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 2012

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2012	2011	Change
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	*%*
Turnover	**315,652**	244,341	29.2
Profit before interests, tax expense, depreciation and amortisation	**104,386**	69,211	50.8
Profit attributable to owners of the Company	**60,688**	32,086	89.1
Basic earnings per share	**HK 10.96 cents**	HK 5.79 cents	89.3
Interim dividend per share	**HK 1.5 cents**	Nil	N/A

	30 June 2012	31 December 2011	Change
	(Unaudited)	(Audited)	
	HK$'000	*HK$'000*	*%*
Total assets	**704,391**	694,365	1.4
Net assets	**353,421**	308,459	14.6
Net assets per share	**HK 63.81 cents**	HK 55.69 cents	14.6
Gearing ratio	**46.0%**	73.0%	-37

* *For identification purposes only*

IMPORTANT DATE	2012
Board meeting approving 2012 interim results	17 August
Ex-entitlement trading date for 2012 interim dividend	30 August
Closure of shareholders' register	3-5 September
Record date of 2012 interim dividend entitlement	5 September
Payment of 2012 interim dividend	13 September

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 2012 (the "Period") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2012

		Six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**315,652**	244,341
Cost of goods sold		**(90,523)**	(73,514)
Direct operating expenses		**(105,382)**	(85,420)
Gross profit		**119,747**	85,407
Other income and gains		**15,647**	14,029
Administrative expenses		**(43,331)**	(41,108)
Share of loss of a jointly controlled entity		**(2,640)**	(2,372)
Finance costs		**(3,770)**	(4,346)
Profit before income tax expense		**85,653**	51,610
Income tax expense	*6*	**(11,632)**	(9,416)
Profit for the period		**74,021**	42,194
Other comprehensive income			
Exchange differences on translating foreign operations		**7**	92
Total comprehensive income for the period		**74,028**	42,286
Profit attributable to:			
Owners of the Company		**60,688**	32,086
Non-controlling interests		**13,333**	10,108
		74,021	42,194
Total comprehensive income attributable to:			
Owners of the Company		**60,695**	32,178
Non-controlling interests		**13,333**	10,108
		74,028	42,286
Earnings per share			
– Basic (HK cents per share)	*8*	**10.96**	5.79
– Diluted (HK cents per share)	*8*	**10.96**	5.79

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	**30 June 2012 (Unaudited) *HK$'000***	31 December 2011 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	*9*	**80,454**	89,500
Investment properties		**275,000**	275,000
Goodwill		**81,781**	81,781
Total non-current assets		**437,235**	446,281
Current assets			
Inventories		**20,893**	19,288
Trade and other receivables	*10*	**29,712**	29,555
Financial assets		**10,035**	19,583
Pledged bank deposits		**18,181**	18,173
Cash and cash equivalents		**188,335**	161,485
Total current assets		**267,156**	248,084
Total assets		**704,391**	694,365
Current liabilities			
Trade and other payables	*11*	**74,721**	88,781
Current tax liabilities		**55,134**	43,502
Bank loans	*12*	**28,621**	44,924
Total current liabilities		**158,476**	177,207
Net current assets		**108,680**	70,877
Total assets less current liabilities		**545,915**	517,158

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 30 JUNE 2012

	Notes	30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Non-current liabilities			
Bank loans	12	**188,294**	204,499
Non-interest bearing borrowings		**4,200**	4,200
Total non-current liabilities		**192,494**	208,699
Total liabilities		**350,970**	385,906
NET ASSETS		**353,421**	308,459
Capital and reserves attributable to owners of the Company			
Share capital		**55,390**	55,390
Reserves		**285,567**	241,489
Equity attributable to owners of the Company		**340,957**	296,879
Non-controlling interests		**12,464**	11,580
TOTAL EQUITY		**353,421**	308,459

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 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 (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited 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 and methods 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 2011 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.

Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets

The adoption of the amendments has no significant impact on the Group's condensed consolidation financial statements.

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.

Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income[1]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2009–2011 Cycle[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 27 (2011)	Separate Financial Statements[2]
HKAS 28 (2011)	Investments in Associates and Joint Ventures[2]

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

Having assessed the impact of these revised standards, amendments and interpretations on the Group's financial statements, the directors of the Company have so far concluded that the application of these standards, amendments or interpretations will 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	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sales of food and beverage	**308,603**	237,091
Rental income	**7,049**	7,250
	315,652	244,341

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

For the six months ended 30 June 2012, the Group has the following reportable segments:

Food and beverage – sales of food and beverage

Property investment – leasing of property

The segment results for the six months ended 30 June 2012 are as follows:

	Food and beverage (Unaudited) ***HK$'000***	**Property investment (Unaudited)** ***HK$'000***	**Consolidated (Unaudited)** ***HK$'000***
Revenue			
Reportable segment revenue	**308,603**	**7,049**	**315,652**
Results			
Segment results	**88,002**	**3,210**	**91,212**

Other information for the six months ended 30 June 2012

	Food and beverage (Unaudited) ***HK$'000***	**Property investment (Unaudited)** ***HK$'000***	**Unallocated (Unaudited)** ***HK$'000***	**Consolidated (Unaudited)** ***HK$'000***
Interest income	**137**	**–**	**39**	**176**
Interest expense	**–**	**3,065**	**705**	**3,770**
Capital expenditure	**5,917**	**–**	**–**	**5,917**
Depreciation of property, plant and equipment	**14,868**	**28**	**67**	**14,963**
Net gain on financial assets at fair value through profit or loss	**–**	**–**	**3,592**	**3,592**
Reversal of impairment loss on interest in a jointly controlled entity	**–**	**–**	**2,640**	**2,640**
Share of loss of a jointly controlled entity	**–**	**–**	**2,640**	**2,640**

4. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

The segment results for the six months ended 30 June 2011 are as follows:

	Food and beverage (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue			
Reportable segment revenue	237,091	7,250	244,341
Results			
Segment results	55,670	2,315	57,985

Other information for the six months ended 30 June 2011

	Food and beverage (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Unallocated (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Interest income	61	–	12	73
Interest expense	346	3,362	638	4,346
Capital expenditure	13,016	265,000	844	278,860
Depreciation of property, plant and equipment	13,046	–	209	13,255
Net gain on financial assets at fair value through profit or loss	1,086	–	–	1,086
Share of loss of a jointly controlled entity	–	–	2,372	2,372

(b) Reconciliation of reportable segment revenue, profit and loss

	Six months ended 30 June	
	2012 **(Unaudited)** ***HK$'000***	2011 (Unaudited) *HK$'000*
Revenue		
Reportable segment revenue	**315,652**	244,341
Profit before income tax expense		
Reportable segment profit	**91,212**	57,985
Other revenue	**792**	2,795
Reversal of impairment loss of interest in a jointly controlled entity	**2,640**	–
Share of loss of a jointly controlled entity	**(2,640)**	(2,372)
Corporate payroll expenses	**(2,801)**	(2,918)
Unallocated expenses	**(2,845)**	(3,242)
Finance costs	**(705)**	(638)
Profit before income tax expense	**85,653**	51,610

5. DEPRECIATION

During the reporting period, depreciation charge of approximately HK$14,963,000 (six months ended 30 June 2011: HK$13,255,000) was recognised in respect of the Group's property, plant and equipment.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2012	2011
	(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	**11,632**	9,416

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the reporting period. The maximum tax rate was 12% for the six months ended 30 June 2012 and 2011.

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2011: 25%). No provision for EIT has been made during the reporting period as the Mainland China subsidiaries have had no assessable profits for EIT for the six months ended 30 June 2012 and 2011.

No provision for Hong Kong Profits Tax has been made during the reporting period as the Group has no assessable profits for Hong Kong Profits Tax for the current and previous periods.

