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 2020

Key Financial Highlights

	2020	2019	
	RMB'000	*RMB'000*	Change
RESULTS			
Revenue	**20,248**	6,136	229.99%
Gross (loss)/profit	**(2,107)**	2,314	-191.05%
Loss before tax from continuing operations	**(12,891)**	(25,910)	-50.25%
Profit before tax from a discontinued operation	**—**	125	-100.00%
Income tax credit	**1,091**	5,311	-79.46%
Loss for the year	**(11,800)**	(20,474)	-42.37%
Loss attributable to owners of the Company	**(11,762)**	(18,815)	-37.49%
Basic and diluted			
For loss for the year	**RMB0.30 cents**	RMB0.49 cents	-38.78%
For loss from continuing operations	**RMB0.30 cents**	RMB0.49 cents	-38.78%

	2020	2019	
	RMB'000	*RMB'000*	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Company	**63,066**	64,575	-2.34%
Total assets	**72,928**	73,333	-0.55%
Net assets per share	**RMB0.014**	RMB0.016	-12.50%

- Revenue increased by 229.99% to approximately RMB20.25 million.
- Gross profit of approximately RMB2.31 million in 2019 turned to gross loss of approximately RMB2.11 million in 2020.
- Gross margin turned from profit to loss from approximately 37.71% to approximately -10.41%.
- Loss attributable to owners of the Company was narrowed by 37.49% to approximately RMB11.76 million.
- Basic and diluted loss per share was RMB0.30 cents (2019: RMB0.49 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board (the "**Board**") of directors (the "**Directors**") of Future Bright Mining Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 31 December 2020 (the "**Year**"), together with the comparative figures for the financial year ended 31 December 2019 ("**FY2019**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	2020 RMB'000	2019 RMB'000
CONTINUING OPERATIONS			
REVENUE	5	**20,248**	6,136
Cost of sales		**(22,355)**	(3,822)
Gross (loss)/profit		**(2,107)**	2,314
Other income and gains	5	**3,313**	2,414
Selling and distribution expenses		**(130)**	(738)
Administrative expenses		**(13,050)**	(19,387)
Other expenses		**(257)**	(4,710)
Reversal of impairment losses/(impairment losses) on financial assets, net		**281**	(2,551)
Losses on changes in fair value of financial assets at fair value through profit or loss		**(730)**	(2,859)
Finance costs	6	**(211)**	(393)
LOSS BEFORE TAX FROM CONTINUING OPERATIONS	7	**(12,891)**	(25,910)
Income tax credit	8	**1,091**	5,311
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(11,800)**	(20,599)
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	9	**—**	125
LOSS FOR THE YEAR		**(11,800)**	(20,474)
Attributable to:			
Owners of the Company		**(11,762)**	(18,815)
Non-controlling interests		**(38)**	(1,659)
		(11,800)	(20,474)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	11		
Basic and diluted			
– For loss for the year		**RMB0.30 cents**	RMB0.49 cents
– For loss from continuing operations		**RMB0.30 cents**	RMB0.49 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2020	2019
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(11,800)**	(20,474)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(1,756)**	1,195
Reclassification adjustments for foreign operations disposed of during the year	**—**	(571)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**(1,756)**	624
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(13,556)**	(19,850)
Attributable to:		
Owners of the Company	**(13,518)**	(18,382)
Non-controlling interests	**(38)**	(1,468)
	(13,556)	(19,850)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2020** *RMB'000*	2019 *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**13,815**	9,367
Right-of-use assets		**855**	2,888
Long-term prepayments		**81**	162
Other intangible assets		**20,487**	21,210
Total non-current assets		**35,238**	33,627
CURRENT ASSETS			
Inventories	*12*	**359**	80
Trade receivables	*13*	**—**	3,885
Prepayments, other receivables and other assets	*14*	**11,289**	1,982
Financial assets at fair value through profit or loss	*15*	**308**	1,861
Loans receivable	*16*	**—**	—
Cash and cash equivalents		**25,734**	31,898
Total current assets		**37,690**	39,706
CURRENT LIABILITIES			
Trade payables	*17*	**711**	487
Other payables and accruals	*18*	**6,088**	2,030
Tax payable		**25**	—
Lease liabilities		**422**	2,258
Total current liabilities		**7,246**	4,775
NET CURRENT ASSETS		**30,444**	34,931
TOTAL ASSETS LESS CURRENT LIABILITIES		**65,682**	68,558
NON-CURRENT LIABILITIES			
Lease liabilities		**101**	384
Deferred tax liabilities		**2,895**	4,011
Provision for rehabilitation		**1,347**	1,262
Total non-current liabilities		**4,343**	5,657
Net assets		**61,339**	62,901
EQUITY			
Equity attributable to owners of the Company			
Share capital		**3,524**	3,087
Reserves		**59,542**	61,488
		63,066	64,575
Non-controlling interests		**(1,727)**	(1,674)
Total equity		**61,339**	62,901

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 Room 3603, 36/F., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, 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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") (which include all applicable International Financial Reporting standards, International Accounting Standards and Interpretations ("**IASs**")) approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated. These financial statements have been reviewed by the Company's Audit Committee.

The Group has applied its accounting policies consistently throughout the financial periods ended 31 December 2019 and 2020.

