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

(incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)
(Stock Code 股份代號：2212)

2016
INTERIM REPORT
中期報告

CONTENTS

CORPORATE INFORMATION

Directors

Executive Director

Sun Feng *(Chairman)*
Lee Suk Fong
Wan Tat Wai David
Zhang Decong

Non-Executive Directors

Hu Jin Xiong
Leung Kar Fai
Li Ethan Jing (resigned on 13 August 2016)

Independent Non-Executive Directors

Chow Hiu Tung
Lau Tai Chim
Sin Ka King
Tsang Hing Hung

Alternate Director

Yuan Shan (alternate Director to Zhang Decong)

Chief Executive Officer

Au-Yong Shong, Sammel (resigned on 5 September 2016)

Company Secretary

Ho Yuk Ming Hugo
Fung Nam Shan

Principal Place of Business in Hong Kong

16th Floor
Guangdong Finance Building
88 Connaught Road West
Hong Kong

Headquarters and Principal Place of Business in the PRC

Room 718, No. 189 Shuijing Road
Nanzhang County, Xiangyang City
Hubei Province, the PRC

Registered Office

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Audit Committee

Tsang Hing Hung *(Chairman)*
Chow Hiu Tung
Lau Tai Chim
Sin Ka King

Nomination Committee

Tsang Hing Hung *(Chairman)*
Chow Hiu Tung
Lau Tai Chim
Sin Ka King

Remuneration Committee

Tsang Hing Hung *(Chairman)*
Chow Hiu Tung
Lau Tai Chim
Sin Ka King

Authorised Representatives

Ho Yuk Ming Hugo
Leung Kar Fai

Principal Bankers

China Construction Bank (Asia)
Corporation Limited

Legal Adviser in Hong Kong

ONC Lawyers

Auditor

Ernst & Young

Cayman Islands Principal Share Registrar and Transfer Office

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Compliance Adviser

Ample Capital Limited (since 1 May 2016)

Company's Website

http://www.futurebrightltd.com
(information contained in this website does not form part of this report)

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2016 (the "Period"), the operating revenue of Future Bright Mining Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") was approximately RMB3.65 million, which represented a significant decrease of approximately 55.92% as compared to the operating revenue of approximately RMB8.29 million for the six months ended 30 June 2015. The decrease was mainly due to the decrease in sale revenue resulting from the difficult situation of the macro economy and real estate industry of the People's Republic of China (the "PRC" or "Mainland China") as well as the more intense competition in the industry in the first half of 2016. The revenue represented sale of marble blocks income derived from the marble mine located at Xiaoyan Town, Nanzhang County, Xiangyang City, Hubei Province, the PRC (the"Yiduoyan Project").

Cost of Sales

The Group's cost of sales decreased from approximately RMB2.79 million for the six months ended 30 June 2015 to approximately RMB1.10 million for the six months ended 30 June 2016 representing a decrease of approximately 62.10%. This was in line with the lower sales recorded for the Period under review. The cost of sales represents marble blocks mining costs, which mainly include mining labour costs, materials consumption, fuel, electricity, depreciation of production equipments and amortization of mining rights.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2016, the gross profit of the Group amounted to approximately RMB2.60 million and the gross profit margin was approximately 71.02%, which represented a decrease of approximately 52.78% as compared with the gross profit for the six months ended 30 June 2015 of approximately RMB5.50 million (six months ended 30 June 2015: gross profit margin of approximately 66.30%).

Other Income and Gains

For the six months ended 30 June 2016, other income was approximately RMB0.26 million, which represented a significant decrease of approximately RMB0.40 million as compared to the other income of approximately RMB0.66 million for the six months ended 30 June 2015. The decrease was mainly due to the absence of foreign exchange gain during the Period (six months ended 30 June 2015: foreign exchange gain of approximately RMB0.39 million).

Selling and Distribution expenses

Selling and distribution expenses, which mainly consisted of salaries and wages of the Group's sales and distribution staff and their entertainment and travelling expenses, were approximately RMB0.36 million during the Period (six months ended 30 June 2015: approximately RMB0.47 million), representing approximately 9.96% of the revenue for the six months ended 30 June 2016 (six months ended 30 June 2015: approximately 5.69%).

Administrative expenses

Administrative expenses increased significantly by approximately RMB4.48 million or 95.87% from approximately RMB4.67 million for the six months ended 30 June 2015 to approximately RMB9.15 million for the six months ended 30 June 2016. The increase was mainly attributable to the increase in salaries and legal and professional fees incurred during the Period. Administrative expenses mainly included the legal and professional fees, rent and salaries of staff.

Profit/(loss) attributable to owners of the parent

In summary, loss attributable to owners of the parent was approximately RMB7.19 million for the six months ended 30 June 2016 (six months ended 30 June 2015: profit of approximately RMB0.1 million). The loss mainly resulted from the decrease in sale revenue resulting from the difficult situation of the macro economy and real estate industry of the PRC as well as the more intense competition in the industry in the first half of 2016.

