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## **Future Bright Mining Holdings Limited**

### **高鵬礦業控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2212)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of Future Bright Mining Holdings Limited (the “**Company**”) hereby presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Period**”) together with the comparative figures for the corresponding period in 2020 as follows:

#### **INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

*For the six months ended 30 June 2021*

		<b>2021</b>	2020
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>REVENUE</b>	4	<b>21,973</b>	2,692
Cost of sales		<u>(16,413)</u>	<u>(1,675)</u>
<b>Gross profit</b>		<b>5,560</b>	1,017
Other income and gains	5	<b>1,185</b>	369
Selling and distribution expenses		<b>(107)</b>	(130)
Administrative expenses		<b>(4,289)</b>	(6,440)
Reversal of impairment losses on financial assets, net		–	8
Losses on changes in fair value of financial assets at fair value through profit or loss		<b>(110)</b>	(840)
Other operating income/(expenses)		<b>97</b>	(1,647)
Finance costs	6	<u><b>(91)</b></u>	<u>(133)</u>

	<i>Notes</i>	<b>2021</b> <b>(unaudited)</b> <b>RMB'000</b>	2020 (unaudited) RMB'000
<b>PROFIT/(LOSS) BEFORE TAX</b>	7	<b>2,245</b>	(7,796)
Income tax credit	8	<u>75</u>	<u>76</u>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b><u>2,320</u></b>	<b><u>(7,720)</u></b>
Profit/(loss) attributable to:			
Owners of the Company		<b>2,396</b>	(7,693)
Non-controlling interests		<u>(76)</u>	<u>(27)</u>
		<b><u>2,320</u></b>	<b><u>(7,720)</u></b>
<b>EARNINGS/(LOSS) PER SHARE</b> <b>ATTRIBUTABLE TO ORDINARY EQUITY</b> <b>HOLDERS OF THE COMPANY</b>			
Basic and diluted (RMB cents)	9	<b><u>0.05</u></b>	<b><u>(0.20)</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the six months ended 30 June 2021*

	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b><u>2,320</u></b>	<b><u>(7,720)</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(355)</u>	<u>1,690</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>	<b><u>(355)</u></b>	<b><u>1,690</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b><u>1,965</u></b>	<b><u>(6,030)</u></b>
Attributable to:		
Owners of the Company	<b>2,041</b>	(6,003)
Non-controlling interests	<u>(76)</u>	<u>(27)</u>
	<b><u>1,965</u></b>	<b><u>(6,030)</u></b>

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***30 June 2021*

		<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>13,333</b>	13,815
Right-of-use assets	<i>11</i>	<b>1,429</b>	855
Long-term prepayments	<i>11</i>	<b>39</b>	81
Other intangible assets	<i>11</i>	<b>20,083</b>	20,487
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>34,884</b>	35,238
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories		<b>1,549</b>	359
Trade receivables	<i>12</i>	–	–
Prepayments, other receivables and other assets	<i>13</i>	<b>9,711</b>	11,289
Financial assets at fair value through profit or loss		<b>174</b>	308
Cash and cash equivalents		<b>27,276</b>	25,734
		<hr/>	<hr/>
<b>Total current assets</b>		<b>38,710</b>	37,690
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade payables	<i>14</i>	<b>845</b>	711
Other payables and accruals		<b>4,035</b>	6,088
Tax payable		<b>9</b>	25
Lease liabilities	<i>15</i>	<b>762</b>	422
		<hr/>	<hr/>
Total current liabilities		<b>5,651</b>	7,246
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>33,059</b>	30,444
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>67,943</b>	65,682
		<hr/>	<hr/>

		<b>30 June</b>	31 December
		<b>2021</b>	2020
		<b>(unaudited)</b>	(audited)
	<i>Notes</i>	<b>RMB'000</b>	<b>RMB'000</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	<i>15</i>	<b>496</b>	101
Deferred tax liabilities		<b>2,794</b>	2,895
Provision for rehabilitation	<i>16</i>	<b>1,393</b>	1,347
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>4,683</b>	4,343
		<hr/>	<hr/>
<b>Net assets</b>		<b>63,260</b>	61,339
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	<i>17</i>	<b>3,524</b>	3,524
Reserves		<b>61,539</b>	59,542
		<hr/>	<hr/>
		<b>65,063</b>	63,066
<b>Non-controlling interests</b>		<b>(1,803)</b>	(1,727)
		<hr/>	<hr/>
<b>Total equity</b>		<b>63,260</b>	61,339
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2021

## 1. CORPORATE INFORMATION

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

The Company is an investment holding company. During the six months ended 30 June 2021 (the “**Period**”), the Group was involved in the following principal activities:

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The interim condensed consolidated financial information for the six months ended 30 June 2021 has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“**IAS 34**”). The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020.

