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Future Bright Holdings Limited

佳景集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2010	2009	
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	%
Turnover	159,497	96,010	66.1
Profit before interests, tax expenses, depreciation and amortisation	34,999	13,887	152.0
Profit attributable to owners of the Company	13,142	2,572	411.0
Basic earnings per share	2.85 HK cents	0.56 HK cents	408.9
	30 June	31 December	
	2010	2009	
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	
Total assets	294,823	245,371	20.2
Net assets	150,424	136,954	9.8
Net assets per share	32.59 HK cents	29.67 HK cents	9.8
Gearing ratio	59.2%	37.1%	59.6

* For identification purposes only

INTERIM RESULTS

The board of directors (the “Directors”) of Future Bright Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2010 (the “Period”) as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010

		Six months ended 30 June	
		2010	2009
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Turnover	3	159,497	96,010
Cost of goods sold		(49,495)	(31,267)
Direct operating expenses		(55,515)	(39,898)
Gross profit		54,487	24,845
Other income and gains		6,359	5,927
Administrative expenses		(32,663)	(23,193)
Share of loss of a jointly controlled entity		(3,268)	–
Finance costs		(444)	(338)
Profit before income tax expense		24,471	7,241
Income tax expense	6	(3,001)	(995)
Profit and total comprehensive income for the period		21,470	6,246
Profit and total comprehensive income attributable to:			
Owners of the Company		13,142	2,572
Non-controlling interests		8,328	3,674
		21,470	6,246
Earnings per share			
– Basic (HK cents per share)	8	2.85	0.56
– Diluted (HK cents per share)	8	2.85	0.56

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2010

		30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
	Notes		
Non-current assets			
Property, plant and equipment	9	84,765	61,158
Investment property		–	4,030
Goodwill	16	81,781	61,781
Intangible asset		8,500	9,000
Interest in a jointly controlled entity		10,200	13,468
Total non-current assets		185,246	149,437
Current assets			
Inventories		10,830	5,882
Trade and other receivables	10	21,484	14,362
Financial assets		13,409	10,737
Pledged bank deposits		8,547	7,300
Cash and cash equivalents		55,307	57,653
Total current assets		109,577	95,934
Total assets		294,823	245,371
Current liabilities			
Trade and other payables	11	68,544	49,336
Amount due to a jointly controlled entity		5,249	5,886
Current tax liabilities		24,626	21,351
Bank loan	12	9,202	5,042
Total current liabilities		107,621	81,615
Net current assets		1,956	14,319
Total assets less current liabilities		187,202	163,756

		30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
	Notes		
Non-current liabilities			
Long term payables		4,000	4,000
Bank loan	12	26,858	13,684
Amounts due to non-controlling interests of subsidiaries		5,920	9,118
Total non-current liabilities		36,778	26,802
Total liabilities		144,399	108,417
TOTAL NET ASSETS		150,424	136,954
Capital and reserves attributable to owners of the Company			
Share capital		46,160	46,160
Reserves		103,809	90,667
Equity attributable to owners of the Company		149,969	136,827
Non-controlling interests		455	127
TOTAL EQUITY		150,424	136,954

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2009 except as those explained below.

The Group has applied for the first time the following relevant revised standards, amendment and interpretations (“new/revised HKFRSs”) issued by HKICPA which are effective for the current period.

HKFRSs (Amendments)	Improvements to HKFRSs 2009
Amendments to HKFRS 2	Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Interpretation 17	Distributions of Non-cash Assets to Owners

The revised HKAS 27 requires changes in parent’s interest in subsidiaries that do not result in changes of control to be accounted for within equity, with no goodwill or gain from bargain purchase is recognised. The revised HKAS 27 renames “minority interests” as “non-controlling interests” and requires an entity to attribute the share of profit or loss to non-controlling interest even if it results in the non-controlling interests having a deficit balance.

The revised HKFRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 January 2010. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

The changes in HKFRS 3 and HKAS 27 were applied prospectively and had no material impact on earnings per share. The adoption of other new/revised HKFRSs did not have an impact on the Group’s financial position and performance.