3. APPLICATION OF REVISED STANDARDS AND NEW INTERPRETATION

3.1 Changes in accounting policies and disclosures

The Group has applied the following amendments to IFRSs for the first time for their annual reporting period commencing 1 January 2020:

Amendments to IAS 1 and IAS 8	*Definition of Material*
Amendments to IFRS 3	*Definition of a Business*
Amendments to IFRS 9, IAS 39 and IFRS 7	*Interest Rate Benchmark Reform*
Amendment to IFRS 16	*Covid-19 – Related Rent Concessions*

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

3.2 Issued but not yet effective international financial reporting standards

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective for the financial year ended 31 December 2020:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[3]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*[3]
Amendments to IAS 8	*Definition of Accounting Estimates*[3]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before intended use*[2]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract*[2]
IFRS 17	*Insurance Contracts and related Amendments*[3]
Amendments to IFRS 3	*Reference to the Conceptual Framework*[2]
Amendments to IFRS 9, IFRS 16, IFRS 1 and IAS 41	*Annual Improvements 2018-2020 Cycle*[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform (Phase 2)*[1]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]

1 Effective for annual periods beginning on or after 1 January 2021

2 Effective for annual periods beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after 1 January 2023

4 No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

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

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

(b) the commodity trading segment conducts trading business of commodities.

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, non-lease-related finance costs, finance costs, 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 cash and cash equivalents, equity investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude 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 2020	Marble block *RMB'000*	Commodity trading *RMB'000*	Total *RMB'000*
Segment revenue ***(note 5)***			
Sales to external customers	**20,248**	**—**	**20,248**
Revenue from continuing operations			**20,248**
Segment results	**(2,771)**	**(2,201)**	**(4,972)**
Reconciliation:			
Interest income			**42**
Finance costs (other than interest on lease liabilities)			**(85)**
Corporate and other unallocated expenses			**(7,876)**
Loss before tax from continuing operations			**(12,891)**
Segment assets	**44,271**	**22,089**	**66,360**
Reconciliation:			
Elimination of intersegment receivables			**(21,286)**
Corporate and other unallocated assets			**27,854**
Total assets			**72,928**
Segment liabilities	**27,180**	**591**	**27,771**
Reconciliation:			
Elimination of intersegment payables			**(21,286)**
Corporate and other unallocated liabilities			**5,104**
Total liabilities			**11,589**

Year ended 31 December 2020	Marble block *RMB'000*	Commodity trading *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Other segment information:				
Depreciation and amortisation	**1,462**	**775**	**1,712**	**3,949**
Capital expenditure*	**4,915**	**—**	**638**	**5,553**
Reversal of impairment losses of trade receivables recognised in the statement of profit or loss, net	**(182)**	**(99)**	**—**	**(281)**
Reversal of impairment losses of long-term prepayments recognised in the statement of profit or loss, net	**(4)**	**—**	**—**	**(4)**

* Capital expenditure consists of additions to property, plant and equipment.

Year ended 31 December 2019	Marble block *RMB'000*	Commodity trading *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*			
Sales to external customers	6,136	—	6,136
Revenue from continuing operations			6,136
Segment results	(4,202)	(13,719)	(17,921)
Reconciliation:			
Interest income			66
Finance costs (other than interest on lease liabilities)			(80)
Corporate and other unallocated expenses			(7,975)
Loss before tax from continuing operations			(25,910)
Segment assets	34,408	20,532	54,940
Reconciliation:			
Elimination of intersegment receivables			(15,358)
Corporate and other unallocated assets			33,751
Total assets			73,333
Segment liabilities	20,205	1,241	21,446
Reconciliation:			
Elimination of intersegment payables			(15,358)
Corporate and other unallocated liabilities			4,344
Total liabilities			10,432

Year ended 31 December 2019	Marble block *RMB'000*	Commodity trading *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Other segment information:				
Depreciation and amortisation	1,059	1,431	1,578	4,068
Capital expenditure*	—	—	876	876
Impairment losses/(Reversal of impairment losses) recognised in the statement of profit or loss, net	2,908	(357)	—	2,551

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) Revenue from external customers

	2020	2019
	RMB'000	*RMB'000*
Mainland China	**20,248**	6,136

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

(b) Non-current assets

	2020	2019
	RMB'000	*RMB'000*
Hong Kong	**1,212**	3,183
Mainland China	**34,026**	30,444
	35,238	33,627

The non-current assets information of continuing operations 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:

	2020	2019
	RMB'000	*RMB'000*
Customer A	**16,552**	—
Customer B	**1,086**	1,798
Customer C	**—**	3,226
Customer D	**—**	1,497

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2020	2019
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**20,248**	6,136

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2020

Segments	**Marble block**	**Commodity trading**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Type of goods			
Sale of marble blocks	**20,248**	**—**	**20,248**
Geographical markets			
Mainland China	**20,248**	**—**	**20,248**
Timing of revenue recognition			
Goods transferred at a point in time	**20,248**	**—**	**20,248**

For the year ended 31 December 2019

Segments	Marble block	Commodity trading	Total
	RMB'000	*RMB'000*	*RMB'000*
Type of goods			
Sale of marble blocks	6,136	—	6,136
Geographical markets			
Mainland China	6,136	—	6,136
Timing of revenue recognition			
Goods transferred at a point in time	6,136	—	6,136

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

For the year ended 31 December 2020

Segments	**Marble block**	**Commodity trading**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
External customers	**20,248**	**—**	**20,248**
Total revenue from contracts with customers	**20,248**	**—**	**20,248**

For the year ended 31 December 2019

Segments	Marble block	Commodity trading	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers			
External customers	6,136	—	6,136
Total revenue from contracts with customers	6,136	—	6,136

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

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of marble blocks

The performance obligation is satisfied upon delivery of the marble blocks and payment is generally due within 30 to 240 days from delivery, except for new customers, where payment in advance is normally required.