### 2.2 New standards, interpretations and amendment adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new and revised International Financial Reporting Standards (“**IFRSs**”) effective for the annual period beginning on or after 1 January 2021:

Amendments to IFRS 9, IAS 39,  
IFRS 7, IFRS 4 and IFRS 16

*Interest Rate Benchmark Reform (Phase 2)*

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

### 3. OPERATING SEGMENT INFORMATION

#### Six months ended 30 June 2021

	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Segment revenue:</b>			
Sales to external customers	21,973	–	<u>21,973</u>
<b>Revenue</b>			<u><u>21,973</u></u>
<b>Segment results</b>	<b>5,462</b>	<b>(332)</b>	<b>5,130</b>
<i>Reconciliation:</i>			
Interest income			25
Finance costs (Other than interest on lease liabilities)			(45)
Corporate and other unallocated expenses			<u>(2,865)</u>
Profit before tax			<u><u>2,245</u></u>

#### Six months ended 30 June 2020

	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Segment revenue:</b>			
Sales to external customers	2,692	–	<u>2,692</u>
<b>Revenue</b>			<u><u>2,692</u></u>
<b>Segment results</b>	<b>272</b>	<b>(2,111)</b>	<b>(1,839)</b>
<i>Reconciliation:</i>			
Interest income			20
Finance costs (Other than interest on lease liabilities)			(43)
Corporate and other unallocated expenses			<u>(5,934)</u>
Loss before tax			<u><u>(7,796)</u></u>

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2021 and 31 December 2020, respectively.

### 30 June 2021

	<b>Marble block (unaudited) RMB'000</b>	<b>Commodity trading (unaudited) RMB'000</b>	<b>Total (unaudited) RMB'000</b>
<b>Segment assets:</b>	<b>44,040</b>	<b>18,617</b>	<b>62,657</b>
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(18,027)
Corporate and other unallocated assets			<u>28,964</u>
Total assets			<u><u>73,594</u></u>
<b>Segment liabilities:</b>	<b>23,619</b>	<b>590</b>	<b>24,209</b>
<i>Reconciliation:</i>			
Elimination of intersegment payables			(18,027)
Corporate and other unallocated liabilities			<u>4,152</u>
Total liabilities			<u><u>10,334</u></u>

### 31 December 2020

	<b>Marble block (audited) RMB'000</b>	<b>Commodity trading (audited) RMB'000</b>	<b>Total (audited) RMB'000</b>
<b>Segment assets:</b>	<b>44,271</b>	<b>22,089</b>	<b>66,360</b>
<i>Reconciliation:</i>			
Elimination of intersegment receivables			(21,286)
Corporate and other unallocated assets			<u>27,854</u>
Total assets			<u><u>72,928</u></u>
<b>Segment liabilities:</b>	<b>27,180</b>	<b>591</b>	<b>27,771</b>
<i>Reconciliation:</i>			
Elimination of intersegment payables			(21,286)
Corporate and other unallocated liabilities			<u>5,104</u>
Total liabilities			<u><u>11,589</u></u>

#### 4. REVENUE

An analysis of revenue is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Revenue from contracts with customers</b>		
Sale of goods	<u>21,973</u>	<u>2,692</u>

#### Disaggregated revenue information for revenue from contracts with customers

##### For the six months ended 30 June 2021

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Type of goods or services</b>			
Sale of goods	<u>21,973</u>	<u>–</u>	<u>21,973</u>
<b>Geographical markets</b>			
Mainland China	<u>21,973</u>	<u>–</u>	<u>21,973</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	<u>21,973</u>	<u>–</u>	<u>21,973</u>

##### For the six months ended 30 June 2020

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Type of goods or services</b>			
Sale of marble blocks	<u>2,692</u>	<u>–</u>	<u>2,692</u>
<b>Geographical markets</b>			
Mainland China	<u>2,692</u>	<u>–</u>	<u>2,692</u>
<b>Timing of revenue recognition</b>			
Goods transferred at a point in time	<u>2,692</u>	<u>–</u>	<u>2,692</u>

