



Future Bright Mining Holdings Limited

高鵬礦業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code : 2212)

INTERIM REPORT

2 0 2 1



CONTENTS

	Page
Corporate Information	2
Management Discussion and Analysis	4
Other Information	17
Interim Condensed Consolidated Statement of Profit or Loss	23
Interim Condensed Consolidated Statement of Comprehensive Income	25
Interim Condensed Consolidated Statement of Financial Position	26
Interim Condensed Consolidated Statement of Changes in Equity	28
Interim Condensed Consolidated Statement of Cash Flows	29
Notes to the Interim Condensed Consolidated Financial Information	32



CORPORATE INFORMATION

DIRECTORS

Executive Directors

Li Yuguo (*Chief Executive Officer*)

Liu Yan Chee James

Lyu Bin

Yang Xiaoqiang (*Vice Chairman*)

Yang Xiaoqiu ^{Note 1}

Independent Non-Executive Directors

Chen Xun

Zhang Yijun

Prof. Lau Chi Pang *J.P.*

Liu Shuyan

COMPANY SECRETARY

Wu Ho Wai

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3603, 36th Floor

West Tower, Shun Tak Centre

168–200 Connaught Road Central

Sheung Wan, Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 207 Shuijing Avenue

Chengguan Town

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

Liu Shuyan (*Chairperson*)

Chen Xun

Zhang Yijun

Prof. Lau Chi Pang *J.P.*

NOMINATION COMMITTEE

Chen Xun (*Chairman*)

Zhang Yijun

Prof. Lau Chi Pang *J.P.*

Liu Shuyan

REMUNERATION COMMITTEE

Chen Xun (*Chairman*)

Zhang Yijun

Prof. Lau Chi Pang *J.P.*

Liu Shuyan

AUTHORISED REPRESENTATIVES

Li Yuguo ^{Note 2}

Wu Ho Wai

Yang Xiaoqiu ^{Note 3}

CORPORATE INFORMATION

PRINCIPAL BANKERS

The Hongkong and Shanghai
Banking Corporation Limited
China Construction Bank (Asia)
Corporation Company Limited
China Citic Bank International Limited

LEGAL ADVISER AS TO HONG KONG LAWS

Kwok Yih & Chan
Suite 1501, 15th Floor
Bank of America Tower
12 Harcourt Road
Central, Hong Kong

AUDITORS

Lau & Au Yeung C.P.A. Limited
21st Floor, Tai Yau Building
181 Johnston Road
Wanchai, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers 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

STOCK CODE

2212

WEBSITE

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

Note 1 Resigned with effect from 14 July 2021

Note 2 Appointed on 14 July 2021

Note 3 Ceased on 14 July 2021

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2021 (the “**Period**”), the operating revenue of Future Bright Mining Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) was approximately RMB21.97 million, which represented an increase of approximately 716.73% as compared to the operating revenue of approximately RMB2.69 million for the six months ended 30 June 2020. The significant increase in revenue was primarily attributable to the gradual containment of the novel coronavirus (“**COVID-19**”) and the steady recovery of economic activities in the PRC. Besides, the Group has actively explored new customers during the Period. The average selling price of marble block per cubic metre excavated from our mining site for the Period has increased by approximately 78.96% per cubic metre when compared with the price for the six months ended 30 June 2020. To cope with the need of our customers, the Group has also sold marble and sandstone blocks through purchasing from other suppliers starting from December 2020. As a result, revenue of the Group increased sharply for the Period.

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of Sales

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

Gross Profit and Gross Profit Margin

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

Other Income and Gains

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

Selling and Distribution Expenses

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

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative Expenses

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

Impairment on Financial Assets, Net

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

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

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

Other Operating Income/Expenses

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

MANAGEMENT DISCUSSION AND ANALYSIS

Finance Costs

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

Profit/Loss attributable to Owners of the Company

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

BUSINESS REVIEW

Marble and Marble-related Business

During the Period, we are continuously focusing on the development of the Yiduoyan Project, which is an open pit mine in the Hubei Province of the PRC. A total of 4,027 m³ of marble blocks had been produced and 3,130 m³ of marble blocks had been sold during the Period. Besides, the Group also purchased and sold other marble and sandstone blocks during the Period. The revenue derived from this business segment during the Period amounted to approximately RMB21.97 million (approximately RMB2.69 million for the six months ended 30 June 2020).