There were no transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2020.

	2020	2019
	RMB'000	*RMB'000*
Other income		
Bank interest income	**42**	66
Government grants	**195**	—
Rendering of services	**—**	377
Rental of production machineries	**1,333**	—
Others	**181**	400
	1,751	843
Gains		
Foreign exchange differences, net	**1,562**	145
Gains on disposal of subsidiaries	**—**	1,426
	3,313	2,414

6. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	2020	2019
	RMB'000	*RMB'000*
Interest on discounted provision for rehabilitation	**85**	80
Interest on lease liabilities	**126**	313
	211	393

7. LOSS BEFORE TAX

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

	2020	2019
	RMB'000	*RMB'000*
Cost of inventories sold	**22,355**	3,822
Staff costs (including directors' remuneration):		
Wages and salaries	**5,109**	6,776
Pension scheme contributions	**153**	286
	5,262	7,062
Auditor's remuneration		
– Audit services	**920**	1,185
– Non-audit services	**156**	—
Amortisation of other intangible assets*	**723**	427
Amortisation of long-term prepayments*	**84**	238
Depreciation of items of property, plant and equipment*	**985**	898
Depreciation of right-of-use assets	**2,157**	2,505
Foreign exchange differences, net	**(1,562)**	(145)
Losses on change in fair value of financial assets at fair value through profit or loss	**730**	2,859
Loss on disposal of items of property, plant and equipment	**—**	2,150
(Reversal of)/provision for impairment of trade receivables *(note 13)*	**(281)**	2,551
Reversal of impairment of long-term prepayments	**(4)**	—
Lease payments not included in the measurement of lease liabilities	**3**	242
Written off of property, plant and equipment	**71**	—
Written off of long-term prepayments	**1**	—

* The amortisation of other intangible assets, partial amortisation and depreciation of long-term prepayments and property, plant and equipment for the year and prior year is included in "Cost of inventories sold" in consolidated statement of profit or loss or "Inventories" in the consolidated statement of financial position.

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 Hong Kong profits tax is provided as there is no estimated assessable profit for the year (2019: Nil).

Provision for the People's Republic of China (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 2020. The Group's subsidiaries located in Mainland China were subject to the PRC CIT at the rate of 25% during the year ended 31 December 2020.

	2020	2019
	RMB'000	*RMB'000*
Current — Mainland China		
Charge for the year	**25**	—
Current — Hong Kong		
Charge for the year	**—**	—
Deferred		
Credit for the year	**(1,116)**	(5,311)
Total tax credit for the year	**(1,091)**	(5,311)

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

	2020	2019
	RMB'000	*RMB'000*
Loss before tax from continuing operations	**(12,891)**	(25,910)
Profit before tax from a discontinued operation	**—**	125
	(12,891)	(25,785)
Tax at the PRC tax rate of 25% (2019: 25%)	**(3,223)**	(6,445)
Tax effect of different taxation rates in other tax jurisdictions	**837**	2,742
Expenses not deductible for tax	**1,304**	245
Utilisation of tax losses previous not recognised	**(180)**	—
Tax reduction	**(101)**	—
Tax losses not recognised	**390**	2,401
Temporary differences recognised from previous year	**(107)**	(4,280)
Tax effect of temporary differences not recognised	**(11)**	26
Income tax credit at the Group's effective rate	**(1,091)**	(5,311)
Income tax credit from continuing operations at the effective rate	**(1,091)**	(5,311)
Income tax credit from a discontinued operation at the effective rate	**—**	—

9. DISCONTINUED OPERATION

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

The results of Future Bright Finance Limited for the year ended 31 December 2019 are presented below:

	2019
	RMB'000
Administrative expenses	(173)
Loss from the discontinued operation	(173)
Gain on disposal of the discontinued operation	298
Profit for the year from the discontinued operation	125

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

	2019
	RMB'000
Cash received from disposal of the discontinued operation	8,776
Cash and bank balances disposed of	(30)
	8,746

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

	2019
	RMB'000
Operating activities	(173)
Investing activities	—
Net cash outflow	(173)

Earnings per share:

Basic and diluted from the discontinued operation	RMB0.003 cents

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

	2019 *RMB'000*
Profit attributable to ordinary equity holders of the Company from the discontinued operation	125
Weighted average number of ordinary shares in issue during the year	3,870,000,000

10. 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 2020 (2019: Nil).

11. 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 3,892,670,164 (2019: 3,870,000,000) in issue during the year.

The basic and diluted loss per share are the same as there is no potentially dilutive ordinary shares in issue for the year (2019: Nil).

The calculation of basic loss per share is based on:

	2020 ***RMB'000***	2019 *RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation		
From continuing operations	**(11,762)**	(18,940)
From a discontinued operation	**—**	125
	(11,762)	(18,815)

	Number of shares	
	2020	2019
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**3,892,670,164**	3,870,000,000

12. INVENTORIES

	2020	2019
	RMB'000	*RMB'000*
Finished goods	**359**	8
Materials and supplies	**—**	72
	359	80

13. TRADE RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**5,536**	9,703
Impairment	**(5,536)**	(5,818)
	—	3,885

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 eight months for major customers. 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:

	2020	2019
	RMB'000	*RMB'000*
Within 6 months	**—**	3,885
6 months to 12 months	**—**	—
12 months to 24 months	**—**	—
Over 24 months	**—**	—
	—	3,885

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

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**5,818**	3,334
(Reversal of impairment losses)/impairment losses (note 7)	**(281)**	2,551
Disposals of subsidiaries	**—**	(70)
Exchange realignment	**(1)**	3
At end of year	**5,536**	5,818

The decrease (2019: increase) in the loss allowance was due to the following significant changes in the gross carrying amount:

(i) Decrease in the loss allowance of RMB281,000 (2019: RMB1,514,000) as a result of a net decrease in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables;

(ii) For the year ended 31 December 2019, increase in the loss allowance of RMB4,065,000 as a result of an increase in trade receivables which were past due for over 6 months; and

(iii) For the year ended 31 December 2019, decrease in the loss allowance of RMB70,000 as a result of the disposals of the subsidiaries.

