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)

CONTENTS

CORPORATE INFORMATION

DIRECTORS

Executive Directors

Bao Rongrong [Note 1]
Li Yuguo
Liu Yan Chee James [Note 2]
Lyu Bin
Sun Hailong [Note 3]
Wang Ruoxi [Note 4]
Xue Yunfei *(Chief Executive Officer)* [Note 5]
Yang Jiantong
Yang Xiaoqiang *(Vice Chairman)* [Note 6]

Independent Non-Executive Directors

Prof. Lau Chi Pang *J.P.*
Liu Shuyan [Note 7]
Wang Xiaolong
Wong Wan Lung [Note 8]
Zhang Yijun

COMPANY SECRETARY

Wu Ho Wai

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 8101, Level 81
International Commerce Centre
1 Austin Road West
Kowloon, 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

Wong Wan Lung *(Chairperson)* [Note 8]
Liu Shuyan *(Former Chairperson)* [Note 9]
Prof. Lau Chi Pang *J.P.*
Wang Xiaolong
Zhang Yijun

NOMINATION COMMITTEE

Wang Xiaolong *(Chairman)*
Prof. Lau Chi Pang *J.P.*
Liu Shuyan [Note 9]
Wong Wan Lung [Note 8]
Yang Jiantong
Zhang Yijun

REMUNERATION COMMITTEE

Wang Xiaolong *(Chairman)*
Prof. Lau Chi Pang *J.P.*
Liu Shuyan [Note 9]
Wong Wan Lung [Note 8]
Yang Jiantong
Zhang Yijun

AUTHORISED REPRESENTATIVES

Li Yuguo
Wu Ho Wai

Note 1: Appointed with effect from 1 October 2023 and resigned with effect from 1 April 2024
Note 2: Resigned with effect from 1 October 2023
Note 3: Appointed with effect from 1 April 2024
Note 4: Resigned with effect from 1 April 2023
Note 5: Appointed as chief executive officer on 26 January 2024 and appointed as an executive Director with effect from 1 April 2024
Note 6: Resigned with effect from 1 April 2024
Note 7: Retired on 27 June 2023
Note 8: Appointed on 25 October 2023
Note 9: Ceased to be the chairperson or member, as appropriate, on 27 June 2023

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)

KEY FINANCIAL HIGHLIGHTS

	2023 RMB'000	2022 RMB'000	Change
RESULTS			
Revenue	**77,739**	63,884	21.69%
Gross profit	**1,454**	8,575	-83.04%
Loss before tax	**(21,031)**	(7,800)	169.63%
Income tax credit/(expenses)	**1,179**	(1,131)	-204.24%
Loss for the year	**(19,852)**	(8,931)	122.28%
Loss attributable to owners of the Company	**(19,604)**	(8,867)	121.09%
Basic and diluted loss per share	**RMB2.23 cents**	RMB1.01 cents	120.79%

	2023 RMB'000	2022 RMB'000	Change
KEY ITEMS IN CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Equity attributable to owners of the Company	**33,193**	52,533	-36.81%
Total assets	**137,849**	74,086	86.07%
Net assets per share	**RMB0.038**	RMB0.058	-34.48%

	2023	2022	Change
OPERATION SUMMARY OF YIDUOYAN PROJECT *(Note 1)*			
Marble blocks production volume (m^3)	**–**	—	N/A
Marble blocks sales volume (m^3)	**–**	1,851	-100.00%
Marble blocks average sale price, excluding VAT (RMB)	**–**	4,215	-100.00%

Note:

(1) During the year ended 31 December 2023, the Group was undergoing mining license renewal procedures and was preparing for expansion works of Yiduoyan project. Therefore, no excavation work was conducted by the Group and no marble block was produced and sold.

FINANCIAL REVIEW

Revenue

During the year ended 31 December 2023 (the "**Year**"), the operating revenue of Future Bright Mining Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") was approximately RMB77.74 million, representing an increase of approximately 21.69% as compared to the operating revenue of approximately RMB63.88 million for the year of 2022 (the "**FY2022**"). During the Year, the Group was undergoing mining license renewal procedures and was preparing for expansion works of Yiduoyan project. Therefore, no excavation work was conducted by the Group and no marble block was produced and sold. As a result, no revenue was derived from the marble block segment for the Year (FY2022: approximately RMB7.56 million).

The trading of coal business commenced in June 2022. Raw coal of the Group's trading business was directly sourced from well-established coal producers in Inner Mongolia and sold to PRC customers. As there was a serious coal mining accident in Inner Mongolia in February 2023, operators of the coal mines, being the suppliers of our coal trading business, were required to undertake a safety inspection of their coal mines, during which coal mining activities had to be temporarily suspended and the Group's coal trading business for the first three quarters of the Year was adversely affected. During the Year, revenue generated from this segment was approximately RMB77.74 million (FY2022: approximately RMB56.32 million).

The following table sets forth the breakdown of the Group's revenue by business segment for the Year and for FY2022:

	2023			2022		
	RMB'000	**Percentage to total revenue**	**Gross Profit margin**	RMB'000	Percentage to total revenue	Gross Profit margin
Marble block	**—**	**—**	**0.00%**	7,563	11.84%	50.11%
Commodity trading	**77,739**	**100.00%**	**1.87%**	56,321	88.16%	8.48%
Total	**77,739**	**100.00%**	**1.87%**	63,884	100.00%	13.42%

Cost of Sales

The Group's cost of sales increased from approximately RMB55.31 million for FY2022 to approximately RMB76.29 million for the Year, representing an increase of approximately 37.93%, and such cost was solely attributable to the coal trading business under the commodity trading segment. The cost of sales for FY2022 included both marble blocks mining and purchasing costs. The marble blocks mining costs mainly comprised of sub-contractor fee, fuel, electricity, processing fee of abandoned stones, depreciation of production equipment, amortisation of mining rights and repairs and maintenance of machinery, whereas the purchasing costs represented the cost of sourcing of coals, from external suppliers in the commodity trading segment.

Since there was no mining operation during the Year, the cost of the marble block segment was nil (FY2022: approximately RMB3.77 million). To minimise the impact of the coal mining incident on the Group's coal trading business, the Group sourced coals from alternative suppliers in other regions at higher costs and approximately RMB76.29 million of purchasing costs was recorded during the Year (FY2022: approximately RMB51.54 million).

Gross Profit and Gross Profit Margin

The gross profit of the Group decreased to approximately RMB1.45 million for the Year (Gross profit margin of approximately 1.87%) when compared with the gross profit for FY2022 of approximately RMB8.58 million (FY2022: gross profit margin of approximately 13.42%). Since no revenue was generated from the marble block segment and no mining activities was conducted during the Year, the gross profit margin of this segment was nil (FY2022: gross profit margin of approximately 50.11%). The gross profit margin of the commodity trading segment decreased to approximately 1.87% for the Year (FY2022: gross profit margin of approximately 8.48%) as higher purchasing costs were incurred during the Year.

Other Income

Other income for the Year were approximately RMB0.19 million, which represented a decrease of approximately RMB0.30 million as compared to the other income of approximately RMB0.49 million for FY2022. The decrease was mainly attributable to the decrease of government grants and sundry income 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 RMB0.84 million or 5.68% from approximately RMB14.80 million for FY2022 to approximately RMB15.64 million for the Year.

Impairment on Financial Assets, Net

The management assesses the measurement of expected credit losses in relation to financial assets and no impairment loss was provided for the Year (FY2022: impairment losses of approximately RMB6.06 million was reversed). The reversal of impairment losses for FY2022 was mainly due to the written-off of long outstanding trade receivables of approximately RMB5.52 million. Besides, since the balance of deposits paid for acquisition of machinery was fully refunded by the supplier, impairment losses of approximately RMB0.54 million provided in previous years was also reversed in FY2022.

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

As at 31 December 2023, the Group had current equity investments at fair value through profit or loss of approximately RMB0.03 million which were investments in various Hong Kong listed shares and other investments (as at 31 December 2022: approximately RMB0.10 million). The Group recorded net fair value loss of equity investments of approximately RMB0.07 million for the Year (FY2022: approximately RMB0.03 million).

Other Operating Expenses

Other operating expenses decreased from approximately RMB7.78 million for FY2022 to approximately RMB2.73 million for the Year as no bad debt was written off (FY2022: approximately RMB5.52 million). During the Year, the Group has also recorded loss of approximately RMB2.34 million arising from the deregistration of a subsidiary in the PRC (FY2022: Nil). Other operating expenses also included net foreign exchange loss of approximately RMB0.36 million for the Year (FY2022: approximately RMB2.09 million) and in-kind donation of approximately RMB0.02 million during the Year (FY2022: approximately RMB0.13 million).

The Directors performed impairment assessment on the non-financial assets of the marble block segment as at 31 December 2023 with reference to a valuation report issued by an independent qualified valuer. No impairment of non-financial assets was provided during the Year (FY2022: Nil). Details of impairment test and related assumptions used for valuation are discussed in the paragraph headed "Impairment Assessment" below.

Finance Costs

Finance costs increased from approximately RMB0.32 million for FY2022 to approximately RMB4.24 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 and the interest on borrowings incurred in relation to loan agreements entered between the Group and independent third parties during the Year.

Loss Attributable to Owners of the Company

In view of the above factors, loss attributable to owners of the Company increased by 121.09% to approximately RMB19.60 million for the Year (FY2022: approximately RMB8.87 million). The change was mainly resulted from the significant decrease in gross profit, the increase in finance costs and loss arising from the deregistration of a subsidiary in the PRC during the Year.

Impairment Assessment

With respect to the impairment assessment for non-financial assets 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 cash-generating unit ("**CGU**") as at 31 December 2023, based on the value-in-use ("**VIU**") calculations. The valuation uses cash flow projections based on financial estimates covering a 47-year (FY2022: 10-year) period and a discount rate of 12% (FY2022: 14%). 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 average gross margin (% of revenue) of 46.91% is based on past practices and expectations of future changes in the market;
- the discount rates using pre-tax rates of 12% that reflect current market assessments of the time value of money and the risk specific to the CGU;
- the growth rates of sales volume and unit price are by reference to past experience and industry growth forecasts; and
- the prolonged projection period was because of the addition of ore resources in this Year.

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 (FY2022: 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 is undergoing mine license renewal procedures and was preparing for expansion works of the Yiduoyan Project. Therefore, no excavation work was conducted by the Group and no marble block was produced and sold (FY2022: 1,851 m^3 marble blocks were sold). As a result, no revenue was derived from this business segment for the Year (FY2022: approximately RMB7.56 million).

Trading of Commodities Business

The trading of coal business commenced in June 2022. Raw coal of the Group's trading business was directly sourced from well-established coal producers in Inner Mongolia and sold to PRC customers. As there was a serious coal mining accident in Inner Mongolia in February 2023, operators of the coal mines, being the suppliers of our coal trading business, were required to undertake a safety inspection of their coal mines, during which coal mining activities had to be temporarily suspended and the Group's coal trading for the first three quarters of the Year was adversely affected. During the Year, revenue generated from this segment was approximately RMB77.74 million (FY2022: approximately RMB56.32 million).

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 preparing for the renewal of the production safety license(安全生產許可證), the Group has also obtained all material approvals, permits and licenses for its current business operations.

MAJOR EXPLORATION, DEVELOPMENT AND PRODUCTION ACTIVITIES

Mineral Exploration

In order to renew the mining permit after 30 December 2021, we are required to carry out new exploration work on the Yiduoyan Project. As a result, the Group has engaged Hubei Xiangdi Resources and Environment Co., Ltd.* (湖北襄地資源環境有限公司) to undertake the marble mine resources verification work and an updated amount of resources in the mining area had been submitted to relevant PRC government authority for review in FY2022.

During the Year, the Group has engaged an independent professional party to prepare a resource reserve verification report in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the"**JORC Code**"). Please refer to the section headed "RESOURCE AND RESERVE" for details.

Development

During the Year, mining operation and other related activities were temporarily suspended. The Group recorded development expenditures of approximately RMB60.16 million with respect to the expansion of the Yiduoyan Project during the Year (FY2022: approximately RMB1.29 million). A detailed breakdown of the development expenditures is set out below:

	2023 RMB'000
Education and training for production safety	4.4
Feasibility study report on the entire industry chain of limestone mineral products	156.0
1st installment payment for the additional resources fee	60,000.0
Water resource fee	3.0
Total	60,163.4

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 (FY2022: Nil).

* *For identification purposes only*

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 2023

Resource Category	**Marble** (million m^3)	**Marble Block Yield** (million m^3)	**Industry Limestone** (million m^3)	**Total** (million m^3)
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 2023

Reserve Category	**White marble V-1** (million m^3)	**Grey marble V-2** (million m^3)	**Total** (million m^3)	**Consumption White and Grey marble** (million m^3)	**Current Total** (million m^3)
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 2023.

(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

During the Year, 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 rights of the Yiduoyan Project was transferred to Xiangyang Future Bright Mining Limited* (襄陽高鵬礦業有限公司) ("**XYFB**") subject to the payment of additional resources fee of RMB98.7314 million. The entering into of the transfer agreement (and the transaction contemplated thereunder) constituted a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. For further details of the transaction, please refer to the announcements of the Company dated 18 July 2023 and 4 August 2023 and the circular of the Company dated 7 November 2023.

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.
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.

* *For identification purposes only*

Risk factors and uncertainties	Risk response
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.
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.
Serious coal mine accident occurred in Inner Mongolia in 2023	
Due to a serious coal mining accident in Inner Mongolia in February 2023, operators of coal mine, being the suppliers of our coal trading business, were required to undertake a safety inspection of their coal mines. During this period, coal mining activities had to be temporarily suspended and the Group's coal trading business was adversely affected.	The Group will continue to identify coal mining operators in other regions to reduce the reliance on major suppliers and diversify its risks.

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.

As disclosed in the Company's annual report for the year ended 31 December 2022 (the"**2022 Annual Report**"), the Group submitted applications to the Bureau for (i) enhancing the annual production capacity of the Yiduoyan Project to 200,000 m^3; and (ii) renewing the mining permit in June 2020 and 2021, respectively. Due to the COVID-19 pandemic, the renewal process was affected during the past few years. 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. For details of the renewal of the mining permit of the Yiduoyan Project, please refer to the announcements of the Company dated 18 July 2023 and 4 August 2023 and the circular of the Company dated 7 November 2023.

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). Apart from that, the resource was increased to approximately 30 million m^3 according to the limestone mineral resource statement based on the CPR Report. 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.

In order to increase the production capacity, the Group needs to (i) further expand the mining surface of the marble mine; (ii) obtain all the necessary licenses; and (iii) complete the construction of the expanded mining facilities. It is expected the production can be resumed in the third quarter of 2024.

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 report.

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 2023, the Group had cash and cash equivalents of approximately RMB13.09 million which were denominated in Hong Kong dollars and Renminbi (as at 31 December 2022: approximately RMB31.22 million).

The Group had long-term borrowings as at 31 December 2023. The gearing ratio (defined as long-term debt divided by total shareholder's equity) as at 31 December 2023 was 1.98 (as at 31 December 2022: Nil). The current ratio of the Group as at 31 December 2023 was approximately 1.46 times as compared to 1.93 times as at 31 December 2022, based on current assets of approximately RMB18.70 million (as at 31 December 2022: approximately RMB35.72 million) and current liabilities of approximately RMB12.78 million (as at 31 December 2022: approximately RMB18.53 million).

CAPITAL STRUCTURE

There had been no material change in the capital structure of the Group during the Year.

