited from dealing in the securities of the Company during the black-out period.

The Board considers that the preparation and provision of the Internal Guideline and Training Materials, which set out in Chinese the relevant provisions and requirements under the Model Code, would enable the Directors to obtain an understanding of the dealing restriction during the black-out period and the procedures that they need to follow before dealing in the securities of the Company. Further, the Notification Email, which is sent out to each Director before the commencement of the black-out period, will serve to remind the Directors of the dealing restrictions under the Model Code. The Board therefore considered that the implementation of the above measures would minimise the chance of breach of the Model Code by the Directors in the future.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and to enhance the corporate value, accountability and transparency of the Company. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Listing Rules. Except for the deviations from code provisions A.4.1 of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code during the Year. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of its business.

According to code provision A.4.1 of the CG Code, non-executive Directors should be appointed for specific term, subject to re-election. Except for Mr. Hu Minglong who is appointed for a specific term of three years, the other independent non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The Directors consider that the requirements on retirement by rotation will provide reasonable safeguard to the Company and its shareholders.

EVENTS AFTER THE REPORTING PERIOD

1. On 28 February 2019, the Group entered into a sales 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. This transaction is scheduled to be completed before 30 April 2019 and expected to result in a gain on disposal before tax of approximately HKD90,000.

2. On 28 February 2019, the Group entered into a sales and purchase agreement with an independent third party to dispose of the entire equity interest of Future Bright Enterprise Limited for a cash consideration of HKD300,000. This transaction is scheduled to be completed before 30 April 2019 and expected to result in a loss on disposal before tax of approximately HKD180,000.

3. On 15 March 2019, the Group entered into a sales 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. This transaction is scheduled to be completed before 30 June 2019 and expected to result in a gain on disposal before tax of approximately HKD40,000.

4. On 20 March 2019, the Group entered into a sales 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. This transaction is scheduled to be completed before 30 June 2019 and expected to result in a gain on disposal before tax of approximately HKD400,000.

5. On 22 March 2019, the Group entered into a sales 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 HKD5,245,000. This transaction is scheduled to be completed before 30 June 2019 and expected to result in a gain on disposal before tax of approximately HKD9,000. This disposal constituted an exempted connected transaction under the Listing Rules.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2018.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by Messrs. Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company ("**2019 AGM"**). A resolution will be submitted to the 2019 AGM to re-appoint Messrs. Ernst & Young as auditors of the Company.

The Company has not changed its external auditors during each of the years ended 31 December 2014, 2015, 2016, 2017 and 2018.

PUBLICATION OF FINAL RESULTS AND 2018 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange *(www.hkexnews.hk)* and the Company *(www.futurebrightltd.com)*. The 2018 annual report of the Company will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 March 2019

As at the date of this announcement, the executive Directors are Ms. Liu Jie (the chairperson), Mr. Li Yuguo, Mr. Hu Minglong, Mr. Chen Gang, 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.