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 2020

	Current	**Less than 1-year**	**Past due 1 to 2 years**	**Over 2 years**	**Total**
Expected credit loss rate	**4.49%**	**10.09%**	**17.54%**	**100.00%**	**100.00%**
Gross carrying amount (RMB'000)	**—**	**—**	**—**	**5,536**	**5,536**
Expected credit losses (RMB'000)	**—**	**—**	**—**	**5,536**	**5,536**

As at 31 December 2019

	Current	Less than 1-year	Past due 1 to 2 years	Over 2 years	Total
Expected credit loss rate	4.49%	10.09%	17.54%	100.00%	59.96%
Gross carrying amount (RMB'000)	4,068	—	—	5,635	9,703
Expected credit losses (RMB'000)	183	—	—	5,635	5,818

14. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2020	2019
	RMB'000	*RMB'000*
Prepayments	**570**	465
Deposits and other receivables	**10,719**	1,513
Others	**—**	4
	11,289	1,982
Impairment allowance	**—**	—
	11,289	1,982

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

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**—**	262
Disposal of subsidiaries	**—**	(262)
At end of year	**—**	—

Deposits and other receivables mainly represent rental deposits, deposits with suppliers and deposits paid for acquisition of machinery.

Deposits of RMB9,400,000 were related to the acquisition of machinery for marble block production. Due to the outbreak of COVID-19, the supplier was unable to deliver the machinery as per time schedule agreed. On 20 February 2021, the Group and the supplier signed a supplemental agreement to terminate the original sales and purchases contract. According to the supplemental agreement, the supplier agreed to refund the aforesaid deposits as per time schedule agreed.

Up to the date of this announcement, as per time schedule agreed, the Group has received a partial refund of RMB1,000,000.

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 financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts. As at 31 December 2020, the loss allowance was assessed to be minimal (2019: Nil).

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	2019
	RMB'000	*RMB'000*
Listed equity investments, at fair value	**308**	1,861

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

16. LOANS RECEIVABLE

		2020	2019
	Note	***RMB'000***	*RMB'000*
Loans receivable due from			
— Third parties	*(a)*	**—**	—
Impairment		**—**	—
		—	—

(a) On 20 March 2019, the Company announced the decision of its board of directors to dispose of Future Bright Finance Limited, a subsidiary engages in the money lending business. Please refer to note 9 for details of the discontinued operations.

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

	2020	2019
	RMB'000	*RMB'000*
At beginning of year	**—**	3,056
Disposal of subsidiaries	**—**	(3,056)
At end of year	**—**	—

17. 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:

	2020	2019
	RMB'000	*RMB'000*
Within 3 months	**254**	—
Over 3 months	**457**	487
	711	487

The trade payables are non interest bearing and normally settled within 60 days.

18. OTHER PAYABLES AND ACCRUALS

		31 December 2020	31 December 2019
	Notes	***RMB'000***	*RMB'000*
Payroll accruals		**343**	401
Other payables	*(a)*	**1,624**	1,139
Accruals		**1,161**	390
Contract liabilities	*(b)*	**2,960**	100
		6,088	2,030

Notes:

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

(b) Details of contract liabilities are as follows:

	31 December 2020	31 December 2019
	RMB'000	*RMB'000*
Short-term advances received from customers		
Sale of goods	**2,960**	100
Total contract liabilities	**2,960**	100

Contract liabilities include advance payment from customers.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2020 (the "**Year**"), the operating revenue of Future Bright Mining Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") was approximately RMB20.25 million, which represented an increase of approximately 229.99% as compared to the operating revenue of approximately RMB6.14 million for the year of 2019 (the "**FY2019**"). The increase in revenue from marble business was mainly due to the exploration of new customers by the Group during the Year. However, due to the outbreak of novel coronavirus ("**COVID-19**"), both production and delivery of marble blocks were temporarily suspended in the first few months of 2020 and were resumed in May 2020 and June 2020 respectively.

Our customers of the marble business are mainly from the real estate and construction markets of the PRC. Apart from our principal mining activities, the business of the construction and property development markets in the PRC has come to a halt and the operations of many construction companies and property developers have been suspended as a result of the COVID-19 pandemic. A number of property development projects have been put on hold, and this affected the corresponding demands for marble blocks.

As a result, the Group was requested by some of the customers to postpone the delivery of marble blocks. During the Year, only part of our customers have purchased marble blocks from the Group according to the terms and schedule under the original contracts. Unfortunately, due to sporadic cases of COVID-19 in different areas (especially in north-east areas) of the PRC in the second half of 2020, the delivery of marble blocks to our customers was further delayed and the revenue for the Year was adversely affected.

