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 2024

Key Financial Highlights

	2024	2023	
	RMB'000	*RMB'000*	Change
RESULTS			
Revenue	**96,359**	77,739	23.95%
Gross profit	**3,010**	1,454	107.02%
Loss before tax	**(19,259)**	(21,031)	-8.43%
Income tax credit	**443**	1,179	-62.43%
Loss for the year	**(18,816)**	(19,852)	-5.22%
Loss attributable to owners of the Company	**(18,848)**	(19,604)	-3.86%
Basic and diluted loss per share	**RMB1.80 cents**	RMB2.23 cents	-19.28%

	2024	2023	
	RMB'000	*RMB'000*	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Company	**46,969**	33,193	41.50%
Total assets	**158,662**	137,849	15.10%
Net assets per share	**RMB0.045**	RMB0.038	18.42%

- Revenue increased by 23.95% to approximately RMB96.36 million.
- Gross profit increased from approximately RMB1.45 million to approximately RMB3.01 million.
- Gross profit margin increased from approximately 1.87% to approximately 3.12%.
- Loss attributable to owners of the Company was narrowed by 3.86% to approximately RMB18.85 million.
- Basic and diluted loss per share was RMB1.80 cents (2023: RMB2.23 cents).
- The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Future Bright Mining Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the financial year ended 31 December 2024 (the "**Year**"), together with the comparative figures for the financial year ended 31 December 2023 ("**FY2023**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	*5*	**96,359**	77,739
Cost of sales		**(93,349)**	(76,285)
Gross profit		**3,010**	1,454
Other income	*5*	**604**	191
Administrative expenses		**(16,546)**	(15,642)
Other operating expenses		**(57)**	(2,729)
Losses on changes in fair value of financial assets at fair value through profit or loss		**(11)**	(69)
Finance costs	*6*	**(6,259)**	(4,236)
LOSS BEFORE TAX	*7*	**(19,259)**	(21,031)
Income tax credit	*8*	**443**	1,179
LOSS FOR THE YEAR		**(18,816)**	(19,852)
Attributable to:			
Owners of the Company		**(18,848)**	(19,604)
Non-controlling interests		**32**	(248)
		(18,816)	(19,852)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*10*		
Basic and diluted		**RMB1.80 cents**	RMB2.23 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(18,816)**	(19,852)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**525**	142
Realisation of translation reserve upon deregistration of a subsidiary	**1**	125
Realisation of translation reserve upon strike off of a subsidiary	**2**	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**528**	267
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(18,288)**	(19,585)
Attributable to:		
Owners of the Company	**(18,319)**	(19,336)
Non-controlling interests	**31**	(249)
	(18,288)	(19,585)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		**15,816**	16,018
Right-of-use assets		**5,468**	2,879
Other intangible assets		**100,255**	100,255
Total non-current assets		**121,539**	119,152
CURRENT ASSETS			
Inventories	*11*	**476**	531
Trade receivables	*12*	**1,619**	–
Prepayments, deposits and other receivables	*13*	**14,723**	5,041
Financial assets at fair value through profit or loss	*14*	**12**	33
Cash and cash equivalents		**20,293**	13,092
Total current assets		**37,123**	18,697
CURRENT LIABILITIES			
Trade payables	*15*	**503**	492
Other payables and accruals	*16*	**30,578**	9,855
Amount due to a director		**–**	10
Amount due to the ultimate controlling shareholder		**–**	544
Tax payable		**61**	21
Lease liabilities		**2,710**	1,860
Total current liabilities		**33,852**	12,782
NET CURRENT ASSETS		**3,271**	5,915
TOTAL ASSETS LESS CURRENT LIABILITIES		**124,810**	125,067

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT LIABILITIES			
Lease liabilities		**1,502**	–
Long-term borrowings	*17*	**46,708**	58,124
Amount due to the ultimate controlling shareholder		**–**	7,385
Other payables and accruals	*16*	**3,506**	2,596
Deferred tax liabilities		**–**	529
Mining right payable	*18*	**24,380**	21,636
Provision for rehabilitation		**1,745**	1,635
Total non-current liabilities		**77,841**	91,905
Net assets		**46,969**	33,162
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,323**	3,524
Reserves		**42,646**	29,669
		46,969	33,193
Non-controlling interests		**–**	(31)
Total equity		**46,969**	33,162

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 Unit 8101, Level 81, International Commerce Centre, 1 Austin Road West, Kowloon, 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; production and sale of marble and marble related products; trading of mineral commodities; and trading of coals.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") (which include all applicable individual International Financial Reporting standards, International Accounting Standards and Interpretations ("**IASs**")) approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Companies Ordinance.

They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss. 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 polices consistently throughout the financial periods ended 31 December 2023 and 2024. The financial statements have been reviewed by the audit committee of the Company (the "**Audit Committee**").

3. APPLICATION OF REVISED STANDARDS AND NEW INTERPRETATION

3.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to IFRSs for the first time for their annual reporting period commencing 1 January 2024:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

None of the amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

3.2 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective for the financial year ended 31 December 2024:

Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Amendments to IFRS 9 and IFRS 7	*Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	*Annual Improvements to IFRS Accounting Standards Volume 11*[2]
IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]

1 Effective for annual periods beginning on or after 1 January 2025

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

4 No mandatory effective date yet determined but available for adoption

IFRS 18 will replace IAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statements of profit or loss and providing management-defined performance measures within the financial statements.

