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 2023 AND CHANGE IN USE OF PROCEEDS

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 2023 (the "**Period**") together with the comparative figures for the corresponding period in 2022 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	2023 (unaudited) RMB'000	2022 (unaudited) RMB'000
REVENUE	4	**11,526**	12,884
Cost of sales		**(11,480)**	(9,240)
Gross profit		**46**	3,644
Other income and gains	5	**64**	248
Administrative expenses		**(6,532)**	(7,294)
Reversal of impairment losses on financial assets, net		**–**	6,064
Losses on changes in fair value of financial assets at fair value through profit or loss		**(62)**	(1)
Other operating expenses		**(3,151)**	(6,601)
Finance costs	6	**(484)**	(77)

	Notes	**2023** **(unaudited)** ***RMB'000***	2022 (unaudited) *RMB'000*
LOSS BEFORE TAX	*7*	**(10,119)**	(4,017)
Income tax credit	*8*	**255**	11
LOSS FOR THE PERIOD		**(9,864)**	(4,006)
Loss attributable to:			
Owners of the Company		**(9,622)**	(3,998)
Non-controlling interests		**(242)**	(8)
		(9,864)	(4,006)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
			(Restated)
Basic and diluted (RMB cents)	*9*	**1.10**	0.46

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
LOSS FOR THE PERIOD	**(9,864)**	(4,006)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**495**	1,085
Realisation of exchange reserve upon deregistration of a subsidiary	**122**	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**617**	1,085
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(9,247)**	(2,921)
Attributable to:		
Owners of the Company	**(9,004)**	(2,911)
Non-controlling interests	**(243)**	(10)
	(9,247)	(2,921)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2023

	Notes	**30 June 2023 (unaudited) *RMB'000***	31 December 2022 (audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**12,442**	12,604
Right-of-use assets	*11*	**4,555**	5,889
Other intangible assets	*11*	**19,873**	19,873
Total non-current assets		**36,870**	38,366
CURRENT ASSETS			
Inventories		**535**	535
Trade receivables	*12*	**24**	–
Prepayments, deposits and other receivables	*13*	**7,102**	3,860
Financial assets at fair value through profit or loss		**42**	102
Cash and cash equivalents		**29,158**	31,223
Total current assets		**36,861**	35,720
CURRENT LIABILITIES			
Trade payables	*14*	**501**	485
Other payables and accruals		**4,598**	5,533
Short-term borrowings		**17,859**	7,727
Amount due to a director	*18*	**10**	10
Amount due to the ultimate controlling shareholder	*18*	**553**	536
Tax payable		**–**	961
Lease liabilities	*15*	**3,516**	3,281
Total current liabilities		**27,037**	18,533
NET CURRENT ASSETS		**9,824**	17,187
TOTAL ASSETS LESS CURRENT LIABILITIES		**46,694**	55,553

	Notes	**30 June 2023 (unaudited) *RMB'000***	31 December 2022 (audited) *RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities	*15*	**129**	1,746
Deferred tax liabilities		**1,474**	1,729
Provision for rehabilitation	*16*	**1,587**	1,535
Total non-current liabilities		**3,190**	5,010
Net assets		**43,504**	50,543
EQUITY			
Equity attributable to owners of the Company			
Share capital	*17*	**3,524**	3,524
Reserves		**40,005**	49,009
		43,529	52,533
Non-controlling interests		**(25)**	(1,990)
Total equity		**43,504**	50,543

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 June 2023

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 2023 (the "**Period**"), the Group was principally engaged in the following activities:

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

In the opinion of the Directors, 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 2023 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 2022.

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 2022, except for the adoption of new and revised International Financial Reporting Standards ("**IFRSs**") effective for the annual period beginning on or after 1 January 2023:

Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred tax related to Assets and Liabilities arisen from a Single Transaction*
IFRS 17	*Insurance Contracts, related Amendments and Initial Application of IFRS 17 and IFRS 9 – Comparative Information*

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 2023

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

Six months ended 30 June 2022

	Marble block (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Segment revenue:			
Sales to external customers	5,607	7,277	12,884
Revenue			12,884
Segment results	(470)	555	85
Reconciliation:			
Interest income			38
Finance costs (Other than interest on lease liabilities)			(49)
Corporate and other unallocated expenses			(4,091)
Loss before tax			(4,017)

The following table presents the asset and liability information of the Group's operating segments as at 30 June 2023 and 31 December 2022, respectively.