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

On the other hand, as disclosed in our 2020 annual report, the Group was requested by some of the existing customers to postpone the delivery of marble blocks as a result of the COVID-19 pandemic. During the Period, the Group was still having ongoing discussions with these customers regarding the revised terms and in particular, the updated delivery schedule. This is still subject to the COVID-19 situation and further development and the recovery of the construction and property development markets in the PRC.

Trading of Commodities Business

No revenue was generated from the commodity trading business for the Period (six months ended 30 June 2020: Nil). Although no revenue was derived from for this segment during the Period, the Group has entered into a one year contract with a customer and a supplier in June 2021 for the trading of zinc concentrates. The shipment of goods to the customer is expected to be arranged in the second half of the year.

THE YIDUOYAN PROJECT

The Yiduoyan Project is an open pit mine located in the Hubei Province of the PRC. Currently, the Group holds the mining permit of the Yiduoyan Project with permitted production capacity of 20,000 m³ per annum for a term of 10 years (which will expire on 30 December 2021 and can be extended for another 10 years to 30 December 2031 subject to the applicable PRC laws and regulations), covering an area of approximately 0.5209 km². According to the independent technical report dated 29 December 2014 prepared by SRK Consulting (Hong Kong) Limited, the same of which was set out in appendix IV to the prospectus of the Company dated 29 December 2014, the Yiduoyan Project contains marble resources with expansion potential through exploration.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Development

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

Mining Operation

During the Period, the Group had realised sales of 3,130 m³ of marble blocks. In the first half of the year, detailed inspection, testing and preparation works on horizontal platforms and mining benches were conducted. The Yiduoyan marble mine block production amounted to 4,027 m³ for the Period.

During the Period, the expenditure on mining activities of the Group was approximately RMB7.70 million. The expenditure of mining activities was approximately RMB1,912 per m³ (for the six months ended 30 June 2020: approximately RMB1,207 per m³). The increase of production cost per unit was mainly caused by the increase in processing fee for abandoned stones.

FUTURE PROSPECTS

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

Response to COVID-19 pandemic

In the first half of 2021, the Group has, in a timely manner, put in place numerous precautionary measures and procured essential protective supplies to ensure the health and safety of all its employees in different regions.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Business Outlook

Develop marble and marble-related business

While the COVID-19 pandemic is gradually brought under control, it is expected that the productivity and demand of the marble block industry will be further improved. We will continue to develop the Yiduoyan Project and are optimistic about its future prospects of marble business. The Group is actively exploring new customers by different ways including through the network of the senior management, as well as through our sales teams in Beijing and Xiamen. We expect our business will have a stable growth in the coming years.

Other than enlarging customer base, in June 2020, we have also submitted an application of enhancing annual production capacity to 200,000 m³ per annum for the Yiduoyun Project to meet our future orders. The application is subject to approval by the relevant government authorities. Due to sporadic cases of COVID-19 in the PRC recently, the approval progress was affected and we will update the application status as appropriate.

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

Develop the commodities trading business

We believe that continuing development of the commodities trading business will enable the Group to expand its business portfolio, diversify its income source and possibly enhance its financial performance. With the new trading contract on hand, it is expected that the source of revenue of the Group will be diversified in the second half of the year. Other than the existing customer, we will look for other attractive opportunities in the commodities trading business.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

The Group had no material securities investments during the Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in this interim report, the Group does not have other plans for material investments and capital assets as at 30 June 2021.

INTERIM DIVIDEND

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has resolved not to declare an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

MAJOR ACQUISITIONS AND DISPOSALS DURING THE PERIOD

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

LIQUIDITY, CAPITAL RESOURCES AND GEARING RATIO

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

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

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

CHARGES OVER THE GROUP’S ASSETS

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

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL STRUCTURE

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

EMPLOYEES AND REMUNERATION POLICY

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

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

Placing of new shares on 16 February 2017

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

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

	Net Proceeds utilised for the Period	
	HK\$ (unaudited)	RMB equivalent (unaudited)
Building a processing plant to produce slabs	—	—

* For identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

Placing of new shares on 16 December 2020

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

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

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

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

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

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

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

The Company has put in place the following measures to ensure compliance with the Model Code by the Directors:

- (1) the Company has prepared an internal guideline on share dealings by the directors (which include the relevant requirements and prohibitions under the Model Code) (the "**Internal Guideline**") and such Internal Guideline has been circulated to each of the Directors upon joining the Board;
- (2) upon joining the Board, each of the Directors will be provided with a set of comprehensive training materials (the "**Training Materials**") in relation to the Listing Rules, which cover, among others, the requirements and prohibitions on the directors' shares dealing activities under the Model Code. In particular, the Training Materials contains, among others, a separate section on dealing in securities of the Company by the Directors. Such section expressly provides, among others, that dealings in the securities of the Company are absolutely prohibited during the period of 60 days immediately preceding the publication date of the annual results; and

OTHER INFORMATION

- (3) before the commencement of the black-out period for the interim results and annual results of the Company, the company secretary of the Company will, on behalf of the Board, notify all the Directors by email (the “**Notification Email**”) the date of commencement of each black-out period and remind the Directors regarding the prohibition of shares dealings during the black-out period. It is also expressly set out in such email that the Directors are prohibited from dealing in the securities of the Company during the black-out period.

The Board considers that the preparation and provision of the Internal Guideline and Training Materials, which set out the relevant provisions and requirements under the Model Code in Chinese, would enable the Directors to obtain an understanding of the dealing restriction during the black-out period and the procedures that they need to follow before dealing in the securities of the Company. Further, the Notification Email, which is sent out to each Director before the commencement of the black-out period, will serve to remind the Directors of the dealing restrictions under the Model Code. The Board therefore considered that the implementation of the above measures would minimise the chance of breach of the Model Code by the Directors.

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

OTHER INFORMATION

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

As at 30 June 2021, the interests or short positions of the Directors and chief executive of the Company in the shares (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 Law 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 as set out in Appendix 10 to the Listing Rules are as follows:

Name	Company/name of associated corporation	Capacity and nature of interest	Number of ordinary shares		Approximate % shareholding
			Long position	Short position	
Li Yuguo	The Company	Beneficial owner and interest in controlled corporation	2,388,995,000	-	54.44 (Note 1)
Yang Xiaoqiu (Resigned as executive Director with effect from 14 July 2021)	The Company	Beneficial owner	111,620,000	-	2.54

Note:

1. These 2,388,995,000 shares including (i) 100,760,000 shares owned by Mr. Li Yuguo as beneficial owner and (ii) 2,288,235,000 shares directly held by Zhong Ke Jiu Tai Technology Group Limited, which is in turn wholly-owned by Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited. Mr. Li Yuguo is the beneficial owner of the entire issued share capital of Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2021, none of the Directors nor chief executive of the Company had 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 30 June 2021, the following persons or corporations, other than the Directors or chief executives of the Company, had or were deemed or taken to have interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 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	Long/short position	Capacity and nature of interest	Number of ordinary shares	Approximate % shareholding
Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited	Long position	Interest in controlled corporation	2,288,235,000 (Note 1)	52.14
Zhong Ke Jiu Tai Technology Group Limited	Long position	Beneficial owner	2,288,235,000 (Note 1)	52.14
Ge Limin	Long position	Beneficial owner	519,820,000	11.84

Note:

1. These 2,288,235,000 Shares are registered in the name of Zhong Ke Jiu Tai Technology Group Limited, which is directly wholly-owned by Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited. Mr. Li Yuguo is the beneficial owner of the entire issued share capital of Zhong Ke Jiu Tai Resources Use Technology Holdings Company Limited.

OTHER INFORMATION

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 were 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 2021.

EVENTS AFTER THE REPORTING PERIOD

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

UPDATE ON DIRECTORS' INFORMATION

The change in the information of the Directors since the publication of the 2020 annual report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Ms. Yang Xiaoqiu has resigned as an executive Director and ceased to be the authorised representative of the Company with effect from 14 July 2021.
- Mr. Li Yuguo has been appointed as the authorised representative of the Company with effect from 14 July 2021.

For further details, please refer to the announcement of the Company dated 14 July 2021.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

OTHER INFORMATION

CHANGE OF ADDRESS OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

With effect from 30 March 2021, the principal place of business of the Company in Hong Kong has been changed to Unit 3603, 36th Floor., West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong.

