Future Bright Holdings Limited
佳景集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

ANNUAL RESULTS

The Board of Directors (the "Directors") of Future Bright Holdings Limited (the "Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2008 as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	**2008** **HK$'000**	2007 HK$'000
Turnover	4	**164,379**	95,286
Cost of goods sold		**(62,888)**	(30,039)
Direct operating expenses		**(55,668)**	(18,080)
Gross profit		**45,823**	47,167
Other income and gains	6	**13,199**	11,166
Administrative expenses		**(63,610)**	(87,668)
Share of loss of an associate		**(121)**	(22)
Finance costs	7	**(2,088)**	(7,635)
Loss before income tax expense	8	**(6,797)**	(36,992)
Income tax (expense)/credit	9	**(2,010)**	765
Loss for the year		**(8,807)**	(36,227)
Attributable to:			
Equity holders of the Company		**(13,200)**	(41,516)
Minority interests		**4,393**	5,289
		(8,807)	(36,227)
Loss per share			
– Basic (HK cents per share)	11	**(2.86)**	(15.49)
– Diluted (HK cents per share)	11	**(2.86)**	(15.49)

* *For identification purposes only*

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	**2008 HK$'000**	2007 HK$'000
Non-current assets			
Property, plant and equipment		**36,216**	43,817
Investment property		**3,620**	3,760
Goodwill	13	**61,781**	61,781
Intangible asset	14	**10,000**	–
Interest in an associate		**–**	170
Total non-current assets		**111,617**	109,528
Current assets			
Inventories		**4,697**	7,777
Trade and other receivables	15	**13,021**	19,547
Financial assets		**5,166**	–
Pledged bank deposits		**5,933**	3,227
Cash and cash equivalents		**63,400**	81,682
Total current assets		**92,217**	112,233
Total assets		**203,834**	221,761
Current liabilities			
Trade and other payables	16	**39,396**	29,976
Amount due to a minority shareholder of a subsidiary		**7,380**	–
Current tax liabilities		**18,184**	16,300
Bank loan	17	**3,739**	–
Total current liabilities		**68,699**	46,276
Net current assets		**23,518**	65,957
Total assets less current liabilities		**135,135**	175,485
Non-current liabilities			
Long term payables	14	**6,000**	–
Bank loan	17	**12,412**	–
Convertible Note	18	**–**	47,618
Total non-current liabilities		**18,412**	47,618
Total liabilities		**87,111**	93,894
TOTAL NET ASSETS		**116,723**	127,867
Capital and reserves attributable to equity holders of the Company			
Share capital		**46,160**	46,160
Reserves		**72,798**	80,400
Equity attributable to equity holders of the Company		**118,958**	126,560
Minority interests		**(2,235)**	1,307
TOTAL EQUITY		**116,723**	127,867

1. GENERAL

Future Bright Holdings Limited is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited. Its registered office and principal place of business are at Room 1409, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in the sales of food and beverage and the operation of carnival amusement park.

2. ADOPTION OF AMENDMENTS AND NEW HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) In the current year, the Group has applied, for the first time, the following amendments and new interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are or becoming effective for the current accounting period of the Group and the Company.

Amendments to HKAS 39 and HKFRS 7	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above amendments and new interpretations had no material effect on the results or financial position of the Group for the current or prior accounting periods and no prior period adjustment has been recognised.

(b) Potential impact arising on HKFRSs not yet effective

The Group is currently assessing the impact of these standards, amendments and interpretations on the Group's financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for investment property and certain financial assets, which are measured at fair values.

4. TURNOVER

Turnover and revenue recognised by category are as follows:

	Group 2008 HK$'000	2007 HK$'000
Sales of food and beverage	**161,827**	70,186
Income from operation of carnival amusement park	**2,552**	25,100
	164,379	95,286

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

For management purposes, the Group is currently organised into two operating divisions which are food and beverage division and carnival amusement park division. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Food and beverage – sales of food and beverage.

Carnival amusement park – sales of tickets, tokens and advertising income.