No revenue was generated from the segment of commodity trading (FY 2019: Nil) during the Year. The following table sets forth the breakdown of the Group's revenue by business segment for the Year:

	2020			2019		
	RMB'000	**Percentage to total revenue**	**Gross Profit margin**	*RMB'000*	Percentage to total revenue	Gross Profit margin
Marble block	**20,248**	**100.00%**	**-10.41%**	6,136	100.00%	37.71%
Commodity trading	**—**	**0.00%**	**0.00%**	—	0.00%	0.00%
Total	**20,248**	**100.00%**	**-10.41%**	6,136	100.00%	37.71%

Cost of Sales

The Group's cost of sales increased from approximately RMB3.82 million for FY2019 to approximately RMB22.36 million for the Year, representing a significant increase of approximately 485.34%. The cost of sales for the Year represented the marble blocks mining and purchasing costs and mainly included mining labour costs, sub-contractor fee, materials consumption, fuel, electricity, processing fee of abandoned stone, depreciation of production equipment and amortisation of mining rights.

Gross Loss/Profit and Gross Profit Margin

The gross loss of the Group amounted to approximately RMB2.11 million and the gross profit margin was approximately -10.41% for the Year, which represented a significant decrease of approximately 191.05% as compared with the gross profit for FY2019 of approximately RMB2.31 million (FY2019: gross profit margin of approximately 37.71%). The significant decrease in gross profit margin of marble block segment from 37.71% to -10.41% was due to the increase of production cost caused by COVID-19 pandemic and the processing costs for abandoned stone accumulated from previous years. Further details of the development expenditures in relation to the Yiduoyan marble mine are set out in the section headed "Major Exploration, Development and Production Activities" in this announcement.

Other Income and Gains

Other income and gains for the Year were approximately RMB3.31 million, which represented an increase of approximately RMB0.9 million as compared to the other income and gains of approximately RMB2.41 million for the FY2019. The Group has generated income from rental of production machineries of approximately RMB1.33 million (FY2019: Nil) during the Year. However, no service income (FY2019: approximately RMB0.38 million) and gain on disposal of subsidiaries (FY2019: approximately RMB1.43 million) was recorded during the Year.

Selling and Distribution Expenses

During the Year, selling and distribution expenses were approximately RMB0.13 million (FY2019: approximately RMB0.74 million), which was primarily comprising transportation, rental of show room, consultancy fee, and salaries of the Group's sales and distribution staff and their entertainment and travelling expenses. In order to further tighten the cost control of the Group, most of the above expenses were reduced to minimal during the Year.

Administrative Expenses

Administrative expenses mainly included legal and professional fees, printing and announcement fee, rental payment of short term lease, depreciation, amortisation and salaries of staff. Such expenses decreased significantly by approximately RMB6.34 million or 32.70% from approximately RMB19.39 million for the FY2019 to approximately RMB13.05 million for the Year. The decrease was mainly due to the decrease in staff costs, professional fee and other short term lease payments during the Year.

Impairment on Financial Assets, Net

The management assesses the measurement of expected credit losses in relation to financial assets. Net amount of impairment losses of approximately RMB0.28 million was reversed during the Year (FY2019: approximately RMB2.55 million of impairment losses was recognised). All of the trade receivable balances related to sales in this Year and last year balances were fully settled by customers during the Year.

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

As at 31 December 2020, the Group had current equity investments at fair value through profit or loss of approximately RMB0.31 million which were investments in various listed shares (FY2019: RMB1.86 million). The Group recorded net fair value loss of equity investments of approximately RMB0.73 million for the Year (FY2019: approximately RMB2.86 million).

Other Expenses

Other expenses decreased by 94.48% from approximately RMB4.71 million in FY2019 to approximately RMB0.26 million in 2020, primarily due to cash and in-kind donation of approximately RMB0.14 million (FY2019: approximately RMB0.03 million in-kind donation) made during the COVID-19 pandemic and approximately RMB0.07 million (FY2019: approximately RMB2.15 million) for written off and disposal of property, plant, and equipment during the Year. Other expenses also included the written down of net realisable value of inventories of approximately RMB2.16 million for FY2019. The Group did not incur such expenses for the Year.

The Directors performed impairment assessment on the non-financial assets of the marble block operating segment as at 31 December 2020 with reference to a valuation report issued by an independent qualified valuer. No impairment of non-financial assets was provided during the Year (FY2019: Nil). Details of impairment test and related assumptions used for valuation are discussed in the paragraph headed "Impairment Assessment" below.

Finance Costs

Finance costs decreased from approximately RMB0.39 million for FY2019 to approximately RMB0.21 million for the Year. The Group has entered into a new and long-term lease contract for office premises in the PRC during the Year.

Loss Attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company was approximately RMB11.76 million for the Year (FY2019: loss of approximately RMB18.82 million). The decrease of loss was mainly resulting from the decrease in administrative expenses and other expenses incurred during the Year.

Impairment Assessment

With respect to the impairment assessment for non-financial assets of the marble block operating segment, the Group engaged AP Appraisal Limited, an independent qualified valuer, to carry out a valuation of the recoverable amount of the cash-generating unit ("**CGU**") as at 31 December 2020, based on the value-in-use ("**VIU**") calculations. The valuation uses cash flow projections based on financial estimates covering a ten-year period and a discount rate of 14%. Such a projection period was estimated based on the mine reserve and anticipated annual consumption volume. There was no change in the valuation method used in current and prior years. The major underlying assumptions used in the VIU calculation for impairment assessment are summarized as follows:

- the discounted cash flow projections were based on the mine reserve and Director's judgement to renew the mining permit to 2031;

- the increase of the annual production capacity to 200,000 m^3 per annum will be granted by relevant authorities in 2021;

- the average gross margin (% of revenue) of 33.06% is based on past practices and expectations of future changes in the market;

- the discount rates using pre-tax rates of 14% that reflect current market assessments of the time value of money and the risk specific to the CGU; and

- the growth rates of sales volume and unit price are by reference to past experience and industry growth forecasts.