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. The Group expects to apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

Except for the abovementioned changes in presentation and disclosure, these developments are not expected to have a significant impact on the results on the consolidated financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the marble block segment is a supplier of marble blocks mainly for further processing, construction or trading; and

(b) the commodity trading segment conducts trading business of commodities.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that interest income, non-lease-related finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, equity investments at fair value through profit or loss and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2024	Marble block *RMB'000*	Commodity trading *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*			
Sales to external customers	**475**	**95,884**	**96,359**
Revenue			**96,359**
Segment results	**(2,412)**	**1,561**	**(851)**
Reconciliation:			
Interest income			**597**
Finance costs (other than interest on lease liabilities)			**(6,054)**
Corporate and other unallocated expenses			**(12,951)**
Loss before tax			**(19,259)**
Segment assets	**127,299**	**22,928**	**150,227**
Reconciliation:			
Elimination of intersegment receivables			**(18,036)**
Corporate and other unallocated assets			**26,471**
Total assets			**158,662**
Segment liabilities	**108,575**	**745**	**109,320**
Reconciliation:			
Elimination of intersegment payables			**(18,036)**
Corporate and other unallocated liabilities			**20,409**
Total liabilities			**111,693**

Year ended 31 December 2024	Marble block *RMB'000*	Commodity trading *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Other segment information:				
Depreciation	**137**	**54**	**4,123**	**4,314**
Capital expenditure*	**1,139**	**–**	**33**	**1,172**

* Capital expenditure consists of additions to property, plant and equipment.

Year ended 31 December 2023	Marble block *RMB'000*	Commodity trading *RMB'000*	Total *RMB'000*
Segment revenue *(note 5)*			
Sales to external customers	–	77,739	77,739
Revenue			77,739
Segment results	(2,159)	577	(1,582)
Reconciliation:			
Interest income			77
Finance costs (other than interest on lease liabilities)			(3,944)
Corporate and other unallocated expenses			(15,582)
Loss before tax			(21,031)
Segment assets	114,342	22,820	137,162
Reconciliation:			
Elimination of intersegment receivables			(17,986)
Corporate and other unallocated assets			18,673
Total assets			137,849
Segment liabilities	87,641	4,417	92,058
Reconciliation:			
Elimination of intersegment payables			(17,986)
Corporate and other unallocated liabilities			30,615
Total liabilities			104,687

Year ended 31 December 2023	Marble block *RMB'000*	Commodity trading *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Other segment information:				
Depreciation	155	57	3,786	3,998
Capital expenditure*	80,382	–	3,983	84,365

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

Geographical information

(a) *Revenue from external customers*

	2024	2023
	RMB'000	*RMB'000*
Mainland China	**96,359**	77,739

The revenue information above is based on the locations of the customers.

(b) *Non-current assets*

	2024	2023
	RMB'000	*RMB'000*
Hong Kong	**6,687**	5,410
Mainland China	**114,852**	113,742
	121,539	119,152

The non-current assets information above is based on the locations of the assets.

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:

	2024	2023
	RMB'000	*RMB'000*
Customer A	**50,990**	42,878
Customer B	**21,929**	12,786
Customer C	**–**	11,526
Customer D	**14,303**	4,133

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sale of goods	**96,359**	77,739

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2024

Segments	**Marble block**	**Commodity trading**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Type of goods			
Sale of abandoned stones	**475**	**–**	**475**
Sale of coals	**–**	**95,884**	**95,884**
	475	**95,884**	**96,359**
Geographical markets			
Mainland China	**475**	**95,884**	**96,359**
Timing of revenue recognition			
Goods transferred at a point in time	**475**	**95,884**	**96,359**

For the year ended 31 December 2023

Segments	Marble block	Commodity trading	Total
	RMB'000	*RMB'000*	*RMB'000*
Type of goods			
Sale of coals	–	77,739	77,739
Geographical markets			
Mainland China	–	77,739	77,739
Timing of revenue recognition			
Goods transferred at a point in time	–	77,739	77,739

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

For the year ended 31 December 2024

Segments	**Marble block** *RMB'000*	**Commodity trading** *RMB'000*	**Total** *RMB'000*
Revenue from contracts with customers			
External customers	**475**	**95,884**	**96,359**
Total revenue from contracts with customers	**475**	**95,884**	**96,359**

For the year ended 31 December 2023

Segments	Marble block *RMB'000*	Commodity trading *RMB'000*	Total *RMB'000*
Revenue from contracts with customers			
External customers	–	77,739	77,739
Total revenue from contracts with customers	–	77,739	77,739

There was no revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods.

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of marble blocks and abandoned stones

The performance obligation is satisfied upon delivery of the marble blocks and abandoned stones, the customers obtained control of goods transferred and payment is generally due within 30 to 240 days from delivery, except for new customers, where payment in advance is normally required.

Sale of coals

The performance obligation is satisfied upon delivery of the coals, the customers obtained control of goods transferred and payment is generally received in advance for all customers.

There were no transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024.