For the year ended 31 December 2008

	Food and beverage HK$'000	Carnival amusement park HK$'000	Consolidated HK$'000
Revenue			
Sales	**161,827**	**2,552**	**164,379**
Other income	**3,547**	**1,091**	**4,638**
	165,374	**3,643**	**169,017**
Result			
Segment result	**38,451**	**(25,989)**	**12,462**
Unallocated corporate income			**8,561**
Unallocated corporate expenses			**(25,611)**
			(4,588)
Share of loss of an associate	**(121)**	**–**	**(121)**
Finance costs			**(2,088)**
Loss before income tax expense			**(6,797)**
Income tax expense			**(2,010)**
Loss for the year			**(8,807)**

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – *continued*

(a) Business segments – *continued*

Balance sheet

As at 31 December 2008

	Food and beverage HK$'000	Carnival amusement park HK$'000	Consolidated HK$'000
Assets			
Segment assets	**112,297**	**9,579**	**121,876**
Unallocated corporate assets			**81,958**
Consolidated total assets			**203,834**
Liabilities			
Segment liabilities	**60,291**	**2,573**	**62,864**
Unallocated corporate liabilities			**24,247**
Consolidated total liabilities			**87,111**

Other information

For the year ended 31 December 2008

	Food and beverage HK$'000	Carnival amusement park HK$'000	Unallocated HK$'000	Consolidated HK$'000
Capital expenditure	**22,784**	**828**	**75**	**23,687**
Depreciation of property, plant and equipment	**6,462**	**4,387**	**779**	**11,628**
Impairment loss on property, plant and equipment	**–**	**6,315**	**–**	**6,315**
Write-down of inventories	**–**	**3,409**	**–**	**3,409**
Loss on disposal/write-off of property, plant and equipment, net	**5**	**2,428**	**–**	**2,433**
Loss on redemption of Convertible Note	**–**	**–**	**2,048**	**2,048**
Impairment loss on trade receivables	**225**	**–**	**–**	**225**
Impairment loss on goodwill	**–**	**–**	**149**	**149**
Fair value loss from an investment property	**–**	**–**	**140**	**140**

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – *continued*

(a) Business segments – *continued*

For the year ended 31 December 2007

	Food and beverage HK$'000	Carnival amusement park HK$'000	Consolidated HK$'000
Revenue			
Sales	70,186	25,100	95,286
Other income	1,568	8,999	10,567
	71,754	34,099	105,853
Result			
Segment result	29,294	(12,277)	17,017
Unallocated corporate income			599
Unallocated corporate expenses			(8,269)
			9,347
Impairment on amount due from a former director			(38,682)
Share of loss of an associate	(22)	–	(22)
Finance costs			(7,635)
Loss before income tax expense			(36,992)
Income tax expense			765
Loss for the year			(36,227)

Balance sheet

As at 31 December 2007

	Food and beverage HK$'000	Carnival amusement park HK$'000	Consolidated HK$'000
Assets			
Segment assets	99,771	36,727	136,498
Interest in an associate	170	–	170
Unallocated corporate assets			85,093
Consolidated total assets			221,761
Liabilities			
Segment liabilities	22,839	2,700	25,539
Unallocated corporate liabilities			68,355
Consolidated total liabilities			93,894

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – *continued*

(a) Business segments – *continued*

Other information

For the year ended 31 December 2007

	Food and beverage HK$'000	Carnival amusement park HK$'000	Unallocated HK$'000	Consolidated HK$'000
Capital expenditure	24,315	4,034	3,556	31,905
Depreciation of property, plant and equipment	1,260	5,034	25	6,319
Impairment loss on trade receivables	530	29,323	–	29,853
Impairment loss on amount due from a former director	–	–	38,682	38,682
Loss on disposal/write-off of property, plant and equipment, net	–	43	–	43
Write-down of inventories	–	481	–	481

(b) Geographical segments

The Group's operations are located in Macau and Mainland China.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market	
	2008	2007
	HK$'000	HK$'000
Macau	**161,827**	70,186
Mainland China	**2,552**	25,100
	164,379	95,286

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		**Additions to property, plant and equipment**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Macau	**178,385**	151,144	**12,784**	27,860
Mainland China	**8,266**	39,893	**828**	4,035
Hong Kong	**17,183**	30,724	**75**	10
	203,834	221,761	**13,687**	31,905

