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 2009

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 2009 as follows:

* *for identification purpose only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Turnover	4	**235,222**	164,379
Cost of goods sold		**(74,146)**	(62,888)
Direct operating expenses		**(86,612)**	(55,668)
Gross profit		**74,464**	45,823
Other income and gains	6	**19,166**	13,199
Administrative expenses		**(58,319)**	(63,610)
Share of loss of an associate		**–**	(121)
Share of loss of a jointly controlled entity		**(2,867)**	–
Finance costs	7	**(692)**	(2,088)
Profit/(loss) before income tax expense	8	**31,752**	(6,797)
Income tax expense	9	**(3,430)**	(2,010)
Profit/(loss) for the year		**28,322**	(8,807)
Other comprehensive income			
Translation differences on overseas operations		**–**	125
Total comprehensive income/(loss) for the year		**28,322**	(8,682)
Profit/(loss) attributable to:			
Owners of the Company		**17,869**	(13,200)
Minority interests		**10,453**	4,393
		28,322	(8,807)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**17,869**	(13,075)
Minority interests		**10,453**	4,393
		28,322	(8,682)
Earnings/(loss) per share			
– Basic (HK cents per share)	11	**3.87**	(2.86)
– Diluted (HK cents per share)	11	**3.87**	(2.86)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**61,158**	36,216
Investment property		**4,030**	3,620
Goodwill	*13*	**61,781**	61,781
Intangible asset	*14*	**9,000**	10,000
Interest in a jointly controlled entity		**13,468**	–
Total non-current assets		**149,437**	111,617
Current assets			
Inventories		**5,882**	4,697
Trade and other receivables	*15*	**14,362**	13,021
Financial assets		**10,737**	5,166
Pledged bank deposits		**7,300**	5,933
Cash and cash equivalents		**57,653**	63,400
Total current assets		**95,934**	92,217
Total assets		**245,371**	203,834
Current liabilities			
Trade and other payables	*16*	**49,336**	39,396
Amounts due to minority interests of subsidiaries		**–**	7,380
Amount due to a jointly controlled entity		**5,886**	–
Current tax liabilities		**21,351**	18,184
Bank loan	*17*	**5,042**	3,739
Total current liabilities		**81,615**	68,699
Net current assets		**14,319**	23,518
Total assets less current liabilities		**163,756**	135,135
Non-current liabilities			
Long term payables		**4,000**	6,000
Bank loan	*17*	**13,684**	12,412
Amounts due to minority interests of subsidiaries		**9,118**	–
Total non-current liabilities		**26,802**	18,412
Total liabilities		**108,417**	87,111
TOTAL NET ASSETS		**136,954**	116,723
Capital and reserves attributable to owners of the Company			
Share capital		**46,160**	46,160
Reserves		**90,667**	72,798
Equity attributable to owners of the Company		**136,827**	118,958
Minority interests		**127**	(2,235)
TOTAL EQUITY		**136,954**	116,723

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. GENERAL

Future Bright Holdings Limited (the "Company") 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 HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) The Group has adopted the following new/revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are effective for the current accounting period of the Group and the Company.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Interpretation 9 and HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – Interpretation 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Interpretation 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Interpretation 18	Transfers of Assets from Customers

The adoption of the above new/revised HKFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods. However, the adoption of HKAS 1 (Revised) and HKFRS 8 has resulted in certain presentational changes in the Group's annual report. Comparative figures have been restated or included in these financial statements in order to achieve a consistent presentation. The statement of financial position, previously known as balance sheet, at the beginning of the year of 2008 have not been presented as there were no changes to the originally published statement.

(b) Potential impact arising on HKFRSs not yet effective

The Group is in the process of making an assessment of the potential impact of other new/revised HKFRSs and the Directors have so far concluded that the application of the other new/revised HKFRSs will have no material impact on the results and the financial position of the Group.

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 ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") 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 as explained in the accounting policies set out below.

(c) Functional and presentation currency

The functional currency of the Company is Macau Patacas ("MOP"). For convenience of readers of the financial statements, the presentation currency of the financial statements is HK$.

4. TURNOVER

Turnover and revenue recognised by category are as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Sales of food and beverage	**235,222**	161,827
Income from operation of carnival amusement park	**–**	2,552
	235,222	164,379

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

The Group determines its operating segments in a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following two operating divisions which are food and beverage division and carnival amusement park division. The principal activities of these two divisions are sales of food and beverage in Macau and sales of tickets and tokens in Mainland China respectively.