	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**597**	77
Others	**7**	114
	604	191

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest on discounted provision for rehabilitation	**110**	100
Interest on lease liabilities	**205**	292
Interest on borrowings	**3,200**	2,590
Interest on mining right payable	**2,744**	1,254
	6,259	4,236

7. LOSS BEFORE TAX

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**93,349**	76,285
Staff costs (including directors' remuneration):		
Wages and salaries	**7,191**	5,250
Pension scheme contributions	**476**	434
	7,667	5,684
Auditor's remuneration		
– Audit services	**687**	961
– Non-audit services	**–**	363
Depreciation of property, plant and equipment	**1,433**	600
Depreciation of right-of-use assets	**2,881**	3,398
Foreign exchange differences, net	**285**	363
Losses on changes in fair value of financial assets at fair value through profit or loss:		
– Unrealised fair value losses of financial assets at fair value through profit or loss	**11**	69
Gain on disposal of property, plant and equipment	**(273)**	(36)
Loss on deregistration of a subsidiary	**1**	2,335
Loss on strike off of a subsidiary	**2**	–
Lease payments not included in the measurement of lease liabilities	**7**	17
Written off of property, plant and equipment	**6**	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 Hong Kong profits tax is provided as there is no estimated assessable profit for the year (2023: Nil).

Provision for the PRC corporate income tax ("**CIT**") is based on the CIT rate applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC. The Group's subsidiaries located in Mainland China were generally subject to the PRC CIT at the rate of 25% (2023: 25%) except for subsidiaries which are eligible as Small Low-profit Enterprise* (小型微利企業). From 1 January 2023, a Small Low-profit Enterprise is subject to CIT calculated at 25% (2023: 25%) of its taxable profit at a tax rate of 20%. During the year ended 31 December 2024, 1 subsidiary (2023: Nil) is subject to the relevant preferential tax treatments.

	2024	2023
	RMB'000	*RMB'000*
Current – Mainland China		
Charge for the year	**86**	21
Deferred		
Credit for the year	**(529)**	(1,200)
Total tax credit for the year	**(443)**	(1,179)

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

	2024	2023
	RMB'000	*RMB'000*
Loss before tax	**(19,259)**	(21,031)
Tax at the PRC tax rate of 25% (2023: 25%)	**(4,815)**	(5,258)
Tax effect of different taxation rates in other tax jurisdictions	**1,119**	1,223
Expenses not deductible for tax	**2,403**	2,875
Income not subject to tax	**(9)**	–
Tax reduction	**(344)**	(152)
Tax losses not recognised	**259**	143
Temporary differences recognised from previous year	**935**	(9)
Tax effect of temporary differences not recognised	**9**	(1)
Income tax credit at the Group's effective rate	**(443)**	(1,179)

* *For identification purposes only*

9. DIVIDENDS

The board of directors does not recommend the payment of dividends to the ordinary equity holders of the Company for the year ended 31 December 2024 (2023: Nil).

10. 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 Company, and the weighted average number of ordinary shares of 1,044,625,928 (2023: 877,716,000) in issue during the year.

The basic and diluted loss per share are the same as there is no potentially dilutive ordinary shares in issue for the year (2023: Nil).

The calculation of basic loss per share is based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	**(18,848)**	(19,604)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**1,044,625,928**	877,716,000

11. INVENTORIES

	2024	2023
	RMB'000	*RMB'000*
Finished goods	**421**	421
Materials and supplies	**55**	110
	476	531

12. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**1,619**	–
Impairment	**–**	–
	1,619	–

For sale of marble blocks, the Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to eight months for major customers.

For sale of coals, payment in advance is generally required for all customers.

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.

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

	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**1,619**	–

The maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables. The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2024	2023
	RMB'000	*RMB'000*
Neither past due nor impaired	**–**	–
Less than 30 days past due	**1,619**	–
	1,619	–

The trade receivables are subsequently received. Therefore, no impairment losses have been provided and no provision matrix is presented thereon.

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	2024 RMB'000	2023 RMB'000
Prepayments		**725**	578
Deposits paid for acquisition of land use rights	*(i)*	**11,437**	–
Other deposits and receivables	*(ii)*	**2,561**	4,463
		14,723	5,041

Note:

(i) As at 31 December 2024, deposits paid of RMB11,437,000 were related to the acquisition of land use rights in Nanzhang County. The acquisition is expected to be completed in 2025.

As at 31 December 2024, management performed impairment assessment on the deposits paid. In the opinion of the management, no impairment loss should be provided.

(ii) Other deposits and receivables mainly represent rental deposits, deposit paid to a supplier and other tax recoverables.

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 RMB'000	2023 RMB'000
Listed equity investments, at fair value	**12**	23
Other investments, at fair value	**–**	10
	12	33

The above equity investments and other investments were classified as financial assets at fair value through profit or loss as they were held for trading.

15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024 RMB'000	2023 RMB'000
Over 3 months	**503**	492

The trade payables are interest-free and normally settled within 60 days.

16. OTHER PAYABLES AND ACCRUALS

	Notes	2024 RMB'000	2023 RMB'000
Non-current			
Loan interest payables	*(a)*	**3,506**	2,596
Current			
Payroll accruals		**235**	441
Other payables	*(b)*	**691**	487
Accruals		**957**	2,265
Contract liabilities	*(c)*	**28,695**	6,662
		30,578	9,855
Total other payables and accruals		**34,084**	12,451

Notes:

(a) Loan interest payables are unsecured and interest-free.