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 2023, the Group employed a total of 28 full time employees (as at 31 December 2022: 39 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

Save and except those disclosed in note 30 to the consolidated financial statements, the Group did not have any capital commitments and contingent liabilities as at 31 December 2023.

CHARGES OVER THE GROUP'S ASSETS

There were no charges over the Group's assets as at 31 December 2023.

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 report, there was no specific plan for material investments or capital asset as at 31 December 2023.

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 FY2022, 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 "**Loan Dispute**") involving Mr. Li Yuguo ("**Mr. Li**"), an executive Director 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 report, 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*

CORPORATE GOVERNANCE REPORT

Sound corporate governance practices are crucial to the smooth, effective and transparent operation of a company and its ability to attract investment, and can protect the rights and enhance the value to shareholders. The Company is committed to maintaining good corporate governance standard and procedures to ensure the integrity, transparency and accountability to our shareholders. This corporate governance report is prepared in compliance with the reporting requirements as contained in Appendix C1 of the Listing Rules.

Key corporate governance practices and activities for the Year are highlighted in this report. Discussions on the Company's environmental policies/performance and our relationship with key stakeholders are covered by a separate Environmental, Social and Governance Report which will be disclosed separately on the websites of the Company and the Stock Exchange by 30 April 2024.

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 report. The Company will comply with this code provision after the appointment of the chairman.

Under code provision C.1.6 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business arrangements, one independent non-executive Director of the Company was unable to attend the annual general meeting of the Company held on 27 June 2023. Going forward, the Company would use its best endeavours to ensure attendance of all Directors at general meetings in compliance with the CG Code.

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.

BOARD OF DIRECTORS

Function

The Board is responsible for formulation and approval of the Group's overall development and business strategies, key operational proposals, financial control procedures, material acquisition and disposal of investments, major funding decisions, financial announcements and reporting, share issuance and repurchase, nomination of Directors, appointment and remuneration of key management personnel, related party transactions, ensuring human and financial resources are appropriately applied, the periodic evaluation of the performance for the achievement of results and monitoring of significant transactions to ensure they are conducted in accordance with the articles of association of the Company (the "**Articles**"), the Listing Rules and other applicable laws and regulations.

The executive Directors are responsible for the day-to-day management of the Group's operations. These executive Directors conduct regular meetings with the senior management of the Group, at which operational issues and financial performance of the Group are evaluated.

The Articles contain description of responsibilities and operation procedures of the Board. The Board holds regular meetings to discuss and consider significant matters relating to existing operations and proposals of new operations and projects.

The vice chairman of the Board and the executive Directors ensure that Board meetings are held whenever necessary. Though the company secretary is responsible for setting the Board meeting's agenda, all Board members are encouraged to participate to include matters in the agenda. The Board conducts meetings on a regular basis and extra meetings are convened when circumstances require. The Articles allow a Board meeting to be conducted by way of a tele-conference.

No corporate governance committee has been established and the Board recognises that corporate governance should be the collective responsibility of the Directors which includes:

(a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(b) to review and monitor the training and continuous professional development of the Directors and senior management;

(c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and the Directors;

(d) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board and report to the Board on related matters; and

(e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

Responsibilities and Delegation by the Board

The overall management of the Group's operation is rested in the Board. Their responsibilities include, among other things, (1) convening regular Board meetings focusing on business strategy, operational issues and financial performance of the Group; (2) monitoring the quality, timeliness, relevance and reliability of internal and external reporting of the Group; (3) monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in connected transaction; and (4) ensuring processes are in place to maintain the overall integrity of the Group, including financial statements, relationships with suppliers, customers and other stakeholders, and compliance with all applicable laws and regulations.

Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Composition

During the Year and as of the date of this report, the composition of the Board is set out as follow:

Board Members	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee
Ms. Bao Rongrong (Appointed with effect from 1 October 2023)	Executive Director			
Mr. Li Yuguo	Executive Director			
Mr. Liu Yan Chee James *(Resigned with effect from 1 October 2023)*	Executive Director			
Mr. Lyu Bin	Executive Director			
Ms. Wang Ruoxi *(Resigned with effect from 1 April 2023)*	Executive Director			
Mr. Yang Jiantong	Executive Director		Member	Member
Mr. Yang Xiaoqiang	Vice Chairman and Executive Director			
Prof. Lau Chi Pang J.P.	Independent Non-Executive Director	Member	Member	Member
Ms. Liu Shuyan *(Retired on 27 June 2023)*	Independent Non-Executive Director	Former Chairperson	Former Member	Former Member
Mr. Wang Xiaolong	Independent Non-Executive Director	Member	Chairman	Chairman
Ms. Wong Wan Lung *(Appointed on 25 October 2023)*	Independent Non-Executive Director	Chairperson	Member	Member
Mr. Zhang Yijun	Independent Non-Executive Director	Member	Member	Member

All Directors have distinguished themselves in their field of expertise, and have exhibited high standards of professional ethics and integrity. The biographical details of each Director are disclosed on pages 40 to 42 of this annual report. Save as disclosed therein, there are no financial, business, family or other material or relevant relationships among members of the Board.

During the Year, the Board has met the requirements of Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors (representing at least one-third of the Board), with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise.

Each independent non-executive Director has provided a written annual confirmation of his independence with reference to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company also considers that they are independent within the meaning of the Listing Rules.

The term of office of each of the independent non-executive Directors is for a term of three years unless terminated by either party giving at least one month's notice in writing or equivalent payment in lieu. All of them are subject to retirement by rotation and re-election at an annual general meeting ("**AGM**") at least once every three years.

During the Year, no chairman was appointed. Mr. Yang Xiaoqiang was the vice chairman of the Board. He was responsible to carry out additional monitoring duties in the absence of the chairman and support the deliberations of the Board to ensure that the Board can fulfil its duties and conduct its work and affairs effectively and efficiently. Mr. Bao Xuefeng (resigned with effect from 1 January 2024) was the chief executive officer of the Company to oversee the business of the Group and executing decisions of the Board.

Meetings

Details of Directors' attendance records at the Board meetings and general meetings of the Company for the Year are set out below:

	Number of Meetings Attended/ Eligible to Attend		
Board Members	**Board Meetings**	**AGM**	**EGM**
Executive Directors			
Bao Rongrong *(Appointed with effect from 1 October 2023)*	1/2	N/A	1/1
Li Yuguo	7/8	1/1	1/1
Liu Yan Chee James *(Resigned with effect from 1 October 2023)*	0/6	1/1	N/A
Lyu Bin	6/8	1/1	1/1
Wang Ruoxi *(Resigned with effect from 1 April 2023)*	0/2	N/A	N/A
Yang Jiantong	8/8	1/1	1/1
Yang Xiaoqiang	6/8	1/1	1/1
Independent Non-executive Directors			
Prof. Lau Chi Pang J.P.	4/8	1/1	1/1
Liu Shuyan *(Retired on 27 June 2023)*	3/3	0/1	N/A
Wang Xiaolong	8/8	1/1	1/1
Wong Wan Lung *(Appointed on 25 October 2023)*	1/1	N/A	1/1
Zhang Yijun	8/8	1/1	1/1

Continuous Professional Development of the Directors

During the Year, all the Directors have been kept abreast of their responsibilities as a Director and of the conduct, business activities and development of the Group.

Under code provision C.1.4 of the CG Code, all Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses at the Company's expenses and are requested to provide their respective training record.

The individual training record of each Director received for the Year is summarised below:

Board Members	Attending seminar(s)/ programme(s)/conference(s) relevant to the business or directors' duties	Self-reading
Executive Directors		
Bao Rongrong *(Appointed with effect from 1 October 2023)*		✓
Li Yuguo		✓
Liu Yan Chee James *(Resigned with effect from 1 October 2023)*		
Lyu Bin		✓
Wang Ruoxi *(Resigned with effect from 1 April 2023)*		
Yang Jiantong	✓	✓
Yang Xiaoqiang		✓
Independent Non-executive Directors		
Prof. Lau Chi Pang J.P.	✓	✓
Liu Shuyan *(Retired on 27 June 2023)*		
Wang Xiaolong		✓
Wong Wan Lung *(Appointed on 25 October 2023)*	✓	✓
Zhang Yijun	✓	✓

Director's Responsibilities for the Financial Statements

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and to ensure that the financial statements of the Group will give a true and fair view of the Group's state of affairs, results and cash flow and are in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group. In preparing the financial statements of the Group for the Year, the Directors have, among other things:

- selected suitable accounting policies and applied them consistently;
- approved adoption of all Hong Kong Financial Reporting Standards which are in conformity with the International Financial Reporting Standards; and
- made judgments and estimates that are prudent and reasonable; and have prepared the consolidated financial statements on the going concern basis.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

BOARD COMMITTEES

The Board has established three Board committees, namely audit committee, remuneration committee and nomination committee to oversee particular aspects of the Company's affairs and to assist in sharing the Board's responsibilities. All the Board committees have clear written terms of reference and is required to report to the Board regularly on their decisions and recommendations. The day-to-day operation of the Group, including implementation of the strategies and plans adopted by the Board and its committees, is delegated to the management with divisional heads responsible for different aspects of the business.

Audit Committee

The Company has established an audit committee in compliance with the Listing Rules. The audit committee of the Board (the "**Audit Committee**") consists of all the independent non-executive Directors, namely Ms. Wong Wan Lung (appointed on 25 October 2023), Ms. Liu Shuyan (retired on 27 June 2023), Prof. Lau Chi Pang J.P., Mr. Wang Xiaolong and Mr. Zhang Yijun. It is chaired by Ms. Wong Wan Lung.

The Audit Committee reports directly to the Board and reviews the matters relating to the relationship with the external auditors, financial information of the Company, financial reporting system, risk management and internal control systems. The Audit Committee meets with the Company's external auditors to ensure the objectivity and credibility of financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

The Audit Committee held three meetings during the Year. The individual attendance of each member is as follows:

Committee Members	Number of Meetings Attended/ Eligible to Attend
Wong Wan Lung *(Chairperson) (Appointed on 25 October 2023)*	N/A
Liu Shuyan *(Former Chairperson) (Retired on 27 June 2023)*	2/2
Prof. Lau Chi Pang J.P.	2/3
Wang Xiaolong	3/3
Zhang Yijun	3/3

The members of the Audit Committee have full access to and co-operation from the management of the Group and they have full discretion to invite any Director or executive to attend the meeting. The Audit Committee had performed, among other things, the following functions during the Year: (1) reviewed external auditors' audit report and matters incidental thereto; (2) discussed the internal control system and risk management of the Company; (3) reviewed the periodic financial statements of the Company and made recommendation to the Board for approval; and (4) discussed the proposed appointment of the external auditors and made recommendation to the Board.

Subsequent to the Year and up to the date of this report, the Audit Committee had, among other things, reviewed the audited results of the Group for the Year and this report.

Remuneration Committee

The remuneration committee of the Board (the "**Remuneration Committee**") consists of four independent non-executive Directors and one executive Director, namely Mr. Wang Xiaolong, Prof. Lau Chi Pang J.P., Ms. Liu Shuyan (retired on 27 June 2023), Ms. Wong Wan Lung (appointed on 25 October 2023), Mr. Yang Jiantong and Mr. Zhang Yijun. It is chaired by Mr. Wang Xiaolong.

The major responsibilities of the Remuneration Committee are to make recommendation to the Board on the Company's policy and structure for remuneration of the Directors and senior management, to determine remuneration packages of all executive Directors and senior management including benefits in kind, pension rights and compensation payments. The Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and senior management.

The Remuneration Committee held four meetings during the Year. The individual attendance of each member is as follows:

Committee Members	**Number of Meetings Attended/ Eligible to Attend**
Wang Xiaolong *(Chairman)*	4/4
Prof. Lau Chi Pang J.P.	1/4
Liu Shuyan *(Retired on 27 June 2023)*	1/1
Wong Wan Lung *(Appointed on 25 October 2023)*	1/1
Yang Jiantong	4/4
Zhang Yijun	4/4

At the meetings held during the Year, the Remuneration Committee has, amongst others, reviewed the structure of remuneration for the Directors and the senior management of the Company and assessed their performance, and reviewed the terms of the Directors' service contracts, and made recommendations to the Board on related matters. The Remuneration Committee considers that the existing terms of the service contracts of the executive Directors and independent non-executive Directors are fair and reasonable. Details of the remuneration policy of the Directors are set out on page 38 of this annual report.

Nomination Committee

The nomination committee of the Board (the "**Nomination Committee**") consists of four independent non-executive Directors and one executive Director, namely Mr. Wang Xiaolong, Prof. Lau Chi Pang J.P., Ms. Liu Shuyan (retired on 27 June 2023), Ms. Wong Wan Lung (appointed on 25 October 2023), Mr. Yang Jiantong and Mr. Zhang Yijun. It is chaired by Mr. Wang Xiaolong.

The Nomination Committee is responsible for, among other things, the nomination of the Directors, reviewing the structure of the Board, number of Directors and the composition of the Board and the Company's Board diversity policy. To maintain high quality of the Board with a balance of skill and experience, the Nomination Committee will identify individuals who fulfill the designated criteria of the Company. When assessing the quality of the individual, the Nomination Committee makes reference to his experience, qualification, integrity and other relevant factors.

The Nomination Committee held four meetings during the Year. The individual attendance of each member is as follows:

Committee Members	Number of Meetings Attended/ Eligible to Attend
Wang Xiaolong *(Chairman)*	4/4
Prof. Lau Chi Pang J.P.	1/4
Liu Shuyan *(Retired on 27 June 2023)*	1/1
Wong Wan Lung *(Appointed on 25 October 2023)*	1/1
Yang Jiantong	4/4
Zhang Yijun	4/4

At the meetings held during the Year, the Nomination Committee had, among other things: (1) reviewed the structure, size and composition of the Board; (2) reviewed the Company's Board diversity policy; (3) discussed the casual vacancies arising from resignation of Directors identified and reviewed the individuals nominated for directorship, based on the nomination policy of the Company, and made recommendation to the Board during the Year; (4) assessed the independence of independent non-executive Directors; and (5) evaluated the performance of the retiring Directors at the general meeting(s) and recommended the retiring Directors for re-election to Board.

During the Year, in proposing Ms. Bao Rongrong and Ms. Wong Wan Lung to be the Directors of the Company, the Nomination Committee has assessed the suitability of the candidate by considering their reputation for integrity, valuable working experience, knowledge, professionalism and commitment of the candidate to devote sufficient time and interest to carry out their duties. Based on the board diversity policy adopted by the Company, the Nomination Committee has also considered each of proposed candidates above would bring to the Board a diversity of perspectives, including but not be limited to the gender, age, cultural and educational background, ethnicity, professional experience, skills, industry knowledge and length of service. In addition, the Nomination Committee also assessed and affirmed the independence of Ms. Wong Wan Lung based on the independence criteria as set out in the Listing Rules.