For the year ended 31 December 2009

	Food and beverage	**Carnival amusement park**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
Revenue			
Sales to external customers	**235,222**	**–**	**235,222**
Other income and gains	**4,800**	**4,403**	**9,203**
	240,022	**4,403**	**244,425**
Results			
Segment results	**50,501**	**(7,889)**	**42,612**

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued**

(a) **Business segments – continued**

Statement of financial position
As at 31 December 2009

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Consolidated *HK$'000*
Assets			
Interest in a jointly controlled entity	**13,468**	**–**	**13,468**
Other segment assets	**208,140**	**5,758**	**213,898**
	221,608	**5,758**	**227,366**
Liabilities			
Segment liabilities	**83,028**	**1,844**	**84,872**

Other information
For the year ended 31 December 2009

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Interest income	**–**	**–**	**450**	**450**
Capital expenditure	**37,299**	**1,160**	**1,260**	**39,719**
Depreciation of property, plant and equipment	**11,585**	**2,487**	**366**	**14,438**
Loss on disposal/write-off of property, plant and equipment	**–**	**339**	**–**	**339**
Amortisation of intangible asset	**1,000**	**–**	**–**	**1,000**
Write-down of inventories	**–**	**187**	**–**	**187**
Impairment loss on trade and other receivables	**–**	**70**	**–**	**70**
Fair value gain of an investment property	**–**	**–**	**410**	**410**
Share of loss of a jointly controlled entity	**2,867**	**–**	**–**	**2,867**
Fair value loss of financial assets at fair value through profit or loss	**–**	**–**	**917**	**917**

For the year ended 31 December 2008

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Consolidated *HK$'000*
Revenue			
Sales to external customers	161,827	2,552	164,379
Other income and gains	3,547	1,091	4,638
	165,374	3,643	169,017
Results			
Segment results	38,451	(25,989)	12,462

5. **BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued**

(a) **Business segments – continued**

Statement of financial position
As at 31 December 2008

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	174,078	9,579	183,657
Liabilities			
Segment liabilities	60,291	2,573	62,864

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*
Interest income	–	–	685	685
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 of an investment property	–	–	140	140
Share of loss of an associate	121	–	–	121

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(b) Reconciliation of reportable segment revenues, profit and loss, assets and liabilities

	2009	2008
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**235,222**	164,379
Profit/(loss) before income tax expense		
Reportable segment profit	**42,612**	12,462
Unallocated other income	**9,963**	8,561
Share of loss of an associate	**–**	(121)
Share of loss of a jointly controlled entity	**(2,867)**	–
Share based payment expenses	**–**	(6,242)
Loss on redemption of Convertible Note	**–**	(2,048)
Corporate payroll expenses	**(8,943)**	(9,625)
Unallocated expenses	**(8,321)**	(7,696)
Finance cost	**(692)**	(2,088)
Consolidated profit/(loss) before income tax expense	**31,752**	(6,797)
Assets		
Reportable segment assets	**213,898**	183,657
Interest in a jointly controlled entity	**13,468**	–
Financial assets	**10,737**	5,166
Unallocated corporate assets	**7,268**	15,011
	245,371	203,834
Liabilities		
Reportable segment liabilities	**84,872**	62,864
Bank loan	**18,726**	16,151
Unallocated corporate liabilities	**4,819**	8,096
	108,417	87,111

(c) Geographical information

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

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

	2009	2008
	HK$'000	*HK$'000*
Macau	**235,222**	161,827
Mainland China	**–**	2,552
	235,222	164,379

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(c) Geographical information – continued

The following table provides an analysis of the Group's turnover from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("Specified non-current assets").

	Turnover from external customers		Specified non-current assets	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**8,188**	8,066
Mainland China	**–**	2,552	**3,936**	6,346
Macau	**235,222**	161,827	**137,313**	97,205
	235,222	164,379	**141,249**	103,551
	235,222	164,379	**149,437**	111,617

(d) Information about major customers

There is no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2009 and 2008.

