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

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2212)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Key Financial Highlights

	2016 *RMB'000*	2015 *RMB'000*	Change
RESULTS			
Revenue	**12,909**	11,271	14.5%
Gross profit	**9,104**	7,889	15.4%
Loss before tax	**(10,905)**	(1,463)	645.4%
Income tax expense	**(1,004)**	(1,301)	(22.8%)
Loss attributable to owners of the Parent	**(11,909)**	(2,764)	330.9%
Basic and diluted loss per share	**RMB0.34 cents**	RMB0.08 cents	325.0%

	2016 *RMB'000*	2015 *RMB'000*	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Parent	**85,897**	95,104	(9.7%)
Total assets	**100,355**	107,915	(7.0%)
Net assets per share	**RMB0.024**	RMB0.027	(11.1%)

- Revenue increased by 14.5% to approximately RMB12.91 million.
- Gross profit increased by 15.4% to approximately RMB9.10 million.
- Gross profit margin increased by 0.5% to approximately 70.5%.
- Loss attributable to owners of the Parent increased by 330.9% to approximately 11.91 million.
- Basic and diluted loss per share was RMB0.34 cents (2015: RMB0.08 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

The board (the "Board") of directors (the "Directors") of Future Bright Mining Holdings Limited (the "Company") hereby presents the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2016 (the "Year") as follows:–

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	**2016** *RMB'000*	2015 *RMB'000*
Revenue	*5*	**12,909**	11,271
Cost of sales		**(3,805)**	(3,382)
Gross profit		**9,104**	7,889
Other income and gain	*5*	**536**	2,553
Selling and distribution expenses		**(2,108)**	(756)
Administrative expenses		**(16,341)**	(10,378)
Other expenses		**(2,030)**	(672)
Finance costs	*6*	**(66)**	(99)
Loss before tax	*7*	**(10,905)**	(1,463)
Income tax expense	*8*	**(1,004)**	(1,301)
Loss for the year	*9*	**(11,909)**	(2,764)
Loss attributable to owners of the Parent	*9*	**(11,909)**	(2,764)
Loss per share attributable to owners of the Parent	*9*		
Basic and diluted		**RMB0.34 cents**	RMB0.08 cents
Dividend		**Nil**	Nil

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**2016**	2015
		RMB'000	*RMB'000*
Loss for the year	*9*	**(11,909)**	(2,764)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**2,705**	2,855
Other comprehensive income for the year, net of tax		**2,705**	2,855
Total comprehensive income/(loss) for the year		**(9,204)**	91
Attributable to owners of the Parent		**(9,204)**	91

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December	
		2016	2015
	Note	***RMB'000***	*RMB'000*
Non-current assets			
Property, plant and equipment		**20,224**	20,354
Long-term prepayment		**541**	598
Intangible asset		**37,908**	39,641
Total non-current assets		**58,673**	60,593
Current assets			
Inventories	*10*	**2,211**	4,449
Trade receivables	*11*	**15,719**	5,998
Prepayments, deposits and other receivables	*12*	**1,111**	1,004
Cash and cash equivalents		**22,641**	35,871
Total current assets		**41,682**	47,322
Current liabilities			
Other payables and accruals	*14*	**2,882**	2,287
Tax payable		**582**	–
Total current liabilities		**3,464**	2,287
Net current assets		**38,218**	45,035
Total assets less current liabilities		**96,891**	105,628
Non-current liabilities			
Deferred tax liabilities		**9,956**	9,552
Provision for rehabilitation		**1,038**	972
Total non-current liabilities		**10,994**	10,524
NET ASSETS		**85,897**	95,104
Equity			
Equity attributable to owners of the Parent			
Share capital		**2,782**	2,782
Reserves		**83,115**	92,322
TOTAL EQUITY		**85,897**	95,104

NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The Company is an investment holding company. The Group is principally engaged in the excavation and sale of marble blocks; and 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 Investment Limited, which is incorporated in the People's Republic of China ("PRC or Mainland China").

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

They have been prepared under the historical cost convention, except for investment properties, certain buildings classified as property, plant and equipment, derivative financial instruments and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has applied its accounting policies consistently throughout the financial period ended 31 December 2015 and 2016.