Board Diversity Policy

The Board has adopted a Board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

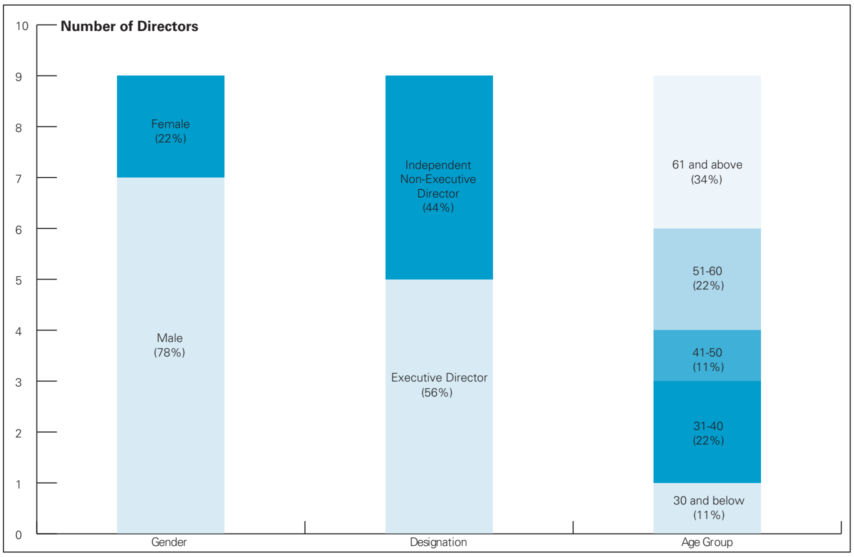
The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Selection of candidates will be based on a range of diversity perspectives as stated above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee monitors the implementation of the Board diversity policy, reviews the Board diversity policy as and when appropriate and recommends any revisions for the Board's approval to ensure its effectiveness.

As at the date of this report, the Board comprises nine Directors. Four of the Directors are independent non-executive Directors and independent of the management of the Group, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, in terms of professional background or skills.

The following chart shows the diversity profile of the Board as at 31 December 2023:



The Board will perform annual review of the Board diversity policy for ensuring its constant effectiveness, monitor the implementation of Board diversity policy and report its details in the corporate governance report annually.

Nomination Policy

The company secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for Director include, inter alia, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company's business. The Nomination Committee shall make recommendations for the Board's consideration and approval.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors acknowledge and understand their responsibility for preparing the financial statements and to ensure that the financial statements of the Group are prepared in a manner which reflects the true and fair view of the state of affairs, results and cash flows of the Group and are in compliance with the relevant accounting standards and principles, applicable laws and disclosure provisions required under the Listing Rules. The statement of the external auditors of the Company, Messrs. Lau & Au Yeung C.P.A. Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 44 to 49 of this annual report.

REMUNERATION OF EXTERNAL AUDITORS

During the Year, remuneration paid or payable to the Company's auditors, Messrs Lau & Au Yeung C.P.A. Limited, was as follows:

Services rendered:	RMB'000
— audit services	961
— non-audit service	363

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the auditors during the Year.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining adequate system of internal controls and risk management within the Group and for reviewing their effectiveness. The systems of internal controls and risk management are designed to facilitate effective and efficient operations, to safeguard assets and to ensure the quality of internal and external reporting and compliance with applicable laws and regulations. They are also designed to provide reasonable, but not absolute, assurance that material misstatement or loss can be avoided, and to manage and minimise risks of failure in operation systems. The Company is committed to implementing a stricter and more regulated internal control and risk management procedures in the new financial year.

The risk management and internal control system are reviewed on an ongoing basis by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks. The Board is satisfied that, based on information furnished to it and on its own observations, the present risk management and internal controls of the Group are satisfactory.

The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's performance by the Audit Committee and the Board.

During the Year, the Group did not have an internal audit function but has engaged an external professional firm to conduct the annual review of the risk management and internal control systems. The review has covered financial, operational and compliance control on a cyclical basis and some recommendations were provided in the internal control review report. All recommendations are properly followed up by the Group. Therefore, the Board considered that the risk management and internal control systems are effective and adequate.

INSIDE INFORMATION

The Board is responsible for ensuring the Group's compliance with its disclosure obligations regarding inside information, and has appointed a disclosure group with specific designated duties to assist it in, among other things, overseeing and coordinating the disclosure of inside information. The procedures and internal controls for the handling and dissemination of inside information are given in a policy (the "**PSI Policy**") that was adopted by the Company to ensure that it is able to meet relevant obligations under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**"). The PSI Policy applies to all directors, officers and employees of the Group.

Under the PSI Policy, the Company must disclose inside information to the public by way of an announcement as soon as reasonably practicable unless the information falls within any of the safe harbours as stipulated under the SFO. Any director, officer or employee who becomes aware of any matter, development or event that he or she considers to be, or potentially to be, inside information shall report it promptly to the disclosure group. Before the relevant information is fully disclosed to the public, the disclosure group should take reasonable precautions to ensure that the information is kept strictly confidential. Where it is believed that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the information should be disclosed immediately to the public. If the disclosure group needs time to clarify the details of, and the impact arising from, an event or a set of circumstances before it is in a position to issue a full announcement to properly inform the public, the disclosure group should consider issuing a "holding announcement" which details as much ascertainable information of the subject matter as possible and sets out the reasons why a full announcement cannot be made. Following a holding announcement, the disclosure group should ensure that a full announcement is made as soon as reasonably practicable. In the event that confidentiality has not been maintained and it is not able to make a full announcement or a holding announcement, the disclosure group should consider applying for a trading halt in the Company's securities, subject to approval of the Board, until disclosure can be made. All inside information announcements must be properly approved by the Board before publication, and all unpublished inside information must be kept in strict confidence until a formal announcement is made. The disclosure group must further ensure that access to unpublished inside information is given only to employees on a "need-to-know" basis for discharging their duties. Apart from reporting to the disclosure group, every director, officer or employee who possesses or has been given access to unpublished inside information must not disclose, discuss or share such information to or with any other parties within or outside the Group. The PSI Policy also sets out the criteria for advance disclosure of inside information to certain categories of people as may be necessary in the circumstances. In this case, the disclosure group should monitor the situation so that disclosure may be made as soon as reasonably practicable if there is any leakage of information. Directors, officers and employees must refrain from dealing in the shares of the Company at any time when they are in possession of unpublished inside information. Securities dealings are governed by securities codes applicable to relevant employees and directors.

SENIOR MANAGEMENT'S REMUNERATION

The senior management's remuneration of the Group for the Year falls within the following bands:

	Number of individuals
HKD Nil to HKD1,000,000	2
HKD1,000,001 to HKD1,500,000	1
	3

COMPANY SECRETARY

Mr. Wu Ho Wai is the company secretary of the Company. During the Year, Mr. Wu had taken no less than 15 hours of relevant professional trainings to update his skill and knowledge as required under the Listing Rules. Please refer to the section headed "Biographical Details of Directors and Senior Management" of this report for his biographical information.

COMMUNICATIONS WITH SHAREHOLDERS

The objective of shareholders' communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

In order to promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and the shareholders. The Company uses various communication tools to ensure its shareholders are kept well informed of key business imperatives. These include general meetings, annual and interim reports, various notices, announcements, circulars and electronic means of communication via the Company's website and the Stock Exchange.

The annual general meetings provide a useful forum for shareholders to exchange views with the Board. The Directors, Board committees' chairman or members and external auditors, where appropriate, are available to answer questions at the meetings.

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting. Besides, pursuant to the Articles, shareholder(s) holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may request the Company to convene an EGM by sending a written requisition to the Board or the company secretary of the Company. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionists themselves may convene a meeting in accordance with the Articles.

After reviewing the shareholders' communication policy, the Company is of the view that such policy has effectively promoted sound communication between the Company and the shareholders.

If any shareholder wishes to nominate a person to stand for election as a Director at general meeting, the following documents must be validly served on the Company's principal place of business in Hong Kong (Unit 8101, Level 81, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong) or to the branch share registrar of the Company (Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Hong Kong), provided that the minimum length of the period, during which such documents are given, shall be at least seven days and that (if such documents are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgement of such documents shall commence on the day after the despatch of the notice of a general meeting appointed for election of director and end no later than seven days prior to the date of such meeting:

(i) notice in writing signed by the shareholder of his/her intention to propose such person for election (the "**Nominated Candidate**");

(ii) notice in writing signed by the Nominated Candidate of his/her willingness to be elected; and

(iii) the biographical details of the Nominated Candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company.

Shareholders may send written enquiries to the Company for putting forward any enquiries or proposals to the Board. Contact details are as follows:

Address:	Unit 8101, Level 81, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong (For the attention of the Company Secretary)
Fax:	852-2989 2212
Email:	contact@fbmining.com

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by the applicable laws and regulations.

An up-to-date version of the Articles is available on the Company's website and the Stock Exchange's website.

Shareholders may refer to the Articles for further details of their rights. The poll results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.futurebrightltd.com) after the relevant general meetings.

CONSTITUTIONAL DOCUMENTS

Pursuant to the written resolutions of the shareholders of the Company passed on 8 December 2014, the Articles were approved and adopted. On 27 June 2023, a special resolution was passed at the annual general meeting to adopt the amended and restated Articles of the Company, primarily to (i) bring the existing Articles in alignment with the Core Shareholder Protection Standards as set out in Appendix A1 to the Listing Rules which took effect on 1 January 2022; and (ii) make other housekeeping amendments, including consequential amendments in line with the above amendments to the existing Articles. A copy of the latest amended and restated Articles of the Company is posted on the Company's and the Stock Exchange's respective websites.

The Directors are pleased to present this report and the audited consolidated financial statements for the Year.

PRINCIPAL ACTIVITIES

The Company is a marble mining company and it acts as an investment holding company. The Group has been focusing on developing the Yiduoyan Project, which is an open pit mine located in Hubei Province of the PRC, and commodities trading. The principal activities and other particulars of its subsidiaries are set out in note 1 to the audited consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the state of affairs of the Group as at 31 December 2023 are set out in the audited consolidated financial statements on pages 50 to 121 of this annual report.

DIVIDEND POLICY

The Company has adopted a dividend policy ("**Dividend Policy**"), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Articles and the distribution shall achieve continuity, stability and sustainability.

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in their long-term development, the financial conditions and business plan of the Group, and the market sentiment and circumstances.

The Dividend Policy will be reviewed annually and there is no assurance that a dividend will be proposed or declared in any specific periods.

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

KEY PERFORMANCE INDICATORS ("KPIs") WITH THE STRATEGY OF THE GROUP

The Group sets a number of KPIs to support the delivery of its strategies with its performance as below:

Strategy	KPIs	Performance
Maximise value for its shareholders	Gross profit margin = 1.87% (2022: 13.42%) Return on equity = -59.86% (2022: -17.67%)	During the Year, the change in gross profit margin was mainly due to the temporary suspension of mining operation of the Group and the adverse effect for coal trading business due to a serious coal mining accident in Inner Mongolia in early 2023.
Enhance customers satisfaction and maintain quality control	Number of complaint from customers = 0 (2022: 0)	The Group has established its quality control team. The Group targets to maintain its zero customer complaint record.
Improve the Group's liquidity	Financing activity cash inflow = RMB46,636,000 (2022: inflow RMB5,276,000) Cash and bank balances = RMB13,092,000 (as at 31 December 2022: RMB31,223,000)	The Group has maintained its normal financial position for the Year. The Group targets to maintain its cash position to a higher security level.
Strive for the "Zero Harm" safety goal	Number of occupational injury = 0 (2022: 0)	The Group has developed and implemented a system to monitor and record employee occupational safety statistics and provided training on production safety for its mining staff.

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 HKD34 million (equivalent to approximately RMB30 million).

As at 31 December 2022, the unutilised proceeds of the placing were approximately HKD23 million (equivalent to approximately RMB20.12 million) (the "**Remaining Proceeds**"). For further details of the use of proceeds of the placing by the Group up to 31 December 2022, please refer to the 2022 Annual Report.

On 24 August 2023, the Board resolved to change the use of the Remaining Proceeds as follows:

(i) approximately HKD13 million (equivalent to approximately RMB11.37 million) to be used as capital costs for the expansion of production capacity of the Yiduoyan Project; and

(ii) approximately HKD10 million (equivalent to approximately RMB8.75 million) for the general working capital of the Group

(the "**Change in UOP**").

Up to 31 December 2023, the Group had used the net proceeds as follows:

	Original allocation of net proceeds			New allocation of the Remaining Proceeds after the Change in UOP			Utilisation of the Remaining Proceeds up to 31 December 2023		Remaining balance of net Proceeds as at 31 December 2023	
	HKD million	RMB Equivalent 'million	% of Net Proceeds	HKD million	RMB Equivalent 'million	% of Remaining Proceeds	HKD million	RMB Equivalent 'million	HKD million	RMB Equivalent 'million
Building a processing plant to produce slabs	24	21	70.59%	—	—	—	—	—	—	—
Capital costs for expansion of production capacity of the Yiduoyan project	—	—	—	13	11.37	56.52%	13	11.37	—	—
General working capital of the Group	10	9	29.41%	10	8.75	43.48%	7.32	6.57	2.68	2.18
Total	34	30	100.00%	23	20.12	100.00%	20.32	17.94	2.68	2.18

Reasons for the Change in UOP

As announced by the Company on 18 July 2023 and 4 August 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 "**Renewal**"). Following the Renewal, the permitted annual production capacity of the Yiduoyan Project has increased from 20,000 m^3 under the original mining permit to 200,000 m^3. Accordingly, in order to expand the production capacity of the Yiduoyan Project, it is expected that the Group would have to incur additional capital costs for, among others, (i) acquisition of additional machinery and equipment; (ii) costs of mine construction; (iii) payment of land use fee; and (iv) engineering, procurement and construction management cost.

As disclosed in the 2022 Annual Report, the construction of the Processing Plant is subject to approval of the relevant government authority and the grant of the land use rights. As at the date of this report, both the approval and the land use rights were yet to be obtained and/or granted. Based on the best information of the Directors having made all reasonable enquiries, it is expected that the same would be available in or around June 2024. However, such timeline is only tentative and may be subject to further changes, over which the Group has no control. Given such circumstances and having considered the current priority of the Group to expand the production capacity of the Yiduoyan Project, the Directors are of the view that the Remaining Proceeds could be better utilised for funding the relevant capital costs and for general working capital of the Group. In any event, the Remaining Proceeds are to be utilised for the Group's principal business of marble blocks mining. In case the relevant approval and land use rights are obtained and/or granted for construction of the Processing Plant, the Group would, based on the then financial information and cash flow condition of the Group, consider alternative funding methods for the construction, including but not limited to external borrowings. The Company will make appropriate announcement(s) or disclosures to inform Shareholders and investors in this regard.

	Net proceeds utilised for the Year	
	HKD million	RMB Equivalent 'million
Building a processing plant to produce slabs	—	—
Capital costs for expansion of production capacity of the Yiduoyan project	13.00	11.37
General working capital of the Group	7.32	6.57
Total	20.32	17.94

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

	HKD million	RMB Equivalent 'million
Administrative expenses	1.31	1.17
Capital expenditures	0.46	0.41
Professional fee	1.86	1.67
Rental costs	1.89	1.70
Staff costs	1.80	1.62
Total	7.32	6.57

The Group intends to use the remaining proceeds of approximately HKD2.68 million for general working capital of the Group by 30 June 2024.

MAJOR CUSTOMERS AND SUPPLIERS

	Percentage of the Group's total	
	Sales	**Purchases**
Largest customer	55.12%	
Five largest customers in aggregate	95.89%	
Largest supplier		84.96%
Five largest suppliers in aggregate		100.00%

To the best of the knowledge of the Directors, none of the Directors, their respective close associates (as defined under the Listing Rules) or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers of the Group.

SHARE PREMIUM, RESERVES AND DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31 December 2023 were as follows:

	Share premium RMB'000	**Accumulated losses** RMB'000
As at 31 December 2023	130,899	(87,791)
As at 31 December 2022	130,899	(75,198)

The Company did not have distributable reserves as at 31 December 2023, calculated in accordance with the Companies Law of the Cayman Islands, as it has accumulated losses.