6. OTHER INCOME AND GAINS

	Group 2008 HK$'000	2007 HK$'000
Management fee income	**6,756**	–
Exchange gain, net	**2,279**	2,523
Excess of the Group's interest in the net fair value of acquiree's identifiable assets over cost (note 19(a))	**1,458**	–
Rental income	**1,437**	–
Bank interest income	**685**	599
Net gain on financial assets at fair value through profit or loss	**285**	–
Others	**299**	164
Guarantee profit income (note a)	**–**	6,108
Insurance claim income	**–**	1,095
Reversal of impairment loss on trade receivables	**–**	463
Fair value gain from an investment property	**–**	214
	13,199	11,166

Note a:

A subsidiary of the Group was entered into a profit sharing agreement with a hot spring hotel, Shaoguan Qujjiang Caoxi Hot Spring Holiday Resort Company Limited, an independent third party on 28 April 2006 to offer bundle package for its hotel guests to visit the Shaoguan carnival. Under the profit sharing agreement, the Group and this hotel shared all the net profit after tax derived from the Shaoguan carnival on a 60/40 basis after excluding all incomes from sponsorship/promotion and paying an annual net profit after tax of RMB 8 million to the Group. The guarantee profit of HK$6,108,000 for the year ended 31 December 2007 was the shortfall between the guarantee profit of RMB 8 million and the profit directly recognised by the subsidiary from the Shaoguan carnival. The amusement park in Shaoguan was closed in July 2008 and the profit sharing agreement had then been terminated.

7. FINANCE COSTS

	Group 2008 HK$'000	2007 HK$'000
Interest on Convertible Note (note 18)	**1,635**	1,683
Interest on bank loan	**453**	1,956
Imputed interest on interest-free loan from a director	**–**	3,682
Interest on bank overdraft	**–**	314
	2,088	7,635

8. LOSS BEFORE INCOME TAX EXPENSE

Loss before income tax expense is arrived at after charging:

	Group	
	2008	2007
	HK$'000	HK$'000
Staff costs	**65,871**	22,876
Cost of inventories recognised as expenses	**54,626**	21,482
Depreciation of property, plant and equipment	**11,628**	6,319
Operating lease rentals in respect of land and buildings	**16,513**	5,617
Impairment loss on amount due from a former director	**–**	38,682
Impairment loss on property, plant and equipment	**6,315**	–
Write-down of inventories	**3,409**	481
Loss on disposal/write-off of property, plant and equipment, net	**2,433**	43
Loss on redemption of Convertible Note (note 18)	**2,048**	–
Auditor's remuneration	**830**	830
Impairment loss on trade receivables	**225**	29,853
Impairment loss on goodwill (note 13)	**149**	–
Fair value loss from an investment property	**140**	–

9. INCOME TAX (EXPENSE)/CREDIT

The amount of income tax (expense)/credit in the consolidated income statement represents:

	Group	
	2008	2007
	HK$'000	HK$'000
Current tax – Macau Complementary Income Tax		
– Current year	**(5,046)**	(3,559)
– Over provision in respect of prior years	**3,036**	4,324
Income tax (expense)/credit	**(2,010)**	765

No provision for Hong Kong Profits Tax has been made as the Group has had no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2008 and 2007. Overseas tax is calculated at the rates applicable in the respective jurisdictions.

PRC Enterprise Income Tax ("EIT") is calculated at rate of 25% (2007: 33%). No provision for EIT has been made as the PRC subsidiaries have had no assessable profits for EIT for the years ended 31 December 2008 and 2007. Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the year. The maximum tax rate is 12% for the year ended 31 December 2008.

At the balance sheet date, the Group has unused tax losses of HK$14,666,000 (2007: HK$18,802,000) available for offset against future profits which will expire in five years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profit streams.

9. INCOME TAX (EXPENSE)/CREDIT – *continued*

The income tax (expense)/credit for the year can be reconciled to the loss per the consolidated income statements as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Loss before income tax (expense)/credit	**(6,797)**	(36,992)
Tax calculated at the applicable tax rates	**816**	4,439
Tax effect of share of loss of an associate	**(15)**	(3)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,558**	(2,425)
Tax effect of expenses not deductible for tax purposes	**(5,158)**	(10,837)
Tax effect of revenue not taxable for tax purposes	**486**	145
Tax effect of tax losses not recognised	**(2,733)**	(715)
Utilisation of tax losses previously not recognised	**–**	5,837
Over provision in respect of prior years	**3,036**	4,324
Income tax (expense)/credit	**(2,010)**	765