7. INTERIM DIVIDEND

The interim dividend declared by the directors is as follows:

	Six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interim dividend of HK1.5 cents per ordinary share (2011:Nil)	**8,309**	–

At the board meeting held on 17 August 2012, the directors have declared to pay an interim dividend of HK1.5 cents per ordinary share (six months ended 30 June 2011: Nil). No liability is recorded in the financial statements in respect of this dividend.

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	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**60,688**	32,086
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic profit per share	**553,902,422**	553,902,422
Basic and diluted earnings per share (HK cents)	**10.96**	5.79

(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 2012 and 2011.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2012, the Group acquired items of property, plant and equipment at a total cost of HK$5,917,000 (2011: HK$13,860,000) and did not write off any items of property, plant and equipment (2011: Nil).

10. TRADE AND OTHER RECEIVABLES

	30 June 2012	31 December 2011
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables	**17,681**	20,073
Other receivables and prepayments	**12,031**	9,482
	29,712	29,555

The Group's sales to customers are mainly on a cash basis. Trade and other receivables mainly represent the sales revenue collected on the Group's behalf by the operator of various facilities 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.

10. TRADE AND OTHER RECEIVABLES – Continued

The ageing analysis of trade receivables is as follows:

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Within 90 days	**17,676**	19,806
91 to 365 days	**5**	267
	17,681	20,073

11. TRADE AND OTHER PAYABLES

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Trade payables	**33,898**	36,147
Accruals	**22,277**	26,974
Construction and other payables	**7,383**	12,299
Deposit received in advance	**2,350**	3,594
Deferred rental benefit	**8,813**	9,767
	74,721	88,781

The ageing analysis of trade payables is as follows:

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Within 90 days	**29,184**	35,154
91 to 180 days	**4,714**	916
181 to 365 days	**–**	52
More than 365 days	**–**	25
	33,898	36,147

12. BANK LOANS

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Secured bank loans *(note a)*	**189,714**	212,117
Unsecured bank loans *(note b)*	**27,201**	37,306
	216,915	249,423
Amount due within one year included in current liabilities	**(28,621)**	(44,924)
	188,294	204,499

Note a: The Group had one secured bank loan at the end of the reporting period (31 December 2011: two), being a mortgage loan of approximately HK$189.71 million (31 December 2011: HK$200.37 million) which is repayable within fifteen years from 2011. As at 31 December 2011, the other secured bank loan of approximately HK$11.75 million was repayable within 18 months from 31 December 2011 and has been fully repaid by 30 June 2012. The mortgage loan is secured by the investment properties and carries a covenant that the managing director and controlling owner of the Company, Mr. Chan Chak Mo ("Mr. Chan"), has to hold direct equity interest not less than 50% of the Company. The mortgage loan bears interest at 2.75% plus 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") plus 2.75% per annum.

Note b: The Group had two (31 December 2011: two) unsecured bank loans as at the end of reporting period, including a bank loan of approximately HK$21.05 million (31 December 2011: HK$26.56 million) with maximum facility of HK$75 million which is repayable within five years from May 2008. It carries a covenant that Mr. Chan has to hold direct equity interest not less than 30% of the Company. It bears interest at the prime rate in Macau less 1.25% per annum.

The Group has utilised the above facility to guarantee another unsecured bank loan of approximately HK$6.15 million (equivalent to RMB5 million) (31 December 2011: HK$10.74 million) which is repayable within 1 year from the reporting period and carries interest at 5.6% per annum.

13. OPERATING LEASE COMMITMENTS

Operating leases – lessor

The Group has entered into operating lease on its investment property with the Macau government during the six months ended 30 June 2012. The lease has an initial period of three years with renewal option included in the contract.