3. APPLICATION OF REVISED STANDARDS AND NEW INTERPRETATION

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

Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
IFRS 14	*Regulatory Deferral Accounts*
Amendments to IAS 1	*Disclosure Initiative*
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*
Amendments to IAS 27	*Equity Method in Separate Financial Statements*
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs

Except for the amendments to IFRS 10, IFRS 12 and IAS 28, amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27 and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

(a) Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;

(ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income 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. The amendments have had no significant impact on the Group's financial statements.

(b) Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the 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 applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) *Annual Improvements to IFRSs 2012-2014 Cycle* issued in September 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

The application of the above amendments in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these financial statements.

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

IFRS 9	*Financial Instruments*[2]
IFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Ventur*[4]
Amendments to IFRS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[1]
Amendments to IFRS 2	*Classification and Measurement of Share-based Payment Transactions*[2]
IFRS 16	*Leases*[3]
Amendments to IFRS 15	*Revenue from Contracts with Customers*[2] *(Clarifications to IFRS 15)*[2]
Amendments to IAS 7	*Disclosure Initiative*[1]
Amendments to IFRS 4	*Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts*[2]
Amendments to IAS 40	*Transfers of Investment Property*[2]
IFRS 22	*Foreign Currency Transactions and Advance Consideration*[2]
Amendments to IFRS 12 Included in *Annual Improvements 2014-2016 Cycle*	*Disclosure of Interests in Other Entities*[1]
Amendments to IFRS 1 Included in *Annual Improvements 2014-2016 Cycle*	*First-time Adoption of International Financial Reporting Standards*[2]
Amendments to IAS 28 Included in *Annual Improvements 2014-2016 Cycle*	*Investments in Associates or Joint Ventures*[2]

1 Effective for annual periods beginning on or after 1 January 2017
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2019
4 No mandatory effective date yet determined

The Group expects to adopt those new and revised IFRSs upon mandatory effective dates and is in the process of making an assessment of the impact of these new and revised IFRSs on the Group's results of operations and financial position upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. 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.

Information about major customers

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

	2016	2015
	RMB'000	*RMB'000*
Customer A	**7,403**	–
Customer B	**3,572**	–
Customer C	**1,934**	–
Customer D	**N/A***	6,281
Customer E	**N/A***	2,885
Customer F	**N/A***	1,203

* Less than 10% of the Group's total revenue.

5. REVENUE, OTHER INCOME AND GAIN

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

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

	2016	2015
	RMB'000	*RMB'000*
Revenue		
Sales of goods	**12,909**	11,271
Other income		
Bank interest income	**21**	45
Rendering of services	**476**	503
Government grants *(note (a))*	**–**	2,000
Others	**–**	5
	497	2,553
Gain		
Gain on disposal of subsidiaries	**39**	–
	536	2,553

Note (a): The amount represents grants received from local PRC government authorities by the Group's subsidiaries in connection with certain financial rewards to local business enterprises for successful listing. There are no unfulfilled conditions and other contingencies relating to these grants.

6. FINANCE COSTS

	2016	2015
	RMB'000	*RMB'000*
Interest on bank borrowings	**–**	37
Interest on discounted provision for rehabilitation	**66**	62
	66	99

7. LOSS BEFORE TAX

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

	2016	2015
	RMB'000	*RMB'000*
Cost of inventories sold	**3,805**	3,382
Staff costs (including directors' emoluments):		
Wages and salaries	**6,390**	3,757
Pension scheme contributions	**200**	463
	6,590	4,220
Auditors' remuneration	**1,050**	1,055
Amortisation of intangible asset	**1,733**	2,592
Amortisation of a long-term prepayment	**57**	33
Depreciation of items of property, plant and equipment	**1,722**	1,527
Foreign exchange differences, net	**1,158**	637
Minimum lease payments under operating leases – Office	**1,205**	1,016
Loss on disposal of items of property, plant and equipment	**–**	2

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 or earned in Hong Kong during the year ended 31 December 2016.

Provision for the PRC corporate income tax ("CIT") is based on the CIT rate applicable to the subsidiary located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC for the year ended 31 December 2016. The Group's subsidiaries located in Mainland China are subject to the PRC CIT rate of 25% during the year ended 31 December 2016.