30 June 2023

	Marble block (unaudited) *RMB'000*	**Commodity trading (unaudited)** *RMB'000*	**Total (unaudited)** *RMB'000*
Segment assets:	**34,042**	**21,850**	**55,892**
Reconciliation:			
Elimination of intersegment receivables			**(17,986)**
Corporate and other unallocated assets			**35,825**
Total assets			**73,731**
Segment liabilities:	**23,742**	**677**	**24,419**
Reconciliation:			
Elimination of intersegment payables			**(17,986)**
Corporate and other unallocated liabilities			**23,794**
Total liabilities			**30,227**

31 December 2022

	Marble block (audited) *RMB'000*	Commodity trading (audited) *RMB'000*	Total (audited) *RMB'000*
Segment assets:	34,167	21,811	55,978
Reconciliation:			
Elimination of intersegment receivables			(18,586)
Corporate and other unallocated assets			36,694
Total assets			74,086
Segment liabilities:	24,344	706	25,050
Reconciliation:			
Elimination of intersegment payables			(18,586)
Corporate and other unallocated liabilities			17,079
Total liabilities			23,543

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**11,526**	12,884

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2023

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

For the six months ended 30 June 2022

Segments	Marble block (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Type of goods or services			
Sale of marble blocks	5,607	–	5,607
Sale of coals	–	7,277	7,277
	5,607	7,277	12,884
Geographical markets			
Mainland China	5,607	7,277	12,884
Timing of revenue recognition			
Goods transferred at a point in time	5,607	7,277	12,884

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 2023

Segments	**Marble block (unaudited)** ***RMB'000***	**Commodity trading (unaudited)** ***RMB'000***	**Total (unaudited)** ***RMB'000***
Revenue from contracts with customers			
External customers	**–**	**11,526**	**11,526**

For the six months ended 30 June 2022

Segments	Marble block (unaudited) *RMB'000*	Commodity trading (unaudited) *RMB'000*	Total (unaudited) *RMB'000*
Revenue from contracts with customers			
External customers	5,607	7,277	12,884

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Bank interest income	**55**	38
Government grants	**–**	84
Others	**9**	126
	64	248

6. FINANCE COSTS

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Interest on lease liabilities	**182**	28
Unwinding of discount *(Note 16)*	**52**	49
Loan interest expenses	**250**	–
	484	77

7. LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Cost of inventories sold	**11,480**	9,240
Staff costs (including directors' remuneration)		
Wages and salaries	**2,567**	2,294
Pension scheme contributions	**220**	189
	2,787	2,483
Bad debts written off	**–**	5,524
Depreciation of property, plant and equipment* *(Note 11)*	**163**	332
Depreciation of right-of-use assets *(Note 11)*	**1,809**	380
Foreign exchange difference, net	**797**	1,036
Losses on changes in fair value of financial assets at fair value through profit or loss	**62**	1
Loss on deregistration of a subsidiary	**2,335**	–
Operating lease rentals	**9**	2
Reversal of impairment losses of trade receivables *(Note 12)*	**–**	(5,524)
Reversal of impairment losses of other receivables	**–**	(540)
Written off of property, plant and equipment *(Note 11)*	**1**	–

* The partial depreciation of property, plant and equipment for 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 (six months ended 30 June 2022: nil).

Provision for the PRC corporate income tax ("**CIT**") is based on the CIT rate applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the Period. The Group's subsidiaries located in Mainland China were generally subject to the PRC CIT at the rate of 25%, except for subsidiaries which are eligible as Small Low-profit Enterprise* (小型微利企業). From 1 January 2023, a Small Low-profit Enterprise with an annual taxable profit of less than RMB1 million, is subject to CIT calculated at 25% (six months ended 30 June 2022: 12.5%) of its taxable profit at a tax rate of 20%. During the Period, no subsidiary (six months ended 30 June 2022: one subsidiary) is subject to the relevant preferential tax treatments.