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

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Not later than one year	**14,097**	14,097
Later than one year and not later than five years	**7,049**	14,097
	21,146	28,194

13. OPERATING LEASE COMMITMENTS – Continued

Operating leases – lessee

The Group has entered into operating leases on certain land and buildings during the six months ended 30 June 2012. 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 2012 (Unaudited) ***HK$'000***	31 December 2011 (Audited) *HK$'000*
Not later than one year	**42,774**	43,412
Later than one year and not later than five years	**94,029**	106,669
Over five years	**20,546**	28,329
	157,349	178,410

14. CAPITAL COMMITMENTS

	30 June 2012 (Unaudited) ***HK$'000***	31 December 2011 (Audited) *HK$'000*
Contracted but not provided for the acquisition of property, plant and equipment	**–**	5,551

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the six months ended 30 June 2012, the Group has received management fee income of HK$3,049,000 (For the six months ended 30 June 2011: HK$2,464,000) on a reimbursement of expense sharing basis from several companies in which a director of the Company is also a director and an ultimate non-controlling shareholder of such companies.

(b) The secured bank loan of HK$189.7 million (31 December 2011: HK$212.1 million) of the Group contains a covenant that Mr. Chan has to hold the direct equity interest not less than 50% equity holding of the Company. The unsecured bank loan with maximum facility of HK$75 million (31 December 2011: HK$75 million) of the Company contains a covenant that Mr. Chan has to hold the direct equity interest not less than 30% equity holding of the Company.

(c) Compensation of key management personnel

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

	Six months ended 30 June	
	2012 (Unaudited) ***HK$'000***	2011 (Unaudited) *HK$'000*
Basic salaries and allowance	**10,067**	6,348
Retirement scheme contributions	**31**	9
	10,098	6,357

16. ACQUISITION OF SUBSIDIARY

(a) For the six months ended 30 June 2012

The Group did not have any material acquisition during the six months ended 30 June 2012.

(b) 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 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:

	(Audited) *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
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.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Directors have declared the payment of an interim dividend of HK1.5 cents per share for the six months ended 30 June 2012 (For the six months ended 30 June 2011: Nil). The interim dividend will be payable on or before 13 September 2012 to shareholders whose name appears on the register of shareholders of the Company on 5 September 2012. The register of shareholders shall be closed from 3 September to 5 September 2012 for the purpose of ascertaining dividend entitlements. The dividend payout ratio for the six months ended 30 June 2012 is about 13.7% (For the six months ended 30 June 2011: Nil).

FINANCIAL REVIEW

Turnover

The turnover of the Group for the Period was approximately HK$315.6 million, representing an increase of 29.2% as compared to the same period of last year of HK$244.3 million. The increase in turnover was mainly attributable to the Group's expanded restaurant operations while the Group's property investment business has continued to make steady turnover contribution to the Group.

Gross profit

The gross profit of the Group for the Period was approximately HK$119.7 million, representing an increase of 40.2% as compared to the same period of last year of HK$85.4 million. The increase in gross profit was attributable to the strong growth in turnover. The Group has over the last 3 years maintained strong healthy gross profit ratio as follows:

	For the six months ended 30 June 2012	For the year ended 31 December 2011	2010	2009
	%	%	%	%
Gross profit ratio*	**37.9**	36.4	34.3	31.7

* *Gross profit over total turnover*

FINANCIAL REVIEW – Continued

EBITDA and net profit after tax but before non-controlling interests

The profit before depreciation, amortization, interests and tax expense ("EBITDA") of the Group for the Period was approximately HK$104.4 million, representing an increase of 50.8% as compared to the same period of last year of HK$69.2 million.

The net profit after income tax expense but before non-controlling interests for the Period was approximately HK$74.0 million, representing an increase of 75.4% as compared to the same period of last year of HK$42.2 million. The profit attributable to owners of the Company for the Period was approximately HK$60.7 million, representing an increase of 89.7% as compared to the same period of last year of HK$32.0 million. These increases were mainly attributable to the increase in gross profit and effective control of the Group's expenses. The Group has also over the last 3 years sustained strong performance in its EBITDA and net profit after tax but before non-controlling interests as follows:

	For the six months ended 30 June 2012	For the year ended 31 December		
		2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
EBITDA	**104,386**	166,313	90,889	47,882
Net profit after tax but before non-controlling interests	**74,021**	113,205	58,992	28,322

