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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2011	2010	Change
	HK$'000	*HK$'000*	*%*
Turnover	**546,452**	375,804	45.4%
Profit before interests, tax expense, depreciation and amortisation	**166,313**	90,889	82.9%
Profit attributable to owners of the Company	**89,614**	40,766	119.8%
Basic earnings per share	**HK16.18 cents**	HK8.61 cents	87.9%
Final dividend per share	**HK3.0 cents**	HK1.5 cents	100%
	31 December 2011	31 December 2010	
	HK$'000	*HK$'000*	
Total assets	**694,365**	429,237	61.8%
Net assets	**308,459**	220,914	39.6%
Net assets per share	**HK55.69 cents**	HK39.88 cents	39.6%
Gearing ratio	**73.0%**	39.2%	86.2%

* *for identification purpose only*

ANNUAL RESULTS

The board of directors ("Directors") of Future Bright Holdings Limited ("Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries ("Group") for the year ended 31 December 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	2011 HK'000	2010 HK'000
Turnover	4	**546,452**	375,804
Cost of sales		**(162,086)**	(113,783)
Direct operating expenses		**(185,541)**	(133,222)
Gross profit		**198,825**	128,799
Other revenue	6	**13,533**	11,450
Other gains and losses	7	**12,934**	2,941
Administrative expenses		**(82,085)**	(68,711)
Share of loss of a jointly controlled entity		**(4,859)**	(5,969)
Finance costs	9	**(8,626)**	(1,516)
Profit before income tax expense	8	**129,722**	66,994
Income tax expense	10	**(16,517)**	(8,002)
Profit for the year		**113,205**	58,992
Other comprehensive income			
Reclassification of translation differences upon disposal of foreign operation		**1,057**	(270)
Exchange differences on translating foreign operations		**216**	149
Total comprehensive income for the year		**114,478**	58,871
Profit attributable to:			
Owners of the Company		**89,614**	40,766
Non-controlling interests		**23,591**	18,226
		113,205	58,992
Total comprehensive income attributable to:			
Owners of the Company		**90,887**	40,577
Non-controlling interests		**23,591**	18,294
		114,478	58,871
Earnings per share	12		
– Basic (HK cents per share)		**16.18**	8.61
– Diluted (HK cents per share)		**16.18**	8.61

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	Notes	**2011** *HK'000*	2010 *HK'000*
Non-current assets			
Property, plant and equipment		**89,500**	90,143
Investment properties		**275,000**	–
Goodwill	*14*	**81,781**	81,781
Total non-current assets		**446,281**	171,924
Current assets			
Deposits for acquisition of a subsidiary		**–**	78,840
Inventories		**19,288**	15,092
Trade and other receivables	*15*	**29,555**	21,365
Financial assets	*16*	**19,583**	10,211
Pledged bank deposits		**18,173**	10,156
Cash and cash equivalents		**161,485**	121,649
Total current assets		**248,084**	257,313
Total assets		**694,365**	429,237
Current liabilities			
Trade and other payables	*17*	**88,781**	68,831
Amount due to a jointly controlled entity		**–**	1,988
Current tax liabilities		**43,502**	29,175
Bank loans		**44,924**	20,085
Total current liabilities		**177,207**	120,079
Net current assets		**70,877**	137,234
Total assets less current liabilities		**517,158**	309,158
Non-current liabilities			
Bank loans		**204,499**	79,124
Non-interest bearing borrowings		**4,200**	9,120
Total non-current liabilities		**208,699**	88,244
Total liabilities		**385,906**	208,323
TOTAL NET ASSETS		**308,459**	220,914
Capital and reserves attributable to owners of the Company			
Share capital		**55,390**	55,390
Reserves		**241,489**	158,911
Equity attributable to owners of the Company		**296,879**	214,301
Non-controlling interests		**11,580**	6,613
TOTAL EQUITY		**308,459**	220,914

NOTES TO THE FINANCIAL STATEMENTS

31 December 2011

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 head 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 property investment.

2. 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 Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. 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.

(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.

(c) Functional and presentation currency

The functional currency of the Company is Macau Patacas ("MOP"). Each entity in the Group maintains its books and records in its own functional currency. As the Company is listed on Main Board of The Stock Exchange of Hong Kong Limited, the directors consider that it will be more appropriate to adopt Hong Kong dollars ("HK$") as the Group's and the Company's presentation currency.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of new/revised HKFRSs – effective 1 January 2011

HKFRSs (Amendments)	Improvements to HKFRSs 2010
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK (IFRIC) – Interpretation 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
HKAS 24 (Revised)	Related Party Disclosures

Except as explained below, the adoption of these new/revised standards and interpretations has no material impact on the Group's financial statements.

HKFRS 3(Amendments) – Business Combinations

As part of the improvements to HKFRSs issued in 2010, HKFRS 3 has been amended to clarify that the option to measure non-controlling interests ("NCI") at either fair value or the NCI's proportionate share in the recognised amounts of the acquiree's identifiable net assets is limited to instruments that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of NCI are measured at their acquisition date fair value unless another measurement basis is required by HKFRSs. The Group has amended its accounting policies for measuring NCI but the adoption of the amendment has had no impact on the Group's financial statements.

3. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS** – Continued

(a) **Adoption of new/revised HKFRSs – effective 1 January 2011** – Continued

Amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets"

The HKICPA issued the amendments to HKAS 12 "Deferred Tax: Recovery of Underlying Assets" in December 2010, effective for annual periods beginning on or after 1 January 2012 with early adoption permitted. The amendments require deferred tax on an investment property, carried under the fair value model in HKAS 40, to be measured presuming that an investment property is recovered through sale, unless the presumption is rebutted. The directors reviewed the Group's investment property and concluded that it is not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, and hence the presumption is not rebutted. The Group has early adopted these amendments and there is no material effect on the Group's financial statements for the year ended 31 December 2011.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition and no amendment is required for the disclosures of its related party transactions in the current and comparative periods. The adoption of HKAS 24 (Revised) has no impact on the Group's reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

(b) **New/revised HKFRSs that have been issued but are not yet effective**

The following new or revised HKFRSs, potentially relevant to the Group's operations, have been issued but are not yet effective and have not been early adopted by the Group:

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets[1]
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[3]
HKFRS 11	Joint Arrangements[3]
HKFRS 12	Disclosure of Interests in Other Entities[3]
HKFRS 13	Fair Value Measurement[3]
HKAS 27 (2011)	Separate Financial Statements[3]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[3]
HKAS 19 (2011)	Employee Benefits[3]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 July 2012
[3] Effective for annual periods beginning on or after 1 January 2013
[4] Effective for annual periods beginning on or after 1 January 2015

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS – Continued

(b) New/revised HKFRSs that have been issued but are not yet effective – Continued

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of "de facto" control where an investor can control an investee while holding less than 50% of the investee's voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS – Continued

(b) New/revised HKFRSs that have been issued but are not yet effective – Continued

HKFRS 11 – Joint Arrangements

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

4. TURNOVER

Turnover represented sales of food and beverage and rental income from investment properties. The amounts of each significant category of revenue recognised in turnover during the year are as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Sales of food and beverage	**532,355**	375,804
Gross rental income from investment properties	**14,097**	–
	546,452	375,804

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- Food and beverage – sales of food and beverage in Macau and Mainland China;

- Property investment – leasing of property

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

For the year ended 31 December 2011

	Food and beverage	**Property investment**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
Revenue			
Turnover from external customers	**532,355**	**14,097**	**546,452**
Other revenue	**9,772**	**–**	**9,772**
	542,127	**14,097**	**556,224**
Results			
Segment results	**129,452**	**12,850**	**142,302**

Statement of financial position as at 31 December 2011

	Food and beverage	**Property investment**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***
Assets			
Segment assets	**348,099**	**280,300**	**628,399**
Liabilities			
Segment liabilities	**130,883**	**214,698**	**345,581**

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

(a) **Business segments** – Continued

Other information
For the year ended 31 December 2011

	Food and beverage *HK$'000*	Property investment *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Interest income	100	–	141	241
Interest expense	1,955	6,671	–	8,626
Capital expenditure	29,052	265,000	5,050	299,102
Depreciation of property, plant and equipment	27,618	56	291	27,965
Gain on bargain, purchase of a subsidiary	–	–	2,200	2,200
Loss on written off/disposal of a subsidiary	–	–	721	721
Gain on disposal of financial assets at fair value through profit or loss	–	–	3,394	3,394
Impairment loss on property, plant and equipment	6,761	–	677	7,438
Impairment loss on other receivables	–	–	37	37
Reversal of impairment loss on other receivables	–	–	245	245
Reversal of impairment loss on interest in a jointly controlled entity	–	–	4,859	4,859
Fair value gain of investment properties	–	10,000	–	10,000
Fair value loss of financial assets at fair value through profit or loss	–	–	5,791	5,791
Share of loss of a jointly controlled entity	–	–	4,859	4,859
Income tax expense	16,517	–	–	16,517

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

(a) **Business segments** – Continued

For the year ended 31 December 2010

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Consolidated *HK$'000*
Revenue			
Turnover from external customers	375,804	–	375,804
Other revenue	9,492	380	9,872
	385,296	380	385,676
Results			
Segment results	86,943	56	86,999

Statement of financial position
As at 31 December 2010

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Consolidated *HK$'000*
Assets			
Interests in a jointly controlled entity	–	–	–
Other segment assets	291,929	6,208	298,137
	291,929	6,208	298,137
Liabilities			
Segment liabilities	104,737	1,237	105,974