BUSINESS REVIEW

In view of the slowdown in economic growth in the PRC, we have been slowing down the pace of development of the Yiduoyan Project. No marble blocks have been produced in the first half of 2016 (but note that the Yiduoyan Project site is usually shut down for approximately two months every year during winter). Marble blocks mined from the Yiduoyan Project are our principal products.

On 12 May 2016, Smart Triumph Group Holdings Limited ("Smart Triumph"), a newly incorporated direct wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding to form a joint venture company (the"JVC") to engage in mining machinery leasing business and providing relevant investment management, corporate management and investment consulting services. Pursuant to the said memorandum of understanding, the initial registered capital of the JVC will be HK$1 million, of which HK$0.7 million will be contributed by Smart Triumph in cash, representing a shareholding of 70%. Please refer to the Company's announcement dated 12 May 2016 for more details of this proposed transaction.

On 25 May 2016, Sun Vast Investment Development Limited ("Sun Vast"), a newly incorporated direct wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Shenzhen Qianhai Hai Jun Feng Tai Financial Services Co., Ltd* (深圳前海埈豐泰金融服務有限公司) ("Target Company 1"). Target Company 1, with registered capital of RMB5 million, is principally engaged in asset management, merger and acquisition for listed company, equity investment, provision for consultancy services associated with financing and project construction, fund establishment and innovation of financial products in the PRC. The consideration for this proposed acquisition will be subject to further negotiation between the Company and the vendor, and is expected to be satisfied by the Company by cash and by way of allotment and issue of shares of the Company to the vendor. Please refer to the Company's announcement dated 25 May 2016 for more details of this proposed transaction.

On 10 June 2016, Express Sources Holdings Limited ("Express Sources"), a newly incorporated indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Chongqing Tianshan Marble Technology Co., Ltd.* (重慶天山雲石科技有限公司) ("Target Company 2"). Target Company 2, with registered capital of RMB50 million, is principally engaged in, among other things, internet technology development and application; computer software and hardware development and application; network information technology and related product development; stone mining; and on-line sales of stone and building materials. The terms of this proposed acquisition are subject to further negotiation and the signing of a formal sale and purchase agreement within 90 days after the date of the said memorandum of understanding or such longer period as extended by mutual agreement between the parties. Please refer to the Company's announcement dated 10 June 2016 for more details of this proposed transaction.

We will increase product exposure and recognition through industry exchanges. In addition, we will expand our resource through further exploration of the Yiduoyan Project and selective acquisitions. We will strive to recruit more talents with established industry expertise to further enhance our competitiveness. Our vision is to become a well-known marble blocks supplier in the PRC.

* *For identification purpose only*

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

During the first half of 2016, we have not yet officially commenced mining mainly because of the slowdown in economic growth in the PRC (note also that the Yiduoyan Project site is usually shut down for approximately two months every year during winter). However, during the Period, we have conducted detailed inspection, testing and preparation works on 540, 532, 524 horizontal platforms and two mining benches formed during the exploitation in previous years to ensure the integrity of mining platforms and mining benches, so that we may commence mining at any time. We continue to enhance investment in the renovation of 900m mine transport channel, and expand the original 100m × 30m block yard, currently forming a 100m × 60m block yard. We have also examined and checked all inventories at mine site, and select partial blocks to be transported to block yards in order to secure our destocking sales.

THE YIDUOYAN PROJECT

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

The Company did not carry out any exploration activities during the six months ended 30 June 2016 and up to the date of this report. During the Period, the capital expenditure of Yiduoyan Project was approximately RMB3,100.

FUTURE PROSPECTS AND DEVELOPMENT

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

Developing of the Yiduoyan Project

We will continue to develop the Yiduoyan Project. However, in view of the slowdown in economic growth in the PRC, the Company has been slowing down the pace of development of the Yiduoyan Project. The Company did not carry out any exploration activities during the six months ended 30 June 2016 and up to the date of this report.

Develop product recognition

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

Expand our resource through further and selective acquisitions

As part of our future plans for acquisitive growth, we plan to continue to carefully evaluate and identify selective acquisition opportunities. In the long run, we intend to increase our marble resource and reserve further through the acquisition of additional mining permit of marble projects in the PRC.

MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 12 May 2016, Smart Triumph, a newly incorporated direct wholly-owned subsidiary of the Company has entered into a non-legally binding memorandum of understanding to form the JVC to engage in mining machinery leasing business and providing relevant investment management, corporate management and investment consulting services.

On 25 May 2016, Sun Vast, a newly incorporated direct wholly-owned subsidiary of the Company has entered into a non-legally binding memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Target Company 1, which is principally engaged in asset management, merger and acquisition for listed company, equity investment, provision for consultancy services associated with financing and project construction, fund establishment and innovation of financial products in the PRC.