The major components of income tax expense for the year ended 31 December 2016 are as follows:

	2016	2015
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**582**	–
Under provision in prior years	**18**	–
Deferred	**404**	1,301
Total tax charge for the year	**1,004**	1,301

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

	2016	2015
	RMB'000	*RMB'000*
Loss before tax	**(10,905)**	(1,463)
Tax at the applicable tax rate of companies within the Group	**(2,726)**	(366)
Adjustments in respect of current tax of previous	**18**	–
Expenses not deductible for tax	**3,712**	1,667
Income tax charges at the Group's effective rate	**1,004**	1,301

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

The calculation of the basic loss per share amount is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 3,520,000,000 (2015: 3,520,000,000) in issue during the year.

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

	2016	2015
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the parent	**(11,909)**	(2,764)

	Number of shares	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**3,520,000,000**	3,520,000,000

The weighted average number of ordinary shares for 2015 was retrospectively stated due to the Share Subdivision.

10. INVENTORIES

	2016	2015
	RMB'000	*RMB'000*
Finished goods	**2,170**	4,382
Materials and supplies	**41**	67
Total	**2,211**	4,449

11. TRADE RECEIVABLES

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

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

	2016	2015
	RMB'000	*RMB'000*
Within 3 months	**8,052**	3,338
3 months to 6 months	**3,081**	2,660
Over 6 months	**4,586**	–
Total	**15,719**	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 have a good track record with the Group. Based on past experience, the directors of the Company 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

	2016	2015
	RMB'000	*RMB'000*
Prepayments	**533**	–
Other receivables	**548**	956
Others	**30**	48
Total	**1,111**	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. TRADE PAYABLES

The Group generally does not receive any credit terms from our suppliers.

The Group has no trade payables as of 31 December 2015 and 31 December 2016.

14. OTHER PAYABLES AND ACCRUALS

	2016	2015
	RMB'000	*RMB'000*
Payroll accruals	**581**	821
Other payables	**2,301**	1,466
Total other payables and accruals	**2,882**	2,287

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

15 DISPOSAL OF SUBSIDIARIES

	2016	2015
	RMB'000	*RMB'000*
Net assets disposed of:		
Cash and cash equivalents	**–**	–
Due to holding company	**(2,184)**	–
	(2,184)	–
Foreign currency translation reserve	**70**	–
	(2,114)	–
Impairment loss of holding company	**2,114**	–
Gain on disposal of a subsidiary	**39**	–
	39	–
Satisfied by		
Cash	**39**	–

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Year, the Group's operating revenue was approximately RMB12.91 million, which represented an increase of approximately 14.53% as compared to the operating revenue of approximately RMB11.27 million for the year of 2015 (the "FY2015"). The revenue represented sale of marble blocks income derived from the Yiduoyan Project located in Hubei Province of the PRC.

Cost of Sales

The Group's cost of sales increased from approximately RMB3.38 million for FY2015 to approximately RMB3.81 million for this Year, representing an increase of approximately 12.51%. This increase was in line with higher sales recorded for the Year. The cost of sales represented marble blocks mining costs, which mainly included mining labour costs, materials consumption, fuel, electricity, depreciation of production equipment and amortization of mining rights.

Gross Profit and Gross Profit Margin

The gross profit of the Group amounted to approximately RMB9.10 million and the gross profit margin was approximately 70.52% for the Year, which represented an increase of approximately 15.40% as compared with gross profit for FY2015 of approximately RMB7.89 million (2015: gross profit margin of approximately 69.99%).

Other Income and Gains

Other income and gains for the Year were approximately RMB0.54 million, which represented a significant decrease of approximately RMB2.02 million as compared to the other income and gains of approximately RMB2.55 million for the FY2015. The decrease was mainly due to the decrease of government grants of approximately RMB2.00 million which was one-off benefits. Such benefits were the bonus received from the Nanzhang County Government in relation to the Company's successful listing on the Main Board of The Stock Exchange of Hong Kong Limited in the FY2015.