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

**For the six months ended 30 June 2021**

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Revenue from contracts with customers</b>			
External customers	<u>21,973</u>	<u>–</u>	<u>21,973</u>

**For the six months ended 30 June 2020**

Segments	Marble block (unaudited) <i>RMB'000</i>	Commodity trading (unaudited) <i>RMB'000</i>	Total (unaudited) <i>RMB'000</i>
<b>Revenue from contracts with customers</b>			
External customers	<u>2,692</u>	<u>–</u>	<u>2,692</u>

**5. OTHER INCOME AND GAINS**

An analysis of other income and gains is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2021 (unaudited) <i>RMB'000</i></b>	<b>2020 (unaudited) <i>RMB'000</i></b>
Bank interest income	25	20
Government grants	–	39
Rental of production machinery	1,143	191
Others	<u>17</u>	<u>119</u>
	<u><b>1,185</b></u>	<u><b>369</b></u>

## 6. FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	(unaudited) RMB'000	(unaudited) RMB'000
Interest on lease liabilities	45	90
Unwinding of discount ( <i>Note 16</i> )	46	43
	<u>91</u>	<u>133</u>

## 7. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2021	2020
	(unaudited) RMB'000	(unaudited) RMB'000
Cost of inventories sold	16,413	1,675
Staff costs (including directors' remuneration)		
Wages and salaries	1,659	3,218
Pension scheme contributions	95	90
	<u>1,754</u>	<u>3,308</u>
Amortisation of other intangible assets* ( <i>Note 11</i> )	404	363
Amortisation of long-term prepayments* ( <i>Note 11</i> )	42	42
Depreciation of property, plant and equipment* ( <i>Note 11</i> )	603	441
Depreciation of right-of-use assets ( <i>Note 11</i> )	580	1,312
Foreign exchange difference, net	(264)	1,447
Losses on changes in fair value of financial assets		
at fair value through profit or loss	110	840
Operating lease rentals	24	3
Reversal of impairment losses of trade receivables, net ( <i>Note 12</i> )	-	(8)
Reversal of impairment losses of long-term prepayments ( <i>Note 11</i> )	-	(4)
Reversal of impairment losses of property, plant and equipment ( <i>Note 11</i> )	(1)	-
Written off of property, plant and equipment ( <i>Note 11</i> )	77	63
Written off of long-term prepayments ( <i>Note 11</i> )	-	1
	<u>-</u>	<u>1</u>

\* The amortisation of other intangible assets, long-term prepayments and partial depreciation of property, plant and equipment for the Period and prior period 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 provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from Hong Kong during the Period.

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

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RMB’000</b>	<b>RMB’000</b>
Current — Mainland China		
Provision for the Period	<b>24</b>	–
Under provision in prior years	<b>2</b>	–
Deferred		
Tax credit for the Period	<b>(101)</b>	<b>(76)</b>
	<u>          </u>	<u>          </u>
Total tax credit for the Period	<b><u>(75)</u></b>	<b><u>(76)</u></b>

## 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the Period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 4,388,580,000 (six months ended 30 June 2020: 3,870,000,000) in issue during the Period.

The basic and diluted earnings/(loss) per share are the same as there is no potentially dilutive ordinary shares in issue for the six months ended 30 June 2021 and 2020.

The calculations of basic and diluted earnings/(loss) per share are based on:

	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
<b>Profit/(loss)</b>		
Profit/(loss) attributable to ordinary equity holders of the Company	<u><b>2,396</b></u>	<u>(7,693)</u>
	<b>Number of shares</b>	
	<b>For the six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>(unaudited)</b>	(unaudited)
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the Period used in the basic earnings/(loss) per share calculation	<u><b>4,388,580,000</b></u>	<u>3,870,000,000</u>

## 10. DIVIDEND

The Board did not declare or recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## 11. PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS, LONG-TERM PREPAYMENTS AND OTHER INTANGIBLE ASSETS

Movements in property, plant and equipment, right-of-use assets, long-term prepayments and other intangible assets during the six months ended 30 June 2021 are as follows:

	<b>Property, plant and equipment</b>	<b>Right- of-use assets</b>	<b>Long-term prepayments</b>	<b>Other intangible assets</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Carrying amount at 1 January 2021 (audited)	<b>13,815</b>	<b>855</b>	<b>81</b>	<b>20,487</b>
Additions	<b>205</b>	<b>1,163</b>	–	–
Written off	<b>(77)</b>	–	–	–
Depreciation/amortisation charged for the Period	<b>(603)</b>	<b>(580)</b>	<b>(42)</b>	<b>(404)</b>
Reversal of impairment losses	<b>1</b>	–	–	–
Exchange realignment	<b>(8)</b>	<b>(9)</b>	–	–
	<u><b>13,333</b></u>	<u><b>1,429</b></u>	<u><b>39</b></u>	<u><b>20,083</b></u>
Carrying amount at 30 June 2021 (unaudited)	<u><b>13,333</b></u>	<u><b>1,429</b></u>	<u><b>39</b></u>	<u><b>20,083</b></u>

## 12. TRADE RECEIVABLES

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Trade receivables	5,536	5,536
Impairment	<u>(5,536)</u>	<u>(5,536)</u>
Total	<u><u>–</u></u>	<u><u>–</u></u>

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

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Within 6 months	–	–
6 to 12 months	<u>–</u>	<u>–</u>
Total	<u><u>–</u></u>	<u><u>–</u></u>

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

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
At the beginning of Period	5,536	5,818
Reversal of impairment losses	–	(281)
Exchange realignment	<u>–</u>	<u>(1)</u>
At the end of Period	<u><u>5,536</u></u>	<u><u>5,536</u></u>

### 13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Prepayments	538	570
Deposits and other receivables	<u>9,173</u>	<u>10,719</u>
	<u><b>9,711</b></u>	<u><b>11,289</b></u>

As at 30 June 2021, the loss allowance of the financial assets included in the above balances relate to receivables was assessed to be minimal.

### 14. TRADE PAYABLES

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Within 3 months	393	254
Over 3 months	<u>452</u>	<u>457</u>
	<u><b>845</b></u>	<u><b>711</b></u>

### 15. LEASE LIABILITIES

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Current	762	422
Non-current	<u>496</u>	<u>101</u>
	<u><b>1,258</b></u>	<u><b>523</b></u>

## 16. PROVISION FOR REHABILITATION

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
At the beginning of Period	1,347	1,262
Unwinding of discount ( <i>Note 6</i> )	<u>46</u>	<u>85</u>
At the end of Period	<u><b>1,393</b></u>	<u>1,347</u>

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

## 17. SHARE CAPITAL

	<b>30 June 2021 (unaudited) RMB'000</b>	31 December 2020 (audited) RMB'000
Issued and fully paid: 4,388,580,000 (31 December 2020: 4,388,580,000) ordinary shares	<u><b>3,524</b></u>	<u>3,524</u>

## 18. RELATED PARTY TRANSACTIONS

- (a) During the six months ended 30 June 2020, the Group had paid a refundable deposit of RMB6,200,000 to 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**”) for acquiring 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**”). 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.
- (b) As at the end of the Period, the Group had no outstanding balances with related parties.
- (c) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2021 (unaudited) RMB'000	2020 (unaudited) RMB'000
Salaries, allowances and benefits in kind	1,074	2,160
Pension scheme contributions	30	29
	<u>1,104</u>	<u>2,189</u>

## 19. COMMITMENTS

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 six months ended 30 June 2020.

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

\* For identification purpose only

## 20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	<b>Carrying Amounts</b>		<b>Fair values</b>	
	<b>30 June</b>	31 December	<b>30 June</b>	31 December
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>(unaudited)</b>	(audited)	<b>(unaudited)</b>	(audited)
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	<u>174</u>	<u>308</u>	<u>174</u>	<u>308</u>

Management has assessed that the fair values of cash and cash equivalents, trade receivables, and financial assets included in prepayments, other receivables and other assets, trade payables and other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of listed equity investments are based on quoted market prices.

## Fair value hierarchy

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

*Assets measured at fair value:*

**As at 30 June 2021**

	Fair value measurement using			Total (unaudited) RMB'000
	Quoted prices in active markets (Level 1) (unaudited) RMB'000	Significant observable inputs (Level 2) (unaudited) RMB'000	Significant unobservable inputs (Level 3) (unaudited) RMB'000	
Financial assets at fair value through profit or loss	<u>174</u>	<u>-</u>	<u>-</u>	<u>174</u>

As at 31 December 2020

	Fair value measurement using			Total (audited) RMB'000
	Quoted prices in active markets (Level 1) (audited) RMB'000	Significant observable inputs (Level 2) (audited) RMB'000	Significant unobservable inputs (Level 3) (audited) RMB'000	
Financial assets at fair value through profit or loss	<u>308</u>	<u>-</u>	<u>-</u>	<u>308</u>