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

(a) **Business segments** – Continued

Other information
For the year ended 31 December 2010

	Food and beverage *HK$'000*	Carnival amusement park *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Interest income	24	14	–	38
Interest expense	1,516	–	–	1,516
Capital expenditure	51,818	–	40	51,858
Depreciation of property, plant and equipment	20,958	652	36	21,646
Amortisation of intangible asset	733	–	–	733
Gain on disposal of property, plant and equipment	–	5,847	–	5,847
Gain on disposal of subsidiaries	–	–	1,239	1,239
Gain on disposal of financial assets at fair value through profit or loss	–	–	791	791
Impairment loss on property, plant and equipment	–	2,316	–	2,316
Impairment loss on other receivables	–	1,030	–	1,030
Impairment loss on interest in a jointly controlled entity	–	–	7,499	7,499
Fair value loss of financial assets at fair value through profit or loss	–	–	770	770
Share of loss of a jointly controlled entity	–	–	5,969	5,969
Reversal of amortisation of intangible asset	1,733	–	–	1,733
Income tax expense	8,002	–	–	8,002

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

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

	2011	2010
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**546,452**	375,804
Profit before income tax expense		
Reportable segment profit	**142,302**	86,999
Other revenue	**3,761**	1,578
Impairment loss of interest in jointly controlled entity	**–**	(7,499)
Reversal of impairment loss of interest in jointly controlled entity	**4,859**	–
Impairment loss on property, plant and machinery	**(677)**	–
Share of loss of a jointly controlled entity	**(4,859)**	(5,969)
Corporate payroll expenses	**(5,951)**	(4,547)
Unallocated expenses	**(7,758)**	(2,052)
Finance costs	**(1,955)**	(1,516)
Consolidated profit before income tax expense	**129,722**	66,994
Assets		
Reportable segment assets	**628,399**	298,137
Deposits for acquisition of a subsidiary	**–**	78,840
Financial assets	**19,583**	10,211
Unallocated corporate assets	**46,383**	42,049
	694,365	429,237
Liabilities		
Reportable segment liabilities	**345,581**	105,974
Bank loans	**37,307**	99,209
Unallocated corporate liabilities	**3,018**	3,140
	385,906	208,323

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

(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 from external customers and non-current assets.

	Turnover from external customers		Non-current assets	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**760**	883
Mainland China	**11,467**	1,813	**6,348**	14,601
Macau	**534,985**	373,991	**439,173**	156,440
	546,452	375,804	**445,521**	171,041
	546,452	375,804	**446,281**	171,924

(d) Information about major customers

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2011 and 2010.

6. **OTHER REVENUE**

	Group	
	2011	2010
	HK$'000	*HK$'000*
Interest income	**241**	38
Dividend income	**169**	327
Management fee income	**6,996**	6,250
Rental income from staff quarter and others	**1,572**	1,403
Written-off of other payables aged over 7 years	**2,000**	1,532
Others	**2,555**	1,900
	13,533	11,450

7. OTHER GAINS AND LOSSES

	Group 2011	2010
	HK$'000	*HK$'000*
Exchange gain, net	**7,099**	4,946
Gain on disposal of property, plant and equipment	**–**	5,847
Gain on disposal of financial assets at fair value through profit or loss	**3,394**	791
Fair value gain of investment properties	**10,000**	–
Gain on bargain purchase of a subsidiary *(note 18(a))*	**2,200**	–
(Loss)/gain on written off/disposal of subsidiaries	**(721)**	1,239
Reversal of impairment loss on other receivables	**245**	–
Reversal of impairment loss/(impairment loss) of interests in a jointly controlled entity	**4,859**	(7,499)
Reversal of amortisation of intangible asset	**–**	1,733
Impairment loss on property, plant and equipment	**(7,438)**	(2,316)
Impairment loss on inventories	**(876)**	–
Impairment loss on other receivables	**(37)**	(1,030)
Fair value loss of financial assets at fair value through profit or loss	**(5,791)**	(770)
	12,934	2,941

8. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging:

	Group 2011	2010
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**161,210**	113,783
Written down of inventories	**876**	–
Cost of inventories recognised as expenses	**162,086**	113,783
Staff costs	**136,642**	101,876
Depreciation of property, plant and equipment	**27,965**	21,646
Amortisation of intangible asset	**–**	733
Auditor's remuneration	**1,464**	1,120
Operating lease rentals in respect of leasehold land and buildings	**58,872**	41,457

9. FINANCE COSTS

	Group 2011	2010
	HK$'000	*HK$'000*
Interest on bank loans		
– repayable within five years	**2,597**	1,516
– repayable over five years	**6,029**	–
	8,626	1,516

10. INCOME TAX EXPENSE

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

	Group	
	2011	2010
	HK$'000	*HK$'000*
Current tax – Macau Complementary Income Tax		
– Current year	**18,831**	11,084
– Over-provision in respect of prior years	**(2,314)**	(3,082)
Income tax expense	**16,517**	8,002

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 2011 (2010: 12%).

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2010: 25%). No provision for EIT has been made as Mainland China subsidiaries had no assessable profits for EIT for the years ended 31 December 2011 and 2010. 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 2011 and 2010.