On 10 June 2016, Express Sources, a newly incorporated indirect wholly-owned subsidiary of the Company has entered into a memorandum of understanding in connection with the proposed acquisition of 51% equity interest in Target Company 2, which is principally engaged in, among other things, internet technology development and application; computer software and hardware development and application; network information technology and related product development; stone mining; and on-line sales of stone and building materials.

For further details of the above proposed transactions, please refer to the section headed "Business Review" above and the Company's announcements dated 12 May 2016, 25 May 2016 and 10 June 2016, respectively.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates or joint ventures by the Group during the six months ended 30 June 2016.

LIQUIDITY AND CAPITAL RESOURCES, GEAR RATIO

During the Period, the Group's primary use of liquid funds has been to invest in the development of our mine and for its operations, which are funded by a combination of capital contribution by shareholders as well as cash generated from operation.

The Group had no borrowings as at 30 June 2016, therefore the gearing ratio is not applicable. The current ratio of the Group as at 30 June 2016 was about 15.3 times as compared to about 20.7 times as at 31 December 2015, based on current assets of approximately RMB40.60 million (as at 31 December 2015: approximately 47.32 million) and current liabilities of approximately RMB2.66 million (as at 31 December 2015: approximately 2.29 million).

CAPITAL STRUCTURE

At the extraordinary general meeting of the Company held on 26 May 2016, an ordinary resolution was duly passed under which each of the existing issued and unissued ordinary shares of par value of HK$0.01 each in the share capital of the Company as of 27 May 2016 was subdivided into ten ordinary shares of par value of HK$0.001 each (the "Share Subdivision"). The authorized and issued share capital of the Company were increased immediately after the Share Subdivision. The total number of authorised shares of the Company was increased from 8,000,000,000 ordinary shares to 80,000,000,000 ordinary shares and the total number of issued shares was increased from 352,000,000 ordinary shares to 3,520,000,000 ordinary shares.

SHARE OPTION SCHEME

The Company conditionally adopted a Share option scheme (the "Share Option Scheme") on 8 December 2014 which became effective on 9 January 2015 (the "Listing Date")

During the Period, no share option was granted, exercised, expired or lapsed and there was no outstanding share option under the Share Option Scheme.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, the Group employed a total of 19 full time employees, located in Hong Kong and the PRC. The total staff costs (including directors' emoluments) were approximately RMB3.30 million for the six months ended 30 June 2016.

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

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The net proceeds (the "Net Proceeds") from the listing (the "Listing") of the shares of the Company on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") on the Listing Date, after deducting the underwriting fees and commissions and other fees and expenses in relation to the Listing, amounted to approximately HK$56 million (equivalent to approximately RMB45 million). The Net Proceeds have been applied in accordance with the proposed applications set out in the section headed "Future plans and use of proceeds" contained in the prospectus of the Company dated 29 December 2014 (the "Prospectus").

Up to 30 June 2016, the Group has used the Net Proceeds as follows:

	Original allocation of Net Proceeds			Utilisation up to 30 June 2016		Remaining balance of unused Net Proceeds as at 30 June 2016	
	HK$ 'million	*RMB Equivalent 'million*	*% of Net Proceeds*	*HK$ 'million*	*RMB Equivalent 'million*	*HK$ 'million*	*RMB Equivalent 'million*
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Capital expenditure of the Yiduoyan Project	45.6	36.5	81.3%	11.8	9.4	33.8	27.1
Development of sales channels and marketing	5	4.1	9%	0.2	0.2	4.8	3.9
Working capital and other general corporate purposes including expenses for our day-to-day operation	5.4	4.4	9.7%	5.4	4.4	–	–
Total	56	45	100%	17.4	14	38.6	31

During the six months ended 30 June 2016, the utilized Net Proceeds were approximately RMB4.1 million (details as follow) and the remaining Net Proceeds as at 30 June 2016 were approximately RMB31 million and they were deposited with licensed banks as saving deposits in Hong Kong and the PRC.

	Remaining Net Proceeds as at 30 June 2016	**Net Proceeds Utilized for the Period**
	RMB'million **(unaudited)**	***RMB'million*** **(unaudited)**
Capital expenditure of Yiduoyan Project	27.1	–
Development of sales channels and marketing	3.9	0.2
Working capital and other general corporate purposes	–	3.9
Total	31	4.1

On 15 July 2016, the board (the "Board") of directors (the "Directors") of the Company has resolved to re-allocate approximately RMB10 million out of the unutilized Net Proceeds originally intended for the development of the Yiduoyan Project to working capital and other general corporate purposes including expenses for our day-to-day operation. For details of the reasons for such re-allocation, please refer to the Company's announcement dated 15 July 2016.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of 30 June 2016, the Group has authorized, but not contracted for capital commitments of approximately RMB28.1 million primarily for the construction and purchase of property, plant and equipment for our development purpose.