The valuation method of discounted cash flow ("**DCF**") was adopted for the calculation of the VIU of the CGU. DCF analysis is a method used to estimate the value of an investment based on its future cash flows. DCF analysis determines the value of the company today based on projections on how much cashflow the company will generate in the future.

According to the Standards and Guidelines for Valuation of Mineral Properties issued by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties ("**CIMVAL**"), the DCF valuation method is very widely used and is generally accepted in Canada as the preferred method for valuation of mineral properties. CIMVAL is also recognised by the Stock Exchange under Chapter 18 of the Listing Rules.

No impairment provision was made for the Year as the Directors consider that the recoverable amount of the CGU had exceeded the carrying amount with reference to the valuation report (FY2019: Nil).

BUSINESS REVIEW

Marble and Marble-related Business

At the beginning of 2020, the outbreak of COVID-19 in the PRC severely affected the normal life of the people nationwide. Numerous enterprises suspended operation and production due to the pandemic, and logistics and transportation were greatly affected. Moreover, many exhibitions of stone industry have been postponed or cancelled. The above factors restricted the Group in exploring new customers in 2020. On the other hand, due to adoption of numerous precautionary measures, the production and operating costs, including the pandemic related costs, labour costs and environmental protection costs, have increased during the Year. All these factors made 2020 to be a very challenging year for the Group.

During the Year, we are continuously focusing on the development of the Yiduoyan Project, which is an open pit mine located in Hubei Province of the PRC. A total of 7,054 m^3 of marble blocks had been produced, 6,835 m^3 of marble blocks had been sold in 2020. Besides, the Group also purchased and sold other types of marble blocks during the Year. The revenue generated from this business segment during the Year amounted to approximately RMB20.25 million.

After continuous efforts of the sales team in last year, the Group got contracts from several new customers in early this Year. Unfortunately, due to the COVID-19 outbreak in January 2020, the Hubei government announced a lockdown order, which requested all people in Hubei Province to stay at home and all operation must be temporarily suspended. Although the lockdown order was lifted in around mid March 2020, only limited operating activities were allowed by the government. Our mining operation was not able to resume until May 2020 and we resumed the delivery of our marble blocks to customers in June 2020. Besides, due to COVID-19 pandemic, the Group adopted numerous precautionary measures, which in turn increased production costs, especially in the early stage of production resumption.

Our customers of marble business are mainly from the real estate and construction markets of the PRC. The business of the construction and property development markets in the PRC has come to a halt and the operations of many construction companies and property developers have been suspended as a result of the COVID-19 pandemic and resulting lockdown order. A number of property development projects have been put on hold, and this affected the corresponding demands for marble blocks.

As a result, the Group was requested by some of the customers to postpone the delivery of marble blocks. During the Year, only part of our customers have purchased marble blocks from the Group according to the terms and schedule under the original contracts. Unfortunately, due to the sporadic cases of COVID-19 in different areas (especially in north-east areas) of the PRC in the second half of 2020, the delivery of marble blocks to our customers was further delayed.

For other customers, the Group is having ongoing discussions with them regarding the revised terms and in particular, the updated delivery schedule. However, this is still subject to the COVID-19 situation and further development, and the recovery of the construction and property development markets in the PRC.

Trading of Commodities Business

No revenue was generated from the commodity trading business for the Year (FY2019: Nil). Although the Group has disposed of two subsidiaries engaged in trading business last year, we are still looking for attractive opportunities in trading business.

Money Lending Business (Discontinued Operation)

We have disposed of a subsidiary company and ceased the operation of money lending business last year in order to focus resources on the core mining business of the Group.

No income was generated from this business segment for the Year (FY2019: Nil).

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

Due to the outbreak of COVID-19, mining activities were not able to resume until May 2020. However, some works have been done in March and April to prepare for the resumption of production work.

In March 2020, 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 were required to take the relevant examinations 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 2020, we required all staffs to carry out self-examination and rectification on mining safety hazards every month, and carried out thorough inspection and maintenance for all production equipment to ensure that they operate safely during the production process. We also identified, assessed and eliminated potential risks of the mine from time to time.

For the Year, the Group recorded development expenditures of approximately RMB19,032,000 with respect to the expansion of Yiduoyan marble mine.

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

	2020
	RMB'000
Consultation service fee for safety production standardization certificate	**50.0**
Economic evaluation and technical analysis report	**165.0**
Education and training for production safety	**3.5**
Health check	**5.6**
Labour protection supplies	**9.5**
Processing fee for abandoned stone	**12,202.9**
Production safety liability insurance	**5.9**
Production safety signs	**0.7**
Purchase of production equipment and machineries	**29.8**
Rental of production equipments and machineries	**129.3**
Repair and maintenance of mine infrastructure	**4,873.9**
Repair and maintenance of production equipments and machineries	**1,450.5**
Safety rescue agreement	**10.0**
Soil and water conservation compensation	**10.0**
Technical consultation service fee for mine reserves	**60.0**
Technical consultation service fee for mine safety	**22.0**
Water resource fee	**3.0**
	19,031.6

Mining Operation

During the Year, we carried out the destocking of marble block inventories of the mine. As at 31 December 2020, we had realised sales of 6,835 m^3 of marble blocks. In the first half of the Year, we had conducted detailed inspection, testing and preparation works on horizontal platforms and mining benches. During the Year, our Yiduoyan marble mine block production amounted to 7,054 m^3. It also laid a solid foundation for the commencement of mining operation next year.