However, the Company's share premium amount may be distributed as dividends provided that immediately following the date of which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

SHARE CAPITAL

Particulars of the Company's share capital are set out in note 27 to the audited financial statements.

CHARITABLE DONATIONS

Approximately RMB0.02 million in-kind donation was made by the Group during the Year (2022: approximately RMB0.13 million).

PERMITTED INDEMNITY PROVISIONS

During the Year, the Directors and officers are insured under a directors' and officers' liability insurance against any liability incurred by them in the discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud or dishonesty.

SEGMENT INFORMATION

The segment information of the Group for the Year is set out in note 4 to the audited financial statements.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the latest five financial years, as extracted from the audited financial statements, is set out on page 122 of this annual report. This summary is for information only and does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 13 to the audited financial statements.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the Year and up to the date of this report were as follow (Note):

Executive Directors:

Bao Rongrong *(Appointed with effect from 1 October 2023)*
Li Yuguo
Liu Yan Chee James *(Resigned with effect from 1 October 2023)*
Lyu Bin
Wang Ruoxi *(Resigned with effect from 1 April 2023)*
Yang Jiantong
Yang Xiaoqiang

Independent Non-Executive Directors:

Prof. Lau Chi Pang J.P.
Liu Shuyan *(Retired on 27 June 2023)*
Wang Xiaolong
Wong Wan Lung *(Appointed on 25 October 2023)*
Zhang Yijun

Note: Subsequent to the report date, Mr. Sun Hailong and Mr. Xue Yunfei were appointed as executive Directors, both with effect from 1 April 2024. Mr. Bao Rongrong and Mr. Yang Xiaoqiang resigned as executive Directors, both with effect from 1 April 2024.

The Company has received from each of the independent non-executive Directors a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

In accordance with article 83(3) of the Articles, any Director appointed by the Board either to fill casual vacancy on the Board or as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

In accordance with article 84 of the Articles, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office at an annual general meeting at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

Pursuant to article 83(3) of the Articles, Mr. Sun Hailong (appointed with effect from 1 April 2024), Mr. Xue Yunfei (appointed with effect from 1 April 2024) and Ms. Wong Wan Lung (appointed on 25 October 2023) will retire as Director at the forthcoming annual general meeting of the Company (the "**2024 AGM**"), being eligible, offer themselves for re-election. Mr. Li Yuguo, Prof. Lau Chi Pang J.P., and Mr. Zhang Yijun will retire by rotation at the forthcoming 2024 AGM pursuant to article 84(1) of the Articles and, being eligible, will offer themselves for re-election.

The term of office of each of the independent non-executive Directors is for a term of three years unless terminated by either party giving at least one month's notice in writing or equivalent payment in lieu. All of them are subject to retirement by rotation and re-election at an annual general meeting at least once every three years.

Save as disclosed above, no Director proposed for re-election at the 2024 AGM has or is proposed to have a service contract with any member of the Group which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

CHANGE IN DIRECTORS' INFORMATION

The change in the information of the Directors of the Company since the publication of the 2023 interim report of the Company required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

- Mr. Liu Yan Chee James has resigned as an executive Director of the Company with effect from 1 October 2023.

- Ms. Bao Rongrong has been appointed as an executive Director of the Company with effect from 1 October 2023.

- Ms. Wong Wan Lung has been appointed as an independent non-executive Director of the Company, the chairperson of the audit committee, a member of the remuneration committee and the nomination committee with effect from 25 October 2023.

- Mr. Li Yuguo has been appointed as an executive director of Fullwealth International Group Holdings Limited (Stock Code: 1034) with effect from 15 January 2024.

For further details, please refer to the announcements of the Company dated 29 September 2023 and 25 October 2023.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules. The updated biographical details of the Directors are set out in the section headed "Biographical Details of Directors and Senior Management" in this report.

RELATED PARTY TRANSACTIONS

Details of the related party transactions of the Group are set out in note 31 to the consolidated financial statements.

The related party transactions set out in note 31 to the consolidated financial statements constituted connected transactions of the Company but were fully exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

During the Year, the Directors are not aware of any related party transactions which constituted a non-exempt connected transaction or continuing connected transaction of the Company under the Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the Year, none of the Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Saved as disclosed in this annual report, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which the Director or an entity connected with the Director had a material interest, whether directly or indirectly, subsisted at any time during the Year.

CONTROLLING SHAREHOLDERS' INTEREST

Saved as disclosed in this annual report, there were no contracts of significance between the Company or any of its subsidiaries and a controlling shareholder (as defined under the Listing Rules) of the Company or any of its subsidiaries or any contracts of any significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests and short positions in Shares, Underlying Shares and Debentures of the Company

As at 31 December 2023, the interest or short positions of the Directors and chief executive of the Company in Shares, underlying Shares and 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 Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or as were entered in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**"):

Name of Director	Company/ name of associated corporation	Nature of interest	Number of Ordinary Shares		Approximate % of shareholding
			Long Position	Short Position	
Li Yuguo	The Company	Beneficial owner and interest in controlled corporation	277,799,000	—	31.65 (Note 1)

Note:

1. 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.

Save as disclosed above, as at 31 December 2023, 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 entered 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 31 December 2023, the following persons or corporations, other than the Directors or chief executive of the Company, had or were deemed or taken to have interests or short positions in the Shares and underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were entered 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	257,647,000 (Note 1)	29.35
Zhong Ke Jiu Tai Technology Group Limited	Long position	Beneficial owner	257,647,000 (Note 1)	29.35

Note:

1. These 257,647,000 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.

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 entered in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2023.

MANAGEMENT CONTRACTS

There is no contract entered into by the Company relating to its management and administration of the entire or any substantial part of the business of the Group.

REMUNERATION POLICY AND REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The remuneration policy of the employees of the Group is determined by the Board on the basis of their merit, qualifications and competence.

Under the Mandatory Provident Fund Scheme, the Hong Kong employees are required to make regular mandatory contributions calculated at 5% of the employee's relevant income to an MPF scheme, subject to the minimum and maximum relevant income levels. No forfeited contribution is available to reduce the existing level of contributions for the defined contribution scheme.

The employees of the subsidiaries in the PRC are required to participate in a defined central pension scheme managed by the local municipal government of the areas in the PRC in which they operate. The subsidiaries are required to contribute certain percentage of the relevant part of the payroll of these employees to the central pension scheme.

The remuneration of the Directors are decided by the Board and the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 8 and 9, respectively, to the audited financial statements.

No Director has waived or has agreed to waive any emolument during the Year.

DEBT SECURITIES

The Group has not issued any debt securities.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the year.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code in Appendix C1 to the Listing Rules during the Year, except for those code provisions as set out above. Details of the corporate governance of the Company are set out in the Corporate Governance Report on pages 16 to 28 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules during the Year and at any time up to the date of this report.

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.

RELIEF OF TAXATION

The Company is not aware of any relief from taxation available to its shareholders by reason of their holding of the shares of the Company.

BUSINESS REVIEW AND PRINCIPAL RISKS AND UNCERTAINTIES

The business review of the Group for the Year, an indication of likely future developments in the Group's business and the principal risks and uncertainties facing the Group are included in the section "Management Discussion and Analysis" on pages 5 to 15 of this annual report. Those discussions form part of this Report of the Directors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The 2023 Environmental, Social and Governance Report of the Company will be disclosed separately on the websites of the Company and the Stock Exchange by 30 April 2024.

EVENTS AFTER THE REPORTING PERIOD

Save and except those disclosed in note 36 to the consolidated financial statements, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2023 and up to the date of this annual report.

AUDITORS

The consolidated financial statements of the Group for the Year have been audited by Messrs. Lau & Au Yeung C.P.A. Limited, which will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2024 AGM. A resolution for the re-appointment of Lau & Au Yeung C.P.A. Limited as the Group's auditor will be proposed at the forthcoming 2024 AGM.

The Company has not changed its external auditors during each of the years ended 31 December 2020,2021,2022 and 2023.

On behalf of the Board

Yang Jiantong
Executive Director
Hong Kong, 27 March 2024

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The profile of Directors and senior management as at the date of this annual report are as follows:

EXECUTIVE DIRECTORS

Ms. Bao Rongrong, aged 29, was appointed as an executive Director of the Company with effect from 1 October 2023. She graduated from Tonghua County No. 7 Senior Middle School* (通化縣第七中學) in June 2013. She worked as an assistant sales manager in Beijing Yuda Real Estate Development Limited* (北京宇達房地產開發有限公司) from 2014 to 2016, and the deputy general manager of Beijing Oriental Xinzhou Trading Limited* (北京東方新洲商貿有限公司) from 2016 to 2021. She has been working as the general manager of Xingxin Changjing (Beijing) Cultural Development Limited* (行信昌京(北京)文化發展有限公司) since 2021.

Mr. Li Yuguo, aged 69, was appointed as an executive Director and authorised representative of the Company on 19 September 2018 and 14 July 2021 respectively. He was also the chief executive officer of the Company for the period from 16 June 2020 to 23 May 2022. Mr. Li was graduated from Jiangxi University of Finance and Economics (formerly known as Jiangxi Institute of Finance and Economics (江西財經學院)) (Jiangxi, PRC) in July 1983, majoring in industrial accounting. He is an executive director and chairman of the board of directors of Zhong Jia Guo Xin Holdings Company Limited ("**Zhong Jia Guo Xin**"), a company listed on the Main Board of the Stock Exchange (Stock Code: 899). He has been appointed as an executive director of Fullwealth International Group Holdings Limited (Stock Code: 1034) on 15 January 2024. He has been a non-executive director of Shengjing Bank Co., Ltd.* (盛京銀行股份有限公司), a company listed on the Main Board of the Stock Exchange (Stock Code: 2066), from July 2013 to March 2021 and the vice chairman of the board of directors of the said bank from June 2014 to February 2018. He has been the chairman of Liaoning Huibao International Investment Group Co., Ltd.*(遼寧匯寶國際投資集團有限公司) since June 2013 and the chairman of Beijing Jiutai Group Co., Ltd.* (北京九台集團有限公司) since May 1993. Liaoning Huibao International Investment Group Co., Ltd. is principally engaged in investing activities and Beijing Jiutai Group Co., Ltd.* (北京九台集團有限公司) is principally engaged in property development, property investment and management. Prior to that, he had worked at the planning bureau of the China Association for Science and Technology* (中國科學技術協會) as principal staff, deputy chief and chief of the accounting division from August 1983 to October 1992. Mr. Li also has experience in mining business in The People's Republic of China (the "**PRC**") relating to non-ferrous metals mining during his involvement in Beijing Jiutai Group Co. Limited and related affiliate companies.

Mr. Lyu Bin, aged 55, was appointed as an executive Director of the Company on 29 April 2020. He graduated from Inner Mongolia Institute of Agriculture and Animal Husbandry* (內蒙古農牧學院) in agricultural machinery in June 1991, majoring in machinery manufacturing, agricultural machinery management and enterprise management. He worked as a technician and the head of the production and operation department of Grassland Cement Group Co., Ltd.* (草原水泥集團有限公司) from 1991 to 2005, engaged in production and costing management. He worked as the supervisor of the staff, procurement, manpower and management departments of Baotou Want Want Company* (包頭旺旺公司) in Inner Mongolia, a subsidiary of Want Want Group* (旺旺集團), which is a Taiwan-owned enterprise, from September 2005 to July 2012. During this tenure as the supervisor, he has received Japanese enterprise management system trainings of Want Want Group and has extensive experience in factory cost and quality control. He served as the general manager of the mining department of Baotou Xinxing Industrial Company* (包頭鑫星實業公司) in Inner Mongolia, a subsidiary of Fujian Zhentong Investment* (福建振通投資) from December 2012 to October 2015, engaged in coordinating the exploration, mining and trading of the company's mineral resources. Since October 2015, he has been the vice president of Xinchen (Group) Co., Ltd.* (鑫辰(集團)有限公司), mainly responsible for the mining rights, technology and costing of companies in the mining segment. Mr. Lyu joined Shenzhen Zhongke Jiutai Resources Technology Co., Ltd.* (深圳中科九台資源科技有限公司) in October 2016 and was appointed as the company's executive director in September 2017, mainly responsible for the company's project preparation, research and other related work. Since 6 April 2020, Mr. Lyu has been the director of two subsidiaries of the Company, namely Future Bright (H.K.) Investment Limited and Xiangyang Future Bright Mining Limited.

* *For identification purposes only*

Mr. Yang Jiantong, aged 33, was appointed as an executive Director of the Company on 23 May 2022. He graduated from the University of Toronto and obtained a bachelor's degree in business administration in November 2015. He became a Chartered Professional Accountant in Canada in January 2020. Mr. Yang worked as a tax associate (internship) in the international tax department of PricewaterhouseCoopers, LLP Canada from February to April 2014 and February to April 2015, responsible for providing solutions to tax issues arising from the international flow of talents among multinational enterprises. He worked as a staff accountant and project manager in a medium-sized accounting firm in Toronto from October 2015 to December 2018, and has accumulated rich experience in project management, financial audit, review and tax planning. From January to March 2020, Mr. Yang served as an intermediate accountant in the audit team of BDO Canada LLP, focusing on the financial audit of Canadian SMEs to meet the financial audit requirements from government regulators and banks. In November 2021, Mr. Yang co-founded Shenzhen Rongyu Private Equity Investment Limited Corporation* (深圳市融煜創業投資有限公司) with partners in Shenzhen and served as the general manager, focusing on primary market investment in chip semiconductors, environmental protection industries and new energy.

Mr. Yang Xiaoqiang, aged 52, was appointed as a non-executive Director and the vice chairman of the Board on 19 September 2018 and was re-designated as an executive Director on 22 December 2020. He obtained a bachelor's degree in industrial automation from the Shenyang Mechanical Engineering University* (瀋陽機械工業大學) in 1994 and obtained a master degree in civil and commercial laws from the Shenyang Normal University in July 2001. Mr. Yang has extensive experience in real estate development and investment management. He has been appointed as director and general manager of Shenyang Tairong Real Estate Development Corporation Limited* (瀋陽泰榮房地產開發有限公司) since September 2010 and a non-executive director and vice chairman of Zhong Jia Guo Xin since September 2018.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Lau Chi Pang J.P., aged 63, was appointed as an independent non-executive Director of the Company on 19 September 2018. He obtained a master of philosophy from the University of Hong Kong in November 1987 and a doctor of philosophy from the University of Washington in August 2000. He is currently a professor in the history department of Lingnan University. He has lectured at Lingnan University since September 1993. He has also been the secretary general of Hong Kong Local Records Foundations and director of Hong Kong Local Records Office (香港地方誌辦公室) since June 2009 and the director of the history of Hong Kong and southern China research department of Lingnan University since September 2005. He had served as the vice chairman of the Tuen Mun District Council of Hong Kong from July 2011 to December 2011 and had been a member of the Tuen Mun District Council from January 2004 to December 2011. He has been an independent non-executive director of Shengjing Bank Co., Ltd. (盛京銀行股份有限公司) (Stock Code: 02066) from July 2014 to August 2018. He has been an independent non-executive director of Acme International Holdings Limited (Stock Code: 1870) and Freetech Road Recycling Technology (Holdings) Limited (Stock Code: 6888) since October 2019 and December 2022, respectively. Prof. Lau is also a current member of the seventh Hong Kong Legislative Council.