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Current — Mainland China		
Provision for the Period	**–**	14
Over provision in prior years	**–**	(1)
Deferred		
Tax credit for the Period	**(255)**	(24)
Total tax credit for the Period	**(255)**	(11)

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

The calculation of the basic loss per share is based on the loss for the Period attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 877,716,000 (six months ended 30 June 2022: 877,716,000 (Restated)) in issue during the Period.

The basic and diluted loss per share are the same as there is no potentially dilutive ordinary shares in issue for the six months ended 30 June 2023 and 2022.

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

	For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company	**(9,622)**	(3,998)

* *For identification purposes only*

	Number of shares For the six months ended 30 June	
	2023	2022
	(unaudited)	(unaudited)
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the Period used in the basic loss per share calculation	**877,716,000**	877,716,000

10. DIVIDEND

The Board did not declare or recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

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

Movements in property, plant and equipment, right-of-use assets and other intangible assets during the six months ended 30 June 2023 are as follows:

	Property, plant and equipment	**Right-of-use assets**	**Other intangible assets**
	RMB'000	***RMB'000***	***RMB'000***
Carrying amount at 1 January 2023 (audited)	**12,604**	**5,889**	**19,873**
Additions	**–**	**350**	**–**
Written off	**(1)**	**–**	**–**
Depreciation/amortisation charged for the Period	**(163)**	**(1,809)**	**–**
Exchange realignment	**2**	**125**	**–**
Carrying amount at 30 June 2023 (unaudited)	**12,442**	**4,555**	**19,873**

12. TRADE RECEIVABLES

	30 June 2023	31 December 2022
	(unaudited)	(audited)
	RMB'000	*RMB'000*
Trade receivables	**24**	–
Impairment	**–**	–
Total	**24**	–

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

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Within 3 months	**24**	–

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

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
At the beginning of Period	**–**	5,524
Reversal of impairment losses	**–**	(5,524)
At the end of Period	**–**	–

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Prepayments	**3,801**	609
Deposits and other receivables	**3,301**	3,251
	7,102	3,860

As at 30 June 2023, the loss allowance of the financial assets included in the above balances relating to receivables was assessed to be minimal (31 December 2022: nil).

14. TRADE PAYABLES

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Over 3 months	**501**	485

15. LEASE LIABILITIES

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Current	**3,516**	3,281
Non-current	**129**	1,746
	3,645	5,027

16. PROVISION FOR REHABILITATION

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
At the beginning of Period	**1,535**	1,438
Unwinding of discount *(Note 6)*	**52**	97
At the end of Period	**1,587**	1,535

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

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Issued and fully paid:		
877,716,000 (31 December 2022: 877,716,000) ordinary shares	**3,524**	3,524

18. RELATED PARTY TRANSACTIONS

(a) Outstanding balances with related parties

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Due to a director *(Note 1)*	**10**	10
Due to the ultimate controlling shareholder *(Note 2)*	**553**	536
	563	546

Notes:

(1) The balances due to a director are unsecured, interest-free, repayable on demand and denominated in RMB.

(2) The balances due to the ultimate controlling shareholder are unsecured, interest-free, repayable on demand and denominated in HKD.

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

	For the six months ended 30 June	
	2023 (unaudited) ***RMB'000***	2022 (unaudited) *RMB'000*
Salaries, allowances and benefits in kind	**1,495**	1,278
Pension scheme contributions	**44**	42
	1,539	1,320

19. CAPITAL COMMITMENTS

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

	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*
Capital expenditure in respect of the renewal of the mining permit contracted for but not provided in the consolidated financial statements *(Note)*	**98,731**	–

Note:

On 20 June 2023, the Group has entered into a contract with Natural Resources and Planning Bureau of Nanzhang County* (南漳縣自然資源和規劃局) for (i) enhancing the annual production capacity of the Yiduoyan Project to 200,000 m^3 per annum; and (ii) renewing the mining permit for an amount of approximately RMB98,731,000. The first installment of RMB60,000,000 was paid by the Group in July 2023. The remaining balance of approximately RMB38,731,000 will be paid in three installments between 2027 and 2029. For details, please refer to the announcements of the Company dated 18 July 2023 and 4 August 2023.