Earnings per share

The earnings per share of the Company for the Period was some HK10.96 cents, representing an increase of 89.3% as compared to the same period of last year of HK5.79 cents. Such increase was again mainly attributable to the remarkable growth in profit attributable to the owners of the Company. The Group has achieved over the last 3 years strong growth in its earnings per share as follows:

	For the six months ended 30 June 2012	For the year ended 31 December		
		2011	2010	2009
Earnings per share (HK cents)	**10.96**	16.18	8.61	3.87

FINANCIAL REVIEW – Continued

Cash flows

The cash inflow from operating activities of the Group for the Period was approximately HK$84.2 million, representing an increase of 31.2% as compared to the same period of last year of HK$64.2 million. The Group has witnessed over the last 3 years very healthy increases in its cash inflow from operating activities as follows:

	For the six months ended 30 June 2012	For the year ended 31 December		
		2011	2010	2009
Cash inflow from operating activities (HK$ million)	**84.25**	165.07	107.22	61.27

OPERATION REVIEW

Food and Beverage Business

The Group's sales from food and beverage business generated some HK$308.6 million during the Period, an increase of 30.2% as compared to the same period of last year of HK$237.1 million. The Group's gross profit and net profit from food and beverage business generated some HK$114.2 million and HK$88.0 million respectively during the Period, represent increases of 42.9% and 57.9% as compared to the same period of last year of HK$79.9 million and HK$55.7 million respectively. During the Period, the Group faced higher food and labour costs, but the higher turnover led to better economy of scale and efficiency of the Group. This is the expected result from the Group's cautious expansion strategy in its operations in Macau, for which the management would continue to pursue.

The Group's income from property investment business during the Period generated some HK$7.0 million with a gross profit of HK$6.4 million, represent same level of income and gross profit as compared to those of the same period of last year. The Group's net profit from property investment business reached some HK$3.2 million during the Period, representing an increase of 39.1% as compared to the same period of last year of HK$2.3 million. Such increase in net profit was due to the reduced payment of professional fees which were incurred in the first half of last year relating to the initial acquisition of the investment properties in Macau. Rental income from property investment business enables the Group to have a diversified and steady income.

OPERATION REVIEW – Continued

Restaurant Chain

The adverse operation environment has starkly highlighted the outstanding strength of the Group, the excellent skill of the management, the high economy of scale of the restaurant chain and the successful strategy of having diverse high quality food range at different pricings. All these attributes have since 2009 enabled to generate strong organic growth in the Group's restaurant chain and turnover as follows:

	As at 30/6/2012	As at 31/12/2011	As at 31/12/2010	As at 31/12/2009
Number of restaurants				
Japanese restaurants	**12**	11	9	6
Chinese restaurants	**4**	5	5	4
Western restaurants	**2**	2	2	2
Food court counters	**10**	10	10	1
Others	**9**	6	3	3
	37	34	29	16
Total area of restaurants (sq.m.)*	**9,875**	9,052	8,520	4,722
Turnover per sq.m. (HK$)	**31,251**	58,811	44,108	49,814

* *The total gross floor area has been calculated with exclusion of 1,482 sq.m. gross floor area of jointly controlled entity's restaurants.*

	For the six months ended 30 June 2012	For the year ended 31 December		
		2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover				
Japanese restaurants	**167,323**	273,398	206,025	138,212
Chinese restaurants	**69,095**	126,085	95,276	54,926
Western restaurants	**16,561**	34,274	25,999	23,591
Food court counters	**30,698**	63,026	35,627	16,700
Others	**24,926**	35,572	12,877	1,793
	308,603	532,355	375,804	235,222

OPERATION REVIEW – Continued

Total turnover

The Group's restaurant chain achieved in the Period a total turnover of some HK$308.6 million with the following growth rates in different types of restaurants, benefiting from the increases in tourist visitor inflow and spending in Macau:

	For the six months ended 30 June 2012 *HK$'000*	% of growth %	For the six months ended 30 June 2011 *HK$'000*
Sales			
Japanese restaurants	**167,323**	41	118,884
Chinese and Asian restaurants	**69,095**	14	60,762
Western restaurants	**16,561**	10	15,000
Food Court Counters	**30,698**	5	29,109
Others	**24,926**	87	13,336
Total	**308,603**	30	237,091

The Japanese restaurants were the prime mover of the Group's increase in turnover with 41% growth, while the growth of all other restaurants was certainly remarkable too. With higher turnover in the Period, the Group continued to enjoy a strong positive net cash inflow. The Group has during the Period continued its unique business model by cautiously expanding its already diversified food range at different pricings and different good tourist locations: the Group opened 4 new restaurants namely, Edo Japanese Restaurant and one Pacific Coffee shop at Sands Cotai Central Macau, one Pacific Coffee shop at the University of Macau, and Royal Thai Kitchen at Residencia Macau (君悅灣).

Property Investment Business

In the Period, the 6-storey commercial building in Macau has generated a steady rental income of some MOP7 million to the Group. The management firmly believes that high demand for good commercial properties at prime locations would continue, and the commercial property will in the long term enjoy some healthy capital appreciation. The management considers that it is beneficial for the Group to look for opportunities to expand the property investment business.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2012, the Group had net current assets of HK$108.7 million (as at 31 December 2011: HK$70.9 million), while the Group's cash and bank balances amounted to HK$206.5 million (as at 31 December 2011: HK$179.7 million) in which HK$18.2 million (as at 31 December 2011: HK$18.2 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 30 June 2012, the Group had interest-bearing loans of HK$216.9 million (as at 31 December 2011: HK$249.4 million). The Group had one secured bank loan (as at 31 December 2011: two), being a mortgage loan of HK$189.71 million (as at 31 December 2011: HK$200.37 million) with interest bearing at 1-month Hong Kong Inter-Bank Offered Rated ("HIBOR") plus 2.75% and repayable within fifteen years from 2011. The mortgage loan is secured by the investment properties of the Group. As at 31 December 2011, the Group had another secured bank loan of HK$11.75 million which was interest bearing at HIBOR plus 2.75% and repayable within 18 months from January 2011, and has been fully repaid by 30 June 2012.

The Group had an unsecured bank loan of HK$21.05 million (as at 31 December 2011: HK$26.56 million) as at 30 June 2012 with interest bearing at the prime rate in Macau less 1.25% per annum and repayable by 60 equal instalments from May 2008. The Group had as at 30 June 2012 another unsecured bank loan of HK$6.15 million (as at 31 December 2011: HK$10.74 million) with interest bearing at 5.6% per annum and repayable by a single payment for a term of 12 months. The Group's borrowings are made in Hong Kong dollars and Renminbi.

As at 30 June 2012, the Group's gearing ratio represented by the Group's net debt to the Group's total equity was 46% (as at 31 December 2011: 73%), the Group's current ratio was 1.69 (as at 31 December 2011: 1.40), and the Group's total assets to the Group's total liabilities ratio was 2.01 (as at 31 December 2011: 1.80). The decrease in Group's gearing ratio has been mainly due to the repayment of mortgage loan and bank loans during the Period and the net cash inflow generated from operations.

MATERIAL LITIGATION

As at 30 June 2012, the Group was not involved in any material litigation or arbitration (as at 31 December 2011: Nil).

CHARGES ON GROUP ASSETS

As at 30 June 2012, the Group has pledged the investment properties to a bank to secure a mortgage loan. Save as disclosed herein, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 30 June 2012, the Group did not have any contingent liabilities (as at 31 December 2011: Nil).

CURRENCY EXPOSURE

As at 30 June 2012, 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 2012, the Group employed a total of 874 full time staff in Hong Kong, Macau and Mainland 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 detail remuneration packages for the employees are determined by the management based on their performance.