6. OTHER INCOME AND GAINS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Management fee income	**6,234**	6,756
Exchange gain, net	**3,336**	2,279
Excess of the Group's interest in the net fair value of acquiree's identifiable assets over cost *(note 18b)*	**–**	1,458
Rental income from investment property and others	**1,225**	1,437
Rental income from lease of carnival equipment	**4,359**	–
Interest income	**450**	685
Gain on disposal of financial assets at fair value through profit or loss	**2,885**	285
Fair value gain of an investment property	**410**	–
Others	**267**	299
	19,166	13,199

7. FINANCE COSTS

	Group 2009 HK$'000	2008 HK$'000
Interest on Convertible Note	**–**	1,635
Interest on bank loan	**692**	453
	692	2,088

8. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

Profit/(loss) before income tax expense is arrived at after charging:

	Group 2009 HK$'000	2008 HK$'000
Staff costs	**75,703**	65,871
Cost of inventories recognised as expenses	**73,959**	54,626
Depreciation of property, plant and equipment	**14,438**	11,628
Amortisation of intangible asset	**1,000**	–
Operating lease rentals in respect of land and buildings	**28,557**	16,513
Impairment loss on property, plant and equipment	**–**	6,315
Write-down of inventories	**187**	3,409
Loss on disposal/write-off of property, plant and equipment	**339**	2,433
Loss on redemption of Convertible Note	**–**	2,048
Auditor's remuneration	**960**	830
Impairment loss on trade and other receivables	**70**	225
Impairment loss on goodwill (note 13)	**–**	149
Fair value loss of an investment property	**–**	140
Fair value loss of financial assets at fair value through profit or loss	**917**	–

9. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

	Group 2009 HK$'000	2008 HK$'000
Current tax – Macau Complementary Income Tax		
– Current year	**6,284**	5,046
– Over-provision in respect of prior years	**(2,854)**	(3,036)
Income tax expense	**3,430**	2,010

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 2009 (2008: 12%).

PRC Enterprise Income Tax ("EIT") is calculated at rate of 25% (2008: 25%). No provision for EIT has been made as the PRC subsidiaries had no assessable profits for EIT for the years ended 31 December 2009 and 2008. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2009 and 2008.

9. INCOME TAX EXPENSE – Continued

There was no significant unprovided deferred taxation for the year or at the end of reporting period.

At the end of reporting period, the Group has unused tax losses of HK$11,346,000 (2008: HK$14,666,000) available for offset against future profits and will be expired in five years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profits streams.

The income tax expense for the year can be reconciled to the profit/(loss) per the consolidated statement of comprehensive income as follows:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) before income tax expense	**31,752**	(6,797)
Tax calculated at the applicable tax rates of 12%	**3,810**	(816)
Tax effect of share of loss of a jointly controlled entity	**344**	–
Tax effect of share of loss of an associate	**–**	15
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(274)**	(1,558)
Tax effect of expenses not deductible for tax purposes	**1,645**	5,158
Tax effect of revenue not taxable for tax purposes	**(97)**	(486)
Tax effect of tax losses not recognised	**1,139**	2,733
Utilisation of tax losses previously not recognised	**(283)**	–
Over-provision in respect of prior years	**(2,854)**	(3,036)
Income tax expense	**3,430**	2,010

10. DIVIDENDS

No dividend was proposed or paid during the years ended 31 December 2009 and 2008.

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Profit/(loss) for the year attributable to the owners of the Company	**17,869**	(13,200)
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	**461,602,422**	461,602,422
Basic earnings/(loss) per share (HK cents)	**3.87**	(2.86)

* *Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share for the year ended 31 December 2009 and 2008 as the conversion of the stock options was anti-dilutive.*

12. RELATED PARTY TRANSACTIONS

(a) During the year, the Group paid laundry expenses of HK$1,647,000 (2008: HK$1,223,000) to Future Bright Laundry Company Limited of which a director of the Company is also an ultimate minority shareholder of such company.

(b) During the year, the Group received management fee income of HK$4,683,000 (2008: HK$5,670,000) from several companies of which a director of the Company is also a director and an ultimate minority shareholder of such companies.

(c) The director of the Company, Mr. Chan Chak Mo ("Mr. Chan"), has made a personal guarantee of HK$6,800,000 (2008: HK$6,800,000) to obtain bank guarantee to the landlord in lieu of the rental deposits for the restaurants of the Group.

(d) 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.