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying Amounts		**Fair values**	
	30 June 2023 (unaudited) *RMB'000*	31 December 2022 (audited) *RMB'000*	**30 June 2023 (unaudited)** *RMB'000*	31 December 2022 (audited) *RMB'000*
Financial assets				
Financial assets at fair value through profit or loss	**42**	102	**42**	102

Management has assessed that the fair values of cash and cash equivalents, trade receivables, and financial assets included in prepayments, deposits and other receivables, and financial liabilities included in trade payables, other payables and accruals, short-term borrowings and amount due to related parties 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.

* *For identification purposes only*

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 2023

	Fair value measurement using			
	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*	**Total (unaudited)** *RMB'000*
Financial assets at fair value through profit or loss	**42**	**–**	**–**	**42**

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (audited) *RMB'000*	Significant observable inputs (Level 2) (audited) *RMB'000*	Significant unobservable inputs (Level 3) (audited) *RMB'000*	Total (audited) *RMB'000*
Financial assets at fair value through profit or loss	102	–	–	102

21. EVENTS AFTER THE REPORTING PERIOD

On 12 July 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project, pursuant to which the term of the mining right is renewed for a period of 20 years, from 12 July 2023 to 12 July 2043. For purpose of the renewal, an additional resources fee of approximately RMB98.7 million shall be paid by the Group by installments. The first installment of RMB60 million was paid by the Group in July 2023. The remaining balance of approximately RMB38.7 million will be paid in three installments between 2027 and 2029. For details, please refer to the announcements of the Company dated 18 July 2023 and 4 August 2023.

On 24 August 2023, the Board resolved to change the use of the remaining balance of the unutilised net proceeds from the placing of new shares under general mandate on 16 February 2017. The details were disclosed in the paragraph headed "CHANGE IN USE OF PROCEEDS" under the section headed "MANAGEMENT DISCUSSION AND ANALYSIS"in this announcement.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2023 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the Period, the operating revenue of the Group was approximately RMB11.53 million, which represented a decrease of approximately 10.48% as compared to the operating revenue of approximately RMB12.88 million for the six months ended 30 June 2022. Since the Group was still in the process of renewing the mining permit during the Period, no excavation work was conducted by the Group during the Period and hence no marble block was produced and sold. As a result, no revenue was derived from marble block segment for the Period (six months ended 30 June 2022: approximately RMB5.60 million).

The trading of coal business commenced in June 2022. Raw coal was directly sourced from well-established coal producers in Inner Mongolia and sold to the PRC customers. As there was a serious coal mining accident in Inner Mongolia in February 2023, operators of the coal mines, being the suppliers of our coal trading business, were required to undertake a safety inspection of their coal mines, during which coal mining activities had to be temporarily suspended and the Group's coal trading business during the Period was adversely affected. The trading volume was approximately 20,100 tonnes (six months ended 30 June 2022: approximately 11,700 tonnes) and the revenue generated from this segment was approximately RMB11.53 million (six months ended 30 June 2022: approximately RMB7.28 million), with a gross profit margin of approximately 0.40% (six months ended 30 June 2022: approximately 8.96%).

	Six months ended 30 June 2023			Six months ended 30 June 2022		
	RMB'000	***Percentage to total revenue***	***Gross profit margin***	*RMB'000*	*Percentage to total revenue*	*Gross profit margin*
Marble block	**–**	**0.00%**	**0.00%**	5,607	43.52%	53.36%
Commodity trading	**11,526**	**100.00%**	**0.40%**	7,277	56.48%	8.96%
Total	**11,526**	**100.00%**	**0.40%**	12,884	100.00%	28.28%

Cost of Sales

The Group's cost of sales increased from approximately RMB9.24 million for the six months ended 30 June 2022 to approximately RMB11.48 million for the Period, representing an increase of approximately 24.24%, and such cost was solely attributable to our coal trading business under the commodity trading segment. The cost of sales included both marble blocks mining costs and purchasing costs. The marble blocks mining costs mainly comprised of 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 coals from external suppliers in the commodity trading segment.