## 21. EVENTS AFTER THE REPORTING PERIOD

No event occurred after the end of the reporting period and up to the date of announcement that needs to be disclosed.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

For the Period, the operating revenue of the Group was approximately RMB21.97 million, which represented an increase of approximately 716.73% as compared to the operating revenue of approximately RMB2.69 million for the six months ended 30 June 2020. The significant increase in revenue was primarily attributable to the gradual containment of the novel coronavirus (“**COVID-19**”) and the steady recovery of economic activities in the PRC. Besides, the Group has actively explored new customers during the Period. The average selling price of marble block per cubic metre excavated from our mining site for the Period has increased by approximately 78.96% per cubic metre when compared with the price for the six months ended 30 June 2020. To cope with the need of our customers, the Group has also sold marble and sandstone blocks through purchasing from other suppliers starting from December 2020. As a result, revenue of the Group increased sharply for the Period.

No revenue was generated from the segment of commodity trading (six months ended 30 June 2020: Nil) during the Period. The following table sets forth the breakdown of the Group’s revenue by business segment for the Period:

	2021			2020		
	<i>Percentage to total revenue</i>	<i>Gross profit margin</i>		<i>Percentage to total revenue</i>	<i>Gross profit margin</i>	
	<i>RMB’000</i>		<i>RMB’000</i>			
Marble block	<b>21,973</b>	<b>100%</b>	<b>25.30%</b>	2,692	100%	37.78%
Commodity trading	—	—	<b>0.00%</b>	—	—	0.00%
Total	<b><u>21,973</u></b>	<b><u>100%</u></b>	<b><u>25.30%</u></b>	<b><u>2,692</u></b>	<b><u>100%</u></b>	<b><u>37.78%</u></b>

## **Cost of Sales**

The Group's cost of sales increased from approximately RMB1.68 million for the six months ended 30 June 2020 to approximately RMB16.41 million for the Period, representing an increase of approximately 876.79%. The cost of sales for the Period included both marble blocks mining costs and purchasing costs. The marble blocks mining costs mainly comprised of mining labour costs, sub-contractor fee, materials consumption, fuel, electricity, processing fee of abandoned stones, depreciation of production equipment and amortisation of mining rights, whereas the purchasing costs represented the cost of sourcing of marble and sandstone blocks from external suppliers.

## **Gross Profit and Gross Profit Margin**

The gross profit of the Group increased to approximately RMB5.56 million for the Period (gross profit margin of approximately 25.30%) when compared with the gross profit for the six months ended 30 June 2020 of approximately RMB1.02 million (six months ended 30 June 2020: gross profit margin of approximately 37.78%). The decrease in gross profit margin was mainly attributable to the lower gross profit margin of selling marble and sandstone blocks purchased from external suppliers.

## **Other Income and Gains**

Other income and gains for the Period were approximately RMB1.19 million, which represented an increase of approximately RMB0.82 million as compared to the other income and gains of approximately RMB0.37 million for the six months ended 30 June 2020. The Group has generated income from rental of production machinery of approximately RMB1.14 million for the Period (six months ended 30 June 2020: RMB0.19 million).

## **Selling and Distribution Expenses**

During the Period, the selling and distribution expenses were approximately RMB0.11 million (six months ended 30 June 2020: approximately RMB0.13 million), which primarily comprised port charges and transportation costs.

## **Administrative Expenses**

Administrative expenses mainly included legal and professional fees, depreciation, directors' remuneration, salaries and benefits of staff and other general office expenses. With the adjustment of remunerations of all directors since September 2020 and effective cost control of daily expenses of all back offices, administrative expenses of the Group decreased by approximately RMB2.15 million or 33.39% from approximately RMB6.44 million for the six months ended 30 June 2020 to approximately RMB4.29 million for the Period.

## **Impairment on Financial Assets, Net**

The management assessed the measurement of expected credit losses in relation to financial assets and no impairment losses was provided for the Period (six months ended 30 June 2020: net amount of impairment losses of approximately RMB8,000 was reversed).