As at 31 December 2024, the balances of RMB79,000, RMB283,000 and RMB3,144,000 are repayable on 25 January 2027, 15 May 2027 and 9 July 2028, respectively.

As at 31 December 2023, the balances of HKD779,000 (equivalent to RMB706,000) and RMB1,890,000 are repayable on 14 February 2025 and 9 July 2026, respectively.

(b) Other payables are unsecured, interest-free and repayable on demand.

(c) Details of contract liabilities are as follows:

	2024 RMB'000	2023 RMB'000
Advances received from customers		
Sale of marble blocks and marble slabs	**28,695**	2,960
Sale of coals	**–**	3,702
Total contract liabilities	**28,695**	6,662

Contract liabilities include advance payment from customers.

17. BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Long-term borrowings – unsecured	**46,708**	58,124

On 15 June 2022, Main Pacific Investment Limited ("**Main Pacific**"), an indirect wholly-owned subsidiary of the Company, and an independent third party signed a borrowing agreement that the third party granted a borrowing facility of HKD10,000,000 to Main Pacific. The borrowings are unsecured, interest-free, repayable on 14 February 2023 and denominated in HKD.

During the year ended 31 December 2023, the two parties signed two supplementary borrowing agreements to increase the facility amount to HKD20,000,000 and the borrowings became interest bearing at 5% per annum since 15 February 2023. Also, the borrowings and interests accrued became repayable on 15 February 2025.

During the year ended 31 December 2023, Xiangyang Future Bright Mining Limited ("**XYFB**"), an indirect wholly-owned subsidiary of the Company, signed three borrowing agreements with independent third parties to borrow RMB10,000,000, RMB10,500,000 and RMB19,500,000, respectively. The borrowings are all unsecured, interest bearing at 10% per annum, repayable on 9 July 2026 and denominated in RMB.

On 17 May 2024, XYFB and the independent third parties signed three supplementary borrowing agreements to extend the borrowing terms and decrease the interest rates to 3% per annum from 21 May 2024, and the borrowing and interests accrued became repayable on 9 July 2028.

On 29 January 2024, XYFB and another independent third party signed a borrowing agreement that the third party granted a borrowing facility of RMB20,000,000 to XYFB. The borrowing is unsecured, interest bearing at 10% per annum, repayable on 25 January 2027 and denominated in RMB.

As at 31 December 2024, the Group has drawn RMB860,000 from the facility.

On 16 May 2024, Inner Mongolia Main Pacific Energy Company Limited ("**IMMP**"), an indirect wholly owned subsidiary of the Company, signed a borrowing agreement with an independent third party to borrow RMB15,000,000. The borrowing is unsecured, interest bearing at 3% per annum, repayable on 15 May 2027 and denominated in RMB.

18. MINING RIGHT PAYABLE

During the year ended 31 December 2023, for purpose of and in connection with the renewal of the mining permit of the Yiduoyan Project, XYFB entered into a transfer agreement with The Natural Resources and Planning Bureau of Nanzhang County* (南漳縣自然資源和規劃局) (the "**Bureau**"), pursuant to which the mining right of the Yiduoyan Project was transferred to XYFB subject to the payment of additional resources fee of RMB98,731,400. The fee shall be settled in cash and paid by XYFB to the Bureau in four instalments:

(i) the first instalment in the amount of RMB60,000,000 shall be paid prior to the issue of the renewed mining permit;

(ii) the second instalment in the amount of RMB8,731,400 shall be paid before 1 October 2027;

(iii) the third instalment in the amount of RMB15,000,000 shall be paid before 1 October 2028; and

(iv) the last instalment in the amount of RMB15,000,000 shall be paid before 1 October 2029.

The first instalment was paid in July 2023. The remaining instalments due are unsecured and interest free. The carrying amount is determined based on the present value of the future cash flows stated on the transfer agreement discounted using the interest rate of 12% per annum with reference to the valuation report issued by AP Appraisal Limited.

* *For identification purposes only*

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

During the Year, the operating revenue of the Group was approximately RMB96.36 million, representing an increase of approximately 23.95% as compared to the operating revenue of approximately RMB77.74 million for FY2023. During the Year, the Group was preparing for expansion works of Yiduoyan Project. Although no excavation work was conducted by the Group, some abandoned stones from expansion works were sold. As a result, revenue derived from the marble block segment was approximately RMB0.48 million for the Year (FY2023: nil).

Owing to the serious coal mining accident in Inner Mongolia which occurred in February 2023, the coal mining activities of our major suppliers were temporarily suspended and the Group's coal trading business for the first three quarters of FY2023 was adversely affected. During the Year, the coal trading business was resumed to normal. The Group has been actively sourcing suppliers in the market based on the types, quality, quantity and pricing of coals. Besides, we also considered the market reputation, reliability and credibility of potential suppliers to meet the demand of the customers. The Group recognises revenue when coals have been placed at or collected by customer at agreed location. Customers normally have to pay the Group directly in full before collecting the coal. Revenue generated from this segment was approximately RMB95.88 million (FY2023: approximately RMB77.74 million) for the Year.