During the Year, the expenditure on mining activities of the Group was approximately RMB19.45 million. The expenditure of mining activities was approximately RMB2,758 per m^3 (FY2019: approximately RMB700 per m^3). The increase of production cost per unit mainly caused by COVID-19 pandemic and the processing fee for abandoned stone accumulated from previous years.

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 2020

Resource Category	**White marble V-1** (million m^3)	**Grey marble V-2** (million m^3)	**Total** (million m^3)
Inferred	1.80	1.50	3.30
Indicated	5.44	1.80	7.24
Total	7.24	3.30	10.54

Yiduoyan Project's marble reserve statement as at 31 December 2020

Reserve Category	White marble V-1 (million m^3)	Grey marble V-2 (million m^3)	Total (million m^3)
Probable	0.82	0.04	0.86

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 2020.

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

MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 27 September 2019, the Group entered into a sale and purchase agreement with 深圳市中科九台資源利用科技產業股份有限公司 (Shenzhen Zhongke Jiutai Resources Technology Co., Ltd.*) (the "**Vendor**") to acquire 70% equity interest of 深圳中科九台資源利用研究院有限公司 (Shenzhen Zhongke Jiutai Resources Utilization Research Institute Co., Ltd.*) (the "**Target Company**") at the consideration of RMB62,000,000. The Vendor is a company incorporated in the PRC with limited liability and was jointly established by Mr. Li Yuguo and the 中國科學院過程工程研究所 (The Institute of Processing Engineering, Chinese Academy of Science*) (the "**Institute**") for the purpose of conducting researches in mineral processing methodology and as investment arm. The Target Company is owned as to 70% by the Vendor, in which Mr. Li Yuguo, the controlling shareholder of the Company, has an indirect majority equity interest. Accordingly, the Vendor is a connected person of the Company under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). For details, please refer to the Company's announcements dated 27 September 2019, 15 November 2019, 31 December 2019, 31 January 2020, 28 February 2020, 31 March 2020, 29 May 2020 and 29 June 2020.

Due to the prolonged time required to complete the transaction and other commercial considerations, the Vendor and the Company have agreed to terminate the sale and purchase agreement on 16 July 2020. Deposit was refunded to the Company subsequently. For details, please refer to the Company's announcement dated 16 July 2020.

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

The Group identified various principal risk factors and uncertainties that may affect our operating results and business prospects, including but not limited to the following:

Risk factors and uncertainties	Risk response
Limited talents in mining industry	
The Yiduoyan Project is still in the development stage where full-scale site construction is currently taking place. The business growth of the Group is highly dependent on certain senior management members. Failure to retain the current key personnel and hire, train and retain senior executives may adversely affect the business and prospects of the Group.	The Group will actively recruit more talents who have professional knowledge or relevant experience in mining industry which can give recommendations to further develop and enhance the operation of Yiduoyan Project.
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.	Apart from Yiduoyan Project, the Group continues to seek for other investment or business opportunities to broaden its income source and to further develop its business.

Risk factors and uncertainties	Risk response
Single marble product	
The business and profitability of the Group depend on the customers' preferences, demand and supply on different types of marble blocks. Any adverse changes in market demand, customer preferences or market prices, and excess supply may have a material and adverse impact on the operating results of the Group.	The Group closely monitors the changes in the mining and construction industry. If our customers request for other types of marble blocks, we shall source those products from other supplier. Besides, the board of directors will continue to look for other profitable mining projects to expand the group's sources of income and further develop its business.
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 major customers. 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.	The Group maintains good relationships with the existing customers. At the same time, the Group is exploring new markets and broaden its potential customer base by trading of marble blocks and marble related products.

Risk factors and uncertainties	Risk response
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) unexpected outbreak of epidemic diseases; (v) electricity or water supplies interruptions; (vi) critical equipment failures in our mining operations; and (vii) 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.	The COVID-19 pandemic had resulted in the cost overruns and delay in execution of signed contracts in 2020. The Group continues to manage the cost carefully and optimise the resources utilisation. In addition to the Yiduoyan project in Hubei Province, the Group will try its best to diverse its trading business of marble in other regions of the PRC in the future. If one of the cities in the PRC is being locked down, the business located at other cities can still be operated as usual to minimise the adverse impact on operations and financial conditions of the Group.

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

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: (i) develop the Yiduoyan project; (ii) develop product recognition; (iii) expand our resources and reserve through further and selective acquisition; (iv) expand marble trading business to cope with customers' needs and; (v) develop commodity trading business.

Response to COVID-19

During the Year, the COVID-19 spread widely in the PRC and around the world. Facing the grim situation of the COVID-19 outbreak, the Group has, in a timely manner, put in place numerous precautionary measures and procured essential protective supplies to ensure the health and safety of all its employees in different regions. At the same time, during this critical period, the Group has proactively taken steps in ensuring stable operations.

During the Year, the Group coordinated with different parties and took swift actions. We have actively discussed with the customers for effect of delay in delivery due to the traffic restrictions imposed by the PRC government authorities. The Group also implemented various flexible working arrangements. The Group has used, and will continue to use, its best endeavors to mitigate the adverse impact of the COVID-19 outbreak on the Group.

The Group will closely monitor the development of COVID-19 and ensure the safety of employees and stable operations. As and when appropriate, the Group will adjust its measures and plans for pandemic prevention, operations and business development accordingly. The Group will make timely disclosure on any significant matters which may arise in the future.