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

As at 30 June 2021, the Group had current equity investments at fair value through profit or loss of approximately RMB0.17 million (representing approximately 0.23% of the Group's total assets as at 30 June 2021) which comprised investments in various Hong Kong listed shares (six months ended 30 June 2020: approximately RMB0.26 million). The Group recorded net fair value loss of the equity investments of approximately RMB0.11 million for the Period (six months ended 30 June 2020: fair value loss of approximately RMB0.84 million).

## **Other Operating Income/Expenses**

Other operating expenses of approximately RMB1.65 million for the six months ended 30 June 2020 turned to operating income of approximately RMB0.1 million for the Period, primarily due to net foreign exchange gain of approximately RMB0.26 million for the Period (six months ended 30 June 2020: net exchange loss of approximately RMB1.45 million). Other operating expenses also included written off of property, plant, and equipment of approximately RMB0.08 million (six months ended 30 June 2020: approximately RMB0.06 million) and cash and in-kind donation of approximately RMB0.05 million during the Period (six months ended 30 June 2020: approximately RMB0.11 million).

## **Finance Costs**

Finance costs decreased from approximately RMB0.13 million for the six months ended 30 June 2020 to approximately RMB0.09 million for the Period. The Group has entered into a new and long-term lease contract for office premises in Hong Kong with a more favourable monthly rent during the Period, which in turn reduced the interest on lease liabilities.

## **Profit/Loss attributable to Owners of the Company**

In view of the above factors, loss attributable to owners of the Company of approximately RMB7.69 million for the six months ended 30 June 2020 turned to profit of approximately RMB2.40 million for the Period. The change from loss to profit was mainly resulted from the increase in gross profit and effective cost control of administrative and other operating expenses during the Period.

## **BUSINESS REVIEW**

### **Marble and Marble-related Business**

During the Period, we are continuously focusing on the development of the Yiduoyan Project, which is an open pit mine in the Hubei Province of the PRC. A total of 4,027 m<sup>3</sup> of marble blocks had been produced and 3,130 m<sup>3</sup> of marble blocks had been sold during the Period. Besides, the Group also purchased and sold other marble and sandstone blocks during the Period. The revenue derived from this business segment during the Period amounted to approximately RMB21.97 million (approximately RMB2.69 million for the six months ended 30 June 2020).

After continuous efforts of the sales team, the gradual containment of COVID-19 and the steady recovery of economic activities in the PRC, the Group solicited several new customers during the Period. The average selling price of marble block per cubic metre excavated from our mining site increased when compared with the price for the six months ended 30 June 2020.

Apart from the above, to cope with the need of our customers, the Group has also sold marble and sandstone blocks through purchasing from other suppliers starting from December 2020. As a result, revenue of the Group further increased during the Period.

On the other hand, as disclosed in our 2020 annual report, the Group was requested by some of the existing customers to postpone the delivery of marble blocks as a result of the COVID-19 pandemic. During the Period, the Group was still having ongoing discussions with these customers regarding the revised terms and in particular, the updated delivery schedule. 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 Period (six months ended 30 June 2020: Nil). Although no revenue was derived from for this segment during the Period, the Group has entered into a one year contract with a customer and a supplier in June 2021 for the trading of zinc concentrates. The shipment of goods to the customer is expected to be arranged in the second half of the year.

### **THE YIDUOYAN PROJECT**

The Yiduoyan Project is an open pit mine located in the Hubei Province of the PRC. Currently, the Group holds the mining permit of the Yiduoyan Project with permitted production capacity of 20,000 m<sup>3</sup> 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 subject to the applicable PRC laws and regulations), covering an area of approximately 0.5209 km<sup>2</sup>. According to the independent technical report dated 29 December 2014 prepared by SRK Consulting (Hong Kong) Limited, the same of which was set out in appendix IV to the prospectus of the Company dated 29 December 2014, the Yiduoyan Project contains marble resources with expansion potential through exploration.

### **MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES**

#### **Mineral Exploration**

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

No further mineral exploration was carried out for the Period. As a result, there was no expenditure on mineral exploration.

## Development

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

During the Period, the Group recorded development expenditures of approximately RMB4.08 million with respect to the expansion of Yiduoyan marble mine. A detailed breakdown of the development expenditures is set out below:

	<i>RMB('000)</i>
Health check	3.3
Labour protection supplies	2.1
Production safety signs	5.2
Production safety liability insurance	10.3
Purchase of production equipment and machinery	138.0
Processing fee for abandoned stones	3,809.5
Safety rescue agreement	10.0
Soil and water conservation compensation	20.4
Technical consultation service fee for mine safety	22.0
Technical consultation service fee for mine reserves	60.0
Water resource fee	3.0
	<hr/>
Total	<u><u>4,083.8</u></u>

## **Mining Operation**

During the Period, the Group had realised sales of 3,130 m<sup>3</sup> of marble blocks. In the first half of the year, detailed inspection, testing and preparation works on horizontal platforms and mining benches were conducted. The Yiduoyan marble mine block production amounted to 4,027 m<sup>3</sup> for the Period.