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 RMB2.11 million for the Year (FY2015: approximately 0.76 million), representing approximately 16.33% of the revenue for the Year (FY2015: approximately 6.70%).

Administrative expenses

Administrative expenses increased by approximately RMB5.96 million or 57.46% from approximately RMB10.38 million for the FY2015 to approximately RMB16.34 million for the Year. The increase was mainly due to the fact that the Group has been actively exploring the development potentials in other related industries while developing the existing marble business in order to diversify its business, which in turn led to the significant increase in the legal and professional fee and staff costs during the Year. Administrative expenses mainly included the legal and professional fees, consultancy fees, rental and salaries of staff.

Loss attributable to owners of the Parent

In view of the above factors, loss attributable to owners of the Parent was approximately RMB11.91 million for the Year (FY2015: loss of approximately RMB2.76 million). The increase of loss was mainly resulted from the increase in the selling and distribution expenses and the administrative expenses during the Year.

Consolidated Statements of Financial Position of the Company

As at 31 December 2016, the Group had net current assets of approximately RMB38.22 million (as at 31 December 2015: net current assets of approximately 45.04 million) and total assets less current liabilities of approximately RMB96.89 million (as at 31 December 2015: approximately RMB105.63 million). The decrease in net assets was mainly resulted from the loss suffered by the Group for the Year.

MARKET REVIEW

In 2016, the marble industry moved forward with struggles. Although certain individual enterprises rose against the trend, the industry as a whole remained in the doldrums. Under new normal economy, the marble industry model, which was previously driven by government investment and the promotion of property industry, is facing new challenges. Enterprises in the marble industry will need to reform in terms of operation model, marketing channels and business structure.

Currently, the Chinese property industry is in downturn, while the Chinese marble industry is heading into winter. However, under the impetus of increasing investment driven by the increase in the domestic demand in China, the consumption of construction materials will rapidly increase in the next few years, which will benefit the development of marble decoration industry. In addition, with sustainable and stable economic development of China, there will be more market development potentials in China, and the momentum will be strengthened. Various infrastructure construction and national major projects in China will need plenty of marble plate materials; the marble demand for residential home decoration has been increasing for years; the exports of decorative stone plates and stone carving, stone sculpture products will continue to grow. The marble industry has a promising prospect.

The branding of marble becomes an inevitable direction of development. Marble manufacturers should actively seize the opportunities of market development by upgrading the industrial chain, followed by the direction of intensification and branding of marble materials, so as to create more room for development.

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. During the Year, a total of 1,712 m3 of marble blocks had already been produced and 4,134 m3 of marble blocks had already been sold. 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 would be HK$1 million, of which HK$0.7 million would be contributed by Smart Triumph in cash, representing a shareholding of 70%. The proposed formation of the JVC was terminated on 30 September 2016. For details, please refer to the Company's announcements dated 12 May 2016 and 30 September 2016 respectively.

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 a registered capital of RMB5 million, is principally engaged in asset management, merger and acquisition for listed companies, 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 was subject to further negotiation between the Company and the vendor, and was expected to be satisfied by the Company by cash and by way of allotment and issue of shares (the "Shares") of the Company to the vendor. The proposed acquisition was terminated on 30 September 2016. For details, please refer to the Company's announcements dated 25 May 2016 and 30 September 2016 respectively.

* *For identification propose only*

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 a 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 were 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. The proposed acquisition was terminated on 23 September 2016. For details, please refer to the Company's announcements dated 10 June 2016 and 23 September 2016 respectively.

We will increase product exposure and recognition through industry exchanges. In addition, we will be actively seeking new business opportunities from time to time and conduct selective acquisitions in order to diversify our business. We will strive to recruit more talents with extensive industry expertise to further enhance our competitiveness. Our vision is to become a well-known marble blocks supplier in the PRC.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

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

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

Development

From September 2016 to December 2016, we had completed the self-assessment and self-examination and rectification works in relation to the mine safety production standardization of third-level enterprise, and prepared a self-evaluation report. At the end of December 2016, we delivered the self-evaluation report to Xiangyang City Administration of Work Safety to ensure that we have successfully completed the extended work of safety production standardization of third-level enterprise.