10. DIVIDENDS

No dividend was proposed or paid for the year ended 31 December 2008 and 2007.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2008	2007
	HK$'000	HK$'000
Loss for the year attributable to the equity holders of the Company	**(13,200)**	(41,516)
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic loss per share	**461,602,422**	267,953,036
Effect of dilutive potential ordinary shares:		
– Share options	**–**	1,414,124
– Convertible Note	**–**	53,135,831
Weighted average number of ordinary shares for the purposes of diluted loss per share	**461,602,422**	322,502,991
Basic loss per share (HK cents)	**(2.86)**	(15.49)

* Diluted loss per share is the same as the basic loss per share for the year ended 31 December 2008 and 2007 as the conversion of the share options and Convertible Note was anti-dilutive.

12. RELATED PARTY TRANSACTIONS

(a) During the year, the Group entered into the following transactions with related parties:

The Group paid laundry expenses of HK$1,223,000 (2007: HK$453,000) to Future Bright Laundry Company Limited of which a director of the Company is also a director and an ultimate minority shareholder of such company.

The Group received management fee income of HK$5,670,000 (2007: Nil) from several companies of which a director of the Company is also a director and an ultimate minority shareholder of such companies.

The Group also received promotion fee income of HK$724,000 (2007: Nil) from several companies of which a director of the Company is also a director and an ultimate minority shareholder of such companies.

The Company sold goods of HK$472,000 (2007: HK$614,000) to Prosperity Catering Management Limited of which a director of the Company is also a director and an ultimate minority shareholder of Prosperity Catering Management Limited before 30 June 2008.

The Group received rental income of HK$130,000 (2007: Nil) from several companies of which a director of the Company is also a director and an ultimate minority shareholder of such companies.

(b) The director of the Company, Mr. Chan Chak Mo ("Mr. Chan"), has made a personal guarantee of HK$6,800,000 (2007: Nil) to obtain bank guarantee to the landlord in lieu of the rental deposits for the restaurants of the Group.

(c) The bank loan with maximum facility of HK$75 million carries a covenant that the managing director, Mr. Chan, has to hold the direct interest not less than 30% equity holding of the Company.

(d) The remuneration of directors and other members of key management during the year are disclosed in notes 10 and 11 to the financial statements of the annual report 2008 amounted to HK$9,106,000 (2007: HK$4,601,000).

13. GOODWILL

	2008 HK$'000	2007 HK$'000
Group		
Cost		
At 1 January (note 19(b))	**61,781**	–
Acquisition of subsidiary (note 19(a))	**149**	61,781
Less: impairment (note 8)	**(149)**	–
At 31 December	**61,781**	61,781

Goodwill acquired in business combinations was allocated, at acquisition, to the cash-generating units that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to the following cash-generating units for the purposes of impairment testing:

	2008 HK$'000	2007 HK$'000
Kanysia Investments Limited ("Kanysia Group")	**61,775**	61,775
Era Catering Management Company Limited ("Era Catering")	**6**	6
	61,781	61,781

13. GOODWILL – *continued*

Goodwill arising on acquisition of Kanysia Group and Era Catering has been allocated to the food and beverage division, one of the business segments of the Group, for impairment testing. The recoverable amounts of the goodwill related to Kanysia Group and Era Catering have been determined based on its value in use, calculated by using cash flow projections from formally approved budgets covering a five year period to 31 December 2013. Key assumptions are as follows:

	2008	2007
	%	%
Discount rate	**7**	7
Operating margin	**44.6**	44.6
Growth rate	**6**	6

Operating margins have been based on past experience. Discount rates are based on the Group's beta adjusted to reflect management's assessment of specific risks related to the cash-generating unit. Growth rates beyond the first five years are based on economic data pertaining to the region concerned. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate recoverable amounts to be lower than the aggregate carrying amounts of Kanysia Group and Era Catering.

14. INTANGIBLE ASSET

	Franchise
	HK$'000
Group	
2008	
Cost	
Additions for the year	10,000
At 31 December 2008	10,000
Amortisation and impairment	
Amortisation for the year	–
At 31 December 2008	–
Net book value	
At 31 December 2008	10,000

The franchise relates to the exclusive right to set up and operate coffee stores, kiosks and vending machines under the name of "Pacific Coffee" with franchisor's consultancy services for operating the franchise business for a period of 10 years and 6 months commencing from 17 October 2008. The consideration of the franchise right shall be settled by 5 equal annual instalments of HK$2 million each. No amortisation has been recognised for the current period as the amount being insignificant.