SUBSEQUENT EVENTS

There are no significant subsequent events after the Period except that as previously announced, the Group on 3 August 2012, entered into a termination agreement with an independent third party as landlord. Under such termination agreement, the Group as the tenant has agreed to terminate by 31 August 2012 a tenancy with remaining tenure of about 6 years in respect of the property comprising Units A-I of the Ground Floor, of the building "Circle Square" located in Avenida de Almeida Ribeiro, no. 61, Macau. And the Group will under such termination agreement would deliver possession of such property by 12 September 2012, while in return, the landlord would i) refund all the tenant deposits to the Group and ii) pay to the Group HK$5,800,000 upon signing of such termination agreement and the remaining HK$8,700,000 upon delivery of the vacant possession of such property.

OUTLOOK

The Group has always been to focus its resources and efforts mainly in its food and beverage business in Macau as its centre piece while the property investment market is to provide diversified revenue to the Group.

The management fully understands that Macau is a small but high inflow of tourist city, and there is always a continuous strong demand for shop and office spaces as well as a huge demand for different types of food at different pricings. The Group would continue its current business model to capture and benefit from such demands through its cautious expansion of its restaurant chain with a diversified food range with different pricings at different good tourist locations; and its continuous enhancement of efficiency and capacity through betterment of its logistics support and the diversified sourcing of food materials.

OUTLOOK – Continued

The global economy looks unsettling but with relatively optimistic outlook. The management remains as always confident in Macau's economy especially its tourist and gaming industries. The management foresees increasing costs in food materials, rental and labour to exert pressure on the Group's business. To meet such challenge, the management shall continue to adjust its business model to become more cost effective including through provision of broader food varieties at different pricing levels at different good locations and staying ahead of competition. The management shall continue to look for higher growth in its turnover and profit as well as to further enhance its economies of scale and efficiency.

The Group will by the end of this year open 7 more new restaurants: two Chinese hotpot restaurants – one at Rio Hotel of 1,436 sq.m. and another at the WTC Business Executive Club of 260 sq.m.; two Chinese restaurants with 768 sq.m. at the Macau Airport; one Japanese ramen shop with 67.5 sq.m. at the Residencia Macau; and a staff canteen and a Pacific Coffee shop at the Macau University of Science and Technology. In addition, the Group has also successfully bid for 4 restaurants with a total of 3,158 sq.m. gross floor area at University of Macau, Hengqin Island namely: two Chinese restaurants, one Portuguese restaurant and one coffee shop, all of which are expected to be opened by July 2013.

The 6-storey commercial building in Macau shall continue to provide steady income to the Group with a good potential of capital value appreciation. The Group will continue to look for opportunities to invest in suitable prime commercial properties in Macau where such properties could be either self-used or rented out at good yield.

The management is of high calibre and operation experience, and the management is confident that the Group would be able to face up with the challenges ahead and come out stronger and as resilient ever.

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

During the six months ended 30 June 2012, 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. Chan Pak Cheong Afonso (Chairman), Mr. Cheung Hon Kit and Mr. Yu Kam Yuen, Lincoln. 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 auditor on their audit plan and key audit areas. The condensed consolidated financial statements and the interim results announcement of the Group for the Period have been reviewed by the audit committee before submission to the Board for adoption.

CORPORATE GOVERNANCE

The Company has complied with the code provisions of the Code on Corporate Governance Practices for the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (the "CG Code") for the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except the following deviations:

Under the code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings of the Company. Due to personal commitments, Mr. Cheung Hon Kit and Mr. Yu Kam Yuen, Lincoln, the independent non-executive directors of the Company, did not attend the annual general meeting of the Company held on 7 May 2012. Also Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso, the independent non-executive directors of the Company, did not attend the special general meeting of the Company held on 8 June 2012.

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.

CLOSURE OF REGISTER OF SHAREHOLDERS

The register of shareholders of the Company will be closed From Monday, 3 September 2012 to Wednesday, 5 September 2012 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the interim dividend. The record date for the entitlement to the interim dividend shall be 5 September 2012. In order to qualify for the interim dividend for the six months ended 30 June 2012, 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, 31 August 2012.

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 2012 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 Chak Mo
Managing director

Hong Kong, 17 August 2012

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 and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.