* *For identification purpose only*

Subsequent to the processing and maintenance of mine road and block transfer pad in the first half of the Year, we had successfully completed the transfer and shipment works for 4,500 m^3 of marble blocks. For the Year, the Group incurred development expenditures of approximately RMB3,000 in respect of the expansion of Yiduoyan marble mine, which mainly represented the expenditures arising from the completion of the staff accommodation facilities in 2016.

The detailed classification of development expenditures is as follows:

	RMB'000
Air conditioning of staff accommodation	3
	3

Mining Operation

In 2016, we actively carried out the destocking of mine inventories. As at 31 December 2016, we had realized sales of 4,134 m^3 of marble blocks. On the basis of full preparation in the first half of the Year, we resumed production in September 2016. After a period of preparation, starting from the two mining platforms in the previous year and with careful investigation, we had eliminated all safety risks of the mining platforms and commenced official production of blocks in November 2016. For the Year, our Yiduoyan marble mine block production amounted to 1,712 m^3. It also laid a solid foundation for the full commencement of mining in the next year.

For the Year, the expenditure on mining activities of the Group was approximately RMB1,593,000. The expenditure of mining activities was approximately RMB931 per m^3 (2015: approximately RMB962 per m^3).

RESOURCE AND RESERVE

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

Yiduoyan Project's marble resource statement as at 31 December 2016

Resource Category	**White marble V-1 (million m³)**	**Grey marble V-2 (million m³)**	**Total (million m³)**
Inferred	1.8	1.5	3.3
Indicated	5.5	1.8	7.3
Total	7.3	3.3	10.6

Yiduoyan Project's marble reserve statement as at 31 December 2016

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

Note:

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

(2) There was no material change in these estimates during the period from 30 June 2014 to 31 December 2016.

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

MAJOR ACQUISITION AND DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 12 May 2016, Smart Triumph, a newly incorporated direct wholly-owned subsidiary of the Company, 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. The proposed formation of the JVC was terminated on 30 September 2016.

On 25 May 2016, 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 Target Company 1, which is principally engaged in asset management, merger and acquisition for listed companies, equity investment, provision for consultancy services associated with financing and project construction, fund establishment and innovation of financial products in the PRC. The proposed acquisition was terminated on 30 September 2016.

On 10 June 2016, 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 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. The proposed acquisition was terminated on 23 September 2016.

For further details of the above proposed transactions, please refer to the Company's announcements dated 12 May 2016, 25 May 2016, 10 June 2016, 23 September 2016 and 30 September 2016, respectively.

During the Year, the Group disposed of Sun Vast Invest Development Limited, Speedy Rise Group Limited, Smart Triumph Group Holdings Limited, Powerful Rich Industrial Limited, Perfect Speed Ventures Limited and Express Sources Holdings Limited, which were previously subsidiaries held as to 100% directly or indirectly by the Company. Further details of the disposals are set out in note 15 of this announcement. Each of the above disposals did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

PRINCIPAL RISKS AND UNCERTAINTIES

Limited operating history

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

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

Single mining project

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

Inherently high-risk industry

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

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

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

Limited number of customers

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

Operating risks and hazards

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

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

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

In order to minimize the risk of exposure to market dynamic, we will seek to:

(i) broaden our potential customer base so that even if any of our existing customers are to terminate the sales contracts, we can obtain orders from other potential customers to replace any such lost sales on comparable terms; and

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

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:

Develop the Yiduoyan Project

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

Develop product recognition

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

Expand our resource 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 resources and reserves further through the acquisition of additional mining permit of marble projects in the PRC.

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

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

As at 31 December 2016, the Group had cash and cash equivalents of approximately RMB22.64 million which were denominated in Hong Kong dollars and Renminbi (2015: approximately RMB35.87 million).

The Group had no borrowings as at 31 December 2016, therefore the gearing ratio (defined as long term debt divided by total shareholder's equity) is not applicable. The current ratio of the Group as at 31 December 2016 was about 12.03 times as compared to 20.69 times as at 31 December 2015, based on current assets of approximately RMB41.68 million (as at 31 December 2015: approximately RMB47.32 million) and current liabilities of approximately RMB3.46 million (as at 31 December 2015: approximately RMB2.29 million).