2. PRINCIPAL ACCOUNTING POLICIES – Continued

The Group has not early applied the following revised standards, amendments and interpretations that have been issued, potentially relevant to the Group, but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
HKAS 24 (Revised)	Related Party Disclosures ²
HKFRS 9	Financial Instruments ³

¹ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 January 2013

Having assessed the impact of these revised standards, amendments and interpretations on the Group's financial statements, the Directors have so far concluded that the application of these standards, amendments or interpretations would have no material impact on the results and the financial position of the Group.

3. TURNOVER

Turnover and revenue recognised by category are as follows:

	Six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Sales of food and beverage	159,497	95,885
Income from operation of carnival amusement park	–	125
	<u>159,497</u>	<u>96,010</u>

4. SEGMENT INFORMATION

For the six months ended 30 June 2010, the Group had one reportable segment in operation of food and beverage business.

For the six months ended 30 June 2009, the Group had the following reportable segments:

Food and beverage	– sales of food and beverage.
Carnival amusement park	– sales of tickets and tokens.

4. SEGMENT INFORMATION – Continued

The segment results for the six months ended 30 June 2009 were as follows:

	Food and beverage (Unaudited) HK\$'000	Carnival amusement park (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Reportable segment revenue	<u>95,885</u>	<u>125</u>	<u>96,010</u>
Reportable segment profit			
Segment results	<u>12,637</u>	<u>(5,058)</u>	7,579
Unallocated finance costs			<u>(338)</u>
Profit before income tax expense			<u>7,241</u>
Net gain on financial assets at fair value through profit or loss	1,037	–	1,037
Interest income	184	–	184
Additions of property, plant and equipment	30,195	–	30,195
Depreciation of property, plant and equipment	<u>4,724</u>	<u>1,084</u>	<u>5,808</u>

5. DEPRECIATION

During the reporting period, depreciation charge of approximately HK\$9,584,000 (For the six months ended 30 June 2009: HK\$5,808,000) was recognised in respect of the Group's property, plant and equipment.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:		
Current tax – Macau Complementary Income Tax	<u>3,001</u>	<u>995</u>

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 current and previous periods.

6. INCOME TAX EXPENSE – Continued

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the period. The maximum tax rate was 12% for the periods ended 30 June 2010 and 2009.

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2009: 25%). No provision for EIT has been made as the Mainland China subsidiaries have had no assessable profits for EIT for the periods ended 30 June 2010 and 2009.

7. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (For the six months ended 30 June 2009: Nil).

8. EARNINGS PER SHARE

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

(a) Basic earnings per share

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit attributable to owners of the Company	13,142	2,572
	Number of	Number of
	shares	shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	461,602,422	461,602,422
Basic and diluted earnings per share (HK cents)	2.85	0.56

(b) Diluted earnings per share

The amount of diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2010 and 2009.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired items of property, plant and equipment at a total cost of HK\$28,495,000 (2009: HK\$39,266,000) and wrote off items of property, plant and equipment at a net book value of HK\$150,000 (2009: HK\$339,000).

The Group has also acquired items of property, plant and equipment through business combination at a total cost of HK\$816,000 (2009: HK\$453,000). In addition, the Group has reclassified its investment property to owner-occupied property under property, plant and equipment. The deemed cost of the property is HK\$4,030,000, which is equal to the fair value at the date of change in use.

10. TRADE AND OTHER RECEIVABLES

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Trade receivables	10,378	7,196
Other receivables and prepayments	11,106	7,166
	21,484	14,362

The Group's sales to customers are mainly on a 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 Group's other receivables and prepayments consist mainly rental deposits paid for the leased land and building.

The ageing analysis of trade receivables is as follows:

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Within 90 days	10,184	7,130
91 to 365 days	194	66
	10,378	7,196

11. TRADE AND OTHER PAYABLES

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Trade payables	17,505	14,661
Accruals	15,319	15,991
Construction and other payables	28,373	12,306
Deferred rental benefit	7,347	6,378
	<u>68,544</u>	<u>49,336</u>

The ageing analysis of trade payables is as follows:

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Within 90 days	17,353	14,318
91 to 180 days	107	269
181 to 365 days	25	54
More than 365 days	20	20
	<u>17,505</u>	<u>14,661</u>

12. BANK LOAN

At 30 June 2010, the Group has had an unsecured bank loan of approximately HK\$36,060,000 (31 December 2009: approximately HK\$18,726,000). The bank loan with a maximum facility of HK\$75 million carries a covenant that the controlling shareholder, Mr. Chan Chak Mo, has to hold 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 six months ended 30 June 2010 and for the year ended 31 December 2009.