13. GOODWILL

	2009 ***HK$'000***	2008 *HK$'000*
Group		
Cost		
At 1 January	**61,781**	61,781
Acquisition of subsidiary *(note 18b)*	**–**	149
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 has been allocated to the following cash-generating units for the purposes of impairment testing:

	2009 ***HK$'000***	2008 *HK$'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 value in use basis, calculated by using cash flow projections from formally approved budgets covering a five year period to 31 December 2014. Key assumptions are as follows:

	2009	2008
	%	%
Discount rate	**7**	7
Operating margin	**44.6**	44.6
Growth rate	**6**	6

Operating margins have been determined based on past experience. Discount rates are calculated 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 determined 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 the Kanysia Group and Era Catering.

14. INTANGIBLE ASSET

	Franchise	
	2009	2008
	HK$'000	*HK$'000*
Group		
Cost		
At 1 January	**10,000**	–
Additions for the year	**–**	10,000
At 31 December	**10,000**	10,000
Amortisation and impairment		
At 1 January	**–**	–
Amortisation for the year	**1,000**	–
At 31 December	**1,000**	–
Net book value		
At 31 December	**9,000**	10,000

The franchise relates to the exclusive right to set up and operate coffee shops, 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 had been recognised in 2008 as the amount was 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	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Neither past due nor impaired *(Note a)*	**12,411**	7,128	**82**	227
Less than 90 days past due	**1,941**	5,691	**–**	–
90 to 365 days past due	**10**	202	**–**	–
Amount past due as of the end of reporting period but not impaired	**1,951**	5,893	**–**	–
Total	**14,362**	13,021	**82**	227

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 estimates that the carrying amounts could be fully recovered.

The ageing analysis of the trade and other receivables based on invoice date before impairment loss is as follows:

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
0 to 90 days	**14,296**	12,819	**82**	227
91 days to 1 year	**66**	202	**–**	–
Over 1 year	**1,614**	30,867	**–**	–
Total	**15,976**	43,888	**82**	227

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

	Group		Company	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At 1 January	**30,867**	30,642	**–**	–
Impairment loss recognised	**70**	225	**–**	–
Bad debts written off *(Note b)*	**(29,323)**	–	**–**	–
At 31 December *(Note c)*	**1,614**	30,867	**–**	–

Note b: The bad debts written off was an impaired trade debtor balance of HK$29,323,000 (2008: Nil) in relation to sale of theme park tickets in 2004. The theme park was operated by the previous management team and was closed in 2005. The Group had filed a claim to Hong Kong high Court against the trade debtor. The claim is still pending for court hearing despite a full provision had been made in 2007. After further review, the Directors are of opinion that the Group is unlikely to recover the amount and decided to write off the balance in the year.

Note c: The Group and the Company recognised impairment losses on individual assessment based on the accounting policy stated in Note 4J(i)(ii) to the financial statements of annual report 2009.

16. TRADE AND OTHER PAYABLES

	Group	
	2009	2008
	HK$'000	*HK$'000*
Trade payables	**14,661**	12,578
Accruals	**15,991**	16,908
Construction and other payables	**12,306**	6,239
Deferred rental benefit	**6,378**	3,671
	49,336	39,396

Included in trade and other payables are trade creditors with the following ageing analysis as of the end of reporting period:

	Group	
	2009	2008
	HK$'000	*HK$'000*
Within 90 days	**14,318**	12,354
91 to 180 days	**269**	202
181 to 365 days	**54**	17
More than 365 days	**20**	5
	14,661	12,578

17. BANK LOAN

	Group and Company	
	2009	2008
	HK$'000	*HK$'000*
Unsecured bank loan	**18,726**	16,151
Carrying amount repayable:		
On demand or within one year	**5,042**	3,739
More than one year, but not exceeding two years	**5,042**	3,739
More than two years, but not exceeding five years	**8,642**	8,673
	18,726	16,151
Amount due within one year included in current liabilities	**(5,042)**	(3,739)
	13,684	12,412

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% on the Company. The bank loan bears interest at the prime rate in Macau less 1.25% per annum for the years ended 31 December 2009 and 2008.

18. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR

(a) For the year ended 31 December 2009

For the year ended 31 December 2009, the Group indirectly acquired 100% interest in 深圳中領盈科技有限公司 ("深圳中領"), an entity established in Mainland China, by acquiring its controlling company's 100% equity interest, Global Profit International Enterprise Limited ("Global Profit") an investment holding company incorporated in Hong Kong, for a total consideration of approximately HK$441,000. Both companies remained dormant during the year and the principal asset of 深圳中領, is the motor vehicle registration license in Mainland China. The acquisitions have been accounted for as acquisition of assets and the net assets acquired are as follows:

	HK$'000
Property, plant and equipment	453
Cash and cash equivalents	12
Other payables	(24)
	441
Satisfied by:	
Consideration paid in cash	441
Net cash outflow arising on acquisition:	
Cash consideration	(441)
Cash and cash equivalents acquired	12
	(429)

Since the acquisition date, 深圳中領 was inactive and Global Profit has contributed a loss of HK$104,221 to Group's profit. If the acquisition had occurred on 1 January 2009, Group's turnover would have been HK$235 million and Group's profit for the period would have been HK$28 million.

(b) For the year ended 31 December 2008

On 18 September 2008, the Group acquired 51% of the issued share capital of a 49% owned associate of the Group, Bright Prosper Catering Management Company Limited ("Bright Prosper") 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.

18. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR – Continued

(b) 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 to 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 effect 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.

19. OPERATING LEASE COMMITMENTS

Operating leases – lessor

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

	Group	
	2009	2008
	HK$'000	*HK$'000*
Not later than one year	**343**	302
Later than one year and not later than five years	**235**	578
	578	880

Operating leases – lessee

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

	Group	
	2009	2008
	HK$'000	*HK$'000*
Not later than one year	**28,849**	12,817
Within two to five years	**98,246**	44,026
Over five years	**35,134**	13,121
	162,229	69,964

20. CAPITAL COMMITMENTS

	Group	
	2009	2008
	HK$'000	*HK$'000*
Contracted but not provided for the acquisition of property, plant and equipment	**21,660**	3,715

The Company had no outstanding capital commitments as at 31 December 2009 and 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2009 (2008: Nil).

FINANCIAL REVIEW

The year of 2009 was the remarkable new chapter of the Group attaining a satisfactory audited net profit since 2003, despite of high rental and other operational expenses during that year. In 2009, the global economy was quite volatile, and the economy of Macau, being the principal place of the Group's operations, started to recover well with increases in tourist visitors and spending. And the strategy of the Group to cautiously expanding its food and beverage operations mainly in Macau since mid 2008 has proved to be fruitful. For the year ended 31 December 2009, the turnover of the Group was approximately HK$235.2 million, representing an increase of approximately 43.1% as compared to those of last year (2008: HK$164.4 million). Turnover of the Group was derived from its food and beverage business in Macau. The gross profit of the Group for the year ended 31 December 2009 was HK$74.5 million, representing an increase of approximately 62.7% as compared to those of last year (2008: HK$45.8 million). The profit before interests, tax expenses, depreciation and amortisation for the year ended 31 December 2009 was HK$47.9 million representing an increase of approximately 5.9 times as compared to those of last year (2008: HK$6.9 million). The profit attributable to shareholders of the Company for the year ended 31 December 2009 was HK$17.9 million (2008: loss of HK$13.2 million). The improvement of the Group's results was mainly attributable to (i) increases in turnover and operating profits with the Group's expanded food and beverage business in Macau, and (ii) a decline in substantial impairment losses in its carnival amusement park business, all during the financial year of 2009.

OPERATION REVIEW

The Group's principal activities are in the sales of food and beverage.

The Group has for long been operating under escalating rentals and raw materials cost, and high labor cost. Despite of the global financial crises in late 2008, our management has always remained confident of the prospects of the Macau economy. And our management has pursued the strategy to cautiously expand its restaurant chain in Macau since mid 2008 and throughout 2009. Such strategy has now proved to be successful. The overall performance of all these restaurants has been encouraging and profitable, largely due to our strong management team, flexible pricing strategy, good services and successful selection of food varieties. Our food and beverage business has since 2008 become the principal business of the Group, and contributed some 98.4% and 100% of the Group's total turnovers in 2008 and 2009 respectively. Our food and beverage business also attained a good strong positive net cash flow to our Group during 2009. Today, our Group has 16 restaurants with total 54,733 sq. ft. at good locations in Macau: 7 Japanese restaurants, 3 cafe/lounge stores, 4 Chinese food restaurants, 1 Italian restaurant and 1 Portuguese restaurant. In early 2010, our management has started to expand our franchised coffee shops and Japanese restaurant business in Macau and Guangzhou where good shop locations have been identified. Our management expects that 3 restaurants/coffee shops will be opened in Macau and Guangzhou before July 2010 and another 3 restaurants/coffee shops will be opened in Macau and Guangzhou before the end of 2010.