* *For identification purposes only*

Mr. Wang Xiaolong, aged 39, was appointed as an independent non-executive Director of the Company on 23 May 2022. He has been working in Baotong Coal Mine of Zhungeer Banner Zhungeer Mining Area Xingda Industry and Trade Company* (准格爾旗准格爾礦區星達工貿有限責任公司寶通煤礦), since May 2008. Early, when he was in the position of safety supervisor, he was mainly responsible for inspecting and supervising the construction unit to implement the safety protection against hidden dangers of sub-sections and sub-projects in each process in accordance with the technical standards and specification requirements for coal mining construction safety. Later in June 2015, he was promoted to the manager of the company's engineering department, being responsible for the overall arrangement and management of earthwork stripping project of the open-pit coal mine to ensure the safe production of the open-pit coal mine.

Ms. Wong Wan Lung, aged 49, was appointed as an independent non-executive Director of the Company on 25 October 2023. She has over 25 years of experience in accounting and financial management. Ms. Wong obtained a bachelor's degree in business administration from Lingnan College (currently known as Lingnan University) in 1997 and a master's degree in professional accounting from the Hong Kong Polytechnic University in 2010. She was admitted as a member and a fellow of The Association of Chartered Certified Accountants in November 2000 and November 2005, respectively. She was also admitted as a member of The Hong Kong Institute of Certified Public Accountants (previously known as the Hong Kong Society of Accountants) in January 2001.

Ms. Wong has been a director of Smart Well Consultants Limited since April 2016. She previously worked as the financial manager of Prosperity Management Services Limited from April 2019 to May 2021, a wholly-owned subsidiary of Prosperity Investment Holdings Limited (Stock Code: 310), the shares of which are listed on the Main Board of the Stock Exchange; and also the financial manager of Glorious Bright Limited from May 2012 to July 2021. Prior to that, she acted as the financial controller of China Outdoor Holdings Limited and Guohua Investment Holdings Limited, the finance and administration manager of First Sign International Holdings Limited, the shares of which were formerly listed on the Main Board of the Stock Exchange; and also worked in private companies and accounting firms.

Mr. Zhang Yijun, aged 68, was appointed as an independent non-executive Director of the Company on 19 September 2018. He obtained his bachelor's degree in environmental engineering from China University of Geosciences* (中國地質大學) in July 2005 and a diploma in geological mineral exploration from Hunan Province School of Geosciences* (湖南省地質學校) in August 1980. From August 1980 to July 2015, he has served at Hunan Province Geological Survey Institute* (湖南省湘南地質勘察院) for geological survey and mineral exploration.

* *For identification purposes only*

SENIOR MANAGEMENT

Mr. Xue Yunfei, aged 49, was appointed as the chief executive officer of the Company on 26 January 2024. He obtained a bachelor's degree in economics from the Inner Mongolia College of Finance and Economics* (內蒙古財經學院) (currently known as the Inner Mongolia University of Finance and Economics* (內蒙古財經大學)) in July 2000. He obtained a master's degree in law from the China University of Political Science and Law in January 2008, a master's degree in business administration from the Inner Mongolia University in January 2012, and a master's degree of science in Chinese environmental studies from the Hong Kong Metropolitan University in March 2024. Mr. Xue previously worked in various departments in the Inner Mongolia Branch of the Bank of China from July 2011 to January 2023, in which his last position was the general manager of the settlement center (清收中心) of the Inner Mongolia Branch of the Bank of China.

Mr. Xue was named the Model Worker (Advanced Worker)* of the Inner Mongolia Autonomous Region (內蒙古自治區勞動模範(先進工作者)) in April 2015 and awarded the National Finance May 1st Labour Medal* (全國金融五一勞動獎章) in March 2016.

Mr. Wu Ho Wai, aged 47, was appointed as chief financial officer, company secretary and authorised representative of the Company on 25 October 2018. He is the fellow member of the Association of Chartered Certified Accountants and also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Wu holds a degree of Bachelor of Arts in Accountancy from Hong Kong Polytechnic University. Mr. Wu has over 20 years of experience in accounting and auditing. He is also the company secretary and an authorised representative of Zhong Jia Guo Xin.

Mr. Liu Zhanghui, aged 46, is currently the mine head of our Yiduoyan Project. He has over ten years of experience in extraction activities and production safety. Mr. Liu joined our Group in February 2012 and was appointed as the mine head of our Yiduoyan Project in June 2012. He is the key on-site person-in-charge of the daily operation of our Yiduoyan Project. Mr. Liu is primarily responsible for the setting up and management of mining production team, execution of mining plans, supervision and management of production activities, providing technical support and training to technical personnel for extraction activities, as well as overseeing production safety. Mr. Liu graduated from China Three Gorges University in July 2005.

* *For identification purposes only*

LAU AU YEUNG 劉歐陽會計師事務所有限公司
LAU & AU YEUNG C.P.A. LIMITED

21/F, Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

香港
灣仔
莊士敦道181號
大有大廈21樓

To the shareholders of Future Bright Mining Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Future Bright Mining Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 50 to 121, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS (continued)

The Key Audit Matter	How the matter was addressed in our audit
1. Revenue recognition	
The Group's revenue is derived from the sales of coals for the year ended 31 December 2023. Revenue is recognised when the Group satisfies the performance obligation by transferring the control over coals to the customer, which is the point of time when the Group delivers the coals to the designated place and the customer accepts the coals and signs on the goods delivery note in accordance with terms and conditions as set out in the contract with the customer. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there may be an incentive for management to recognise revenue in the incorrect accounting period, either earlier or later, to meet its performance expectations or targets.	We obtained an understanding of and assessed the design, implementation and operating effectiveness of key internal controls in relation to revenue recognition from the sales of coals. We inspected key customer contracts, on a sample basis, to identify performance obligations and terms and conditions relating to goods acceptance and assessed the Group's revenue recognition policies with reference to the requirements of the prevailing accounting standards; By comparing, on a sample basis, revenue transactions recorded during the year with the underlying sales orders, goods delivery notes signed by customers, invoices and transportation settlement forms, we assessed whether the related revenue was recognised in the appropriate accounting period; By comparing, on a sample basis, specific revenue transactions recorded before and after the year end date with the underlying transportation settlement forms and goods delivery notes signed by the customers, we assessed whether the related revenue had been recognised in the appropriate accounting period; and We assessed whether the disclosures of revenue in the financial statements meet the requirements of the prevailing accounting standards.

KEY AUDIT MATTERS (continued)

The Key Audit Matter	How the matter was addressed in our audit
2. Impairment assessment on non-financial assets	
The Group's significant non-financial assets as at 31 December 2023, mainly comprised a mining right, plant and machinery, mine infrastructure and right-of use assets held by the wholly owned subsidiary, Xiangyang Future Bright Mining Limited ("**XYFB**"), together considered as the Group's individual cash-generated unit ("**CGU**"). In accordance with IFRSs, management is required to perform detailed impairment assessment on the CGU when any impairment indicator is identified, and impairment provision is required when the recoverable amount is lower than the respective carrying value. Management determined the recoverable amount of the CGU based on the fair value estimated by an independent external expert who used multi period excess earnings method, in which key assumptions included marble block price projection and discount rate. This matter was significant to our audit because the impairment assessment process was complex and involved significant judgements and estimations. The assessment of the existence of indicators of impairment of non-financial assets is judgemental. In the event that indicators are identified, the assessment of recoverable amounts of non-financial assets is also judgemental. The estimates involved in the assessment are particularly significant due to volatility of the market price of marble block, the estimation of future production and the uncertainty in connection with future economic outlook. The changes in the economic environment in China may lead to a decrease in production, revenue and profitability of the Group. The Group's disclosures about the impairment of these non-current assets are included in the section *Impairment of non-financial assets* in note 2.4, *Estimation uncertainty* in note 3, and notes 13, 14 and 15 to the financial statements.	We assessed the appropriateness of valuation methodology, key assumptions and estimates used on general conditions of the marble block industry. We evaluated the competence, capabilities, objectivity and independence of the management's experts. We checked the data of mine reserves and resources used in the mine reserve report issued by an external qualified expert and certified by the local authority. Regarding the marble block price projections and discount rate, we compared the key assumptions with external sources of information on the marble block industry and analysis of the specific risks relating to the relevant CGU. Regarding the capacity and projected output suggested within the mine reserve report, we assessed the mine geologist's professional competence in preparing the report and understanding the assumptions used in the estimation of mineral reserves and resources. We also focused on the adequacy of the Group's disclosures of impairment of non-current assets in the consolidated financial statements.

KEY AUDIT MATTERS (continued)

The Key Audit Matter	How the matter was addressed in our audit
3. Recoverability of deposits and other receivables	
As at 31 December 2023, the gross amount of deposits and other receivables was amounting to RMB4,463,000. Management's estimate is required in assessing the expected credit losses ("**ECLs**") in accordance with IFRS 9. ECLs for receivables are based on management's estimate of lifetime ECLs to be incurred, which are estimated by taking into account the credit loss experience, ageing of overdue receivables, debtors' repayment history and assessment of both the current and forecast macro-economic conditions, all of which involve a significant degree of management estimation. Management has performed ECL analysis and concluded that no ECL allowances should be recorded for the deposits and other receivables as at 31 December 2023. Related disclosures are included in notes 2.4, 3 and 19 to the financial statements.	We examined management's assessment of the ECLs of receivables by checking the bank-in slips for the settlements received subsequent to the end of the reporting period, the correctness of receivable ageing report, the recent historical repayment patterns and the correspondence with debtors. We also assessed the methodology in the ECL model against the requirements of IFRS 9. Furthermore, we also assessed the adequacy of disclosures in the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Au Yeung Tin Wah.

Lau & Au Yeung C.P.A. Limited
Certified Public Accountants

Au Yeung Tin Wah
Practising Certificate Number: P02343

Hong Kong
27 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
REVENUE	5	**77,739**	63,884
Cost of sales		**(76,285)**	(55,309)
Gross profit		**1,454**	8,575
Other income	5	**191**	491
Administrative expenses		**(15,642)**	(14,803)
Other operating expenses		**(2,729)**	(7,779)
Reversal of impairment losses on financial assets, net		**—**	6,064
Losses on changes in fair value of financial assets at fair value through profit or loss		**(69)**	(33)
Finance costs	7	**(4,236)**	(315)
LOSS BEFORE TAX	6	**(21,031)**	(7,800)
Income tax credit/(expense)	10	**1,179**	(1,131)
LOSS FOR THE YEAR		**(19,852)**	(8,931)
Attributable to:			
Owners of the Company		**(19,604)**	(8,867)
Non-controlling interests		**(248)**	(64)
		(19,852)	(8,931)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	12		
Basic and diluted		**RMB2.23 cents**	RMB1.01 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2023

	2023 RMB'000	2022 RMB'000
LOSS FOR THE YEAR	**(19,852)**	(8,931)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**142**	1,937
Realisation of translation reserve upon deregistration of a subsidiary	**125**	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**267**	1,937
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(19,585)**	(6,994)
Attributable to:		
Owners of the Company	**(19,336)**	(6,928)
Non-controlling interests	**(249)**	(66)
	(19,585)	(6,994)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	**16,018**	12,604
Right-of-use assets	14	**2,879**	5,889
Other intangible assets	15	**100,255**	19,873
Total non-current assets		**119,152**	38,366
CURRENT ASSETS			
Inventories	17	**531**	535
Trade receivables	18	**—**	—
Prepayments, deposits and other receivables	19	**5,041**	3,860
Financial assets at fair value through profit or loss	20	**33**	102
Cash and cash equivalents	21	**13,092**	31,223
Total current assets		**18,697**	35,720
CURRENT LIABILITIES			
Trade payables	22	**492**	485
Other payables and accruals	23	**9,855**	5,533
Short-term borrowings	24	**—**	7,727
Amount due to a director	31	**10**	10
Amount due to the ultimate controlling shareholder	31	**544**	536
Tax payable		**21**	961
Lease liabilities	14	**1,860**	3,281
Total current liabilities		**12,782**	18,533
NET CURRENT ASSETS		**5,915**	17,187
TOTAL ASSETS LESS CURRENT LIABILITIES		**125,067**	55,553
NON-CURRENT LIABILITIES			
Lease liabilities	14	**—**	1,746
Long-term borrowings	24	**58,124**	—
Amount due to the ultimate controlling shareholder	31	**7,385**	—
Other payables and accruals	23	**2,596**	—
Deferred tax liabilities	16	**529**	1,729
Mining right payable	25	**21,636**	—
Provision for rehabilitation	26	**1,635**	1,535
Total non-current liabilities		**91,905**	5,010
Net assets		**33,162**	50,543
EQUITY			
Equity attributable to owners of the Company			
Share capital	27	**3,524**	3,524
Reserves	28	**29,669**	49,009
		33,193	52,533
Non-controlling interests		**(31)**	(1,990)
Total equity		**33,162**	50,543

Mr. Li Yuguo
Director

Mr. Yang Jiantong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the Company										
	Share capital RMB'000 (Note 27)	Share premium* RMB'000 (Note 27)	Capital reserve* RMB'000 (Note 28)	Contributed reserve* RMB'000 (Note 28)	Safety fund surplus reserve* RMB'000 (Note 28)	Statutory reserve fund* RMB'000 (Note 28)	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 2023	3,524	130,899	24,216	34,152	51	238	4,447	(144,994)	52,533	(1,990)	50,543
Loss for the year	–	–	–	–	–	–	–	(19,604)	(19,604)	(248)	(19,852)
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	143	–	143	(1)	142
Realisation of translation reserve upon deregistration of a subsidiary	–	–	–	–	–	–	125	–	125	–	125
Total comprehensive income for the year	–	–	–	–	–	–	268	(19,604)	(19,336)	(249)	(19,585)
Use of safety fund surplus reserve	–	–	–	–	(4)	–	–	–	(4)	–	(4)
Derecognition of non-controlling interest upon deregistration of a subsidiary	–	–	–	–	–	–	–	–	–	2,208	2,208
At 31 December 2023	3,524	130,899	24,216	34,152	47	238	4,715	(164,598)	33,193	(31)	33,162

	Attributable to owners of the Company										
	Share capital RMB'000 (Note 27)	Share premium* RMB'000 (Note 27)	Capital reserve* RMB'000 (Note 28)	Contributed reserve* RMB'000 (Note 28)	Safety fund surplus reserve* RMB'000 (Note 28)	Statutory reserve fund* RMB'000 (Note 28)	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 2022	3,524	130,899	24,216	34,152	180	238	2,508	(136,127)	59,590	(1,924)	57,666
Loss for the year	–	–	–	–	–	–	–	(8,867)	(8,867)	(64)	(8,931)
Other comprehensive income for the year:											
Exchange differences on translation of foreign operations	–	–	–	–	–	–	1,939	–	1,939	(2)	1,937
Total comprehensive income for the year	–	–	–	–	–	–	1,939	(8,867)	(6,928)	(66)	(6,994)
Use of safety fund surplus reserve	–	–	–	–	(129)	–	–	–	(129)	–	(129)
At 31 December 2022	3,524	130,899	24,216	34,152	51	238	4,447	(144,994)	52,533	(1,990)	50,543

* These reserve accounts comprise the consolidated reserves of RMB29,669,000 as at 31 December 2023 (31 December 2022: RMB49,009,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Notes	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(21,031)**	(7,800)
Adjustments for:			
Finance costs	7	**4,236**	315
Interest income	5	**(77)**	(89)
Unrealised fair value losses of financial assets at fair value through profit or loss	6	**69**	33
Loss on deregistration of a subsidiary	6	**2,335**	—
Use of safety fund surplus reserve		**(4)**	(129)
Depreciation of property, plant and equipment	6, 13	**600**	502
Depreciation of right-of-use assets	6, 14	**3,398**	1,767
Bad debts written off	6, 18	**—**	5,524
Reversal of impairment losses of trade receivables	6, 18	**—**	(5,524)
Reversal of impairment losses of other receivables	6, 19	**—**	(540)
Gain on disposal of property, plant and equipment	6	**(36)**	—
Written off of property, plant and equipment	6, 13	**2**	4
		(10,508)	(5,937)
Decrease in inventories		**4**	2,552
Increase in prepayments, deposits and other receivables		**(1,110)**	(2,526)
Decrease in trade payables		**—**	(612)
Increase in other payables, accruals, amounts due to the related parties and mining right payable		**11,976**	3,375
Cash generated from/(used in) operations		**362**	(3,148)
Cash payments for the interest portion of the lease liabilities	14	**(292)**	(218)
Income tax paid		**(961)**	(117)
Net cash flows used in operating activities		**(891)**	(3,483)

	Notes	2023 RMB'000	2022 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5	77	89
Purchases of items of property, plant and equipment	13	(3,983)	(230)
Acquisition of other intangible assets		(60,000)	—
Refund of deposits paid for acquisition of property, plant and equipment		—	3,400
Proceeds from disposal of financial assets at fair value through profit or loss		35	—
Purchases of financial assets at fair value through profit or loss		(34)	(10)
Net cash flows (used in)/from investing activities		(63,905)	3,249
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	29	50,193	7,402
Principal portion of lease payments	29	(3,557)	(2,126)
Net cash flows from financing activities		46,636	5,276
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(18,160)	5,042
Cash and cash equivalents at beginning of year		31,223	25,989
Effect of foreign exchange rate changes, net		29	192
CASH AND CASH EQUIVALENTS AT END OF YEAR		13,092	31,223
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	13,092	31,223
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows		13,092	31,223

1. CORPORATE AND GROUP INFORMATION

The Company was an exempted company with limited liability incorporated 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.