The Group had no significant contingent liabilities as at 30 June 2016.

CHARGES ON GROUP ASSETS

As of 30 June 2016, the Group had no charges on the Group's assets.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save for the business plan disclosed in the Prospectus or otherwise disclosed herein, there was no future plan for material investments or capital assets as at 30 June 2016.

SIGNIFICANT INVESTMENTS HELD

The Group did not hold any significant investments during the six months ended 30 June 2016.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and to enhance the corporate value, accountability and transparency of the Company. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Except for the deviations from code provision A.2.1 and A.4.1 of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code since the Listing Date and throughout the period to the date of publication of this report. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of its business.

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the period from 1 January 2016 to 4 June 2016, Mr. Zhou Tai Ping was acting as the chairman, executive Director and chief executive officer of the Company. During that time, the executive function of the Company was performed by the executive Directors and management of the Company, and significant decisions of the Company were made by the Board. The Board considers that such structure did not impair the balance of power and authority between the Board and the management of the Group. On 10 June 2016, Mr. Sun Feng was appointed the executive Director and chairman of the Board while Mr. Au-Yong Shong, Sammel, was appointed the chief executive officer of the Company. Since then, the roles of chairman and chief executive officer of the Group have been separated in accordance with Code Provision A.2.1 of the CG Code. Mr. Au-Yong resigned as the chief executive officer of the Company on 5 September 2016. Up to the date of this report, the casual vacancy left by the resignation of Mr. Au-Yong has not yet been filled up.

According to code provision A.4.1, non-executive Directors should be appointed for specific term, subject to re-election. The non-executive Directors and independent non-executive Directors are not appointed for a specific term but they are subject to retirement by rotation and re-election in accordance with the articles of association of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company 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 have complied with the required standard set out in the Model Code during the six months ended 30 June 2016.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2016.

EVENTS AFTER REPORT PERIOD

On 15 July 2016, the Board has resolved to change in use of the Net Proceeds. For details, please refer to the paragraph on "Use of net proceeds from the Company's initial public offering" above and the Company's announcement dated 15 July 2016.

On 13 August 2016, Mr. Li Ethan Jing ceased to be the non-executive Director of the Company. Please refer to the Company's respective announcements dated 15 and 16 August 2016.

On 5 September 2016, Mr. Au-Yong Shong, Sammel ceased to be the chief executive officer of the Company. Please refer to the Company's announcement dated 5 September 2016.

Except as disclosed herein, since 30 June 2016 and up to the date of this report, no important events affecting the Group has occurred.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") consists of all the independent non-executive Directors, namely Mr. Tsang Hing Hung, Mr. Chow Hiu Tung, Mr. Lau Tai Chim and Mr. Sin Ka King. The purpose of the establishment of the Audit Committee is, among other things, for reviewing and supervising the financial reporting process and internal control of the Group. The Audit Committee has reviewed 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 requirements of the Listing Rules.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2016, the interests or short positions of the Directors and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) as were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to be under such provisions of the SFO), or as were recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code are as follows:

Name of Director	Company/name of associated corporation	Nature of interest	Number of Shares Long Position	Number of Shares Short Position	Approximate % of shareholding
Hu Jin Xiong ("Mr. Hu")	The Company	Interest in controlled corporation	1,082,400,000	–	30.75 *(Note)*

Note:

These shares are registered in the name of Easy Flourish Limited, the issued capital of which is owned as to 80% by Guangzhou Yicheng Investment Limited* (廣州藝成投資有限公司) ("Guangzhou Yicheng") and 20% by Ms. Jiang Miner. The equity interest of Guangzhou Yicheng is owned as to 62.5% by Mr. Hu, 25% by Ms. Xu Hong and 12.5% by Mr. Chen Wei Ming. Under the SFO, Mr. Hu is deemed to be interested in all the shares registered in the name of Easy Flourish Limited.

Save as disclosed above, as at 30 June 2016, none of the Directors nor chief executive of the Company has registered any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to be under such provisions of the SFO), or as were recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

* *for identification purpose only*

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2016, the following persons or corporations, other than the Directors or chief executive of the Company, had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Capacity and nature of interest	Number of Shares	Approximate % of shareholding
Easy Flourish Limited	Beneficial owner	1,082,400,000 *(Note 1)*	30.75
Guangzhou Yicheng	Interest in controlled corporation	1,082,400,000 *(Note 1)*	30.75
Future Bright International Limited ("FB International")	Beneficial owner	1,064,800,000 *(Note 2)*	30.25
Guo Xiao Ping ("Mr. Guo")	Interest in controlled corporation	1,064,800,000 *(Note 2)*	30.25
Chu Yuet Wah (Ms. Chu)	Interest in controlled corporation	2,147,200,000 *(Note 3)*	61.00
Best Forth Limited ("Best Forth")	Interest in controlled corporation	2,147,200,000 *(Note 3)*	61.00
Ample Cheer Limited ("Ample Cheer")	Interest in controlled corporation	2,147,200,000 *(Note 3)*	61.00
Kingston Finance Limited ("Kingston")	Security interest	2,147,200,000 *(Note 3)*	61.00