At the end of the year, the Group had unused tax losses of HK$15,042,000 (2010: HK$5,063,000) in Mainland China available for offset against future profits which 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 per the consolidated statement of comprehensive income as follows:

	Group	
	2011	2010
	HK$'000	*HK$'000*
Profit before income tax expense	**129,722**	66,994
Tax calculated at the applicable tax rates of 12% (2010:12%)	**15,567**	8,039
Tax effect of share of loss of a jointly controlled entity	**583**	716
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(2,443)**	(311)
Tax effect of expenses not deductible for tax purposes	**934**	2,641
Tax effect of revenue not taxable for tax purposes	**(1,756)**	(2,147)
Tax effect of tax losses not recognized	**5,946**	2,395
Utilisation of tax losses previously not recognized	**–**	(249)
Over-provision in respect of prior years	**(2,314)**	(3,082)
Income tax expense	**16,517**	8,002

11. DIVIDEND

	Group 2011 HK$'000	2010 HK$'000
Final, proposed – HK3.0 cents (2010:HK1.5 cents)	**16,617**	8,309

At the board meeting held on 20 March 2012, the Directors have recommended to pay a final dividend of HK3.0 cents per ordinary share (2010: HK1.5 cents). The proposed dividend are not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2012.

12. 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:

	Group 2011 HK$'000	2010 HK$'000
Profit for the year attributable to the owners of the Company	**89,614**	40,766
	Number of shares	*Number of shares*
Weighted average number of ordinary shares for the purposes of basic earnings per share	**553,902,422**	473,234,751
Basic earnings per share *(HK cents)*	**16.18**	8.61

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 years ended 31 December 2011 and 2010.

13. RELATED PARTY TRANSACTIONS

(a) During the year, the Group paid laundry expenses of HK$1,956,000 (2010: HK$1,809,000) to Future Bright Laundry Company Limited of which a director of the Company is an ultimate non-controlling interest of such company.

(b) During the year, the Group received management fee income of HK$5,292,000 (2010: HK$4,769,000) from several companies of which a director of the Company is a director and an ultimate non-controlling interest of such companies.

(c) During the year, the Group paid repair and maintenance expenses of HK$1,377,000 (2010: HK$1,631,000) to Future Bright Property Management Co. Ltd. of which a director of the Company is an ultimate non-controlling interest of such company.

(d) The secured bank loans of HK$212 million (2010: Nil) of the Group contain a covenant that Mr. Chan Chak Mo ("Mr. Chan"), has to hold the direct equity interest not less than 50% equity holding of the Company. The unsecured bank loans with maximum facility of HK$75 million (2010: HK$75 million) of the Company contain a covenant that Mr. Chan, has to hold the direct equity interest not less than 30% equity holding of the Company.

14. GOODWILL

	Group	
	2011	2010
	HK$'000	*HK$'000*
Cost		
At 1 January	**81,781**	61,781
Acquired through business combination *(note 18(b))*	**–**	20,000
At 31 December	**81,781**	81,781

For the purpose of impairment testing, goodwill is allocated to the cash generating units ("CGU") under the food and beverage segment. The CGU were identified as follows:

	2011	2010
	HK$'000	*HK$'000*
Kanysia Investments Limited ("Kanysia Group")	**61,775**	61,775
Era Catering Management Company Limited ("Era Catering")	**6**	6
Nippon Gourmet Trading Company Limited ("Nippon Gourmet")	**20,000**	20,000
	81,781	81,781

The recoverable amounts of the CGU have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Key assumptions are as follows:

	2011	2010
	%	*%*
Discount rate	**4 to 6**	6
Operating margin	**16 to 56**	33 to 52
Growth rate within five-year period	**6 to 8**	5

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. 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, Era Catering and Nippon Gourmet.

15. TRADE AND OTHER RECEIVABLES

The Group's sales to customers are mainly on a cash basis. Trade and other receivables mainly represent the 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.

	Group		**Company**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Trade receivables	**20,073**	14,329	**–**	–
Prepayments and deposits	**6,010**	6,034	**–**	–
Other receivables	**3,472**	1,002	**221**	408
Total	**29,555**	21,365	**221**	408

Included in trade and other receivables are trade receivables (net of impairment losses) with the following ageing analysis as of the end of reporting period:

	Group		**Company**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Current *(Note a)*	**14,778**	12,488	**–**	–
Less than 3 months past due	**5,263**	1,758	**–**	–
More than 3 months past due	**32**	83	**–**	–
Amount past due as of the end of reporting period but not impaired *(Note b)*	**5,295**	1,841	**–**	–
Total	**20,073**	14,329	**–**	–

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.