Since there was no mining operation during the Period, the cost of this segment was zero (six months ended 30 June 2022: approximately RMB2.62 million). To minimise the impact of the coal mining incident on the Group's coal trading business, the Group sourced coals from alternative suppliers in other regions at higher costs and approximately RMB11.48 million of purchasing costs was recorded during the Period (six months ended 30 June 2022: approximately RMB6.62 million).

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased to approximately RMB46,000 for the Period (gross profit margin of approximately 0.40%) when compared with the gross profit for the six months ended 30 June 2022 of approximately RMB3.64 million (six months ended 30 June 2022: gross profit margin of approximately 28.28%).

Since no revenue was generated from marble block segment and no mining activities was conducted during the Period, the gross profit margin of this segment was zero (six months ended 30 June 2022: gross profit margin of approximately 53.36%). The gross profit margin of the commodity trading segment decreased to approximately 0.40% for the Period (six months ended 30 June 2022: gross profit margin of approximately 8.96%) as higher purchasing costs were incurred during the Period.

Other Income and Gains

Other income and gains for the Period were approximately RMB64,000, which represented a decrease of approximately RMB0.19 million as compared to the other income and gains of approximately RMB0.25 million for the six months ended 30 June 2022. The decrease was mainly attributable to the decrease of government grants and sundry income for the Period.

Administrative Expenses

Administrative expenses mainly included legal and professional fees, printing and announcement fee, depreciation, amortisation of annual listing fee, directors' remuneration, salaries and benefits of staff and other general office expenses. During the Period, administrative expenses of the Group decreased by approximately RMB0.76 million or 10.43%. Although no exploration expense was incurred during the Period, the decrease of administrative expenses was partially offset by the increase of depreciation and building management fee of the new office premises, which in turn resulted in an administrative expenses of approximately RMB6.53 million during the Period (six months ended 30 June 2022: approximately RMB7.29 million).

Impairment on Financial Assets, Net

The management assessed the measurement of expected credit losses in relation to financial assets and no impairment losses were provided for the Period (six months ended 30 June 2022: approximately RMB6.06 million was reversed). The reversal of impairment losses for the six months ended 30 June 2022 was mainly due to the written-off of long outstanding trade receivables of approximately RMB5.52 million. Besides, since the balance of deposits paid for acquisition of machinery was fully refunded by the supplier, impairment losses of approximately RMB0.54 million provided in prior years was also reversed during the six months ended 30 June 2022.

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

As at 30 June 2023, the Group had current equity investments at fair value through profit or loss of approximately RMB42,000 (representing approximately 0.06% of the Group's total assets as at 30 June 2023) which comprised investments in various Hong Kong listed shares and other investments (as at 31 December 2022: approximately RMB0.10 million). The Group recorded net fair value loss of the equity investments of approximately RMB62,000 for the Period (six months ended 30 June 2022: net fair value loss of approximately RMB1,000).

Other Operating Expenses

Other operating expenses decreased from approximately RMB6.60 million for the six months ended 30 June 2022 to approximately RMB3.15 million for the Period as no bad debts was written off (six months ended 30 June 2022: approximately RMB5.52 million). During the Period, the Group has also recorded loss of approximately RMB2.34 million arising from the deregistration of a subsidiary in the PRC (six months ended 30 June 2022: nil). Other operating expenses also included net foreign exchange loss of approximately RMB0.80 million for the Period (six months ended 30 June 2022: approximately RMB1.04 million). No donation was made for the Period (six months ended 30 June 2022: approximately RMB26,000).

Finance Costs

Finance costs increased from approximately RMB77,000 for the six months ended 30 June 2022 to approximately RMB0.48 million for the Period. The Group's finance costs represented interest on discounted provision for rehabilitation, interest on lease liabilities of office premises and loan interest expenses. During the second half of 2022, the Group has entered into long-term lease contracts for both office premises in Hong Kong and the PRC, which in turn increased the interest on lease liabilities for the Period. Besides, loan interest expenses of short-term borrowings from an independent third party was incurred starting from February 2023.