15. TRADE AND OTHER RECEIVABLES

The Group's sales to customers are mainly on cash basis. Trade and other receivables mainly represent the sales revenue collected by the operators on the Group's behalf where the restaurants of the Group are located. The credit terms granted to these operators are 30 days from the sales made.

The ageing analysis of the trade and other receivables (net of provision for impairment loss) is as follows:

	Group		**Company**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
Neither past due nor impaired (Note a)	**7,128**	1,753	**227**	222
Less than 90 days past due	**5,691**	9,390	**–**	–
90 to 365 days past due	**202**	8,404	**–**	–
Amount past due at balance sheet date but not impaired	**5,893**	17,794	**–**	–
Total	**13,021**	19,547	**227**	222

Note a: The balances that were neither past due nor impaired related to a number of debtors that have good track records of payment with the Group. Based on the past experience, the management has estimated that the carrying amounts could be fully recovered.

The table below reconciled the provision for impairment loss of trade and other receivables for the year:

	Group		**Company**	
	2008	2007	**2008**	2007
	HK$'000	HK$'000	**HK$'000**	HK$'000
At 1 January	**30,642**	1,319	**–**	–
Acquired through acquisition of subsidiaries	**–**	463	**–**	–
Impairment loss recognised (Note c)	**225**	29,323	**–**	–
Reversal of impairment loss previously recognised	**–**	(463)	**–**	–
At 31 December (Note b)	**30,867**	30,642	**–**	–

Note b: The Group and the Company recognised impairment losses on individual assessment based on the accounting policy stated in Note 4(i)(ii) to the financial statements of the annual report 2008.

Note c: The Group has filed a claim to Hong Kong High Court against a trade debtor for the sale of theme park tickets of HK$29,323,000. The claim is still pending for court hearing. After further review, the directors are of opinion that the Group is unlikely to recover the amount and a full provision for impairment loss has been recognised in 2007.

16. TRADE AND OTHER PAYABLES

	Group 2008 HK$'000	2007 HK$'000
Trade payables	**12,578**	10,965
Accruals	**16,908**	10,335
Construction and other payables	**6,239**	6,279
Deferred rental benefit	**3,671**	2,397
	39,396	29,976

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	Group 2008 HK$'000	2007 HK$'000
Within 90 days	**12,354**	10,965
91 to 180 days	**202**	–
181 to 365 days	**17**	–
More than 365 days	**5**	–
	12,578	10,965

17. BANK LOAN

	Group and Company 2008 HK$'000	2007 HK$'000
Unsecured bank loan	**16,151**	–
Carrying amount repayable:		
On demand or within one year	**3,739**	–
Between one to two years	**12,412**	–
	16,151	–
Amount due within one year included in current liabilities	**(3,739)**	–
	12,412	–

The bank loan with maximum facility of HK$75 million carries a covenant that the managing director, Mr. Chan Chak Mo, must hold direct interest of not less than 30% on the Company. The bank loan bears interest at the prime rate in Macau less 1.25% per annum.

18. CONVERTIBLE NOTE

On 26 June 2007, the Company issued a Hong Kong dollar denominated convertible note with a principal amount of HK$51,308,000 (the "Convertible Note"). The holder of the Convertible Note was entitled to convert the principal amount into ordinary shares of the Company at an initial conversion price of HK$0.5 per share, during the period from 26 June 2007 to 25 December 2009. Unless previously converted, the Company would repay the Convertible Note on 25 December 2009. Interest of 3% per annum was paid every 6 months from the date of issue.

The fair value of the liability component and the equity conversion component were determined at the issuance of the Convertible Note. The fair value of the liability component, included in non-current financial liabilities, was calculated using a market interest rate for an equivalent non-convertible bonds. The residual amount, representing the value of the equity conversion component, was included in shareholders' equity heading "Convertible Note equity reserve".

On 25 March 2008 and 8 October 2008, the Group paid HK$26,308,000 and HK$25,000,000 respectively to redeem the Convertible Note in full.