Note b: Receivables that were past due but not impaired related to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

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

	Group		**Company**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
0 to 90 days	**19,806**	14,228	**–**	–
91 days to 365 days	**267**	101	**–**	–
Total	**20,073**	14,329	**–**	–

15. TRADE AND OTHER RECEIVABLES – Continued

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

	Group		Company	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At 1 January	**2,644**	1,614	**–**	–
Impairment loss recognised	**37**	1,030	**–**	–
Reversal of impairment loss	**(245)**	–	**–**	–
At 31 December *(Note c)*	**2,436**	2,644	**–**	–

Note c: The Group and the Company recognised impairment losses on individual assessment based on the accounting policy stated in Note 4i(i)(ii) of the 2011 annual report.

16. FINANCIAL ASSETS

	Group	
	2011	2010
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**19,583**	10,211

The financial assets are traded on active liquid markets. The fair values are determined with reference to quoted market prices which are under level 1 (quoted prices (unadjusted) in active markets for identical assets or liabilities) of fair value hierarchy under HKFRS 7.

17. TRADE AND OTHER PAYABLES

	Group	
	2011	2010
	HK$'000	*HK$'000*
Trade payables	**36,147**	23,829
Accruals	**26,974**	21,585
Construction and other payables	**12,299**	15,259
Deposit received in advance	**3,594**	–
Deferred rental benefit	**9,767**	8,158
	88,781	68,831

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

	Group	
	2011	2010
	HK$'000	*HK$'000*
Within 90 days	**35,154**	19,347
91 to 180 days	**916**	4,458
181 to 365 days	**52**	24
More than 365 days	**25**	–
	36,147	23,829

18. ACQUISITIONS OF SUBSIDIARY/BUSINESS DURING THE YEAR

(a) For the year ended 31 December 2011

On 3 January 2011, the Group completed an acquisition of 100% equity interests in Hou Wan Group Limited ("Hou Wan"), a company incorporated in Macau which is engaged in property investment, at a consideration of HK$262,800,000. Hou Wan has owned a commercial building in Macau with a 3 years rental agreement, and the Directors considered the acquisition providing an opportunity for the Group to broaden its income sources and to enhance the long-term potential growth of the Group.

The provisional fair value of the identifiable asset of Hou Wan as at the date of completion was:

	HK$'000
Consideration paid	
Cash	262,800
Fair value of assets and liabilities acquired	
Investment properties	265,000
Trade and other receivables	4,523
Cash and cash equivalents	2,145
Trade and other payables	(6,311)
Current tax liabilities	(357)
	265,000
Gain on bargain purchase	2,200

	HK$'000
Net cash outflow arising on acquisition:	
Cash consideration	(262,800)
Deposits paid in last year	78,840
Cash and cash equivalents acquired	2,145
	(181,815)

Since the acquisition date, Hou Wan has made positive contribution to the Group's revenue and profit amounted to HK$14,907,000 and HK$12,850,000 respectively. If the acquisition had occurred on 1 January 2011, the Group's turnover and profit would have no material effect as the date of transaction was just 2 days after 1 January 2011.

Gain on bargain purchase of Hou Wan was mainly attributable to the difference between the fair value of the identifiable assets at the date of agreement and the completion date of the acquisition.

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

(b) For the year ended 31 December 2010

On 28 June 2010, the Group acquired the entire issued share capital of 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 fair value of identifiable assets and liabilities of Nippon Gourmet as at the date of the acquisition, purchase consideration and goodwill are as follows:

	HK$'000
Consideration paid	
Cash	29,126
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	(280)
	9,126
Goodwill	20,000
Net cash outflow arising on acquisition:	
Cash consideration	(29,126)
Cash and cash equivalents acquired	1,184
	(27,942)

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 positive 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 and in the absence of related information, it is impracticable to disclose the effect on the Group's profit would have been.

CHAIRMEN'S STATEMENT

The Directors of the Company are pleased to present to our shareholders the 2011 annual report of our Group.

The year of 2011 was full of challenges witnessing global financial uncertainties where the US economy appeared to be on the way of recovery but remained volatile, the Euro financial crises remained largely unsettled and slow-down in Mainland's economy might be possible. In Macau, 2011 was also a year of soaring food material cost and escalations of labour cost and rental while there were increases of visitor inflow from 24.97 million in 2010 to 28 million people and of total visitor's spending from MOP37.9 billion in 2010 to MOP45.3 billion. Under such operating environment, our Group was subject to a serious test, and in the end, our Group's strength being a leading chain of restaurants with diversified food range paid off well. The year of 2011 marked our Group's extraordinary performance in terms of turnover and net profit. Our Group once again enjoyed a strong growth of some 45.4% in its turnover to HK$546.5 million and some 119.7% surge in net profit attributable to shareholders to HK$89.6 million, compared to those of 2010. Our Group successfully increased about 82.9% in its net profit before tax, interest and depreciation and minority interests to some HK$166.3 million for 2011, with a big climb of about 87.9% to HK16.18 cents earnings per share. The total assets and total liabilities of the Group as at 31 December 2011 were approximately HK$694.3 million and HK$385.9 million respectively.