REVIEW OF ACCOUNTS BY THE AUDIT COMMITTEE

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

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

Hong Kong, 24 August 2021

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2021

		2021	2020
		(unaudited)	(unaudited)
	Notes	RMB'000	RMB'000
REVENUE	4	21,973	2,692
Cost of sales		<u>(16,413)</u>	<u>(1,675)</u>
Gross profit		5,560	1,017
Other income and gains	5	1,185	369
Selling and distribution expenses		(107)	(130)
Administrative expenses		(4,289)	(6,440)
Reversal of impairment losses on financial assets, net		-	8
Losses on changes in fair value of financial assets at fair value through profit or loss		(110)	(840)
Other operating income/(expenses)		97	(1,647)
Finance costs	6	<u>(91)</u>	<u>(133)</u>
PROFIT/(LOSS) BEFORE TAX	7	2,245	(7,796)
Income tax credit	8	<u>75</u>	<u>76</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>2,320</u>	<u>(7,720)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

For the six months ended 30 June 2021

		2021	2020
		(unaudited)	(unaudited)
	Note	RMB'000	RMB'000
Profit/(loss) attributable to:			
Owners of the Company		2,396	(7,693)
Non-controlling interests		(76)	(27)
		<u>2,320</u>	<u>(7,720)</u>
 EARNINGS/(LOSS) PER SHARE			
ATTRIBUTABLE			
TO ORDINARY EQUITY			
HOLDERS OF THE COMPANY			
Basic and diluted (RMB cents)	9	<u>0.05</u>	<u>(0.20)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2021

		30 June 2021 (unaudited) RMB'000	31 December 2020 (audited) RMB'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	11	13,333	13,815
Right-of-use assets	11	1,429	855
Long-term prepayments	11	39	81
Other intangible assets	11	20,083	20,487
		<hr/>	<hr/>
Total non-current assets		34,884	35,238
		<hr/>	<hr/>
CURRENT ASSETS			
Inventories		1,549	359
Trade receivables	12	–	–
Prepayments, other receivables and other assets	13	9,711	11,289
Financial assets at fair value through profit or loss		174	308
Cash and cash equivalents		27,276	25,734
		<hr/>	<hr/>
Total current assets		38,710	37,690
		<hr/>	<hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

30 June 2021

		30 June 2021 (unaudited) RMB'000	31 December 2020 (audited) RMB'000
	Notes		
CURRENT LIABILITIES			
Trade payables	14	845	711
Other payables and accruals		4,035	6,088
Tax payable		9	25
Lease liabilities	15	762	422
		<hr/>	<hr/>
Total current liabilities		5,651	7,246
		<hr/>	<hr/>
NET CURRENT ASSETS			
		33,059	30,444
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		67,943	65,682
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Lease liabilities	15	496	101
Deferred tax liabilities		2,794	2,895
Provision for rehabilitation	16	1,393	1,347
		<hr/>	<hr/>
Total non-current liabilities		4,683	4,343
		<hr/>	<hr/>
Net assets		63,260	61,339
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital	17	3,524	3,524
Reserves		61,539	59,542
		<hr/>	<hr/>
		65,063	63,066
		<hr/>	<hr/>
Non-controlling interests		(1,803)	(1,727)
		<hr/>	<hr/>
Total equity		63,260	61,339
		<hr/> <hr/>	<hr/> <hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to owners of the Company										
	Share capital RMB'000 (Note 17)	Share premium RMB'000	Capital reserve RMB'000	Contributed reserve RMB'000	Safety fund surplus reserve RMB'000	Statutory reserve fund RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2021 (audited)	3,524	130,899	24,216	34,152	229	238	3,343	(133,535)	63,066	(1,727)	61,339
Profit/(loss) for the Period	-	-	-	-	-	-	-	2,396	2,396	(76)	2,320
Other comprehensive income for the Period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(355)	-	(355)	-	(355)
Total comprehensive loss for the Period	-	-	-	-	-	-	(355)	2,396	2,041	(76)	1,965
Establishment for safety fund surplus reserve	-	-	-	-	66	-	-	(66)	-	-	-
Use of safety fund surplus reserve	-	-	-	-	(44)	-	-	-	(44)	-	(44)
At 30 June 2021 (unaudited)	<u>3,524</u>	<u>130,899</u>	<u>24,216</u>	<u>34,152</u>	<u>251</u>	<u>238</u>	<u>2,988</u>	<u>(131,205)</u>	<u>65,063</u>	<u>(1,803)</u>	<u>63,260</u>
	Attributable to owners of the Company										
	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Contributed reserve RMB'000	Safety fund surplus reserve RMB'000	Statutory reserve fund RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2020 (audited)	3,087	119,317	24,216	34,152	139	238	5,100	(121,674)	64,575	(1,674)	62,901
Loss for the period	-	-	-	-	-	-	-	(7,693)	(7,693)	(27)	(7,720)
Other comprehensive income for the period:											
Exchange differences on translation of foreign operations	-	-	-	-	-	-	1,690	-	1,690	-	1,690
Total comprehensive loss for the period	-	-	-	-	-	-	1,690	(7,693)	(6,003)	(27)	(6,030)
Establishment for safety fund surplus reserve	-	-	-	-	57	-	-	(57)	-	-	-
Use of safety fund surplus reserve	-	-	-	-	(14)	-	-	-	(14)	-	(14)
At 30 June 2020 (unaudited)	<u>3,087</u>	<u>119,317</u>	<u>24,216</u>	<u>34,152</u>	<u>182</u>	<u>238</u>	<u>6,790</u>	<u>(129,424)</u>	<u>58,558</u>	<u>(1,701)</u>	<u>56,857</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