During the year, the Group was involved in the following principal activities:

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

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. On 23 January 2024, Mr. Li Yuguo ceased to be the ultimate controlling shareholder of the Company.

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
World Harvest Group Limited	British Virgin Islands	USD1	100	—	Investment holding
Future Bright (H.K.) Investment Limited	Hong Kong	HKD10,000	—	100	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
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
Inner Mongolia Main Pacific Energy Company Limited**	PRC/Mainland China	RMB10,000,000	—	100	Sales of coals and coals products

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

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

** Limited liability company wholly owned by a PRC subsidiary 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 year 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 of the Company, result in particulars of excessive length.

2.1 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 2022 and 2023.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2023.

A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 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 2023:

Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred tax related to Assets and Liabilities arisen from a Single Transaction*
IFRS 17	*Insurance Contracts, related Amendments and Initial Application of IFRS 17 and IFRS 9 — Comparative Information*

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.

2.3 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 2023:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*[1]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024

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

3 No mandatory effective date yet determined but available for adoption

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. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures its financial assets at fair value through profit or loss at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets and non-current assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation of items of property, plant and equipment, other than mining infrastructure, is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings and improvements	9.70% to 33.00%
Plant and machinery	9.70% to 19.40%
Motor vehicles	24.25% to 33.00%
Office equipment	19.40% to 33.00%

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation of mining infrastructure is calculated using the Units of Production ("**UOP**") method to write off the cost of the assets proportionate to the extraction of the proved and probable mineral reserves.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Mining right

Mining right is stated at cost less accumulated amortisation and any impairment losses. Mining right includes the cost of acquiring mining licences, exploration and evaluation costs transferred from exploration rights and assets upon determination that an exploration property is capable of commercial production, and the cost of acquiring interests in the mining reserves of existing mining properties. The mining right is amortised over the estimated useful lives of the mines, in accordance with the production plans of the entities concerned and the proved and probable reserves of the mines using the UOP method. The mining right is written off to profit or loss if the mining property is abandoned.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold forest	55 to 70 years
Office premises	1 to 3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Leases (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification is as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, mining right payable, lease liabilities, borrowings, amount due to a director and amount due to the ultimate controlling shareholder.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings costs are recognised in profit or loss in the period in which they are incurred.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for the Group's obligations for rehabilitation are based on estimates of required expenditure at the mines in accordance with the PRC rules and regulations. The obligation generally arises when the asset is installed or the ground environment is disturbed at the mining operation's location. The Group estimates its liabilities for final rehabilitation and mine closure based upon detailed calculations of the amount and timing of the future cash expenditure to perform the required work. Spending estimates are escalated for inflation, then discounted at a discount rate that reflects current market assessments of the time value of money and the risks specific to the liability such that the amount of provision reflects the present value of the expenditures expected to be required to settle the obligation. When the liability is initially recognised, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining infrastructure.

Over time, the discounted liability is increased for the change in present value based on the appropriate discount rate. The periodic unwinding of the discount is recognised within finance costs in the statement of profit or loss. The asset is depreciated using the UOP method over its expected life and the liability is accreted to the projected expenditure. Additional disturbances or changes in estimates will be recognised as additions or changes to the corresponding assets and rehabilitation liabilities when they occur at the appropriate discount rate.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Other Income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the subsidiaries in Mainland China are required to participate in a defined central pension scheme managed by the local municipal government of the areas in Mainland China in which they operate. The subsidiaries are required to contribute a certain percentage of the relevant part of the payroll of these employees to the central pension scheme. The Group has no obligation for the payment of retirement benefits beyond the annual contributions. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Housing fund

Contributions to a defined contribution housing fund administered by the Public Accumulation Funds Administration Centre in Mainland China are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's liability in respect of the housing fund is limited to the contribution payable in each period.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in RMB. The functional currency of the Company is the Hong Kong dollar ("**HKD**"). The Company's presentation currency is RMB because the Group's principal operations are carried out in Mainland China. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using the functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the Company and certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets and liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Judgement in determining the useful life of a mining right

On 12 July 2023, the Group has successfully renewed the mining permit, 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).

Considered the term and the production capacity of the renewed mining permit, the Group is unable to fully excavate the mine reserve within the term of the renewed mining right. Due to the significance of this assets to its operation, the Group includes another renewal period as part of the useful life in the mining right.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the stone processing sector or the property refurbishment sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit loss on financial assets other than trade receivables

As described in section impairment of financial assets in note 2.4, the Group's management determines the loss allowance for expected credit losses on all debt instruments not held at fair value through profit or loss based on an assessment of the present value of all expected cash shortfalls. These estimates are based on the information about past events, current conditions and forecasts of future economic conditions, all of which involve a significant degree of management judgement. The Group's management reassesses the loss allowance at each reporting period end. If the current conditions of the debtors or the future economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("**IBR**") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. No impairment has been provided during the year.

Mine reserves

Engineering estimates of the Group's mine reserves are inherently imprecise and represent only approximate amounts because of the significant judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated mine reserves can be designated as "proved" and "probable". Proved and probable mine reserve estimates are updated at regular intervals taking into account recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of proved and probable mine reserves also changes. This change is considered as a change in estimate for accounting purposes and is reflected on a prospective basis in the amortisation rate calculated on the UOP basis and the time period for discounting the rehabilitation provision. Changes in the estimate of mine reserves are also taken into account in impairment assessments of non-current assets.

3. SIGNIFICANT ACCOUNTING ESTIMATES (continued)

Estimation uncertainty (continued)

Useful lives of property, plant and equipment

The Group estimates useful lives and related depreciation charges for its items of property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of items of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and actions of its competitors. Management will increase the depreciation charge where useful lives are less than previously estimated, or it will record an impairment provision for technically obsolete assets that have been abandoned. The carrying amount of property, plant and equipment as at 31 December 2023 was RMB16,018,000 (2022: RMB12,604,000).

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of deferred tax relating to recognised tax losses at 31 December 2023 was RMB5,053,000 (2022: RMB4,697,000).The amount of unrecognised tax losses at 31 December 2023 was RMB18,128,000 (2022: RMB22,704,000). Further details are contained in note 16 to the financial statements.

Provision for rehabilitation

Provision for rehabilitation is based on estimates of future expenditures incurred by management to undertake rehabilitation and restoration work which are discounted at a rate reflecting the term and nature of the obligation to their present value. Significant estimates and assumptions are made in determining the provision for rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases and changes in discount rate. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at the end of the reporting period represents management's best estimate of the present value of the future rehabilitation costs required. Changes to estimated future costs are recognised in the consolidated statement of financial position by adjusting the rehabilitation asset and liability. The carrying amount of provision for rehabilitation as at 31 December 2023 was RMB1,635,000 (2022: RMB1,535,000).

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.

4. OPERATING SEGMENT INFORMATION (continued)

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.

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2022	Marble block RMB'000	Commodity trading RMB'000	Total RMB'000
Segment revenue (note 5)			
Sales to external customers	7,563	56,321	63,884
Revenue			63,884
Segment results	(1,051)	4,065	3,014
Reconciliation:			
Interest income			89
Finance costs (other than interest on lease liabilities)			(97)
Corporate and other unallocated expenses			(10,806)
Loss before tax			(7,800)
Segment assets	34,167	21,811	55,978
Reconciliation:			
Elimination of intersegment receivables			(18,586)
Corporate and other unallocated assets			36,694
Total assets			74,086
Segment liabilities	24,344	706	25,050
Reconciliation:			
Elimination of intersegment payables			(18,586)
Corporate and other unallocated liabilities			17,079
Total liabilities			23,543

Year ended 31 December 2022	Marble block RMB'000	Commodity trading RMB'000	Unallocated RMB'000	Total RMB'000
Other segment information:				
Bad debts written off	5,524	—	—	5,524
Depreciation	337	25	1,907	2,269
Capital expenditure*	—	230	—	230
Reversal of impairment losses of other receivables recognised in the statement of profit or loss, net	(540)	—	—	(540)
Reversal of impairment losses of trade receivables recognised in the statement of profit or loss, net	(5,524)	—	—	(5,524)

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

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2023 RMB'000	2022 RMB'000
Mainland China	77,739	63,884

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

(b) Non-current assets

	2023 RMB'000	2022 RMB'000
Hong Kong	5,410	4,794
Mainland China	113,742	33,572
	119,152	38,366

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:

	2023 RMB'000	2022 RMB'000
Customer A	—	10,670
Customer B	42,878	—
Customer C	12,786	—
Customer D	11,526	5,350

5. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2023 RMB'000	2022 RMB'000
Revenue from contracts with customers		
Sale of goods	**77,739**	63,884

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2023

Segments	**Marble block RMB'000**	**Commodity trading RMB'000**	**Total 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**

For the year ended 31 December 2022

Segments	Marble block RMB'000	Commodity trading RMB'000	Total RMB'000
Type of goods			
Sale of marble blocks	7,563	—	7,563
Sale of coals	—	56,321	56,321
	7,563	56,321	63,884
Geographical markets			
Mainland China	7,563	56,321	63,884
Timing of revenue recognition			
Goods transferred at a point in time	7,563	56,321	63,884

5. REVENUE AND OTHER INCOME (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

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 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

For the year ended 31 December 2022

Segments	Marble block RMB'000	Commodity trading RMB'000	Total RMB'000
Revenue from contracts with customers			
External customers	7,563	56,321	63,884
Total revenue from contracts with customers	7,563	56,321	63,884

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.

5. REVENUE AND OTHER INCOME (continued)

Revenue from contracts with customers (continued)

(ii) Performance obligations

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

Sale of marble blocks

The performance obligation is satisfied upon delivery of the marble blocks 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 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 2023.

	2023 RMB'000	2022 RMB'000
Other income		
Bank interest income	**77**	89
Government grants	**—**	120
Others	**114**	282
	191	491

6. LOSS BEFORE TAX

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

	2023 RMB'000	2022 RMB'000
Cost of inventories sold	**76,285**	55,309
Staff costs (including directors' remuneration (note 8)):		
Wages and salaries	**5,250**	5,341
Pension scheme contributions	**434**	497
	5,684	5,838
Auditor's remuneration		
— Audit services	**961**	941
— Non-audit services	**363**	—
Bad debts written off (note 18)	**—**	5,524
Depreciation of property, plant and equipment* (note 13)	**600**	502
Depreciation of right-of-use assets (note 14)	**3,398**	1,767
Foreign exchange differences, net	**363**	2,086
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	**69**	33
Gain on disposal of property, plant and equipment	**(36)**	—
Loss on deregistration of a subsidiary	**2,335**	—
Reversal of impairment losses of trade receivables (note 18)	**—**	(5,524)
Reversal of impairment losses of other receivables (note 19)	**—**	(540)
Lease payments not included in the measurement of lease liabilities (note 14)	**17**	11
Written off of property, plant and equipment (note 13)	**2**	4

* Part of the depreciation of property, plant and equipment provided in previous years is included in "Cost of inventories sold" in the consolidated statement of profit or loss or "Inventories" in the consolidated statement of financial position.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2023 RMB'000	2022 RMB'000
Interest on discounted provision for rehabilitation (note 26)	**100**	97
Interest on lease liabilities (note 14)	**292**	218
Interest on borrowings	**2,590**	—
Interest on mining right payable	**1,254**	—
	4,236	315

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2023 RMB'000	2022 RMB'000
Fees	396	411
Other emoluments:		
Salaries, allowances and benefits in kind	1,455	1,366
Pension scheme contributions	24	31
	1,875	1,808

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	Notes	2023 RMB'000	2022 RMB'000
Mr. Chen Xun	a	—	40
Prof. Lau Chi Pang J.P.		108	103
Ms. Liu Shuyan	b	52	103
Mr. Wang Xiaolong	c	108	62
Ms. Wong Wan Lung	d	20	—
Mr. Zhang Yijun		108	103
		396	411

There were no emoluments payable to the independent non-executive directors during the year (2022: Nil).

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

(b) Executive directors and chief executives:

	Notes	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
2023				
Executive directors:				
Ms. Bao Rongrong	e	81	—	81
Mr. Li Yuguo	f	108	—	108
Mr. Liu Yan Chee James	g	81	4	85
Mr. Lyu Bin		323	—	323
Ms. Wang Ruoxi	h	81	4	85
Mr. Yang Jiantong	i	323	—	323
Mr. Yang Xiaoqiang		108	—	108
		1,105	8	1,113
Chief executive:				
Mr. Bao Xuefeng	j	350	16	366
		1,455	24	1,479

	Notes	Salaries, allowances and benefits in kind RMB'000	Pension scheme contributions RMB'000	Total RMB'000
2022				
Executive directors:				
Mr. Li Yuguo	f	103	—	103
Mr. Liu Jiang	k	40	2	42
Mr. Liu Yan Chee James	g	103	5	108
Mr. Lyu Bin		319	—	319
Ms. Wang Ruoxi	h	308	15	323
Mr. Yang Jiantong	i	187	—	187
Mr. Yang Xiaoqiang		103	—	103
		1,163	22	1,185
Chief executives:				
Mr. Bao Xuefeng	j	203	9	212
Mr. Li Yuguo	f	—	—	—
		1,366	31	1,397

8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (continued)

Notes:

(a) Mr. Chen Xun resigned as an independent non-executive director with effect from 23 May 2022.

(b) Ms. Liu Shuyan was retired as an independent non-executive director with effect from 27 June 2023.

(c) Mr. Wang Xiaolong was appointed as an independent non-executive director on 23 May 2022.

(d) Ms. Wong Wan Lung was appointed as an independent non-executive director on 25 October 2023.

(e) Ms. Bao Rongrong was appointed as an executive director on 1 October 2023.

(f) Mr. Li Yuguo was resigned as the chief executive officer with effect from 23 May 2022.