Loss attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company increased from approximately RMB4 million for the six months ended 30 June 2022 to approximately RMB9.62 million for the Period. The change was mainly resulted from the significant decrease in gross profit and the loss arising from the deregistration of a subsidiary in the PRC 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. Since the Group was still in the process of renewing the mining permit during the Period, no excavation work was conducted by the Group during the Period and hence no marble block was produced and sold (six months ended 30 June 2022: 1,350 m^3 marble blocks were sold). As a result, no revenue was derived from this business segment for the Period (six months ended 30 June 2022: approximately RMB5.60 million).

Trading of Commodities Business

The trading of coal business commenced in June 2022. Raw coal was directly sourced from well-established coal producers in Inner Mongolia and sold to the PRC customers. As there was a serious coal mining accident in Inner Mongolia in February 2023, operators of the coal mines, being the suppliers of our coal trading business, were required to undertake a safety inspection of their coal mines, during which coal mining activities had to be temporarily suspended and the Group's coal trading business during the Period was adversely affected. The trading volume was approximately 20,100 tonnes (six months ended 30 June 2022: approximately 11,700 tonnes) and the revenue generated from this segment was approximately RMB11.53 million (six months ended 30 June 2022: approximately RMB7.28 million), with a gross profit margin of approximately 0.40% (six months ended 30 June 2022: approximately 8.96%).

THE YIDUOYAN PROJECT

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

The renewed mining permit covers a mining area of 0.3973 km^2 and an annual production capacity of 540,000 tonnes (equivalent to approximately 200,000 m^3, as compared to the permitted annual production capacity of 20,000 m^3 under the original mining permit). With the increase in permitted annual production capacity, it is expected that the Group would be able to expand its mining production in the future.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

In order to renew the mining permit, we were required to carry out new exploration work on Yiduoyan Project in 2022. As a result, the Group has engaged Hubei Xiangdi Resources and Environment Co., Ltd.* (湖北襄地資源環境有限公司) to undertake the marble mine resources verification work and an updated amount of resources in the mining area had been submitted to relevant PRC government authority for review. According to the letter issued by the Natural Resources and Planning Bureau of Xiangyang* (襄陽市自然資源和規劃局) in June 2022, the amount of resources in the mining area as at the end of March 2022 are listed as below:

	Resource Statement as at end of March 2022		
Minerals Type	**Category (Chinese Standard)**	**Volume (million cubic metres)**	**Note**
Limestone for decoration use	332	10.262	Non-JORC Code
	333	6.425	Non-JORC Code
Limestone for construction use	332	7.603	Non-JORC Code
	333	6.602	Non-JORC Code
Total	332	17.865	Non-JORC Code
	333	13.027	Non-JORC Code

During the Period, the Group has engaged an independent professional party to prepare a resource reserve verification report in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**"). As announced by the Company on 4 August 2023, such report would be included in the circular of the Company to be issued for approving and ratifying the Transaction (as defined therein) in accordance with the requirements under Chapter 18 of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

* *For identification purposes only*

Development

Since the Group was still in the process of renewing the mining permit during the Period, mining operation and other related activities such as production safety training was temporarily suspended during the Period. The Group recorded development expenditures of approximately RMB3,000 with respect to the water resource fee of the Yiduoyan Project during the Period (six months ended 30 June 2022: development expenditures of approximately RMB0.44 million).

Mining Operation

Since the Group was still in the process of renewing the mining permit during the Period, no excavation work was conducted during the Period and hence no marble block was produced and sold. As a result, the expenditure of mining activities per m^3 was nil (six months ended 30 June 2022: nil).

FUTURE PROSPECTS

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

Business Outlook

Develop marble and marble-related business

The Group remained cautiously optimistic about its future prospects of the marble business. The Group is actively exploring new customers by different ways including through the network of the senior management, as well as through our sales teams in Beijing and Xiamen. We expect our business will have a stable growth in the coming years.