		2021 (unaudited) RMB'000	2020 (unaudited) RMB'000
	Notes		
Cash flows from operating activities			
Profit/(loss) before tax		2,245	(7,796)
Adjustments for:			
Finance costs	6	91	133
Interest income	5	(25)	(20)
Losses on changes in fair value of financial assets at fair value through profit or loss	7	110	840
Losses on disposal of financial assets at fair value through profit or loss	7	20	–
Reversal of impairment losses of trade receivables, net	7	–	(8)
Reversal of impairment losses of long-term prepayments	7	–	(4)
Reversal of impairment losses of property, plant and equipment	7, 11	(1)	–
Use of safety fund surplus reserve		(44)	(14)
Depreciation of property, plant and equipment	7, 11	603	441
Depreciation of right-of-use assets	7, 11	580	1,312
Amortisation of long-term prepayments	7, 11	42	42
Amortisation of other intangible assets	7, 11	404	363
Written off of property, plant and equipment	7, 11	77	63
Written off of long-term prepayments	7, 11	–	1
		4,102	(4,647)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 30 June 2021*

	Notes	2021 (unaudited) RMB'000	2020 (unaudited) RMB'000
Increase in inventories		(1,190)	(2,488)
Increase in trade receivables		–	(1,679)
Increase in prepayments, other receivables and other assets		(361)	(433)
Increase in trade payables		139	1,023
(Decrease)/Increase in other payables and accruals		(1,374)	2,283
		<hr/>	<hr/>
Cash from/(used in) operations		1,316	(5,941)
Cash payments for the interest portion of the lease liabilities		(45)	(90)
Income taxes paid		(42)	–
		<hr/>	<hr/>
Net cash flows from/(used in) operating activities		1,229	(6,031)
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received	5	25	20
Purchase of items of property, plant and equipment	11	(205)	(704)
Deposits paid for acquisition of property, plant and equipment		–	(9,400)
Refund of deposits paid for acquisition of property, plant and equipment		1,000	–
Deposit paid for acquisition of a subsidiary		–	(6,200)
Proceeds from disposal of financial assets at fair value through profit or loss		290	758
Purchase of financial assets at fair value through profit or loss		(289)	–
		<hr/>	<hr/>
Net cash flows from/(used in) investing activities		821	(15,526)
		<hr/>	<hr/>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2021

	2021 (unaudited) RMB'000	2020 (unaudited) RMB'000
Notes		
Cash flows from financing activities		
Principal portion of lease payments	<u>(420)</u>	<u>(1,111)</u>
Net cash flows used in financing activities	<u>(420)</u>	<u>(1,111)</u>
Net increase/(decrease) in cash and cash equivalents	1,630	(22,668)
Cash and cash equivalents at beginning of Period	25,734	31,898
Effect of foreign exchange rate changes, net	<u>(88)</u>	<u>1,692</u>
Cash and cash equivalents at end of Period	<u>27,276</u>	<u>10,922</u>
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	<u>27,276</u>	<u>10,922</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
30 June 2021