The following table sets forth the breakdown of the Group's revenue by business segment for the Year and for FY2023:

	2024			2023		
		Percentage to total revenue	**Gross Profit margin**		Percentage to total revenue	Gross Profit margin
	RMB'000			*RMB'000*		
Marble block	**475**	**0.49%**	**100.00%**	–	–	0.00%
Commodity trading	**95,884**	**99.51%**	**2.64%**	77,739	100.00%	1.87%
Total	**96,359**	**100.00%**	**3.12%**	77,739	100.00%	1.87%

Cost of Sales

The Group's cost of sales increased from approximately RMB76.29 million for FY2023 to approximately RMB93.35 million for the Year, representing an increase of approximately 22.36%, and such cost was solely attributable to the coal trading business under the commodity trading segment. Since there was no mining operation during the Year and abandoned stones sold during the Year were generated during the expansion work of the mining site, the cost of such abandoned stones was zero (FY2023: nil). The increase in cost of sales of the commodity trading segment was in line with the increase in revenue derived from the same segment.

Gross Profit and Gross Profit Margin

The gross profit of the Group increased to approximately RMB3.01 million for the Year (Gross profit margin of approximately 3.12%) when compared with the gross profit for FY2023 of approximately RMB1.45 million (FY2023: gross profit margin of approximately 1.87%). The gross profit margin of the segment of marble block increased to 100.00% as compared to the zero gross profit margin for FY2023. The change was due to the selling of some abandoned stones generated from expansion works with no cost. However, the increase in the gross profit margin of the marble block segment was partially offset by the lower profit margin of the commodity trading segment, being approximately 2.64%, which in turn resulted in an overall gross profit margin of approximately 3.12% of the Group for the Year.

Other Income

Other income for the Year were approximately RMB0.60 million, which represented an increase of approximately RMB0.41 million as compared to the other income of approximately RMB0.19 million for FY2023. The increase was mainly attributable to the increase of bank interest income from approximately RMB0.08 million to approximately RMB0.59 million for the Year.

Administrative Expenses

Administrative expenses mainly included legal and professional fees, printing and announcement fee, depreciation, annual listing fee, directors' remuneration, salaries and benefits of staff and other general office expenses. Administrative expenses of the Group increased by approximately RMB0.91 million or 5.82% from approximately RMB15.64 million for FY2023 to approximately RMB16.55 million for the Year. The increase was mainly driven by the increment of staff costs, trip expenses and depreciation of leasehold improvement of the Hong Kong office for the Year.

Other Operating Expenses

Other operating expenses decreased from approximately RMB2.73 million for FY2023 to approximately RMB0.06 million for the Year. During the Year, the Group has recorded loss of approximately RMB3,400 arising from the deregistration and struck off of subsidiaries (FY2023: approximately RMB2.34 million). Other operating expenses also included net foreign exchange loss of approximately RMB0.28 million for the Year (FY2023: approximately RMB0.36 million) and gain of approximately RMB0.27 million was recorded from disposal of property, plant and equipment (FY2023: approximately RMB0.04 million). No donation was made during the Year (FY2023: approximately RMB0.02 million in-kind donation).

The Directors performed impairment assessment on the cash-generating unit ("**CGU**") of the marble block segment as at 31 December 2024 with reference to a valuation report issued by an independent qualified valuer. No impairment of non-financial assets was provided during the Year (FY2023: nil). Details of impairment test and related assumptions used for valuation are discussed in the paragraph headed "Impairment Assessment" in this announcement.

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

As at 31 December 2024, the Group had current equity investments at fair value through profit or loss of approximately RMB0.01 million which were investments in various Hong Kong listed shares (as at 31 December 2023: approximately RMB0.03 million). The Group recorded net fair value loss of equity investments of approximately RMB0.01 million for the Year (FY2023: approximately RMB0.07 million).

Finance Costs

Finance costs increased from approximately RMB4.24 million for FY2023 to approximately RMB6.26 million for the Year. The Group's finance costs represented interest on discounted provision for rehabilitation, interest on lease liabilities of office premises, interest on borrowings and interest on mining right payable. The increase was mainly attributable to interest of mining right payable of approximately RMB2.74 million (FY2023: approximately RMB1.25 million) and the interest on borrowings of approximately RMB3.20 million (FY2023: approximately RMB2.59 million).

Loss Attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company was narrowed by approximately 3.86% to approximately RMB18.85 million (FY2023: approximately RMB19.60 million) for the Year.

Impairment Assessment

With respect to the impairment assessment for CGU of the marble block segment, the Group engaged AP Appraisal Limited, an independent qualified valuer, to carry out a valuation of the recoverable amount of the CGU as at 31 December 2024, based on the value-in-use ("**VIU**") calculations. The valuation uses cash flow projections based on financial estimates covering a 47-year (FY2023: 47-year) period and a discount rate of 11% (FY2023: 12%). Such a projection period was estimated based on the mine reserve and anticipated annual consumption volume. There was no change in the valuation method used in current and prior years. The major underlying assumptions used in the VIU calculation for impairment assessment are summarised as follows:

- the discounted cash flow projections were based on the mine reserve;
- the Company will sell both marble blocks and slab during the period;

- the average gross margin (% of revenue) of approximately 51.60% is based on past practices and expectations of future changes in the market;
- the discount rates using pre-tax rates of 11% that reflect current market assessments of the time value of money and the risk specific to the CGU; and
- the growth rates of sales volume and unit price are by reference to past experience and industry growth forecasts.