The Convertible Note recognised in the balance sheet is calculated as follows:

	Group and Company HK$'000
Principal amount (note 19(b))	51,308
Equity component	(4,576)
Liability component at date of issue (26 June 2007)	46,732

	Group and Company	
	2008 **HK$'000**	2007 HK$'000
Liability component at 1 January	**47,618**	–
Issuance of Convertible Note	**–**	46,732
Interest expense (note 7)	**1,635**	1,683
Interest paid	**(762)**	(797)
Redemption of Convertible Note (Liability component)	**(50,539)**	–
Loss on redemption of Convertible Note (note 8)	**2,048**	–
Liability component at 31 December	**–**	47,618

19. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR

(a) For the year ended 31 December 2008

On 18 September 2008, the Group acquired 51% of the issued share capital of Bright Prosper (a 49% associated company of the Group) from Mr. Cheng Lok Kuan, who was a senior management of the Group, for the total consideration of MOP15,300 which was settled by cash.

On 20 December 2008, the Group purchased certain assets of an Italian restaurant in Macau from Dining Concepts Limited, an independent third party, for the total consideration of HK$2 million which was settled by cash. These assets have been subsequently used to set up the Group's Italian restaurant – Vergnano.

19. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR – *continued*

(a) For the year ended 31 December 2008 – *continued*

Details of the fair value, which was equivalent to the carrying amount of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Bright Prosper HK$'000	Vergnano HK$'000	Total HK$'000
Consideration paid			
Cash	**15**	**2,000**	**2,015**
Interest in associate	**(129)**	**–**	**(129)**
	(114)	**2,000**	**1,886**
Fair value of assets and liabilities acquired			
Property, plant and equipment	**–**	**3,458**	**3,458**
Trade and other receivables	**18**	**–**	**18**
Amount due from a shareholder	**29**	**–**	**29**
Cash and cash equivalents	**344**	**–**	**344**
Trade and other payables	**(654)**	**–**	**(654)**
Net (liabilities)/assets acquired	**(263)**	**3,458**	**3,195**
Excess of the Group's interest in the net fair value of acquiree's identifiable assets over cost (note 6)	**–**	**(1,458)**	**(1,458)**
Goodwill (note 13)	**149**	**–**	**149**
Net cash inflow/(outflow) arising on acquisition:			
Cash consideration	**(15)**	**(2,000)**	**(2,015)**
Cash and cash equivalents acquired	**344**	**–**	**344**
	329	**(2,000)**	**(1,671)**

The goodwill arising from the acquisition of Bright Prosper represented payment to the compensate ex-shareholder's losses and therefore has been written off immediately after the acquisition.

The excess over the cost of acquisition of Vergnano's assets was primarily due to discount offered by the vendor.

Since acquisition, Bright Prosper was inactive and Vergnano contributed profit of HK$1,383,000 to the Group. Had the acquisition of Bright Prosper taken place at the beginning of the year, the Group's turnover would have been increased by HK$4,700,000 but with no material effects on the loss for the year. As no financial information has been provided by the vendor of Vergnano's assets, it is impracticable to disclose the financial impact on acquisition of Vergnano's assets had they been acquired at the beginning of the year.

(b) For the year ended 31 December 2007

On 25 June 2007, as a part of the Company's resumption proposal, the Group acquired 100% of the issued share capital of the Kanysia Group for the consideration of HK$62,109,000, of which HK$10,801,000 was settled by issue of 21,602,422 new shares of the Company at a price of HK$0.5 per share and the balance of HK$51,308,000 was settled by issue of the Convertible Note referred to in note 18.

At the date of acquisition, the trading of the Company's shares remained suspended and no published price was available. The directors estimated the fair value of shares issued for the acquisition was HK$0.50, by reference to the issue price for new shares under the placing arrangement as part of the Company's resumption proposal. Details of analysis of the fairness of the issue price per share can be found in the Company's circular dated 31 May 2007.

19. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR – *continued*

(b) For the year ended 31 December 2007 – *continued*

On 16 August 2007, the Group acquired 100% of the issued share capital of Chun Ieng and the sale loan of MOP 6,881,000 for the consideration of HK$6,836,000 which was settled by cash.

On 30 November 2007, the Group acquired 50.8% of the issued share capital of Era Catering as to 40.8% equity from Mr. Chan Chak Mo and 10% equity from Ms. Leong In Ian, both being directors of the Company, for the total consideration of HK$13,000 in proportion to their sale shares which was settled by cash.