Notes:

1. These shares are registered in the name of Easy Flourish Limited, the issued capital of which is owned as to 80% by Guangzhou Yicheng and 20% by Ms. Jiang Miner. The equity interest of Guangzhou Yicheng is owned as to 62.5% by Mr. Hu, 25% by Ms. Xu Hong and 12.5% by Mr. Chen Wei Ming. Under the SFO, Guangzhou Yicheng is deemed to be interested in all the shares registered in the name of Easy Flourish Limited.

2. These shares are registered in the name of FB International, the entire issued capital of which is owned by Mr. Guo. Under the SFO, Mr. Guo is deemed to be interested in all the shares registered in the name of FB International.

3. Easy Flourish, a controlling shareholder of the Company, has executed a share charge over 1,082,400,000 shares held by it in favor of Kingston, a licensed money lender in Hong Kong, as security for a term loan facility granted to Easy Flourish (the "Loan Facility"); and FB International, a controlling shareholder of the Company, has executed a share charge over 1,064,800,000 shares in the share capital of the Company held by it as security for the Loan Facility. As a result, Kingston is interested in an aggregate of 2,147,200,000 shares of the Company by way of security interest over such shares. Kingston is wholly-owned by Ample Cheer, which is in turn owned by Best Forth as to 80%. Best Forth is wholly owned by Ms. Chu. Under the SFO, Ample Cheer, Best Forth and Ms. Chu are deemed to be interested in all the shares in which Kingston is interested.

All the interests stated above represent long positions. As at 30 June 2016, no short positions were recorded in the register kept by the Company under Section 336 of the SFO.

Save as disclosed above, the Company has not been notified by any persons or corporations, other than the Directors or chief executives of the Company, who had or deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2016.

By order of the Board

Sun Feng
Chairman

Hong Kong, 25 August 2016

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2016

		For the six months ended 30 June	
		2016	2015
	Notes	***RMB'000***	*RMB'000*
		(unaudited)	(unaudited)
Revenue	4	**3,654**	8,290
Cost of sales		**(1,059)**	(2,794)
Gross profit		**2,595**	5,496
Other income and gains	4	**262**	661
Selling and distribution expenses		**(364)**	(472)
Administrative expenses		**(9,147)**	(4,670)
Other expenses		**(343)**	(30)
Finance costs	5	**(33)**	(68)
Profit/(loss) before tax	6	**(7,030)**	917
Income tax	7	**(159)**	(820)
Profit/(loss) for the period		**(7,189)**	97
Attributable to			
Owners of the parent	8	**(7,189)**	97
Profit/(loss) per share attributable to ordinary equity holders of the parent			
Basic and diluted			
– For profit/(loss) for the period (RMB cents)	8	**(0.20)**	0.003
Dividend	9	**Nil**	Nil

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	Notes	For the six months ended 30 June **2016** ***RMB'000*** **(unaudited)**	2015 *RMB'000* (unaudited)
Profit/(loss) for the period	8	**(7,189)**	97
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period:			
Exchange differences on translation of foreign operations		**854**	(33)
Other comprehensive income/(loss) for the period, net of tax		**854**	(33)
Total comprehensive income/(loss) for the period attributable to owners of the parent		**(6,335)**	64
Attributable to:			
Owners of the parent		**(6,335)**	64

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	10	**21,314**	20,354
Long-term prepayment	10	**569**	598
Intangible assets	10	**39,641**	39,641
Total non-current assets		**61,524**	60,593
Current assets			
Cash and cash equivalents		**27,607**	35,871
Trade receivables	11	**9,079**	5,998
Prepayments, deposits and other receivables	12	**527**	1,004
Inventories	13	**3,390**	4,449
Total current assets		**40,603**	47,322
Current liabilities			
Other payables and accruals	14	**2,660**	2,287
Total current liabilities		**2,660**	2,287
Net current assets		**37,943**	45,035
Total assets less current liabilities		**99,467**	105,628

	Notes	At 30 June 2016 RMB'000 (unaudited)	At 31 December 2015 RMB'000 (audited)
Non-current liabilities			
Deferred tax liabilities		**9,693**	9,552
Provision for rehabilitation	15	**1,005**	972
Total non-current liabilities		**10,698**	10,524
Net assets		**88,769**	95,104
Equity			
Equity attributable to owners of the parent			
Share capital	16	**2,782**	2,782
Reserves		**85,987**	92,322
Total equity		**88,769**	95,104