The Company has since last year been able to declare and pay a dividend to it shareholders. And with such strong growth in net profit in 2011, our Directors would continue to pursue the policy to pay dividend to reward the Company's shareholders by proposing to declare and pay a final dividend of HK3.0 cents per share in respect of the year of 2011.

OPERATIONS REVIEW

Food and Beverage Business

Restaurant Chain

The global economy was under a stumbling slow and uncertain recovery in 2011 while Macau enjoyed a healthy economic condition with an inflationary business environment. Our Group has once again proved to be one of the few successful leading restaurant operators capable under such inflationary business environment to provide high quality and diversified foods in Macau in 2011. Our restaurant chain contributed the turnover of some HK$532.4 million to our Group in 2011, benefiting from the increases in tourist visitors to and spending in Macau, despite of high operating costs. With higher turnover in 2011, our Group enjoyed higher net profit margin with a strong positive net cash inflow to the Group. Since 2008, our Group has adopted a unique business model as mentioned below: a cautious expansion policy based on that as Macau is a small city with high density of close tourist locations and high volume of visitors flow, there is a huge demand for different types of food at different pricings that our restaurant chain shall be expanded cautiously to capture such demand, by providing a diversified food range at different pricings and different good tourist locations. This business

OPERATIONS REVIEW – Continued

Food and Beverage Business – Continued

Restaurant Chain – Continued

model has been closely followed in 2011 during which our Group opened 2 new Japanese restaurants: Edo Japanese restaurant at Sands Casino Macau and Oishii Ichiban Japanese restaurant at Galaxy Macau Resort. 2 Pacific Coffee shops were also opened at Residencia Macau (君悅灣) and Galaxy Macau Resort. By December 2011, our Group operated a total of 24 restaurants and 10 food court counters with some gross floor area of 10,533 sq.m. with an average annual revenue of about HK$50,542 per sq.m. (the calculation of which excludes 1,482 sq.m. floor area of jointly controlled entity's restaurants).

Logistic Support

Our Group has been actively pursuing to enhance its logistic support including food sourcing and food process facilities. To meet such goal, in last November, our Group signed a memorandum of agreement with Japan Nagasaki Prefectural Government to enable our Group to source exportable products produced in Nagasaki Prefecture including Nagasaki Wagyu, fishery products, alcoholic beverage, sweets, and seasoning agents of soy sauce. Such memorandum has enabled our Group to import these products directly into Macau at more competitive prices.

Our Group in March 2011 signed a conditional tenancy undertaking agreement with Macao Industrial Parks Development Company Limited, under which our Group has agreed to lease a site of 2,719 sq.m. at Lot D5 in the Macau zone of Parque Industrial Transfronteirico Zhuhai – Macau ("Site") for a term of 10 years from the date of the formal tenancy agreement duly signed and notarized, with a renewal option of every 10 years until 29 March, 2030. The Site is designated for the building of an industrial building of five stores with a total gross floor area of 9,391 sq.m., with an annual rental of MOP5,438 – MOP20,474. And such intended industrial building shall be designed for the use of food processing and logistics business purposes. In last December, our Group did successfully further acquire a transfer of another piece of 2,000 sq.m. land at the same industrial park in Macau adjacent to the Site. With the combination of two pieces of lands, our central food processing centre in Macau would be much larger with more facilities and office space giving greater flexibility and efficiency to our Group's operations.

Human Resources

Our management and staff have always been regarded as the valuable assets of our Group and the integral part to our Group's success. Our management and staff teams were cautiously expanded in 2012 with now over 800 people in Macau operating 24 restaurants and 10 food court counters with a total of 10,533 sq.m. at good locations in Macau and Guangzhou. Remuneration packages including medical plan have been regularly reviewed in 2011, and have been generally structured by reference to market terms, individual qualifications, experience, duties and responsibilities. During 2011, various training activities including operational safety and management skills have been conducted to enhance operation efficiency.

OPERATIONS REVIEW – Continued

Property Investment Business

Our 6-storey commercial building in Macau has enabled our Group to enjoy a diversified and steady rental income of MOP14.52 million to our Group in 2011 under a 3 years tenancy with an independent party since 3 January 2011. Since its acquisition, the value of this commercial building has increased by HK$10 million based on the valuation of a profession independent valuer as at 31 December 2011, and our commercial property is expected to enjoy some long-term potential growth.

OUTLOOK

The business of our Group has always been to focus its resources and efforts mainly in the market of Macau with a gradual expansion to the markets of Guangzhou city and eventually of other cities. And food and beverage business shall always be our Group's centre piece while the property investment business is to provide diversified revenue to our Group. Macau is a small but top priority tourist visit city, with high density of close tourist locations and high visitor inflow. Under such circumstances, there is always a continuous good demand for shop and office spaces as well as a huge demand for different types of food at different pricings. To meet and benefit such demand, the Group has since 2008 adopted its business model to cautiously expand its restaurant chain to provide a diversified food range at both different pricings and different good tourist locations; and to enhance its efficiency and capacity through continuous improvement of its logistics support including the establishment of a central food processing centre and the diversified sourcing of food materials. When our central food processing centre is put in full use, our Group would be able to expand its small existing industrial catering operations; to diversify into the processed package food business; and to greatly strengthen our Group's competitive advantage in terms of food quality, safety and consistency. More important, our central food processing centre would enhance production capacity, efficiency and hence operation excellence. Development planning for our central food processing centre has been under way. Our Group has also since 2010 started to better its business model to diversify its revenue through undertaking property investment. Our management would continue to consider suitable opportunities in property investment if and when they arise.