13. OPERATING LEASE COMMITMENTS

Operating leases – lessor

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

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Not later than one year	–	343
Within two to five years	–	235
	<u>–</u>	<u>578</u>

13. OPERATING LEASE COMMITMENTS – Continued

Operating leases – lessee

The Group has entered into operating leases on certain land and buildings. These leases have an average life of one to 20 years with renewal options included in the contracts. Future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Not later than one year	32,961	28,849
Within two to five years	100,958	98,246
Over five years	39,798	35,134
	<u>173,717</u>	<u>162,229</u>

14. CAPITAL COMMITMENTS

	30 June 2010 (Unaudited) HK\$'000	31 December 2009 (Audited) HK\$'000
Contracted but not provided for the acquisition of property, plant and equipment	<u>484</u>	<u>21,660</u>

15. RELATED PARTY TRANSACTIONS

- (a) During the six months ended 30 June 2010, the Group paid laundry expenses of HK\$861,000 (For the six months ended 30 June 2009: HK\$672,000) to Future Bright Laundry Company Limited of which a director of the Company is a minority shareholder of such company.
- (b) During the six months ended 30 June 2010, the Group received management fee income of HK\$2,279,000 (For the six months ended 30 June 2009: HK\$2,176,000) on a reimbursement of sharing expense basis from several companies in which a director of the Company is also a director and a minority shareholder of such companies.
- (c) The director of the Company, Mr. Chan Chak Mo, has made a personal guarantee of HK\$6,800,000 (For the six months ended 30 June 2009: 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 director, Mr. Chan Chak Mo, has to hold the direct interest not less than 30% equity holding of the Company.

15. RELATED PARTY TRANSACTIONS – Continued

(e) Compensation of key management personnel

The remuneration of the Directors and other members of key management personnel were as follows:

	Six months ended 30 June	
	2010 (Unaudited) HK\$'000	2009 (Unaudited) HK\$'000
Basic salaries and allowance	6,210	5,154
Retirement scheme contributions	32	32
	<u>6,242</u>	<u>5,186</u>

(f) Balances with related parties as at 30 June 2010 are set out in the statement of financial position of the condensed financial statements.

16. ACQUISITION OF SUBSIDIARY

On 28 June 2010, the Group acquired 100% of the issued share capital of Nippon Gourmet Trading Company Limited (“Nippon Gourmet”) and shareholder’s loan of HK\$1,048,000 due by Nippon Gourmet to the vendor, for a total cash consideration of HK\$29,126,000. Nippon Gourmet is a company incorporated in Macau, principally engaged in the business of supply of imported Japanese seafood, meats, vegetables and fruits to hotels, clubs and restaurants in Macau.

The provisional fair value of identifiable assets and liabilities of Nippon Gourmet as at the date of the acquisition, purchase consideration and goodwill are as follows:

	(Unaudited) HK\$'000
Consideration paid	
Cash	<u>29,126</u>
Provisional fair value of assets and liabilities acquired	
Property, plant and equipment	816
Inventories	2,295
Trade and other receivables	7,630
Cash and cash equivalents	1,184
Trade and other payables	(2,519)
Current tax liabilities	<u>(280)</u>
	<u>9,126</u>
Goodwill	<u>20,000</u>

16. ACQUISITION OF SUBSIDIARY – Continued

The initial accounting for the above acquisition has been determined provisionally, the Group is in the process of finalising the identification and measurement of underlying assets and liabilities of the acquired subsidiary. The Group expects to finalise the purchase price allocations by 31 December 2010. The fair value of trade and other receivables equals to their gross contractual amounts. The goodwill arising from the acquisition principally comprises the value of the established business, expected synergies that relate to the Group strategy in expansion of its restaurant chain in Macau and enable the Group's operations to enjoy a higher level of economies of scale and efficiency. The recognised goodwill is not expected to be deductible for the income tax purpose.

Since the acquisition date, Nippon Gourmet has made insignificant contribution to the Group's revenue and profit. If the acquisition had occurred on 1 January 2010, the Group's turnover would have been increased by HK\$5,758,000; in the absence of related information, it is impracticable to disclose the effect on the Group's profit.