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	Share capital RMB'000 (Note 16)	Share premium* RMB'000	Capital reserve* RMB'000	Contributed reserve* RMB'000	Safety fund surplus reserve* RMB'000	Foreign currency translation reserve* RMB'000	Accumulated losses* RMB'000	Total equity RMB'000
At 1 January 2015	–	7,941	24,216	34,152	9	(254)	(24,062)	42,002
Profit for the period	–	–	–	–	–	–	97	97
Establishment for safety fund surplus reserve	–	–	–	–	16	–	(16)	–
Exchange differences on translation of foreign operations	–	–	–	–	–	(33)	–	(33)
Total comprehensive income/(loss) for the period	–	–	–	–	16	(33)	81	64
Issue of ordinary shares	2,782	50,424	–	–	–	–	–	53,206
At 30 June 2015 (unaudited)	2,782	58,365	24,216	34,152	25	(287)	(23,981)	95,272
At 1 January 2016	2,782	58,174	24,216	34,152	67	–	(26,888)	95,104
Loss for the period	–	–	–	–	–	–	(7,189)	(7,189)
Exchange differences on translation of foreign operations	–	–	–	–	–	854	–	854
Total comprehensive income/(loss) for the period	–	–	–	–	–	854	(7,189)	(6,335)
At 30 June 2016 (unaudited)	2,782	58,174	24,216	34,152	67	3,455	(34,077)	88,769

* These reserve accounts comprise the consolidated reserves of RMB85,987,000 as at 30 June 2016 (30 June 2015: RMB92,490,000) in the interim condensed consolidated statement of financial position.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2016

	Notes	For the six months ended 30 June 2016 RMB'000 (unaudited)	2015 RMB'000 (unaudited)
Cash flows from operating activities			
Profit/(loss) before tax	6	**(7,030)**	917
Adjustments for:			
Depreciation of items of property, plant and equipment	10	**570**	662
Amortisation of a long-term prepayment	10	**29**	13
Amortisation of intangible assets	10	**–**	1,055
Finance costs	5	**33**	68
		(6,398)	2,715
Decrease/(increase) in inventories	13	**1,059**	(643)
Increase in account receivables	11	**(3,081)**	(4,424)
Decrease in prepayments, deposits and other receivables	12	**477**	5,385
Increase/(decrease) in other payables and accruals		**355**	(12,500)
Net cash flows used in operating activities		**(7,588)**	(9,467)
Cash flows from investing activities			
Purchase of items of property, plant and equipment	10	**(1,530)**	(669)

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Net cash flows used in investing activities	**(1,530)**	(669)
Cash flows from financing activities		
Contribution from shareholders	–	53,206
Repayment of a bank loan	–	(1,195)
Interest paid	–	(41)
Net cash flows from financing activities	–	51,970
Net increase/(decrease) in cash and cash equivalents	**(9,118)**	41,834
Cash and cash equivalents at beginning of period	**35,871**	2,593
Effect of foreign exchange rate changes, net	**854**	(33)
Cash and cash equivalents at end of period	**27,607**	44,394
Analysis of balances of cash and cash equivalents	**27,607**	44,394

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2016

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 2016, the Group was principally engaged in the production and sale of marble and marble-related products.

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Guangzhou Yicheng, which is incorporated in the PRC.

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Gold Title Investments Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Future Bright (H.K.) Investments Limited	Hong Kong	HK$10,000	–	100	Investment holding
Xiangyang Future Bright Mining Limited*	PRC	RMB20,000,000	–	100	Mining, ore processing and sale of marble products
Guangdong Future Bright Materials Limited	PRC	RMB4,000,000	–	100	Wholesaling construction and sale of decoration material
Sun Vast Investment Development Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Speedy Rise Group Limited	Hong Kong	HK$1	–	100	Investment holding

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ registration	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company Direct	Indirect	Principal activities
Smart Triumph Group Holdings Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Powerful Rich Industrial Limited	Hong Kong	HK$1	–	100	Investment holding
Perfect Speed Ventures Limited	British Virgin Islands	US$50,000	100	–	Investment holding
Express Sources Holdings Limited	Hong Kong	HK$1	–	100	Investment holding

* Xiangyang Future Bright Mining Limited is registered as a wholly-foreign-owned enterprise under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the interim results of the Group for the six months ended 30 June 2016 or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of Preparation

The unaudited interim condensed consolidated financial statements, which comprise the interim condensed consolidated statement of financial position of the Group as at 30 June 2016 and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the Period, have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (the "IASB").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's audited annual financial statements for the year ended 31 December 2015.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards, Interpretations and Amendments Adopted by the Group

The accounting policies adopted in the preparation of the unaudited 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 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the Group or the unaudited interim condensed consolidated financial statements of the Group. The nature and the impact of each new standard or amendment are described below:

IFRS 14 *Regulatory Deferral Accounts*

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards, Interpretations and Amendments Adopted by the Group (continued)

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants*

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Group as the Group does not have any bearer plants.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards, Interpretations and Amendments Adopted by the Group (continued)

Amendments to IAS 27: *Equity Method in Separate Financial Statements*

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements *2012-2014 Cycle*

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 *Financial Instruments: Disclosures*

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards, Interpretations and Amendments Adopted by the Group (continued)

IAS 19 *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 *Interim Financial Reporting*

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments do not have any impact on the Group.