During the Period, the expenditure on mining activities of the Group was approximately RMB7.70 million. The expenditure of mining activities was approximately RMB1,912 per m<sup>3</sup> (for the six months ended 30 June 2020: approximately RMB1,207 per m<sup>3</sup>). The increase of production cost per unit was mainly caused by the increase in processing fee for abandoned stones.

## **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:

### **Response to COVID-19 pandemic**

In the first half of 2021, 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.

The ongoing COVID-19 pandemic will continue to pose a challenge to the world in the foreseeable future. However, with the release of different kind of vaccines in stages, it is expected that the global immunisation, prevention and control work of COVID-19 pandemic will be further improved. The Group has used, and will continue to use, its best endeavors to mitigate the adverse impact of the COVID-19 pandemic on the Group.

The Group will closely monitor the development of COVID-19 pandemic and ensure the safety of employees and stable operations. As and when appropriate, the Group will adjust its measures and plans for epidemic 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*

While the COVID-19 pandemic is gradually brought under control, it is expected that the productivity and demand of the marble block industry will be further improved. We will continue to develop the Yiduoyan Project and are optimistic about its 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.

Other than enlarging customer base, in June 2020, we have also submitted an application of enhancing annual production capacity to 200,000 m<sup>3</sup> per annum for the Yiduoyun Project to meet our future orders. The application is subject to approval by the relevant government authorities. Due to sporadic cases of COVID-19 in the PRC recently, the approval progress was affected and we will update the application status as appropriate.

Besides, we will increase product varieties and recognition through industry exchanges. We have and will continue to identify new suppliers of marble and marble-related business for sourcing of different kind of marble block to cope with our customers' needs. As part of our future plans for acquisitive growth, we continue to carefully identify and evaluate selective acquisition opportunities.

### *Develop the commodities trading business*

We believe that continuing 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. With the new trading contract on hand, it is expected that the source of revenue of the Group will be diversified in the second half of the year. Other than the existing customer, we will look for other attractive opportunities in the commodities trading business.

## **SIGNIFICANT INVESTMENTS**

The Group had no material securities investments during the Period.

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

## **MAJOR ACQUISITIONS AND DISPOSALS DURING THE PERIOD**

There were no material acquisitions and disposals of subsidiaries, associates or joint ventures by the Group during the Period.

## **LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO**

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

As at 30 June 2021, the Group had cash and cash equivalents of approximately RMB27.28 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2020: approximately RMB25.73 million).

The Group had no borrowings as at 30 June 2021, and therefore the gearing ratio (defined as long term debt divided by total shareholder's equity) was not applicable. The current ratio of the Group as at 30 June 2021 was about 6.85 times as compared to 5.20 times as at 31 December 2020, based on current assets of approximately RMB38.71 million (as at 31 December 2020: approximately RMB37.69 million) and current liabilities of approximately RMB5.65 million (as at 31 December 2020: approximately RMB7.25 million).

## **CHARGES OVER GROUP ASSETS**

There were no charges over the Group's assets as at 30 June 2021.

## **CAPITAL STRUCTURE**

There had been no material change in the capital structure of the Group since 31 December 2020.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the Group has a total of 20 full time employees who are located in Hong Kong and the PRC. Employees' remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries and other employees' benefits including contributions to statutory mandatory provident funds for our Hong Kong employees, and social insurance together with housing provident funds for our PRC employees. Besides, the Group also provides medical benefits and subsidies employees in various training and continuous education programmes.