(g) Mr. Liu Yan Chee James was resigned as an executive director with effect from 1 October 2023.

(h) Ms. Wang Ruoxi was resigned as an executive director with effect from 1 April 2023.

(i) Mr. Yang Jiantong was appointed as an executive director on 23 May 2022.

(j) Mr. Bao Xuefeng was appointed as the chief executive officer on 23 May 2022 and resigned with effect from 1 January 2024.

(k) Mr. Liu Jiang was resigned as an executive director with effect from 23 May 2022.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors and one chief executive (2022: two directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2022: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2023 RMB'000	2022 RMB'000
Salaries, allowances and benefits in kind	**1,296**	1,482
Pension scheme contributions	**32**	72
	1,328	1,554

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2023	2022
Nil to HKD1,000,000	**1**	2
HKD1,000,001 to HKD1,500,000	**1**	1
	2	3

During the year ended 31 December 2023, none of them was paid by the Group to one of the five highest paid individuals as termination benefits (2022: Nil).

10. 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 (2022: 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 subject to the PRC CIT at the rate of 25% (2022: 25%) during the year ended 31 December 2023.

	2023 RMB'000	2022 RMB'000
Current — Mainland China		
Charge for the year	**21**	1,079
Over-provision in prior years	**—**	(1)
Deferred		
(Credit)/charge for the year (note 16)	**(1,200)**	53
Total tax (credit)/expense for the year	**(1,179)**	1,131

10. INCOME TAX (continued)

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

	2023 RMB'000	2022 RMB'000
Loss before tax	**(21,031)**	(7,800)
Tax at the PRC tax rate of 25% (2022: 25%)	**(5,258)**	(1,950)
Tax effect of different taxation rates in other tax jurisdictions	**1,223**	923
Expenses not deductible for tax	**2,875**	2,089
Tax reduction	**(152)**	—
Tax losses not recognised	**143**	41
Temporary differences recognised from previous year	**(9)**	31
Tax effect of temporary differences not recognised	**(1)**	(2)
Over-provision of prior years income tax	**—**	(1)
Income tax (credit)/expense at the Group's effective rate	**(1,179)**	1,131

11. 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 2023 (2022: Nil).

12. 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 877,716,000 (2022: 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 (2022: Nil).

The calculation of basic loss per share is based on:

	2023 RMB'000	2022 RMB'000
Loss		
Loss attributable to ordinary equity holders of the Company used in the basic loss per share calculation	**(19,604)**	(8,867)

	Number of shares	
	2023	2022
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic loss per share calculation	**877,716,000**	877,716,000

On 2 September 2022, every five issued and unissued ordinary shares were consolidated into one share of the Company.

13. PROPERTY, PLANT AND EQUIPMENT

	Buildings and improvements RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mine infrastructure RMB'000	Total RMB'000
31 December 2023						
At 31 December 2022 and at 1 January 2023						
Cost or fair value	573	3,247	756	2,810	20,113	27,499
Accumulated depreciation and impairment	(550)	(3,218)	(708)	(2,419)	(8,000)	(14,895)
Net carrying amount	23	29	48	391	12,113	12,604
At 1 January 2023, net of accumulated depreciation and impairment	23	29	48	391	12,113	12,604
Additions	3,777	–	206	–	–	3,983
Written off	(1)	–	(1)	–	–	(2)
Depreciation provided during the year	(370)	(6)	(46)	(178)	–	(600)
Exchange realignment	31	–	2	–	–	33
At 31 December 2023, net of accumulated depreciation and impairment	3,460	23	209	213	12,113	16,018
At 31 December 2023:						
Cost or fair value	4,377	3,247	411	2,225	20,113	30,373
Accumulated depreciation and impairment	(917)	(3,224)	(202)	(2,012)	(8,000)	(14,355)
Net carrying amount	3,460	23	209	213	12,113	16,018

13. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings and improvements RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Mine infrastructure RMB'000	Total RMB'000
31 December 2022						
At 31 December 2021 and at 1 January 2022						
Cost or fair value	557	3,247	689	2,516	20,113	27,122
Accumulated depreciation and impairment	(545)	(3,097)	(546)	(2,077)	(8,000)	(14,265)
Net carrying amount	12	150	143	439	12,113	12,857
At 1 January 2022, net of accumulated depreciation and impairment	12	150	143	439	12,113	12,857
Additions	15	—	27	188	—	230
Written off	—	—	(4)	—	—	(4)
Depreciation provided during the year	(5)	(121)	(122)	(254)	—	(502)
Exchange realignment	1	—	4	18	—	23
At 31 December 2022, net of accumulated depreciation and impairment	23	29	48	391	12,113	12,604
At 31 December 2022:						
Cost or fair value	573	3,247	756	2,810	20,113	27,499
Accumulated depreciation and impairment	(550)	(3,218)	(708)	(2,419)	(8,000)	(14,895)
Net carrying amount	23	29	48	391	12,113	12,604

As at 31 December 2023, the directors of the Company performed impairment assessment on the non-financial assets of the marble block segment, which was a cash-generating unit ("**CGU**") containing property, plant and equipment, right-of-use assets, and other intangible assets of XYFB. The impairment loss will be allocated to reduce the carrying value of the assets of within the CGU pro rata on the basis of carrying amount of each asset in the unit.

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Marble block CGU

The recoverable amount of the marble block CGU was determined based on multi period excess earnings method which uses sum of discounted present value of the projected annual excess earnings. As at 31 December 2023, the recoverable amount of the marble block CGU is referenced to valuation report issued by AP Appraisal Limited, an independent qualified valuer. This valuation uses cash flow projections based on financial estimates covering a 47-year period.

The key assumptions and discount rate used in the annual excess earnings calculation are as follows:

	2023	2022
Sales volume growth rate	1%-216%	5%-185.7%
Average unit price growth rate	1%-3%	1%-3%
Pre-tax discount rate	12%	14%

The sales volume and average unit price growth rate are based on the management's past experience and expectations on future changes in market.

The pre-tax discount rate are used that reflect current market assessments of the time value of money and the risk specific to the CGU.

In the opinion of the Company's directors, the carrying amount of the cash-generating unit had not exceeded its recoverable amount and any reasonably possible change in the other key assumptions on which the recoverable amount is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

As at 31 December 2023, no impairment loss (2022: Nil) was provided for the property, plant and equipment associated with the marble block CGU.

14. LEASES

The Group as a lessee

The Group has lease contracts for office premises with lease periods of 1 to 3 years. Lump sum payments were made upfront to acquire the leased forest land from the owners with lease periods of 55 to 70 years, and no ongoing payments will be made under the terms of these forest land leases. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

14. LEASES (continued)

The Group as a lessee (continued)

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Forest lease payments RMB'000	Office premises RMB'000	Total RMB'000
As at 1 January 2023	**1,045**	**4,844**	**5,889**
Adjustment for lease modification	**—**	**347**	**347**
Depreciation provided	**(19)**	**(3,379)**	**(3,398)**
Exchange realignment	**—**	**41**	**41**
As at 31 December 2023	**1,026**	**1,853**	**2,879**

	Forest lease payments RMB'000	Office premises RMB'000	Total RMB'000
As at 1 January 2022	506	832	1,338
Additions	550	5,539	6,089
Depreciation provided	(11)	(1,756)	(1,767)
Exchange realignment	—	229	229
As at 31 December 2022	1,045	4,844	5,889

As at 31 December 2023, the directors of the Company performed impairment assessment on the right-of-use assets of the marble block segment. In the opinion of the Company's directors, no impairment loss (2022: Nil) should be provided. Please refer to note 13 for major underlying assumptions.

14. LEASES (continued)

The Group as a lessee (continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2023 RMB'000	2022 RMB'000
Carrying amount at 1 January	5,027	822
New leases	—	6,089
Adjustment for lease modification	347	—
Accretion of interest recognised during the year	292	218
Payment	(3,849)	(2,344)
Exchange realignment	43	242
Carrying amount at 31 December	1,860	5,027
Analysed into:		
Current portion	1,860	3,281
Non-current portion	—	1,746
	1,860	5,027

The maturity analysis of lease liabilities is disclosed in note 34 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2023 RMB'000	2022 RMB'000
Interest on lease liabilities (note 7)	292	218
Depreciation charge of right-of-use assets	3,398	1,767
Expenses relating to short-term leases (included in administrative expenses)	17	11
Total amount recognised in profit or loss	3,707	1,996

15. OTHER INTANGIBLE ASSETS

	Mining right	
	2023	2022
	RMB'000	RMB'000
Cost at 1 January, net of accumulated amortisation	**19,873**	19,873
Additions	**80,382**	—
Amortisation provided during the year	**—**	—
At 31 December	**100,255**	19,873
At 31 December:		
Cost	**122,982**	42,600
Accumulated amortisation and impairment	**(22,727)**	(22,727)
Net carrying amount	**100,255**	19,873

The mining right represents the right for the mining of marble reserves at the Yiduoyan mine which is located in Nanzhang County, Hubei Province, the PRC. The mine is operated by XYFB, an indirect wholly-owned subsidiary of the Company. 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 at 31 December 2023, the directors of the Company performed impairment assessment on the other intangible assets of the marble block segment. In the opinion of the Company's directors, no impairment loss (2022: Nil) should be provided. Please refer to note 13 for major underlying assumptions.

16. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax liabilities

	2023				
	Depreciation difference of property, plant and equipment between IFRSs and PRC tax regulations RMB'000	Mining right RMB'000	Right-of-use assets RMB'000	Prepayments and deposit RMB'000	Total RMB'000
At 31 December 2022 and 1 January 2023	2,142	4,968	301	44	7,455
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	49	5,096	(26)	–	5,119
Gross deferred tax liabilities at 31 December 2023	2,191	10,064	275	44	12,574

Deferred tax assets

	2023							
	Lease liabilities RMB'000	Loss available for offsetting against future taxable profits RMB'000	Inventories RMB'000	Other assets RMB'000	Accruals RMB'000	Other payables RMB'000	Mining right payable RMB'000	Total RMB'000
At 31 December 2022 and 1 January 2023	21	4,697	352	457	199	–	–	5,726
Deferred tax (charged)/credited to the statement of profit or loss during the year (note 10)	1	356	–	89	(9)	473	5,409	6,319
Gross deferred tax assets at 31 December 2023	22	5,053	352	546	190	473	5,409	12,045

16. DEFERRED TAX (continued)

Deferred tax liabilities

	2022				
	Depreciation difference of property, plant and equipment between IFRSs and PRC tax regulations RMB'000	Mining right RMB'000	Right-of-use assets RMB'000	Prepayments RMB'000	Total RMB'000
At 31 December 2021 and 1 January 2022	2,820	4,968	163	—	7,951
Deferred tax charged/(credited) to the statement of profit or loss during the year (note 10)	(678)	—	138	44	(496)
Gross deferred tax liabilities at 31 December 2022	2,142	4,968	301	44	7,455

Deferred tax assets

	2022								
	Impairment of financial assets RMB'000	Lease liabilities RMB'000	Loss available for offsetting against future taxable profits RMB'000	Trade payables RMB'000	Inventories RMB'000	Prepayments RMB'000	Other assets RMB'000	Accruals RMB'000	Total RMB'000
At 31 December 2021 and 1 January 2022	1,516	21	1,997	153	2,583	5	–	–	6,275
Deferred tax (charged)/credited to the statement of profit or loss during the year (note 10)	(1,516)	–	2,700	(153)	(2,231)	(5)	457	199	(549)
Gross deferred tax assets at 31 December 2022	–	21	4,697	–	352	–	457	199	5,726

Deferred tax assets and liabilities related to the PRC subsidiaries have been provided at an enacted CIT rate of 25%.

16. DEFERRED TAX (continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2023 RMB'000	2022 RMB'000
Net deferred tax assets recognised in the consolidated statement of financial position	–	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	529	1,729
	529	1,729

Deferred tax assets have not been recognised in respect of the following items:

	2023 RMB'000	2022 RMB'000
Tax losses	18,128	22,704

Deferred tax assets have not been recognised in respect of tax losses amounting to RMB18,128,000 and RMB22,704,000 as at 31 December 2023 and 31 December 2022, respectively. The tax losses amounting to RMB10,000 as at 31 December 2023 (2022: RMB4,845,000) will expire within the next 5 years for offsetting against future taxable profits. The tax losses of RMB18,118,000 as at 31 December 2023 (2022: RMB17,859,000) are available indefinitely for offsetting against future taxable profits in Hong Kong. Deferred tax assets have not been recognised as it is not considered probable that taxable profits will be available against which the above tax losses can be utilised.

Pursuant to the PRC CIT Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors.

The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

Pursuant to the resolution of the board of directors of the Company, the profits generated from the PRC subsidiaries since 1 January 2008 onwards will be retained by the PRC subsidiaries for use in future operations or investments in Mainland China. In the opinion of the directors, it is not probable that the PRC subsidiaries will distribute such earnings in the foreseeable future. There were no temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised (2022: Nil).

17. INVENTORIES

	2023 RMB'000	2022 RMB'000
Finished goods	**421**	421
Materials and supplies	**110**	114
	531	535

18. TRADE RECEIVABLES

	2023 RMB'000	2022 RMB'000
Trade receivables	**–**	–
Impairment	**–**	–
	–	–

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. 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.

There was no trade receivables as at 31 December 2023 (2022: Nil) and therefore no ageing analysis is presented thereon.

18. TRADE RECEIVABLES (continued)

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

	2023 RMB'000	2022 RMB'000
At beginning of year	–	5,524
Reversal of impairment losses	–	(5,524)
At end of year	–	–

For the year ended 31 December 2022, trade receivables of RMB5,524,000 with a full impairment were written off as bad debts against the Group's loss for the year. As a result of the bad debts written off, there was a decrease of RMB5,524,000 in the loss allowance.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for each customer. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

There was no trade receivables as at 31 December 2023 (2022: Nil) and therefore no provision matrix is presented thereon.

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2023 RMB'000	2022 RMB'000
Prepayments	578	609
Deposits and other receivables	4,463	3,251
	5,041	3,860
Impairment	—	—
	5,041	3,860

The movements in the loss allowance of other receivables are as follows:

	2023 RMB'000	2022 RMB'000
At beginning of year	—	540
Reversal of impairment losses	—	(540)
At end of year	—	—

Deposits and other receivables mainly represent rental deposits, deposit paid to a supplier and other tax recoverables.

20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 RMB'000	2022 RMB'000
Listed equity investments, at fair value	**23**	92
Other investments, at fair value	**10**	10
	33	102

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.

21. CASH AND CASH EQUIVALENTS

	2023 RMB'000	2022 RMB'000
Cash and bank balances	**13,092**	31,223

At the end of the reporting period, the cash and bank balances of the Group denominated in HKD amounted to RMB2,646,000 (2022: RMB1,229,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. 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:

	2023 RMB'000	2022 RMB'000
Within 3 months	**—**	—
Over 3 months	**492**	485
	492	485

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

23. OTHER PAYABLES AND ACCRUALS

	Notes	2023 RMB'000	2022 RMB'000
Non-current			
Loan interest payables	(a)	2,596	—
Current			
Payroll accruals		441	286
Other payables	(b)	487	369
Accruals		2,265	1,918
Contract liabilities	(c)	6,662	2,960
		9,855	5,533
Total other payables and accruals		12,451	5,533

Notes:

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

	2023 RMB'000	2022 RMB'000
Advances received from customers		
Sale of marble blocks	2,960	2,960
Sale of coals	3,702	—
Total contract liabilities	6,662	2,960

Contract liabilities include advance payment from customers.