The valuation method of discounted cash flow ("**DCF**") was adopted for the calculation of the VIU of the CGU. DCF analysis is a method used to estimate the value of an investment based on its future cash flows. DCF analysis determines the value of the company today based on projections on how much cashflow the company will generate in the future.

According to the Standards and Guidelines for Valuation of Mineral Properties issued by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on Valuation of Mineral Properties ("**CIMVAL**"), the DCF valuation method is very widely used and is generally accepted in Canada as the preferred method for valuation of mineral properties. CIMVAL is also recognised by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") under Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

No impairment provision was made for the Year as the Directors consider that the recoverable amount of the CGU had exceeded the carrying amount with reference to the valuation report (FY2023: nil).

BUSINESS REVIEW

Marble and Marble-related Business

During the Year, we are continuously focusing on the development of the Yiduoyan Project, which is an open pit mine located in Hubei Province of the PRC. During the Year, the Group was preparing for expansion works of the Yiduoyan Project. Although no excavation work was conducted by the Group, some abandoned stones from expansion works were sold. As a result, revenue derived from this business segment was approximately RMB0.48 million for the Year (FY2023: nil).

Trading of Commodities Business

Owing to the serious coal mining accident in Inner Mongolia which occurred in February 2023, the coal mining activities of our major suppliers were temporarily suspended and the Group's coal trading business for the first three quarters of FY2023 was adversely affected. During the Year, the coal trading business was resumed to normal. The Company has been actively sourcing suppliers in the market based on the types, quality, quantity and pricing of coals. Besides, we also considered the market reputation, reliability and credibility of potential suppliers to meet the demand of the customers. We typically enter into framework procurement contracts with our suppliers, which is indicative of our commitment to secure reliable sources of coal and allows us to negotiate better terms and ensure consistent quality of coal supplied. The Group, as principal, has control and responsibility over the entire sale process and discretion over pricing through negotiations; and is engaged in the entire transaction process, from procurement to ensuring the taking of delivery by our customers. In fulfilling our orders, we take the primary responsibility in sourcing and understanding the particular specifications of coal required by our customers on an order-by-order basis. The Group recognises revenue when coals have been placed at or collected by customer at agreed location. Customers normally have to pay the Company directly in full before collecting the coal. Revenue generated from this segment was approximately RMB95.88 million (FY2023: approximately RMB77.74 million) for the Year.

Relationships with Customers, Suppliers, Contractors and Other Stakeholders

During the Year, there was no material and significant dispute between the Group and its key stakeholders, including employees, customers, suppliers, contractors, lenders, banks, regulators and shareholders. The Group will continue to ensure effective communication and maintain good relationship with each of its key stakeholders.

Environmental Policies

The Group places emphasis on environmental protection in the course of its operation. We have adopted and implemented various measures on an on-going basis to minimise the impact of our operation on the environment and comply with the relevant environmental protection laws and regulations. Such measures include, inter alia, (i) restoring the land damaged by our mining activities pursuant to the relevant land rehabilitation laws and regulations; (ii) using abandoned stones for the access road and transfer pad construction; (iii) reusing domestic wastes as fertiliser; (iv) collecting and treating waste water for recycling in production or for irrigation; (v) adopting wet drilling to reduce fugitive dust emission; and (vi) using low noise equipment to reduce noise emission.

Compliance with Relevant Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in relation to in particular, those having significant impact on the Group. The Audit Committee of the Company is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

During the Year, the Group has complied with all applicable laws and regulations in Hong Kong and the PRC in all material aspects for the business operation of the Group. Besides, except for processing of the production safety license* (安全生產許可證) for the expanded production capacity, the Group has obtained all material approvals, permits and licenses for its current business operations.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

We have completed the mineral exploration works at the time of renewing the mining permit in 2022, and no further mineral exploration work was carried out for the Year. As a result, there was no expenditure on mineral exploration.

Development

Since the Group was undergoing expansion works of the Yiduoyan Project during the Year, mining operation was temporarily suspended during the Year. The Group recorded development expenditures of approximately RMB13.31 million with respect to the expansion of the Yiduoyan Project during the Year (FY2023: approximately RMB60.16 million). A detailed breakdown of the development expenditures is set out below:

	2024 ***RMB'000***
Design service fee for expansion of mine facilities	**170.0**
Education and training for production safety	**0.3**
Payment of land use rights	**11,401.0**
Homestead transfer fee payment	**36.1**
Payment for site leveling and step excavation	**790.3**
Production safety liability insurance	**25.2**
Production safety signs	**8.2**
Purchase of office equipment	**4.5**
Rental of production equipment and machinery	**100.0**
Safety assessment fee	**20.0**
Service fee of resource reserve verification report	**750.0**
Water resource fee for mining	**2.9**
Total	**13,308.5**

* *For identification purposes only*

Mining Operation

During the Year, no excavation work was conducted and hence no marble block was produced and sold. As a result, the expenditure of mining activities per m^3 was nil (FY2023: nil).

RESOURCE AND RESERVE

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

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

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 set out in Appendix IV to the prospectus of the Company dated 29 December 2014 (the "**Prospectus**"). In order to provide an update of the mineral resources and ore reserves of the Yiduoyan Project, a competent person's report dated 7 November 2023 (the "**CPR Report**") has been prepared by AP Appraisal Limited, as set out in Appendix II to the circular of the Company dated 7 November 2023.