Details of the fair value, which was equivalent to the carrying amount of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Kanysia Group HK$'000	Era Catering and Chun Ieng HK$'000	Total HK$'000
Consideration paid			
Allotment and issue of ordinary shares	10,801	–	10,801
Issue of Convertible Note (note 18)	51,308	–	51,308
Cash	–	35	35
	62,109	35	62,144
Fair value of assets and liabilities acquired			
Property, plant and equipment	439	–	439
Trade and other receivables	3,995	11,257	15,252
Cash and cash equivalents	21,328	958	22,286
Trade and other payables	(7,633)	(5,500)	(13,133)
Amount due to a director	(277)	–	(277)
Amount due to a shareholder	–	(6,680)	(6,680)
Taxation	(17,448)	–	(17,448)
Net assets acquired	404	35	439
Minority interests	(70)	(6)	(76)
	334	29	363
Goodwill (note 13)	61,775	6	61,781

Goodwill is attributable to the expected revenue growth and future market development of the Kanysia Group, Era Catering and Chun Ieng and the opportunity to improve the Group's earning base.

20. OPERATING LEASE COMMITMENTS

Operating leases – lessor

The minimum rent receivables under non-cancellable operating leases are as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Not later than one year	**302**	–
Later than one year and not later than five years	**578**	–
	880	–

Operating leases – lessee

The Group has entered into commercial leases on certain land and buildings. These leases have an average life of one to twenty years with renewal options included in the contracts. Future minimum lease payments under non-cancellable operating leases as at 31 December are as follows:

	Group	
	2008	2007
	HK$'000	HK$'000
Not later than one year	**12,817**	7,007
Within two to five years	**44,026**	26,951
Over five years	**13,121**	17,801
	69,964	51,759

21. CAPITAL COMMITMENTS

	Group	
	2008	2007
	HK$'000	HK$'000
Contracted but not provided for the acquisition of property, plant and equipment	**3,715**	5,407

The Company had no outstanding capital commitments as at 31 December 2008 and 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the year ended 31 December 2008, the turnover of the Group was approximately HK$164.4 million, representing an increase of approximately 72.5% as compared to those of last year (2007: HK$95.3 million). Turnover of the Group was mostly derived from its food and beverage business in Macau with little contribution from its carnival amusement park business. The gross profit of the Group for the year ended 31 December 2008 was HK$45.8 million, representing a slight decrease of approximately 2.85% as compared to those of last year (2007: HK$47.2 million). The loss attributable to shareholders of the Company for the year ended 31 December 2008 was HK$13.2 million, representing a decrease of approximately 68.2% as compared to those of last year (2007: HK$41.5 million). The decrease in loss was mainly attributable to the lower level of various impairments in 2008. Although the Group made an overall loss of HK$13.2 million in 2008 mainly due to various impairments made to its carnival amusement park business and expenses for the employment share options granted, the Group's food and beverage business achieved a fair good profit in that year.

OPERATION REVIEW

The Group's principal activities are engaged in the sales of food and beverage and the operation of carnival amusement park.

The Group's food and beverages sales generated HK$161.8 million during the year, an increase of 1.3 times as compared to the same period of last year of HK$70.2 million mainly due to the increase in the numbers of restaurants and days of operation. With more restaurants opened and to be opened soon, the Group has incurred considerable expenses to recruit and build up its food and beverage management team in 2008, while its depreciation and amortisation have also increased considerably. The staff costs for 2008 was 1.9 times more than the total staff costs for 2007. The Group now has an experienced management team and staff of 273 people working in its food and beverage business in Macau.

During 2008, the total income from carnival amusement park business including admission fee, rides and games stalls was HK$2.6 million, representing a decrease of 89.6% as compared to those of last year of HK$25.1 million due to keen competition, inclement weather, the closure of Shaoguan's carnival and later on the adverse impact of the global financial crises.

MATERIAL LITIGATION

As at 31 December 2008, the Group had not been involved in any material litigation or arbitration (2007: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers.

As at 31 December 2008, the Group had net current assets of HK$23.5 million (2007: HK$66.0 million), while the Group's cash and bank balances amounted to HK$69.3 million (2007: HK$84.9 million) in which HK$5.9 million (2007: HK$3.2 million) is pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2008, the Group had an interest-bearing loan of HK$16.2 million (2007: HK$47.6 million), which was a bank loan, unsecured and interest bearing at 3.75% per annum and repayable by 60 equal instalments from May 2008. The interest-bearing loan in the year of 2007 was a convertible note which was unsecured, interest bearing at 3% per annum and repayable on 25 December 2009. Such convertible note was fully redeemed in late 2008. The Group's borrowings are made in Hong Kong dollars.