CAPITAL STRUCTURE

During the Year, the changes of share capital structure of the Company were as follows:

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.

EMPLOYEES

As at 31 December 2016, the Group employed a total of 33 full time employees in Hong Kong and the PRC. The total staff costs (including directors' emoluments) were approximately RMB6.59 million for the Year.

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

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2016, the Group had 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 31 December 2016.

CHARGES ON GROUP ASSETS

The Group had no charges on the Group's assets as at 31 December 2016.

SIGNIFICANT INVESTMENTS HELD

Except for investments in the subsidiaries of the Company, the Group did not hold any significant investments during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Prospectus or this announcement, there was no specific plan for material investments or capital assets as at 31 December 2016.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") was set up on 8 December 2014 with written terms of reference, which was amended and revised on 10 December 2015 and 25 August 2016, in accordance with the requirements of the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Mr. Tsang Hing Hung, Mr. Chow Hiu Tung, Mr. Lau Tai Chim and Mr. Sin Ka King. It is chaired by Mr. Tsang Hing Hung.

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

OTHER COMMITTEES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the code of conduct with respect to the dealings in securities of the Company by the Directors as set out in Appendix 10 of 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 Year.

CORPORATE GOVERNANCE PRACTICES

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

According to code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated 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 as an executive Director and the chairman of the Board while Mr. Au-Yong Shong, Sammel, was appointed as 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 and Mr. Sun resigned as the chairman and an executive Director on 7 October 2016. Up to the date of this announcement, the casual vacancy left by the resignation of Mr. Au-Yong and Mr. Sun have not yet been filled up.

According to code provision A.4.1 of the CG Code, 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.

EVENTS AFTER REPORTING PERIOD

On 26 January 2017, Kingston Securities Limited (the "Placing Agent") and the Company entered into a placing agreement (the "Placing Agreement") pursuant to which the Company conditionally agreed to place through the Placing Agent, on a best effort basis, up to 176,000,000 placing shares (the "Placing Shares") to expected to be not less than six placees who and whose ultimate beneficial owners shall be independent third parties at the placing price of HK$0.205 per Placing Share. The Placing Shares would be issued under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 7 June 2016.

All conditions of the Placing Agreement had been fulfilled and the completion of Placing took place on 16 February 2017 in accordance with the terms and conditions of the Placing Agreement. A total of 170,000,000 Placing Shares had been successfully placed by the Placing Agent to not less than six placees at the placing price of HK$0.205 per Placing Share pursuant to the terms and conditions of the Placing Agreement. Details of the Placing Agreement were set out in the announcements of the Company dated 26 January 2017 and 16 February 2017.

Except as disclosed herein, since 31 December 2016 and up to the date hereof, no important events has occurred affecting the Group.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Thursday, 8 June 2017 (the "2017 AGM"). A notice convening the 2017 AGM will be published and despatched to the shareholders of the Company in accordance with the articles of association of the Company, the Listing Rules and other applicable laws and regulations.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the 2017 AGM, the register of members of the Company will be closed from Monday, 5 June 2017 to Thursday, 8 June 2017, both days inclusive, during which period no transfer of the Shares can be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 2 June 2017.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by Ernst & Young, who will retire and, being eligible, offer themselves for re-appointment at the 2017 AGM. A resolution will be submitted to the 2017 AGM to re-appoint Messrs. Ernst & Young as auditors of the Company.

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

PUBLICATION OF FINAL RESULTS AND 2016 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (*www.hkexnews.hk*) and the Company (*www.futurebrightltd.com*). The 2016 annual report of the Company will be despatched to the shareholders and available on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Wan Tat Wai David
Executive Director

Hong Kong, 23 March 2017

As at the date of this announcement, the executive Directors are Ms. Lee Suk Fong, Mr. Wan Tat Wai David, Mr. Zheng Fengwei, Mr. Zhang Decong and Mr. Yuan Shan (alternate director to Mr. Zhang Decong); and the independent non-executive Directors are Mr. Chow Hiu Tung, Mr. Lau Tai Chim, Mr. Sin Ka King and Mr. Tsang Hing Hung.