17. EVENT AFTER THE REPORTING PERIOD

On 25 August 2010, the Group sold to San Tai San Import and Export International Company Limited ("Purchaser") all its 80% equity interest of Roy Development Limited ("Roy Development") at the Consideration of HK\$8. Roy Development was owned as to 80% by the Group and the remaining 20% by the Purchaser. Roy Development currently owns the lease of the land of a nature amusement park in Panyu, Mainland China and the management of such nature amusement park through another company in Mainland China. The lease still has 16 more years to run.

Based on its 2009 annual report and 2010 interim results for 6 months ended 30 June 2010, Roy Development and its only subsidiary in Mainland China (together "Roy Group") had net liabilities of approximately HK\$443,000 as at 31 December 2009 and HK\$1,210,000 as at 30 June 2010. And their losses (both before and after taxation and extraordinary items) were approximately HK\$683,000 and HK\$767,000 for the financial year of 2009 and for the Period respectively. The bulk of the Group's revenue generated from such carnival amusement park business for the year of 2009 was derived from the renting out of its amusement rides, rather than from the operations of its nature amusement park. With the disposal, the Group disposed of all its interests in the nature amusement park in Panyu, Mainland China and Roy Group has ceased to be a part of the Group. And such disposal would relieve the Group any further liabilities of rental payments and expenses relating to such nature amusement park, and such disposal did not have any adverse financial effects to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2010 (For the six months ended 30 June 2009: Nil).

FINANCIAL REVIEW

The year of 2009 was the remarkable new chapter of the Group attaining a satisfactory audited net profit since 2003 and firmly establishing the Group as one of the leading restaurant operators providing high quality and diversified foods in Macau. The Period witnessed a continuous turnaround of the Group with increases in turnover of 66% to HK\$159.4 million, compared to those of the corresponding period of last year of HK\$96 million. The increase in turnover was attributable to the Group's expanded restaurant operations in Macau. The Group achieved during the Period an increase of over 152% in its net profit before tax, interest and depreciation and minority interests to some HK\$34.9 million, with an overall net profit attributable to its shareholders of some HK\$13.1 million and HK\$0.0285 earnings per share. The profit before income tax expense for the Period was approximately HK\$24.5 million, representing an increase of 2.4 times as compared to the same period of last year of HK\$7.2 million. Such increase was mainly attributable to the increase in turnover and gross profit.

OPERATIONS REVIEW

Food and Beverage Business

During the Period, our food and catering business contributed all the turnover of HK\$159.4 million to the Group, benefiting a lot from the increases in tourist visitors and spending in Macau, although it was operating under high operating costs. With its expanded chain of restaurants and experienced management team, the Group was able to provide a wide range of high quality foods with many restaurants at various prime locations. The high growth in its turnover during the Period led to a much higher net profit margin with a strong positive net cash flow to the Group, compared to those of the last corresponding period. During the Period, the Group opened 2 more restaurants at L'Arc Hotel, Macau, One Central and one food court counter at Venetian Hotel, Macau with another 8 counters at the food court at City of Dreams in July 2010. Today, the Group has a strong management team and staff of 645 people in Macau and owns 18 restaurants and 9 food court counters with total 82,264 sq. ft. at good locations in Macau: 9 Japanese restaurants, 3 café/lounge stores, 4 Chinese food restaurants, 1 Italian restaurant, 1 Portuguese restaurant, 1 Taiwanese food court counter and 8 multi-cuisine food court counters. Our management expects that another new Japanese restaurant will be opened at Sands Hotel, Macau and a coffee shop will be opened in Grand Hyatt Hotel, Macau before the end of 2010. A Japanese restaurant with a total of 20,715 sq.ft. gross floor area and a coffee shop of 2,174 sq.ft. gross floor area should be opened in Guangzhou by the end of 2010.

Carnival and Amusement Park Business

The Group's carnival amusement park business during the Period continued to be subject to keen competition and high labor costs, while it generated to the Group no turnover but a loss with net liabilities of HK\$1,210,000 attributable to the nature amusement park as at 30 June 2010. There was no progress in obtaining the building and other governmental approvals for further development of the nature amusement park in Panyu, although the lease of the land of the nature park still had a term of 16 years outstanding. Without further development, the nature amusement park continued operating at a loss. And the high operating costs and adverse operating competitive environment has made any further investment in developing the nature amusement park quite risky and not worthwhile.