The global economy now looks brighter with good signs of recovery in the US and the economies of Mainland China, Hong Kong and Macau being positive. Our management is confident that Macau shall continue to be prosperous with continued high visitor inflow. And looking ahead, our management expects increasing costs in food materials, rental and labour to exert pressure on our Group's business. To meet such challenge, our management shall continue to adjust our business models to become more cost effective including so as to provide broader food varieties at different pricing levels at different good locations and to stay ahead of competition. Our management shall continue to follow our Group's business model to look for higher growth in its turnover and profit as well as to further enhance its economies of scale and efficiency. One Pacific Coffee shop has been opened at University of Macau in last February. Our management expects that 3 restaurants and 1 coffee shop will be opened in Macau before June 2012: Edo Japanese restaurant and Pacific Coffee shop will be opened in Venetian Macau, a Thai restaurant will be opened at the Residencia Macau and a Chinese hotpot restaurant to be opened at Rio Hotel. Our commercial building in Macau shall for sure continue to provide steady income to our Group with a good potential of capital value appreciation.

OUTLOOK – Continued

With the depth of our management calibre and breadth of our operation experience, I am confident that our Group would be able to face up with the challenges ahead and come out stronger and as resilient ever. More important, my gratitude goes to all the management members and staffs, whose dedication and contribution are the key factor leading to the remarkable performance of our Group so far.

CHAN SEE KIT, JOHNNY
Chairman

Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

The revenue of the Group was approximately HK$555.6 million for the year ended 31 December 2011, representing an increase of approximately 44.1% as compared to those of last year (2010: HK$385.7 million). The gross profit of the Group for the year ended 31 December 2011 was about HK$198.8 million, representing an increase of approximately 54.3% as compared to those of last year (2010: HK$128.8 million). The profit before interests, tax expense, depreciation and amortization for the year ended 31 December 2011 was approximately HK$166.3 million representing an increase of approximately 82.9% as compared to those of last year (2010: HK$90.9 million). The profit attributable to owners of the Company for the year ended 31 December 2011 was approximately HK$89.6 million representing an increase of approximately 119.7% as compared to those of last year (2010: HK$40.8 million). The remarkable increase of the Group's results was mainly attributable to increases in turnover and hence, operating profits, with the Group's expanded food and beverage and property investment businesses in Macau. Financially, the Group's food and beverage business has continued to be the main revenue and growth engine and the Group's property investment would continue to contribute steady rental income.

OPERATION REVIEW

During the year ended 31 December 2011, the Group's principal activities were in the sales of food and beverage and property investment.

Food and Beverage Business

During the year ended 31 December 2011, our food and beverage business contributed 97.5% of all the revenue of the Group amounting to some HK$541.5 million, an increase of approximately 40.5% as compared to those of last year of HK$385.3 million. Such remarkable increase was due to the Group's capability of benefiting a lot from the increases in tourist visitors and spending in Macau, despite of high operating costs. The Group's gross profit and net profit from food and beverage business generated some HK$188.1 million and HK$112.9 million respectively during the year, represent increases of 46% and 72.1% as compared to the last year. The high growth in its gross profit during the year led to a much higher net profit margin with a strong positive net cash inflow to the Group, compared to those of the last year. During the year, the Group opened more five new restaurants.

Property Investment Business

The Group has started a new chapter to having a diversify income from property investment business during the year ended 31 December 2011. Such new business generated some HK$14.1 million of turnover, while there was no income from property investment business generated during the last year. The Group's net profit from its property investment business generated some HK$12.9 million.

OPERATION REVIEW – Continued

Property Investment Business – Continued

A property valuation has been carried out by Jones Lang Lasalle Sallmanns Limited, an independent valuer, in respect of the Group's investment properties as at 31 December 2011 and it was used in preparing 2011 annual results. The valuation has been based on either direct comparison approach assuming each of these properties is capable of being sold in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant markets, or investment method by taking into account the current passing rents and the reversionary income potential of such properties.

The Group's investment properties were valued at HK$275.0 million as at 31 December 2011 (2010: Nil), a fair value gain of HK$10.0 million was recognized in the consolidated statement of comprehensive income for the year ended 31 December 2011.

Further details on the Group's operations are set out in the Chairman Statement to this announcement.