Yiduoyan Project's limestone mineral resource statement as at 31 December 2024

Resource Category	Marble (million m³)	Marble Block Yield (million m³)	Industry Limestone (million m³)	Total (million m³)
Inferred	6.10	2.20	6.40	12.50
Indicated	10.10	1.40	7.40	17.50
Total	16.20	3.60	13.80	30.00

Yiduoyan Project's marble reserve statement as at 31 December 2024

Reserve Category	White marble V-1 (million m³)	Grey marble V-2 (million m³)	Total (million m³)	Consumption White and Grey marble (million m³)	Current Total (million m³)
Probable	0.87	0.04	0.91	0.07	0.84

Notes:

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

(2) There was no material change in these estimates during the period from 7 November 2023 to 31 December 2024.

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

MAJOR ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 27 December 2024, the Group entered into (i) the Guanyintang Land Use Rights Transfer Contract with the Guanyintang Village Committee; and (ii) the Miaojiagou Land Use Rights Transfer Contract with the Miaojiagou Village Committee, respectively, to acquire the land use rights of the Guanyintang Land and the Miaojiagou Land at a total consideration of approximately RMB11.4 million (equivalent to approximately HKD12.3 million). Details of the acquisitions are set out in the announcements of the Company dated 27 December 2024 and 6 January 2025.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Group identified various principal risk factors and uncertainties that may affect our operating results and business prospects, including but not limited to the following:

Risk factors and uncertainties	Risk response
Limited talents in mining industry	
The Yiduoyan Project is still in the development stage where full-scale site construction is currently taking place. The business growth of the Group is highly dependent on certain senior management members. Failure to retain the current key personnel and hire, train and retain senior executives may adversely affect the business and prospects of the Group.	The Group will actively recruit more talents who have professional knowledge or relevant experience in mining industry which can give recommendations to further develop and enhance the operation of Yiduoyan Project.
Single mining project	
We have only one mining project, the Yiduoyan Project. We expect the Yiduoyan Project will remain our only operating mine in the near future upon which we will depend on for the majority of our operating revenue and cash flows. The Yiduoyan Project is in the 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 Yiduoyan Project may not ultimately become profitable. 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.	Apart from the Yiduoyan Project, the Group continues to seek for other investment or business opportunities to broaden its income source and to further develop its business.

Risk factors and uncertainties	Risk response
Single marble product	
The business and profitability of the Group depend on the customers' preferences, demand and supply on different types of marble blocks. Any adverse changes in market demand, customer preferences or market prices, and excess supply may have a material and adverse impact on the operating results of the Group.	The Group closely monitors the changes in the mining and construction industry. Besides, the Board will continue to look for other profitable mining projects to expand the Group's sources of income and further develop its business.
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 of our mining operations due to unfavourable weather conditions and natural disasters (such as earthquakes, floods and landslides); (iii) accidents; (iv) unexpected outbreak of epidemic diseases; (v) electricity or water supplies interruptions; (vi) critical equipment failures in our mining operations; and (vii) 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 our business reputation. Any disruption for a prolonged 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.	The Group will continue to manage the cost carefully and optimise the resources utilisation. In addition to the Yiduoyan Project in Hubei Province, the Group will try its best to diverse its trading business in other regions of the PRC in the future. If one of the cities in the PRC is being locked down, the business located at other cities can still be operated as usual to minimise the adverse impact on operations and financial conditions of the Group.

Risk factors and uncertainties	Risk response
Debt crisis in real estate and construction industry of the PRC	
The debt crisis encountered by some of the PRC property developers have affected the overall market conditions and the sentiment of the real estate and construction industry. Some of these PRC property developers (who are customers of the Group's marble business) requested to delay the orders and reduce the volume of marble block ordered. There may even be delays in payment and lead to a higher risk of default.	The Group will (i) diversify the risk by developing coal trading business to offset the temporary impact of the marble block segment; and (ii) minimise the risk of bad debts by receiving the full payment or deposits from customers in advance before the delivery of the goods.
Sufficiency of funds to support capital expenditures	
If the net proceeds from placing of shares are insufficient to fund the Group's future capital requirements for its development plans, the Group will have to use its cash flow from operations to fund its proposed development plans in the future. If the Group is unable to generate sufficient cash flow from its own operations, the Group may need to obtain additional funds by way of alternative financing.	The Group may consider raising funds again in the future to maintain its cash position at a higher security level.

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

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: (i) develop the Yiduoyan Project; (ii) develop product recognition; (iii) expand our resources and reserve through further and selective acquisition; and (iv) develop our commodity trading business.

BUSINESS OUTLOOK

Develop marble and marble-related business

The Group remained cautiously optimistic about the future prospects of its marble business. The Group is actively exploring new customers by different ways including through the network of our senior management. We expect the current decline in the marble business to be temporary and that our business will have a stable growth in the coming years.