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

### Placing of new shares on 16 February 2017

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

Up to 30 June 2021, the Group had used the net proceeds as follows:

	Original allocation of net proceeds			Utilisation up to 30 June 2021		Remaining balance of net proceeds as at 30 June 2021	
	HK\$ (million)	RMB Equivalent (million)	% of net proceeds	HK\$ (million) (unaudited)	RMB Equivalent (million) (unaudited)	HK\$ (million) (unaudited)	RMB Equivalent (million) (unaudited)
Building a processing plant to produce slabs	24	21	70.59%	1	0.88	23	20.12
General working capital of the Group	10	9	29.41%	10	9	-	-
<b>Total</b>	<b>34</b>	<b>30</b>	<b>100.00%</b>	<b>11</b>	<b>9.88</b>	<b>23</b>	<b>20.12</b>

In relation to the plan for the construction of a processing plant, the Group plans to construct such processing plant in the stone industry park\* (石材產業園) invested by the Nanzhang People’s Government\* (南漳縣人民政府) of the PRC. As at the date of this announcement, the Group is still undergoing the relevant procedures with the government authority for the construction plan, and the land parcel on which the processing plant is to be built is undergoing infrastructure constructions (including ground leveling and access to water, electricity, telecommunication, road and sewage) (五通一平). Due to the COVID-19 pandemic, the progress was further delayed. According to the existing plan of the Group, the Group intends to use the remaining proceeds of approximately HK\$23 million for the construction of a processing plant before 31 December 2022. Nevertheless, the construction of the processing plant is subject to both approval of the relevant governmental authority and the grant of the land use rights.

In view of the aforesaid development, up to 30 June 2021, the utilised net proceeds were approximately HK\$11 million and the remaining proceeds as at 30 June 2021 were approximately HK\$23 million.

The land for the construction of the processing plant (the “**Subject Land Parcel**”) is expected to be available in the first half of 2022. In view of the postponement of the timetable for the development of the processing plant, the Group had temporarily re-allocated the remaining proceeds of approximately HK\$23 million to investment in equity securities of companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and general working capital of the Group. The Group intends to use the remaining proceeds of approximately HK\$23 million for the construction of a processing plant as originally planned and according to the schedule as discussed above.

	<b>Net Proceeds utilised for the Period</b>	
	<i>HK\$</i>	<i>RMB</i>
	<i>(unaudited)</i>	<i>equivalent (unaudited)</i>
Building a processing plant to produce slabs	<u>          —          </u>	<u>          —          </u>

\* For identification purpose only

## Placing of new shares on 16 December 2020

The net proceeds from the placing of new shares under general mandate on 16 December 2020, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HK\$14.2 million (equivalent to approximately RMB12.01 million). The net proceeds were intended to be used as general working capital of the Group.

Up to 30 June 2021, the Group had used the net proceeds as follows:

	Original allocation of net proceeds			Utilisation as at 30 June 2021		Remaining balance of net Proceeds as at 30 June 2021	
	<i>HK\$ (million)</i>	<i>RMB Equivalent (million)</i>	<i>% of Net Proceeds</i>	<i>HK\$ (million) (unaudited)</i>	<i>RMB Equivalent (million) (unaudited)</i>	<i>HK\$ (million) (unaudited)</i>	<i>RMB Equivalent (million) (unaudited)</i>
General working capital of the Group	<u>14.2</u>	<u>12.01</u>	<u>100%</u>	<u>7.7</u>	<u>6.6</u>	<u>6.5</u>	<u>5.41</u>

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

	Net Proceeds utilised for the Period	
	<i>HK\$ (unaudited)</i>	<i>RMB equivalent (unaudited)</i>
Administrative expenses	2,018,000	1,691,000
Professional fee	513,000	430,000
Rental costs	452,000	378,000
Staff costs	<u>1,264,000</u>	<u>1,059,000</u>
Total	<u>4,247,000</u>	<u>3,558,000</u>

The Group intends to use the remaining proceeds of approximately HK\$6.5 million by the end of December 2021 for general working capital purpose.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

Save and except those disclosed in note 19 to the condensed consolidated financial information, the Group did not have any capital commitments and contingent liabilities as at 30 June 2021.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

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

## **CORPORATE GOVERNANCE PRACTICES**

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

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted the code of conduct with respect to the dealings in securities of the Company by the Directors as set out in Appendix 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 the relevant provisions and requirements under the Model Code in Chinese, 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 had complied with the required standard set out in the Model Code during the Period.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

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

## **EVENTS AFTER THE REPORTING PERIOD**

The Director are not aware of any other significant events that have occurred from 30 June 2021 and up to the date of this announcement which require disclosure herein.

## **REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE**

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

## **PUBLICATION OF INTERIM RESULTS AND 2021 INTERIM REPORT**

This announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.futurebrightltd.com](http://www.futurebrightltd.com)). The 2021 interim report will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 24 August 2021

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