Amendments to IAS 1 *Disclosure Initiative*

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

2. BASIS OF PRESENTATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards, Interpretations and Amendments Adopted by the Group (continued)

Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception*

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group operates in one business unit based on its products, and has only one reportable operating segment which is the production and sale of marble and marble-related products. The Group conducts its principal operation in Mainland China. Management monitors the operating results of its business unit for the purpose of making decisions about resources allocation and performance assessment.

Geographical information

The Group's revenue from external customers is derived solely from its operation in Mainland China, and no material non-current assets of the Group are located outside Mainland China.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Information about major customers

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Customer A	**3,654**	–
Customer B	**–**	2,951
Customer C	**–**	2,127
Customer D	**–**	1,231
Customer E	**–**	1,058

4. REVENUE, OTHER INCOME AND GAINS

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

An analysis of revenue, other income and gains of the Group from continuing operations is as follows:

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Revenue		
Sales of goods	**3,654**	8,290
Other income		
Foreign exchange gain	**–**	388
Rendering of services	**251**	243
Bank interest income	**11**	25
Others	**–**	5
	262	661

5. FINANCE COSTS

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**–**	37
Interest on discounted provision for rehabilitation	**33**	31
	33	68

6. PROFIT/(LOSS) BEFORE TAX

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Cost of inventories sold	**1,059**	2,794
Staff costs (including Directors' emoluments):		
Wages and salaries	**3,192**	2,271
Pension scheme contributions	**105**	254
	3,297	2,525
Auditors' remuneration	**510**	304
Amortisation of intangible assets	**–**	1,055
Amortisation of a long-term prepayment	**29**	13
Depreciation of items of property, plant and equipment	**570**	662
Foreign exchange loss/(gain)	**338**	(388)
Minimum lease payments under operating leases – Office	**557**	438

7. 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 or earned in Hong Kong during the six months ended 30 June 2016 and 2015 (the "Relevant Periods"), respectively.

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 Relevant Periods. The Group's subsidiaries located in Mainland China are subject to the PRC CIT rate of 25% during the Relevant Periods.

The major components of income tax expense for the Relevant Periods are as follows:

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Current – Mainland China/PRC CIT		
Charge for the period	**18**	–
Deferred	**141**	820
Total tax expense for the period	**159**	820

8. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic profit/(loss) per share amounts is based on the profit/(loss) for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,520,000,000 (2015: 3,520,000,000) in issue during the Period, as adjusted to reflect the Share Subdivision.

The calculation of the diluted profit/(loss) per share amounts is based on the profit/(loss) for the Period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the Period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

8. PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

No adjustment has been made to the basic profit/(loss) per share amounts presented for the Relevant Periods in respect of a dilution as the impact of the warrants and convertible bonds outstanding had an anti-dilutive effect on the basic profit/(loss) per share amounts presented.

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

	For the six months ended 30 June	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Profit/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent	**(7,189)**	97

	Number of shares For the six months ended 30 June	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**3,520,000,000**	3,520,000,000

The number of shares for the six months ended 30 June 2015 was retrospectively stated due to the Share Subdivision. For details, please refer to Notes 16. Share Capital.

9. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

10. PROPERTY, PLANT AND EQUIPMENT, LONG-TERM PREPAYMENT AND INTANGIBLE ASSETS

Movements in property, plant and equipment, long-term prepayment and intangible assets during the six months ended 30 June 2016 are as follows:

	Property, plant and equipment *RMB'000* (unaudited)	Long-term prepayment *RMB'000* (unaudited)	Intangible assets *RMB'000* (unaudited)
Carrying amount at 1 January 2016	20,354	598	39,641
Additions	1,530	–	–
Depreciation/amortisation charged for the period	(570)	(29)	–
Carrying amount at 30 June 2016	21,314	569	39,641

Long-term prepayment represents the prepayment made to villagers for the use of parcels of forest land for mining activity in the Yiduoyan Project.

Intangible assets represent the right for the mining of marble reserves in the Yiduoyan Project. The local government granted the mining permit to Xiangyang Future Bright Mining Limited for a term of 10 years from 30 December 2011 to 30 December 2021 with a production capacity of 20,000m^3 per annum.