OPERATIONS REVIEW – Continued

Carnival and Amusement Park Business – continued

To reduce further losses, the Group has agreed to dispose to an independent party in May 2010 of a major part of its amusement rides at the consideration of approximately HK\$9.77 million. Completion of such disposal would be subject to such amusement rides to be properly set up at the carnival site with all the relevant approvals from the local authorities and after that, with a warrant period of 180 days. Our management had always taken the view that as the Group's nature amusement park operations were unlikely to have a positive contribution without a huge risky further capital investment, it would be in the interest of the Group to dispose all its interests in the nature amusement park in Panyu and, eventually, its remaining amusement rides. At such, on 25 August 2010, the Group disposed of its 80% owned subsidiary company that owns all the interests of the Group in the nature amusement park, to its 20% shareholder at a nominal value, further details of which are set out in the event after the reporting period section above. And such disposal of the Group's interests in the nature amusement park would relieve the Group any further liabilities of rental payments and expenses relating to such nature amusement park.

Our management would continue to dispose of the Group's remaining amusement rides. And for the time being, the Group would stay away from the carnival and amusement park business until good opportunities arise and its operations environments improve significantly.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. The Group generates strong cash flows from its operations.

As at 30 June 2010, the Group had net current assets of HK\$2.0 million (as at 31 December 2009: HK\$14.3 million), while the Group's cash and bank balances amounted to HK\$63.9 million (as at 31 December 2009: HK\$65.0 million), of which HK\$8.5 million (as at 31 December 2009: HK\$7.3 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 30 June 2010, the Group had an interest-bearing loan of HK\$36.1 million (as at 31 December 2009: HK\$18.7 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 bank loan contains a covenant that the controlling shareholder, Mr. Chan Chak Mo, must hold direct equity interest of not less than 30% of the Company. The Group's borrowings are made in Hong Kong dollars.

As at 30 June 2010, the Group's gearing ratio represented by the Group's net debt to the Group's total equity was about 59% (as at 31 December 2009: 37%).

MATERIAL LITIGATION

As at 30 June 2010, the Group had not been involved in any material litigation or arbitration (as at 31 December 2009: Nil).

CHARGES ON GROUP ASSETS

As at 30 June 2010, the Group, save as disclosed in the section of "Liquidity and Financial Resources", did not have any charges on assets (as at 31 December 2009: Nil).

CONTINGENT LIABILITIES

As at 30 June 2010, the Group did not have any contingent liabilities (as at 31 December 2009: Nil).

CURRENCY EXPOSURE

As at 30 June 2010, 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.

EMPLOYEES

As at 30 June 2010, the Group employed a total of 659 full time staff in Hong Kong, Macau and China. 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 detailed remuneration packages for the employees are determined by the management based on their performance.

OUTLOOK

The global economy remains volatile and the aftermath of the global financial crisis in 2008 is still lingering on with great concern on the possible coming of double dips in economic recession. But 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. Our management is continuing to cautiously expand the Group's food and beverage business in terms of food range and number of restaurants, in Macau and Guangzhou to further enhance its economies of scale and efficiency with a good steady cash flow to the Group. The Directors and management are aware of the challenges ahead including relatively high global food and energy prices, keen competition and the unstable global economy. While our management is attending to the challenges ahead, they would look for ways to enlarge the Group's income base so as to benefit the Group.

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

During the six months ended 30 June 2010, 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. Cheung Hon Kit, Mr. Chan Shek Wah and Mr. Chan Pak Cheong Afonso. The audit committee has reviewed with the management the accounting principles as well as critical accounting estimates and assumptions. The audit committee has also discussed with the external auditors on their audit plan and key audit areas. The condensed consolidated financial statements and the interim results announcement of the Group for the six months ended 30 June 2010 has been reviewed by the audit committee before submission to the Board for adoption.

CORPORATE GOVERNANCE

The Company has complied throughout the period 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.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM 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 2010 interim 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 See Kit, Johnny
Chairman

Hong Kong, 25 August 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.