1. CORPORATE INFORMATION

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries

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

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Gold Title Investments Limited	British Virgin Islands	USD50,000	100	–	Investment holding
New Victoria Investments Limited	British Virgin Islands	USD1	100	–	Investment holding
World Harvest Group Limited	British Virgin Islands	USD1	100	–	Investment holding
Future Bright (H.K.) Investment Limited	Hong Kong	HKD10,000	–	100	Commodity trading
East Pacific Investment Limited	Hong Kong	HKD100	–	51	Investment holding and commodity trading
Main Pacific Investment Limited	Hong Kong	HKD1	–	100	Investment holding
Xiangyang Future Bright Mining Limited*	PRC/Mainland China	RMB20,000,000	–	100	Mining, ore processing and sale of marble products
Xiamen Gaopeng Tongchuang International Trade Company Limited** (Formerly known as Xiamen Gaopengtongchuang New Materials Technology Company Limited)	PRC/Mainland China	RMB8,000,000	–	100	Trading of merchandises

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

1. CORPORATE INFORMATION (CONTINUED)

Information about subsidiaries (continued)

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Gaopenghuanshuo (Xiamen) Building Material Technology Company Limited***	PRC/Mainland China	RMB23,000,000	–	60	Wholesaling of construction and decoration materials
Main Pacific (Shenzhen) Technology Limited*	PRC/Mainland China	RMB1,000,000	–	100	New energy technology and mineral products technology development, technology transfer, service and consulting

* Registered as a wholly- foreign-owned enterprise under PRC law.

** Limited liability company wholly owned by Xiangyang Future Bright Mining Limited under PRC law.

*** Limited liability company jointly invested by Future Bright (H.K.) Investment Limited and Xiamen Huanshuo Trading Limited under PRC law.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Period 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

2.2 New standards, interpretations and amendment adopted by the Group

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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform (Phase 2)</i>
--	---

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2021

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 June 2020

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

3. OPERATING SEGMENT INFORMATION (CONTINUED)

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

30 June 2021

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

3. OPERATING SEGMENT INFORMATION (CONTINUED)

31 December 2020

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

4. REVENUE

An analysis of revenue is as follows:

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

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2021

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

4. REVENUE (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers (continued)

For the six months ended 30 June 2020

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

4. REVENUE (CONTINUED)

Disaggregated revenue information for revenue from contracts with customers (continued)

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

For the six months ended 30 June 2021

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

For the six months ended 30 June 2020

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

5. OTHER INCOME AND GAINS

An analysis of other income and gains is as follows:

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

6. FINANCE COSTS

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

7. PROFIT/(LOSS) BEFORE TAX

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

8. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from Hong Kong during the Period.

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

10. DIVIDEND

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

12. TRADE RECEIVABLES

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

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

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

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

14. TRADE PAYABLES

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

15. LEASE LIABILITIES

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

16. PROVISION FOR REHABILITATION

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

17. SHARE CAPITAL

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

18. RELATED PARTY TRANSACTIONS

- (a) During the six months ended 30 June 2020, the Group had paid a refundable deposit of RMB6,200,000 to 深圳市中科九台資源利用科技產業股份有限公司 (Shenzhen Zhongke Jiutai Resources Technology Co., Ltd.*) (the “**Vendor**”) for acquiring 70% equity interest of 深圳中科九台資源利用研究院有限公司 (Shenzhen Zhongke Jiutai Resources Utilization Research Institute Co., Ltd.*) (the “**Target Company**”). The Target Company is owned as to 70% by the Vendor, in which Mr. Li Yuguo, the ultimate controlling shareholder of the Company, has an indirect majority equity interest.

* For identification purpose only

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

18. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) As at the end of the Period, the Group had no outstanding balances with related parties.
- (c) Compensation of key management personnel of the Group:

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

19. COMMITMENTS

On 27 September 2019, the Company entered into a sale and purchase agreement with the Vendor to acquire 70% equity interest of the Target Company at the consideration of RMB62,000,000. The Target Company is owned as to 70% by the Vendor, in which Mr. Li Yuguo, the ultimate controlling shareholder of the Company, has an indirect majority equity interest. A refundable deposit of RMB6,200,000 was paid during the six months ended 30 June 2020.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)

30 June 2021

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

Carrying Amounts		Fair values	
30 June 2021 (unaudited) RMB'000	31 December 2020 (audited) RMB'000	30 June 2021 (unaudited) RMB'000	31 December 2020 (audited) RMB'000

Financial assets

Financial assets at fair value through
profit or loss

<u>174</u>	<u>308</u>	<u>174</u>	<u>308</u>
------------	------------	------------	------------

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (CONTINUED)
30 June 2021

20. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2021

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

As at 31 December 2020

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

21. EVENTS AFTER THE REPORTING PERIOD

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

22. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 24 August 2021.