MATERIAL LITIGATION

As at 31 December 2011, the Group had not been involved in any material litigation or arbitration (2010: 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 2011, the Group had net current assets of HK$70.9 million (2010: HK$137.2 million), while the Group's cash and bank balances amounted to HK$179.7 million (2010: HK$131.8 million) in which HK$18.2 million (2010: HK$10.2 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2011, the Group had interest-bearing loans of HK$249.4 million (2010: HK$99.2 million). The Group had two secured bank loans, including a mortgage loan of HK$200.37 million (2010: Nil) was interest bearing at 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") plus 2.75% and repayable within fifteen years from 2011. Another secured bank loan of HK$11.75 million (2010: Nil) was interest bearing at HIBOR plus 2.75% and repayable within 18 months from January 2011. Both secured bank loans are secured by the investment properties of the Group.

Unsecured bank loan of HK$26.56 million (2010: HK$37.28 million) was unsecured, interest bearing at the prime rate in Macau less 1.25% per annum and repayable by 60 equal installments from May 2008. Another unsecured bank loan of HK$10.74 million (2010: HK$9.37 million) was unsecured, interest bearing at 5.04% per annum and repayable by a single payment for a term of 12 months. As at 31 December 2010, the remaining unsecured bank loan of HK$52.56 million was unsecured, interest bearing at HIBOR plus 3.125% and repayable by a single payment for a term of 24 months. The Group's borrowings are made in Hong Kong dollars and Renminbi.

LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 31 December 2011, the Group's gearing ratio represented by the Group's net debt to the Group's total equity was 73% (2010: 39%) while ratio of the total asset and total liabilities of the Group as at 31 December 2011 was 1.80 (2010: 2.06). The increase in Group's gearing ratio is mainly due to the increase in mortgage loan and secured bank loan for the acquisition of the Group's investment properties.

CAPITAL EXPENDITURES

For the year ended 31 December 2011, the Group's capital expenditures on the acquisitions of property, plant and equipment were approximately HK$34.1 million (2010: HK$51.9 million). The Group's capital expenditures on the acquisition of investment properties for the year ended 31 December 2011 were approximately HK$265.0 million (2010: Nil).

CHARGES ON GROUP'S ASSETS

As at 31 December 2011, the Group pledged the investment properties to a bank to secure a mortgage loan and a secured bank loan. Other than that, the Group did not have any charges on assets (2010: Nil).

CONTINGENT LIABILITIES

As at 31 December 2011, the Group did not have any contingent liabilities (2010: Nil).

CURRENCY EXPOSURE

As at 31 December 2011, 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 2011, the Company acquired a company in Macau – Hou Wan Group Company Limited, for the purpose of carrying on its property investment business in Macau, further details are set out in note 18(a) above.

EMPLOYEES

The Group employed, as at 31 December 2011, a total of 7 full-time staff in Hong Kong (2010: 7), 65 full-time staff in Mainland China (2010: 72) and 767 full-time staff in Macau (2010: 645). 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 all share options lapsed in the last year.

DIVIDEND AND CLOSURES OF REGISTER OF MEMBERS

A final dividend of HK3.0 cents per share (2010: HK1.5 cents) has been recommended, making the full year dividend per share HK3.0 cents (2010: HK1.5 cents). Subject to the approval of shareholders at the annual general meeting to be held on 7 May 2012 ("2012 AGM"), the final dividend will be payable on 23 May 2012 to shareholders whose name appears on the register of members of the Company on 15 May 2012.

The Group's operating cash flow was strong in 2011 and a suitable level of cash holdings shall be maintained. The policy of upholding steady pay out of normal dividend each year remains intact. The dividend payout ratio for 2011 is about 19% (2010: 20%).

The register of shareholders of the Company will be closed during the following periods:

(i) From Thursday, 3 May 2012 to Monday, 7 May 2012 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2012 AGM. The record date for the annual general meeting shall be 7 May 2012. In order to qualify to be shareholders of the Company to attend, act and vote at the 2012 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 2 May 2012; and

(ii) From Monday, 14 May 2012 to Tuesday, 15 May 2012 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. The record date for the entitlement to the final dividend shall be 15 May 2012. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 11 May 2012.

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.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2011.

SUBSEQUENT EVENTS

There is no significant subsequent event after the year end date of 31 December 2011.

CORPORATE GOVERNANCE

The Company has throughout the year complied 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 ("Model Code"). Having made specific enquiry with them, all Directors have confirmed that they have complied with the standard set out in the 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 has considered all of the independent non-executive Directors are independent.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2012 AGM of the Company will be held on Monday, 7 May 2012, for the purpose of, among other things, approving the payment of a final dividend of HK3.0 cents per share. The notice of 2012 AGM together with the 2011 Annual Report and all other relevant documents ("Documents") will be despatched to the Shareholders on or about 30 March 2012. The Documents and this announcement will also be 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.

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 policies as well as critical accounting estimates and assumptions with management. The audit committee has 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 2011 have been reviewed by the audit committee before submission to the Board for adoption.

BOARD OF DIRECTORS

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.

On behalf of the Board
Chan Chak Mo
Managing Director

Hong Kong, 20 March 2012