BUSINESS OUTLOOK

Develop marble and marble-related business

Although the COVID-19 pandemic significantly affected our growth in 2020, we believe the pandemic will eventually pass. We will continue to develop the Yiduoyan Project and are confident about the future prospects of marble business. The Group is actively exploring new customers by different ways including through the network of the senior management, as well as through our sales teams in Beijing and Xiamen. We expect our business will have a stable growth in the coming years.

In order to meet the expected growth in coming years, in June 2020, we have also submitted an application of enhancing annual production capacity to 200,000 m^3 per annum for the Yiduoyun Project. The application has been accepted and is subject to approval by the relevant government authorities. We are arranging a meeting with the relevant government authorities with a target to finalise the terms in April 2021 or May 2021. We will update the application status as appropriate.

Besides, we will increase product varieties and recognition through industry exchanges. We have identified several marble distributors for sourcing of different type of marble block to cope with our customers' needs. As part of our future plans for acquisitive growth, we plan to 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. Although the Group has disposed of two joint venture companies engaged in commodities trading business last year, we are still looking for any attractive opportunities in the trading business.

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 2020, the Group had cash and cash equivalents of approximately RMB25.73 million which were denominated in Hong Kong dollars and Renminbi (2019: approximately RMB31.90 million).

The Group had no borrowings as at 31 December 2020. 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 2020 was approximately 5.20 times as compared to 8.31 times as at 31 December 2019, based on current assets of approximately RMB37.69 million (as at 31 December 2019: approximately RMB39.71 million) and current liabilities of approximately RMB7.25 million (as at 31 December 2019: approximately RMB4.78 million).

CAPITAL STRUCTURE

On 16 December 2020, a total of 518,580,000 new shares of the Company had been successfully placed by the placing agent to one placee at the placing price of HK$0.029 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 18 June 2020. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 3,870,000,000 shares to 4,388,580,000 shares. Please refer to the Company's announcements of 2 December, 4 December and 16 December 2020 for further details of the placing.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group employed a total of approximately 20 full time employees (FY2019: approximately 39 employees) who were 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.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

On 27 September 2019, the Company entered into a sale and purchase agreement with the Vendor to acquire 70% equity interest of the Target Company at the consideration of RMB62,000,000. The Target Company is owned as to 70% by the Vendor, in which Mr. Li Yuguo, the ultimate controlling shareholder of the Company, has an indirect majority equity interest. A refundable deposit of RMB6,200,000 was paid during the year.

On 16 July 2020, the Vendor and the Company have agreed to terminate the aforesaid sale and purchase agreement. The refundable deposit has been subsequently received by the Company from the Vendor.

Save and except those disclosed above, the Group did not have any capital commitments and contingent liabilities as at 31 December 2020.

CHARGES OVER THE GROUP'S ASSETS

There were no charges over the Group's assets as at 31 December 2020.

SIGNIFICANT INVESTMENTS

The Group had no material securities investments during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no specific plan for material investments or capital asset as at 31 December 2020.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Group's monetary assets, liabilities and transactions are mainly denominated in Hong Kong dollars ("**HKD**") and Renminbi ("**RMB**"). The exchange rates of RMB against HKD remained relatively stable during the Year. During the Year, the Group did not use financial instruments for hedging purposes. The Group continues 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.

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 was set up on 8 December 2014 with written terms of reference, which was amended and revised on 10 December 2015, 25 August 2016 and 16 July 2019, in accordance with the requirements of the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Ms. Liu Shuyan, Mr. Chen Xun, Mr. Zhang Yijun and Prof. Lau Chi Pang *J.P.*. It is chaired by Ms. Liu Shuyan.

The Audit Committee had, among other things, reviewed the annual 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**").

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 Internal 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, among others, 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.

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

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 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.

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

Under code provision A.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. Due to other business engagement, the chairman is not able to hold such meeting with the independent non-executive directors and the office of the chairman was vacated with effect from 5 March 2020. The Company intends to appoint a suitable candidate internally for the position as the chairman of the Board and such internal selection process is still ongoing as at the date of this announcement. The Company will comply with this Code Provision after the appointment of the chairman.

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. Under code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. He should also invite the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting. Due to the outbreak of COVID-19 and the travel restriction of government authorities, the non-executive director and three independent non-executive directors of the Company were unable to attend the annual general meeting of the Company held on 18 June 2020. The Company may try to arrange video conference for use at annual general meeting in future to provide more flexibility for all directors.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this announcement.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2020.

AUDITORS

During the Year, Ernst & Young resigned as auditor of the Group and Lau & Au Yeung C.P.A. Limited was appointed by the Board to fill the casual vacancy so arising. A resolution for the re-appointment of Lau & Au Yeung C.P.A. Limited as the Group's auditor will be proposed at the forthcoming annual general meeting of the Company ("**2021 AGM**").

REVIEW OF ANNUAL FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's annual results for the year ended 31 December 2020 have been agreed by the auditors of the Company.

PUBLICATION OF ANNUAL RESULTS AND 2020 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com). The 2020 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
Li Yuguo
Executive Director

Hong Kong, 30 March 2021

As at the date of this announcement, the executive Directors are Mr. Li Yuguo, Mr. Liu Yan Chee James, Mr. Lyu Bin, Mr. Yang Xiaoqiang (the vice chairman) and Ms. Yang Xiaoqiu; and the independent non-executive Directors are Mr. Chen Xun, Mr. Zhang Yijun, Prof. Lau Chi Pang J.P. and Ms. Liu Shuyan.