As at 31 December 2008, the Group's gearing ratio represented by the Group's net debt to the Group's total equity was 20% (2007: 10%).

CAPITAL EXPENDITURES

For the year ended 31 December 2008, the Group's capital expenditures were approximately HK$23.7 million (2007: HK$31.9 million).

CHARGES ON GROUP ASSETS

As at 31 December 2008, the Group, save as disclosed in the section of "Liquidity and Financial Resources", did not have any charges on assets (2007: Nil).

CONTINGENT LIABILITIES

As at 31 December 2008, the Group did not have any contingent liabilities (2007: Nil).

CURRENCY EXPOSURE

As at 31 December 2008, the Group did not have any outstanding hedging instrument. The Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

CHANGES IN THE GROUP'S COMPOSITION

During 2008, the Company set up a wholly subsidiary company, Pam Field Limited, for the purpose of carrying on its franchised coffee shops business in Macau and Mainland China.

EMPLOYEES

As at 31 December 2008, the Group employed a total of 7 full-time staff in Hong Kong (2007: 9), 27 full-time staff in PRC (2007: 53) and 273 full-time staff in Macau (2007: 171). The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detail remuneration packages for the employees are determined by the management based on their performance.

The employee share option scheme of the Company approved by its shareholders and adopted on 13 June 2002 is valid and effective for a period of 10 years since the date of adoption. 46,160,240 share options were granted to the directors and employees 2007.

OUTLOOK

The Directors are confident of the economic prospects of Macau and Mainland China, despite of the current global financial crises which may last for the next few years. Macau still possesses strong attributes, resilience and great potentials since it is still one of the few most dynamic gaming and tourism markets in the world. A scheme has recently been made amongst Hong Kong, Macau and Guangdong province allowing residents in Shenzhen to make multiple visits to Hong Kong from April 2009. And a similar scheme would likely be eventually extended to Macau to increase visitor flow to Macau, benefiting the tourism and food and beverage business in Macau.

The Group has since the end of 2008 expanded to set up a Japanese restaurant at Avenue Horta e Costa (Macau), and plans to set up in Macau several more restaurants including three Japanese food restaurants, three Chinese food restaurants, two Western food restaurants and one Indian food restaurant during the rest of 2009. The Group's first Pacific Coffee shop in Macau is expected to be opened in June 2009. The management expects that the Group's food and beverage business would continue to be the main contributor of the Group's total turnover, while the Group's carnival amusement park business would remain an insignificant contributor. To enjoy higher economy of scale, the management will continue to be very cautious in setting new restaurants and coffee shops, bearing in mind of the current global economic downturn. The management would also continue its strategy to rent out the Group's amusement rides to generate additional income.

The Directors and management are aware of the challenges ahead including relatively high global food and energy prices, keen competition and the depressive market sentiments under the global financial crises. While the management is attending to the challenges ahead, they would look for ways to turn the current crises into opportunities to benefit the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive directors, Mr. Cheong Hon Kit, Mr. Chan Shek Wah and Mr. Chan Pak Cheong Afonso. The audit committee has reviewed with management the accounting policies as well as critical accounting estimates and assumptions with management. The audit committee also discussed with the external auditors on their audit plan and key audit areas. The audited consolidated financial statements and the annual results announcement of the Group for the year ended 31 December 2008 had been reviewed by the audit committee before submission to the Board for adoption.

CORPORATE GOVERNANCE

The Company has complied throughout the year with the Code on Corporate Governance Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 to the Rules Governing the Listing of Securities of the Stock Exchange (the "Model Code"). Having made specific enquiry with them, all directors confirmed that they have complied with the standard set out in Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independent pursuant to Rules 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange. The Company considered all of the independent non-executive directors are independent.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.fb.com.hk. The 2008 annual report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Chan Chak Mo
Managing Director

Hong Kong, 20 April 2009

As at the date hereof, the members of the board of directors of the Company comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman and executive Director, (iii) Mr. Lai King Hung, the deputy chairman and executive Director, (iv) Ms. Leong In Ian, the executive Director and (v) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln, Mr. Chan Shek Wah and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.