11. TRADE RECEIVABLES

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

11. TRADE RECEIVABLES (CONTINUED)

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

	30 June 2016 *RMB'000* **(unaudited)**	31 December 2015 *RMB'000* (audited)
Within 3 months	**3,081**	3,338
3 months to 6 months	**–**	2,660
Over 6 months	**5,998**	–
Total	**9,079**	5,998

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	30 June 2016 *RMB'000* **(unaudited)**	31 December 2015 *RMB'000* (audited)
Neither past due nor impaired	**3,081**	3,338
1 month to 3 months past due	**–**	2,660
3 months to 6 months past due	**5,998**	–
Total	**9,079**	5,998

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

Receivables that were past due but not impaired relate to an independent customer that has a good track record with the Group. Based on the past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	30 June 2016 *RMB'000* (unaudited)	31 December 2015 *RMB'000* (audited)
Other receivables	**504**	956
Others	**23**	48
Total	**527**	1,004

None of the above assets is either past due or impaired. The financial assets included in the above relate to receivables for which there was no recent history of default.

13. INVENTORIES

	30 June 2016 *RMB'000* (unaudited)	31 December 2015 *RMB'000* (audited)
Finished goods	**3,323**	4,382
Materials and supplies	**67**	67
Total	**3,390**	4,449

14. OTHER PAYABLES AND ACCRUALS

	30 June 2016 *RMB'000* (unaudited)	31 December 2015 *RMB'000* (audited)
Payroll accruals	**516**	821
Other payables	**2,144**	1,466
Total	**2,660**	2,287

15. PROVISION FOR REHABILITATION

	30 June 2016 *RMB'000* (unaudited)	31 December 2015 *RMB'000* (audited)
At the beginning of period	**972**	910
Additions	**–**	–
Unwinding of discount	**33**	62
At the end of the period	**1,005**	972

15. PROVISION FOR REHABILITATION (CONTINUED)

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.

16. SHARE CAPITAL

Shares	**30 June 2016**	31 December 2015
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Issued and fully paid:		
3,520,000,000 (31 December 2015: 352,000,000) ordinary shares	**2,782**	2,782

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

	Number of shares in issue	**Share capital**	**Share premium account**	**Total**
		RMB'000	***RMB'000***	***RMB'000***
At 1 January 2016	352,000,000	2,782	58,174	60,956
Share Subdivision (a)	3,168,000,000	–	–	–
At 30 June 2016	3,520,000,000	2,782	58,174	60,956

Note:

(a) At the extraordinary general meeting of the Company held on 26 May 2016, an ordinary resolution was duly passed under which each of the existing issued and unissued ordinary shares of HK$0.01 in the share capital of the Company as of 27 May 2016 was subdivided into ten ordinary shares of HK$0.001 each.

17. RELATED PARTY TRANSACTION

(a) During the period ended 30 June 2016, the Group had no material transactions with related parties.

(b) As at the end of the reporting 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	
	2016	2015
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Salaries, allowances and benefits in kind	**2,664**	1,365
Pension scheme contributions	**44**	39
	2,708	1,404

18. OPERATING LEASE ARRANGEMENTS

The Group leases certain of its office properties under operating lease arrangements. Leases for office properties are negotiated for terms ranging from one to four years. At 30 June 2016 and 31 December 2015, respectively, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	At 30 June 2016	At 31 December 2015
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within one year	**967**	724
In the second to fourth years, inclusive	**–**	258
	967	982

19. CAPITAL COMMITMENTS

At the end of the reporting period, the Group did not have any significant capital commitments.

20. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 30 June 2016 and 31 December 2015, respectively are as follows:

At 30 June 2016
Financial assets

	Loans and receivables *RMB'000* **(unaudited)**
Trade receivables	**9,079**
Financial assets included in prepayments, deposits and other receivables	**527**
Cash and cash equivalents	**27,607**
	37,213

Financial liabilities

	Financial liabilities at fair value through profit or loss *RMB'000* **(unaudited)**	**Financial liabilities at amortised cost** *RMB'000* **(unaudited)**	**Total** *RMB'000* **(unaudited)**
Financial liabilities included in other payables and accruals	**–**	**2,144**	**2,144**

20. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

At 31 December 2015

Financial assets

	Loans and receivables RMB'000 (audited)
Trade receivables	5,998
Financial assets included in prepayments, deposits and other receivables	956
Cash and cash equivalents	35,871
	42,825

Financial liabilities

	Financial liabilities at fair value through profit or loss RMB'000 (audited)	Financial liabilities at amortised cost RMB'000 (audited)	Total RMB'000 (audited)
Financial liabilities included in other payables and accruals	–	1,466	1,466

21. FAIR VALUE AND FAIR VALUE HIERARCHY

Management of the Company has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in 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.

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the six months ended 30 June 2016 were approved and authorised for issue by the Board on 25 August 2016.

Future Bright Mining Holdings Limited
高 鵬 礦 業 控 股 有 限 公 司