On 12 July 2023, the Group successfully renewed the mining permit of the Yiduoyan Project for a term of 20 years, from 12 July 2023 to 12 July 2043. On 27 December 2024, the Group has entered into two land use rights transfer contracts at a total consideration of approximately RMB11.4 million. The acquisitions were conducted as part of the Group's expansion plan and given the lands are located adjacent to the mining site of the Yiduoyan Project, with the successful acquisitions and the subsequent change in the use of the lands to construction of roads and mining-related facilities, it is expected that construction and expansion of roads between the lands and the mining site will facilitate better access to the mining site, allowing for increased production capacity and improved logistics. Further, apart from the construction of roads, certain parts of the land would be used to provide extra space for the Yiduoyan Project and for its mining-related facilities and machineries. The strategic development of infrastructure is also expected to support the sustainability of the Yiduoyan Project in the long term, thereby contributing to the Group's operational development and benefitting its long-term business development.

The Group is currently undergoing expansion of the road between the mining surface and the main roads. Afterwards, the expansion of mining surface and construction of the mining facilities will be proceeded simultaneously. It is expected that the Group will be able to obtain all necessary licenses and resume production in or around the third quarter of 2025.

The Group has signed sales contracts of marble slab with some customers, of which partial deposits have been received. The Group expects that more sales contracts can be concluded after the completion of expansion works.

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

Develop the commodities trading business

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

SEGMENT INFORMATION

Particulars of the Group's segment information are set out in note 4 to the financial statements of this announcement.

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, long-term borrowings from independent third parties as well as cash generated from operation.

As at 31 December 2024, the Group had cash and cash equivalents of approximately RMB20.29 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2023: approximately RMB13.09 million).

The Group had long-term borrowings as at 31 December 2024. The gearing ratio (defined as long-term debt divided by total shareholder's equity) as at 31 December 2024 was 0.99 (as at 31 December 2023: 1.98). The current ratio of the Group as at 31 December 2024 was approximately 1.10 times as compared to 1.46 times as at 31 December 2023, based on current assets of approximately RMB37.12 million (as at 31 December 2023: approximately RMB18.70 million) and current liabilities of approximately RMB33.85 million (as at 31 December 2023: approximately RMB12.78 million).

CAPITAL STRUCTURE

On 19 January 2024, a total of 175,543,200 placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HKD0.205 per placing share under the general mandate granted to the Directors by resolution of the Shareholders passed at the annual general meeting of the Company held on 27 June 2023. Upon the completion of the aforesaid placing of new shares, the total number of issued shares was increased from 877,716,000 shares to 1,053,259,200 shares. Please refer to the Company's announcements dated 5 January 2024 and 19 January 2024 for further details of the placing.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group employed a total of 29 full time employees (as at 31 December 2023: 28 employees) who were 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 subsidises employees in various training and continuous education programmes.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group did not have any significant capital commitments and contingent liabilities as at 31 December 2024.

CHARGES OVER THE GROUP'S ASSETS

There were no charges over the Group's assets as at 31 December 2024.

SIGNIFICANT INVESTMENTS

The Group had no material securities investments during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no specific plan for material investments or capital asset as at 31 December 2024.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

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

OTHER MATTERS

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

Based on subsequent enquiries made by the Company, the Order was made in relation to a loan dispute (the "L**oan Dispute**") involving Mr. Li Yuguo ("**Mr. Li**"), the then executive Director (resigned with effect from 23 May 2024) and former controlling shareholder (ceased on 23 January 2024) of the Company, and the Bank.

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

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

* *For identification purposes only*

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 Company has established an Audit Committee in compliance with the Listing Rules. The Audit Committee consists of all the independent non-executive Directors, namely Ms. Wong Wan Lung, Prof. Lau Chi Pang *J.P.*, Mr. Wang Xiaolong and Mr. Zhang Yijun (ceased on 5 July 2024). It is chaired by Ms. Wong Wan Lung.

The Audit Committee had, among other things, reviewed the annual 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.

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 Part 2 of the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules. Except for the deviations of the CG Code as explained below, the Company had complied with the applicable code provisions of the CG Code during the Year. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of its business.

Under code provision C.2.7 of the CG Code, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. The office of the chairman was vacated since March 2020. The Company intends to appoint a suitable candidate internally for the position as the chairman of the Board and such internal selection process is still ongoing as at the date of this announcement. The Company will comply with this code provision after the appointment of the chairman.

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 C3 to the Listing Rules (the "**Model Code**").

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

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2024 and up to the date of this announcement.

DIVIDEND

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

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by Messrs. Reanda HK CPA Limited (formerly known as Lau & Au Yeung C.P.A. Limited), which will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting ("**2025 AGM**") of the Company. A resolution for the re-appointment of Messrs. Reanda HK CPA Limited as the Group's auditor will be proposed at the 2025 AGM.

REVIEW OF ANNUAL FINANCIAL STATEMENTS

The figures in respect of the preliminary announcement of the Group's annual results for the Year have been agreed by the auditors of the Company.

PUBLICATION OF ANNUAL RESULTS AND 2024 ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com). The 2024 annual report of the Company will be available on the websites of the Stock Exchange and the Company in due course.

By Order of the Board
Future Bright Mining Holdings Limited
Xue Yunfei
Executive Director

Hong Kong, 20 March 2025

As at the date of this announcement, the executive Directors are Mr. Sun Hailong, Mr. Xue Yunfei, Mr. Yang Jiantong and Mr. Zhou Dechuan; the non-executive Directors are Mr. Chen Jin and Ms. Zhu Min; and the independent non-executive Directors are Prof. Lau Chi Pang J.P., Mr. Wang Xiaolong and Ms. Wong Wan Lung.