The Group's food and beverages division generated a total sales of some HK$235.2 million during in 2009, an increase of 45.4% as compared to those of last year of HK$161.8 million, mainly due to the increase in the numbers of restaurants and days of operations. With more investments in opening new restaurants, the Group has incurred considerable expenses to strengthen its food and beverage management team in 2009, while its depreciation and amortisation have also increased considerably. The staff costs for 2009 was 14.9% more than the total staff costs for 2008. The Group now has an experienced management team and staff of over 400 people working in its food and beverage business.

The operating environment of our carnival amusement park business has not changed much, continuing to be subject to keen competition and high labor costs. During 2009, the carnival amusement park business has become insignificant with its total revenue amounting to some HK$4.4 million, representing an increase of 69.2% as compared to those of last year of HK$2.6 million mainly due to the successful renting out of some amusement rides to independent parties. Our management has started since 2008 to streamline our carnival amusement park business to reduce losses; and since mid 2009 to generate steady cash flow by renting out some of the amusement rides to independent parties. These measures have led to a substantial reduction in losses to the Group in 2009 compared to those of the financial year of 2008. Our management shall continue to further streamline the operations of our carnival amusement park to reduce losses to the Group while looking for alternative or wider usage of our carnival amusement park.

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 2009, the Group had net current assets of HK$14.3 million (2008: HK$23.5 million), while the Group's cash and bank balances amounted to HK$65.0 million (2008: HK$69.3 million) in which HK$7.3 million (2008: HK$5.9 million) is pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2009, the Group had an interest-bearing loan of HK$18.7 million (2008: HK$16.2 million), which was a bank loan, unsecured and interest bearing at the prime rate in Macau less 1.25% per annum and repayable by 60 equal instalments from May 2008. The Group's borrowings are made in Hong Kong dollars.

As at 31 December 2009, the Group's gearing ratio represented by the Group's net debt to the Group's total equity was 37% (2008: 20%).

MATERIAL LITIGATION

As at 31 December 2009, the Group had not been involved in any material litigation or arbitration (2008: Nil).

CAPITAL EXPENDITURES

For the year ended 31 December 2009, the Group's capital expenditures were approximately HK$39.7 million (2008: HK$23.7 million).

CHARGES ON GROUP ASSETS

As at 31 December 2009, the Group did not have any charges on assets (2008: Nil).

CONTINGENT LIABILITIES

As at 31 December 2009, the Group did not have any contingent liabilities (2008: Nil).

CURRENCY EXPOSURE

As at 31 December 2009, 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 2009, the Company set up a wholly-owned subsidiary company, Guangzhou Future Bright Limited, for the purpose of carrying on its food and beverage business in Mainland China.

EMPLOYEES

As at 31 December 2009, the Group employed a total of 7 full-time staff in Hong Kong (2008: 7), 20 full-time staff in Mainland China (2008: 27) and 564 full-time staff in Macau (2008: 273). 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 in 2007 and 4,616,024 share options were lapsed during the year.

OUTLOOK

The adverse impact of the global financial crisis has been halted although the overall global economy remains quite volatile with uncertainty. With continuous fund inflows into the markets of China, the economies of Mainland China, Hong Kong and Macau are positive with steady GDP growth. Our management is confident on the economic prospects of its places of operations: Macau and Mainland China, in 2010 especially of Macau which possesses strong attributes, resilience and great potentials with its dynamic gaming and tourism markets.

In early 2010, our management has started to expand its franchised coffee business both in Macau and Guangzhou as well as the Group's Japanese food restaurant in Guangzhou. All these new restaurants and coffee shops are expected to open within 2010 generating steady cashflow to the Group. Our management will continue to expand the Group's food and beverage business in terms of food range and number of restaurants, in Macau and Guangzhou in 2010 to enjoy a higher level of economies of scale and efficiency with a good steady cash flow to the Group.

The Directors and management are fully aware of the challenges in 2010 including relatively high operating costs, keen competition and the volatile economical conditions. Our management is, while attending to the challenges ahead, would look to capture opportunities when they arise, to benefit our Group and to diversify its income base, both in Mainland China and elsewhere.

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.

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 independence 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.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive directors, Mr. Cheung 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 auditor 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 2009 had been reviewed by the audit committee before submission to the Board for adoption.

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 2009 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, 29 March 2010

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.