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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 5 January 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, a maximum of 175,543,200 Placing Shares at the Placing Price of HK\$0.205 per Placing Share to not less than six Places who and whose beneficial owners shall be Independent Third Parties.

Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of Completion (save for the Placing Shares), the maximum number of 175,543,200 Placing Shares represent (i) approximately 20.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.205 represents:

- (i) a discount of approximately 18.0% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 18.0% to the average closing price per Share of approximately HK\$0.25 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming the maximum 175,543,200 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) of the Placing are estimated to be approximately HK\$35.99 million and HK\$35.20 million, respectively. The Company intends to apply the net proceeds from the Placing for the expansion and development of project facilities at the Yiduoyan Project and for the general working capital of the Group.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Details of the Placing Agreement are set out as follows:

THE PLACING AGREEMENT

Date

5 January 2024 (after trading hours)

Parties

Issuer: The Company

Placing Agent: VBG Capital Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent has conditionally agreed with the Company to place a maximum of 175,543,200 Placing Shares on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be individual, institutional or professional investors. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

Placing Shares

As at the date of this announcement, the Company has 877,716,000 Shares in issue. Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of Completion (save for the Placing Shares), the maximum number of 175,543,200 Placing Shares represent (i) approximately 20.0% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$877,716.

Placing Price

The Placing Price of HK\$0.205 represents:

- (i) a discount of approximately 18.0% to the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 18.0% to the average closing price per Share of approximately HK\$0.25 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement, including the Placing Price and the commission, are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 27 June 2023. Pursuant to the General Mandate, the total number of new Shares that the Directors are authorized to allot and issue is 175,543,200 new Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate and the General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the Placing is not subject to any Shareholders' approval. The General Mandate will be utilized as to 100% upon allotment and issue of all the Placing Shares.

Commission

The Placing Agent will be entitled to a commission of 1.10% of the aggregate amount equal to the Placing Price multiplied by the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement or, in the case if the Placing Shares are placed in full, a fixed placing fee of HK\$400,000. The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent and with reference to prevailing market conditions.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions and Completion of the Placing

Completion of the Placing is conditional upon fulfilment of the following conditions:

- (i) the Listing Committee having granted the listing of, and permission to deal in, the Placing Shares;
- (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and
- (iii) the Placing Agreement not having been terminated pursuant to the terms of the Placing Agreement.

None of the above conditions can be waived by the Company or the Placing Agent. If any of the conditions are not fulfilled on or before 26 January 2024 or such later date as the parties of the Placing Agreement may agree in writing, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

Completion

Completion shall take place on a date falling within three (3) Business Days after the fulfillment of the conditions set out above (or such later date as may be agreed between the parties of the Placing Agreement in writing).

Termination

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Company would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out the Placing Agreement; or
- (ii) any of the following events:
 - (a) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in Hong Kong which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company as a whole; or
 - (b) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong or the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Company (as a whole) or its present or prospective shareholders in their capacity as such; or

- (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the (i) excavation and sale of marble blocks; (ii) production and sale of marble related products; (iii) trading of mineral commodities; and (iv) trading of coals.

As announced by the Company on 18 July 2023, the Group has successfully renewed the mining permit of the Yiduoyan Project for 20 years, from 12 July 2023 to 12 July 2043. The first instalment of the renewal fee was settled by the Group in July 2023. In view of such renewal, the Board has, in August 2023, resolved to change the use of the net proceeds from a placing previously completed on 16 February 2017, such that a part of the net proceeds (in the amount of approximately HK\$13 million) shall be used as capital costs for the expansion of production capacity of the Yiduoyan Project. For further details, please refer to the interim report of the Company for the six months ended 30 June 2023. As at the date of this announcement, such part of the net proceeds has been fully utilized for the said purpose.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$35.99 million. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$35.20 million. On such basis, the net issue price will be approximately HK\$0.200 per Placing Share. The Company intends to apply (i) approximately HK\$24.64 million, representing 70.0% of the net proceeds from the Placing, for the expansion and development of project facilities at the Yiduoyan Project for purpose of enhancing its production capacity (including but not limited to upgrading the roads and project facilities near the mining sites, improving power supply facilities and purchasing of relevant machineries and equipment); and (ii) approximately HK\$10.56 million, representing 30.0% of the net proceeds from the Placing, as general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and in particular, for expanding the production capacity of the Yiduoyan Project, and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms following arm's length negotiations between the Company and the Placing Agent and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion (save for the Placing Shares) and that all Placing Shares are fully placed is set out as follows:

Shareholders	As at the date of this announcement		Immediately after Completion of the Placing	
	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>	<i>Number of Shares</i>	<i>Approx.% of shareholding</i>
Li Yuguo (<i>Note 1</i>)	277,799,000	31.65%	277,799,000	26.37%
Public Shareholders				
– The Placees (<i>Note 2</i>)	–	–	175,543,200	16.67%
– Other public Shareholders	599,917,000	68.35%	599,917,000	56.96%
Total	877,716,000	100.00%	1,053,259,200	100.00%

Note:

- Mr. Li Yuguo is an executive Director. These 277,799,000 shares including (i) 20,152,000 shares owned by Mr. Li Yuguo as beneficial owner and (ii) 257,647,000 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.
- It is expected that none of the Placees will become a substantial Shareholder upon Completion.

CAPITAL-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any fundraising activities in the past 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that the Placing is subject to the fulfillment of the conditions precedent under the Placing Agreement and the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Future Bright Mining Holdings Limited (Stock code: 2212), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	the completion of the transaction contemplated under the Placing Agreement

“Completion Date”	the date falling within three (3) Business Days after the fulfillment of the conditions precedent to the Placing (or such later date as may be agreed by the parties of the Placing Agreement in writing)
“connected person”	has the meaning set out in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 27 June 2023
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties who are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors who are Independent Third Parties, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares

“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 5 January 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.205 per Placing Share
“Placing Share(s)”	a maximum of up to 175,543,200 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holders(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning set out in the Listing Rules
“Yiduoyan Project”	the Yiduoyan mine, an open pit marble mine located in Xiaoyan Town, Nanzhang County, Xiangyang City, Hubei Province of the PRC, of which its mining right is owned by Xiangyang Future Bright Mining Limited* (襄陽高鵬礦業有限公司), an indirect wholly-owned subsidiary of the Company

“%”

per cent.

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

Hong Kong, 5 January 2024

As at the date of this announcement, the executive Directors are Ms. Bao Rongrong, Mr. Li Yuguo, Mr. Lyu Bin, Mr. Yang Jiantong and Mr. Yang Xiaoqiang (the vice chairman); and the independent non-executive Directors are Prof. Lau Chi Pang J.P., Mr. Wang Xiaolong, Ms. Wong Wan Lung and Mr. Zhang Yijun.

* *For identification purpose only*