24. BORROWINGS

	2023 RMB'000	2022 RMB'000
Short-term borrowings — unsecured	—	7,727
Long-term borrowings — unsecured	58,124	—
	58,124	7,727

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.

On 15 February 2023, the two parties signed a supplementary borrowing agreement 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 are repayable on 14 November 2023.

On 31 August 2023, the two parties signed another supplementary borrowing agreement to extend the borrowing term, the borrowings and interests accrued became repayable on 14 February 2025.

As at 31 December 2023, the Group has drawn HKD20,000,000 (equivalent to RMB18,124,000) (2022: HKD8,650,000 (equivalent to RMB7,727,000)) from the facility.

During the year, XYFB, an indirect wholly-owned subsidiary of the Company, signed three additional 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.

25. MINING RIGHT PAYABLE

During the year, 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.

26. PROVISION FOR REHABILITATION

	2023 RMB'000	2022 RMB'000
At the beginning of year	**1,535**	1,438
Unwinding of discount (note 7)	**100**	97
At the end of year	**1,635**	1,535

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 time, the discounted provision is increased for the change in present value based on the discount rate that reflects 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.

* *For identification purposes only*

27. SHARE CAPITAL

Shares

	2023 RMB'000	2022 RMB'000
Issued and fully paid:		
877,716,000 ordinary shares of HKD0.005 each (2022: 877,716,000 ordinary shares of HKD0.005 each)	**3,524**	3,524

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

	Number of shares in issue	Share capital RMB'000	Share premium RMB'000	Total RMB'000
At 31 December 2021 and 1 January 2022	4,388,580,000	3,524	130,899	134,423
Share Consolidation (Note)	(3,510,864,000)	—	—	—
At 31 December 2022 and 1 January 2023	877,716,000	3,524	130,899	134,423
At 31 December 2023	877,716,000	3,524	130,899	134,423

Note: On 2 September 2022, every five issued and unissued ordinary shares were consolidated into one consolidated share.

28. RESERVES

The amounts of the Group's reserves and the movements therein for the current year and prior years are presented in the consolidated statement of changes in equity on page 53 of the financial statements.

Capital reserve

The capital reserve represents the capital contribution from the shareholders of Gold Title Investments Limited ("**Gold Title**") prior to the incorporation of the Company and the capital contribution from the shareholders of the Company.

Contributed reserve

The Group's contributed reserve mainly represents the excess of (a) the fair value of the identifiable net assets of FBHK and its subsidiary at the date of acquisition, over (b) the consideration paid to the former owner of FBHK who was also a shareholder of Gold Title.

Safety fund surplus reserve

Pursuant to the Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the PRC in February 2012, the Group is required to establish a safety fund surplus reserve based on the volume of marble blocks extracted. The safety fund can only be transferred to retained earnings to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

Statutory reserve fund

In accordance with the relevant PRC regulations applicable to wholly-foreign-owned companies, certain entities within the Group are required to allocate a certain portion (not less than 10%), as determined by their Boards of Directors, of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "**SRF**") until such reserve reaches 50% of the registered capital.

The SRF is non-distributable other than in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as issued capital.

In accordance with the relevant regulations and the articles of association, a subsidiary registered in the PRC as a domestic company is required to appropriate 10% of its net profit (after offsetting accumulated losses from prior years) to the statutory surplus reserve. After the balance of such reserve reaches 50% of the entity's capital, any further appropriation is at the discretion of the Company. The statutory surplus reserve can be utilised to offset accumulated losses or increase capital. However, the balance of the statutory surplus reserve must be maintained at a minimum of 25% of the capital after such usages.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB347,000 (2022: RMB5,539,000) and RMB347,000 (2022: RMB5,539,000), respectively, in respect of lease arrangements for office premises.

(b) Changes in liabilities arising from financing activities

2023

	Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
At 1 January 2023	5,027	7,727	12,754
Changes from financing cash flows	(3,557)	50,193	46,636
Adjustment for lease modification	347	—	347
Foreign exchange movement	43	204	247
Interest expense	292	—	292
Interest paid classified as operating cash flows	(292)	—	(292)
At 31 December 2023	1,860	58,124	59,984

2022

	Lease liabilities RMB'000	Borrowings RMB'000	Total RMB'000
At 1 January 2022	822	—	822
Changes from financing cash flows	(2,126)	7,402	5,276
New leases	6,089	—	6,089
Foreign exchange movement	242	325	567
Interest expense	218	—	218
Interest paid classified as operating cash flows	(218)	—	(218)
At 31 December 2022	5,027	7,727	12,754

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2023 RMB'000	2022 RMB'000
Within operating activities	292	218
Within financing activities	3,557	2,126
	3,849	2,344

30. CONTINGENT LIABILITIES

On 2 January 2021, a loan agreement was signed between East Pacific Investment Limited ("**East Pacific**"), a non wholly-owned subsidiary of the Company, and an independent third party, pursuant to which a HKD25,000,000 loan facility was provided to East Pacific (the "**Loan Facility**"). The Loan Facility is interest-free and fully secured by the shares of East Pacific. The purpose of the Loan Facility is limited to the management and operation of East Pacific. East Pacific has not yet drawn any loan from the Loan Facility since the agreement date. On 18 January 2024, East Pacific applied for deregistration. Up to the date of this report, the deregistration is still in progress.

31. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel of the Group

	2023 RMB'000	2022 RMB'000
Salaries, allowances and benefits in kind	**3,008**	2,889
Pension scheme contributions	**83**	88
	3,091	2,977

Further details of directors' and chief executives' emoluments are included in note 8 to the financial statements.

(b) Outstanding balances with related parties

	Notes	**2023 RMB'000**	2022 RMB'000
Due to a director	(a)	**10**	10
Due to the ultimate controlling shareholder			
— Current portion	(b)	**544**	536
— Non-current portion	(c)	**7,385**	—
		7,929	536
		7,939	546

Notes:

(a) The balances due to a director are unsecured, interest-free, repayable on demand and denominated in RMB.

(b) The balances due to the ultimate controlling shareholder are unsecured, interest-free, repayable on demand and denominated in HKD.

(c) The balances due to the ultimate controlling shareholder are unsecured, interest-free, repayable on 17 July 2025 and denominated in HKD.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2023

Financial assets

	Financial assets at fair value through profit or loss — held for trading RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments at fair value through profit or loss	33	—	33
Financial assets included in deposits and other receivables	—	4,463	4,463
Cash and cash equivalents	—	13,092	13,092
	33	17,555	17,588

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	492	492
Financial liabilities included in other payables and accruals	5,789	5,789
Mining right payable	21,636	21,636
Long-term borrowings	58,124	58,124
Amount due to a director	10	10
Amount due to the ultimate controlling shareholder	7,929	7,929
Lease liabilities	1,860	1,860
	95,840	95,840

32. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2022

Financial assets

	Financial assets at fair value through profit or loss — held for trading RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments at fair value through profit or loss	102	—	102
Financial assets included in deposits and other receivables	—	3,251	3,251
Cash and cash equivalents	—	31,223	31,223
	102	34,474	34,576

Financial liabilities

	Financial liabilities at amortised cost RMB'000	Total RMB'000
Trade payables	485	485
Financial liabilities included in other payables and accruals	2,573	2,573
Short-term borrowings	7,727	7,727
Amount due to a director	10	10
Amount due to the ultimate controlling shareholder	536	536
Lease liabilities	5,027	5,027
	16,358	16,358

33. 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	
	2023 RMB'000	2022 RMB'000	**2023 RMB'000**	2022 RMB'000
Financial assets				
Financial assets at fair value through profit or loss	**33**	102	**33**	102

Management has assessed that the fair values of current financial assets including cash and cash equivalents, trade receivables, deposits and other receivables, and current financial liabilities including trade payables, other payables and accruals, short-term borrowings, amount due to a director and amount due to the ultimate controlling shareholder 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 and other investments are based on quoted market prices.

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 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Financial assets at fair value through profit or loss	**33**	**—**	**—**	**33**

As at 31 December 2022

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	102	—	—	102

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as deposits and other receivables, equity investments at fair value through profit or loss, trade payables, other payables and accruals, mining right payable, amount due to a director and amount due to the ultimate controlling shareholder, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Group's exposure to foreign currency risk mainly relates to the Group's bank deposits, deposits and other receivables, borrowings, other payables and accruals, amount due to the ultimate controlling shareholder and lease liabilities denominated in HKD.

The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. Management monitors the Group's foreign currency exposure and will consider hedging significant foreign currency exposure when the needs arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HKD exchange rate, with all other variables held constant, of the Group's loss before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase/ decrease in RMB rate	Increase/ (decrease) in loss before tax	Increase/ (decrease) in loss before tax
		2023	2022
	%	RMB'000	RMB'000
If RMB weakens against HKD	5%	1,258	557
If RMB strengthens against HKD	5%	(1,258)	(557)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are carrying amounts for financial assets.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

As at 31 December 2023

	12 months ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Financial assets included in deposits and other receivables					
— Normal*	4,463	—	—	—	4,463
— Doubtful*	—	—	—	—	—
	4,463	—	—	—	4,463

As at 31 December 2022

	12 months ECLs	Lifetime ECLs			
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	Total RMB'000
Financial assets included in deposits and other receivables					
— Normal*	3,251	—	—	—	3,251
— Doubtful*	—	—	—	—	—
	3,251	—	—	—	3,251

* The credit quality of the financial assets included in deposits and other receivables is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Further quantitative data in respect of the Group's exposure to credit risk arising from deposits and other receivables is disclosed in note 19 to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings, advances from the related parties and lease liabilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

As at 31 December 2023

		Contractual cash flows					
	Carrying amount RMB'000	Total RMB'000	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000	6 to 10 years RMB'000
Trade payables	492	492	492	–	–	–	–
Lease liabilities	1,860	1,905	88	845	972	–	–
Financial liabilities included in other payables and accruals	5,789	5,789	3,193	–	–	2,596	–
Mining right payable	21,636	38,731	–	–	–	23,731	15,000
Amount due to a director	10	10	10	–	–	–	–
Amount due to the ultimate controlling shareholder	7,929	7,929	544	–	–	7,385	–
Long-term borrowings	58,124	69,225	–	–	–	69,225	–
	95,840	124,081	4,327	845	972	102,937	15,000

As at 31 December 2022

		Contractual cash flows				
	Carrying amount RMB'000	Total RMB'000	On demand RMB'000	Less than 3 months RMB'000	3 to less than 12 months RMB'000	1 to 5 years RMB'000
Trade payables	485	485	485	—	—	—
Lease liabilities	5,027	5,352	—	977	2,585	1,790
Financial liabilities included in other payables and accruals	2,573	2,573	2,573	—	—	—
Short-term borrowings	7,727	7,727	—	7,727	—	—
Amount due to a director	10	10	10	—	—	—
Amount due to the ultimate controlling shareholder	536	536	536	—	—	—
	16,358	16,683	3,604	8,704	2,585	1,790

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which equals to its net debt (total debts net of cash and bank balances) divided by capital and net debt. Net debt includes trade payables, other payables and accruals, mining right payable, borrowings, amount due to a director and amount due to the ultimate controlling shareholder, less cash and cash equivalents. Capital includes equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	2023 RMB'000	2022 RMB'000
Trade payables	**492**	485
Other payables and accruals	**5,789**	2,573
Mining right payable	**21,636**	—
Short-term borrowings	**—**	7,727
Amount due to a director	**10**	10
Amount due to the ultimate controlling shareholder	**7,929**	536
Long-term borrowings	**58,124**	—
Less: Cash and cash equivalents	**(13,092)**	(31,223)
Net debt/(assets)	**80,888**	(19,892)
Equity attributable to owners of the Company	**33,193**	N/A
Capital and net debt	**114,081**	N/A
Gearing ratio	**71%**	N/A

35. 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 (中國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 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 "**Loan Dispute**") involving Mr. Li Yuguo, an executive Director 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.

36. EVENTS AFTER THE REPORTING PERIOD

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. The net proceeds from the placing of new shares under 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, after deducting the commissions and other fees and expenses in relation to the placing, amounted to approximately HKD35.2 million. 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. Please refer to the Company's announcements dated 5 January 2024 and 19 January 2024 for further details of the placing.

* *For identification purposes only*

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2023 RMB'000	2022 RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	3,633	110
Right-of-use assets	1,777	4,684
Investment in subsidiaries	28,679	28,679
Total non-current assets	34,089	33,473
CURRENT ASSETS		
Amounts due from subsidiaries	64,999	64,082
Prepayments, deposits and other receivables	2,358	2,509
Cash and cash equivalents	2,373	626
Total current assets	69,730	67,217
CURRENT LIABILITIES		
Other payables and accruals	1,509	1,164
Amount due to a subsidiary	24,793	6,982
Amount due to the ultimate controlling shareholder	544	536
Lease liabilities	1,772	3,199
Total current liabilities	28,618	11,881
NET CURRENT ASSETS	41,112	55,336
TOTAL ASSETS LESS CURRENT LIABILITIES	75,201	88,809
NON-CURRENT LIABILITIES		
Lease liabilities	–	1,746
Total non-current liabilities	–	1,746
Net assets	75,201	87,063
EQUITY		
Issued capital	3,524	3,524
Reserves	71,677	83,539
Total equity	75,201	87,063

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium RMB'000	Contributed reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total reserves RMB'000
At 1 January 2022	130,899	20,868	1,643	(66,645)	86,765
Loss for the year	—	—	—	(8,553)	(8,553)
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	—	—	5,327	—	5,327
Total comprehensive loss for the year	—	—	5,327	(8,553)	(3,226)
At 31 December 2022	130,899	20,868	6,970	(75,198)	83,539
At 1 January 2023	**130,899**	**20,868**	**6,970**	**(75,198)**	**83,539**
Loss for the year	**–**	**–**	**–**	**(12,593)**	**(12,593)**
Other comprehensive income for the year:					
Exchange differences on translation of foreign operations	**–**	**–**	**731**	**–**	**731**
Total comprehensive loss for the year	**–**	**–**	**731**	**(12,593)**	**(11,862)**
At 31 December 2023	**130,899**	**20,868**	**7,701**	**(87,791)**	**71,677**

The Company's contributed reserve mainly represents the excess of (a) the fair value of the identifiable net assets of FBHK and its subsidiary at the date of acquisition, over (b) the consideration paid to the former owner of FBHK, who was also a shareholder of Gold Title.

38. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2024.

FINANCIAL SUMMARY

RESULTS

	Year ended 31 December				
	2023	2022	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**77,739**	63,884	24,667	20,248	6,136
Loss before tax	**(21,031)**	(7,800)	(3,882)	(12,891)	(25,785)
Income tax credit/(expense)	**1,179**	(1,131)	1,193	1,091	5,311
Loss for the year attributable to:					
Owners of the Company	**(19,604)**	(8,867)	(2,491)	(11,762)	(18,815)
Non-controlling interests	**(248)**	(64)	(198)	(38)	(1,659)
	(19,852)	(8,931)	(2,689)	(11,800)	(20,474)

	As at 31 December				
	2023	2022	2021	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**137,849**	74,086	67,315	72,928	73,333
Total liabilities	**(104,687)**	(23,543)	(9,649)	(11,589)	(10,432)
Net assets	**33,162**	50,543	57,666	61,339	62,901
Equity attributable to:					
Owners of the Company	**33,193**	52,533	59,590	63,066	64,575
Non-controlling interests	**(31)**	(1,990)	(1,924)	(1,727)	(1,674)
	33,162	50,543	57,666	61,339	62,901