As disclosed in the Company's annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"), the Group submitted applications to the Natural Resources and Planning Bureau of Nanzhang County* (南漳縣自然資源和規劃局) for (i) enhancing the annual production capacity of the Yiduoyan Project to 200,000 m^3 per annum; and (ii) renewing the mining permit in June 2020 and 2021 respectively. Due to COVID-19 pandemic, the renewal process was affected during the past few years. On 12 July 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project, pursuant to which the term of the mining right is renewed for a period of 20 years, from 12 July 2023 to 12 July 2043.

* *For identification purposes only*

The renewed mining permit covers a mining area of 0.3973 km^2 and an annual production capacity of 540,000 tonnes (equivalent to approximately 200,000 m^3, as compared to the permitted annual production capacity of 20,000 m^3 under the original mining permit). With the increase in permitted annual production capacity, it is expected that the Group would be able to expand its mining production in the future.

In order to increase the production capacity, the Group needs to (i) further expand the mining surface of the marble mine; (ii) obtain all the necessary licenses; and (iii) complete the construction of the expanded mining facilities. It is expected the production can be resumed in the first quarter of 2024.

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

Develop the commodities trading business

In February 2023, there was a serious coal mining accident in Inner Mongolia. Therefore, all coal mining activities in Inner Mongolia needed to be suspended and all operators of the coal mines were required to undertake a safety inspection before resumption of operation. As our suppliers are all from Inner Mongolia and the safety inspection last for a few months, the coal trading business during the Period was adversely affected. According to the latest information available to the Board having made all reasonable enquiries, the coal mining activities of our suppliers are expected to be resumed in or around September 2023. We expected that the trading of coal will resume to normal thereafter.

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

SIGNIFICANT INVESTMENTS

The Group had no material securities investments during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in this announcement, the Group does not have other plans for material investments and capital assets as at 30 June 2023.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: 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, short-term borrowings as well as cash generated from operation.

As at 30 June 2023, the Group had cash and cash equivalents of approximately RMB29.16 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2022: approximately RMB31.22 million).

As at 30 June 2023, the short-term borrowings of the Group comprised the loan from third party of approximately RMB17.86 million (as at 31 December 2022: approximately RMB7.73 million) which bears interest at 5% (as at 31 December 2022: nil) per annum and repayable on 14 November 2023 and denominated in Hong Kong dollars.

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 2023 was about 1.36 times as compared to 1.93 times as at 31 December 2022, based on current assets of approximately RMB36.86 million (as at 31 December 2022: approximately RMB35.72 million) and current liabilities of approximately RMB27.04 million (as at 31 December 2022: approximately RMB18.53 million).

CHARGES OVER THE GROUP'S ASSETS

There were no charges over the Group's assets as at 30 June 2023.

CAPITAL STRUCTURE

There had been no material change in the capital structure of the Group since 31 December 2022.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2023, the Group has a total of 28 full time employees (including Directors) who are located in Hong Kong and the PRC. Employees' remuneration packages have been reviewed periodically and determined with reference to the performance of the individual and prevailing market practices. Remuneration packages include basic salaries and other employees' benefits including contributions to statutory mandatory provident funds for our Hong Kong employees, and social insurance together with housing provident funds for our PRC employees. Besides, the Group also provides medical benefits and subsidies employees in various training and continuous education programmes.

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

Change in Use of Proceeds

As announced by the Company on 26 January 2017 and 16 February 2017, the Company completed a placing of new shares under general mandate on 16 February 2017 (the "**Placing**"), with a net proceeds of approximately HKD34 million (equivalent to approximately RMB30 million) to be applied in the following manner:

- approximately HKD24 million (equivalent to approximately RMB21 million), representing approximately 70.6% of the net proceeds, for building a processing plant (the "**Processing Plant**") to produce slabs to add value to marble and provide greater flexibility in accessing markets; and

- approximately HKD10 million (equivalent to approximately RMB9 million), representing approximately 29.4% of the net proceeds, for the general working capital of the Group.

As at 31 December 2022, the unutilised proceeds of the Placing were approximately HKD23 million (equivalent to approximately RMB20.12 million) (the "**Remaining Proceeds**"). For further details of the use of proceeds of the Placing by the Group up to 31 December 2022, please refer to the 2022 Annual Report.

On 24 August 2023, the Board resolved to change the use of the Remaining Proceeds as follows:

(i) approximately HKD13 million (equivalent to approximately RMB11.37 million) to be used as capital costs for the expansion of production capacity of the Yiduoyan Project; and

(ii) approximately HKD10 million (equivalent to approximately RMB8.75 million) for the general working capital of the Group

(the "**Change in UOP**").

Up to 30 June 2023, the Group had used the net proceeds of the Placing as follows:

Use of proceeds	**Original intended use of net proceeds from the Placing** *HKD (million)*	**Utilisation up to 30 June 2023** *HKD (million)*	**Remaining Proceeds as at 30 June 2023** *HKD (million)*	**New allocation of the Remaining Proceeds after the Change in UOP** *HKD (million)*	**Expected timeline for utilising the Remaining Proceeds**
Building the Processing Plant to produce slabs	**24.0**	**1.0**	**23.0**	**–**	
Capital costs for expansion of production capacity of the Yiduoyan Project	**–**	**–**	**–**	**13.0**	**30 June 2024**
General working capital of the Group	**10.0**	**10.0**	**–**	**10.0**	**30 June 2024**
	34.0	**11.0**	**23.0**	**23.0**	

Reasons for the Change in UOP

As announced by the Company on 18 July 2023 and 4 August 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project, pursuant to which the term of the mining right is renewed for a period of 20 years, from 12 July 2023 to 12 July 2043 (the "**Renewal**"). Following the Renewal, the permitted annual production capacity of the Yiduoyan Project has increased from 20,000 m^3 under the original mining permit to 200,000 m^3. Accordingly, in order to expand the production capacity of the Yiduoyan Project, it is expected that the Group would have to incur additional capital costs for, among others, (i) acquisition of additional machinery and equipment; (ii) costs of mine construction; (iii) payment of land use fee; and (iv) engineering, procurement and construction management cost.

As disclosed in the 2022 Annual Report, the construction of the Processing Plant is subject to approval of the relevant government authority and the grant of the land use rights. As at the date of this announcement, both the approval and the land use rights were yet to be obtained and/or granted. Based on the best information of the Directors having made all reasonable enquiries, it is expected that the same would be available in or around June 2024. However, such timeline is only tentative and may be subject to further changes, over which the Group has no control. Given such circumstances and having considered the current priority of the Group to expand the production capacity of the Yiduoyan Project, the Directors are of the view that the Remaining Proceeds could be better utilised for funding the relevant capital costs and for general working capital of the Group. In any event, the Remaining Proceeds are to be utilised for the Group's principal business of marble blocks mining. In case the relevant approval and land use rights are obtained and/or granted for construction of the Processing Plant, the Group would, based on the then financial information and cash flow condition of the Group, consider alternative funding methods for the construction, including but not limited to external borrowings. The Company will make appropriate announcement(s) or disclosures to inform Shareholders and investors in this regard.

The Board confirms that save for the commencement of the coal trading business in June 2022, there is no material change in the business of the Group since the Placing. The Board considers that the Change in UOP will enable the Group to deploy its financial resources more effectively with regard to its principal business and to facilitate its business development plan, and is in the interest of the Company and its Shareholders as a whole.

The Company will also announce or disclose its utilisation of the Remaining Proceeds in accordance with the Listing Rules as appropriate.

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 2023.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

OTHER MATTERS

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

Based on subsequent enquiries made by the Company, the Order was made in relation to a loan dispute (the "**Loan Dispute**") involving Mr. Li Yuguo ("**Mr. Li**"), an executive Director and a controlling shareholder of the Company, and the Bank.

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

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

CORPORATE GOVERNANCE PRACTICES

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

Under Code Provision C.1.6, 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. Due to other business arrangements, one independent non-executive Director ("**INED**") of the Company was unable to attend the annual general meeting of the Company held on 27 June 2023. Going forward, the Company would use its best endeavours to ensure attendance of all Directors at general meetings in compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

EVENTS AFTER THE REPORTING PERIOD

Save and except those disclosed in note 21 to the condensed consolidated financial information, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 30 June 2023 and up to the date of this announcement.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

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

PUBLICATION OF INTERIM RESULTS AND 2023 INTERIM REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com). The 2023 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 2023

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