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 2013

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2013	2012	Change
	HK$'000	HK$'000	%
Turnover	**345,076**	315,652	9.3%
Profit before interests, tax expense, depreciation and amortisation	**129,752**	104,386	24.3%
Profit attributable to owners of the Company	**86,535**	60,688	42.6%
Basic earnings per share	**HK13.76 cents**	HK10.96 cents	25.5%
Interim dividend per share	**HK2.5 cents**	HK1.5 cents	66.7%
	30 June	31 December	
	2013	2012	Change
	HK$'000	HK$'000	%
Total assets	**1,191,933**	1,164,700	2.3%
Net assets	**658,214**	603,354	9.1%
Net assets per share	**HK104.66 cents**	HK95.94 cents	9.1%
Gearing ratio	**29.8%**	39.9%	–10.1%

* *For identification purposes only*

IMPORTANT DATE	2013
Board meeting approving 2013 interim results	20 August
Ex-entitlement trading date for 2013 interim dividend	3 September
Closure of shareholders' register	5–9 September
Record date of dividend entitlement	9 September
Payment of 2013 interim dividend	19 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 2013 (the "Period") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Turnover	*3*	**345,076**	315,652
Cost of sales		**(96,615)**	(90,523)
Gross margin		**248,461**	225,129
Direct operating expenses		**(126,588)**	(105,382)
Gross operating profit		**121,873**	119,747
Other income and gains		**38,683**	15,647
Administrative expenses		**(43,208)**	(43,331)
Share of loss of a joint venture		**–**	(2,640)
Finance costs		**(5,648)**	(3,770)
Profit before income tax expense		**111,700**	85,653
Income tax expense	*6*	**(13,040)**	(11,632)
Profit for the period		**98,660**	74,021
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**(65)**	7
Total comprehensive income for the period		**98,595**	74,028
Profit attributable to:			
Owners of the Company		**86,535**	60,688
Non-controlling interests		**12,125**	13,333
		98,660	74,021
Total comprehensive income attributable to:			
Owners of the Company		**86,470**	60,695
Non-controlling interests		**12,125**	13,333
		98,595	74,028
Earnings per share			
– Basic (HK cents per share)	*8*	**13.76**	10.96
– Diluted (HK cents per share)	*8*	**13.76**	10.96

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	*9*	**61,080**	71,023
Investment properties	*11*	**420,000**	400,000
Goodwill		**81,781**	81,781
Pledged bank deposits		**211,056**	204,874
Total non-current assets		**773,917**	757,678
Current assets			
Inventories		**23,044**	27,619
Trade and other receivables	*12*	**33,309**	34,159
Financial assets at fair value through profit or loss	*13*	**7,605**	8,600
Pledged bank deposits		**16,742**	16,326
Cash and cash equivalents		**337,316**	320,318
Total current assets		**418,016**	407,022
Total assets		**1,191,933**	1,164,700
Current liabilities			
Trade and other payables	*14*	**80,486**	95,281
Current tax liabilities		**69,849**	59,300
Bank loans	*15*	**19,437**	20,694
Total current liabilities		**169,772**	175,275
Net current assets		**248,244**	231,747
Total assets less current liabilities		**1,022,161**	989,425

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Notes	**30 June 2013 (Unaudited) HK$'000**	31 December 2012 (Audited) HK$'000
Non-current liabilities			
Bank loans	*15*	**344,347**	368,871
Deferred tax liabilities		**18,600**	16,200
Non-interest bearing borrowings		**1,000**	1,000
Total non-current liabilities		**363,947**	386,071
Total liabilities		**533,719**	561,346
NET ASSETS		**658,214**	603,354
Capital and reserves attributable to owners of the Company			
Share capital		**62,890**	62,890
Reserves		**587,152**	538,417
Equity attributable to owners of the Company		**650,042**	601,307
Non-controlling interests		**8,172**	2,047
TOTAL EQUITY		**658,214**	603,354

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 properties, 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 2012 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 HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
Amendments to HKFRSs	Annual Improvement to HKFRSs 2009-2011 Cycle
Amendments to HKFRS 1	Government loans
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine

Except as explained below, the adoption of the amendments has no significant impact on the Group's unaudited condensed consolidation financial statements.

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.

2. PRINCIPAL ACCOUNTING POLICIES – Continued

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.

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 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities[1]
HKFRS 9	Financial Instruments[2]

[1] Effective for annual periods beginning on or after 1 January 2014

[2] 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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Sales of food and beverage	**338,027**	308,603
Gross rental income from investment properties	**7,049**	7,049
	345,076	315,652

4. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

For the six months ended 30 June 2013, the Group has the following reportable segments:

Food and beverage	–	sales of food and beverage
Property investment	–	investment of property

The segment results for the six months ended 30 June 2013 are as follows:

	Food and beverage (Unaudited) HK$'000	**Property Investment (Unaudited) HK$'000**	**Consolidated (Unaudited) HK$'000**
Revenue			
Turnover from external customers	**338,027**	**7,049**	**345,076**
Other revenue	**9,364**	**30,031**	**39,395**
Reportable segment revenue	**347,391**	**37,080**	**384,471**
Results			
Segment results	**84,537**	**33,781**	**118,318**

Other information for the six months ended 30 June 2013

	Food and beverage (Unaudited) HK$'000	**Property Investment (Unaudited) HK$'000**	**Unallocated (Unaudited) HK$'000**	**Consolidated (Unaudited) HK$'000**
Interest income	**564**	**4,848**	**–**	**5,412**
Interest expense	**3,219**	**2,429**	**–**	**5,648**
Fair value gain of investment property	**–**	**20,000**	**–**	**20,000**
Capital expenditure	**3,833**	**–**	**705**	**4,538**
Depreciation of property, plant and equipment	**12,305**	**26**	**73**	**12,404**
Gain on disposal of property, plant and equipment	**862**	**–**	**145**	**1,007**
Fair value loss on financial assets at fair value through profit or loss	**–**	**–**	**935**	**935**

4. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

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			
Turnover from external customers	308,603	7,049	315,652
Other revenue	4,414	–	4,414
Reportable segment revenue	313,017	7,049	320,066
Results			
Segment results	84,025	3,210	87,235

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 disposal of financial assets at fair value through profit or loss	–	–	3,592	3,592
Fair value gain on financial assets at fair value through profit or loss	–	–	385	385

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

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

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Revenue		
Reportable segment revenue	**384,471**	315,652
Profit before income tax expense		
Reportable segment profit	**118,318**	87,235
Other revenue	**78**	792
Gain on disposal of property, plant and equipment	**145**	–
Net gain on disposal of financial assets at fair value through profit or loss	**–**	3,592
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(935)**	385
Corporate payroll expenses	**(3,345)**	(2,801)
Unallocated expenses	**(2,561)**	(2,845)
Finance costs	**–**	(705)
Profit before income tax expense	**111,700**	85,653

5. **DEPRECIATION**

During the reporting period, depreciation charge of approximately HK$12,404,000 (six months ended 30 June 2012: HK$14,963,000) was recognised in respect of the Group's property, plant and equipment.

6. **INCOME TAX EXPENSE**

	Six months ended 30 June	
	2013	2012
	(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	**10,640**	11,632
Deferred tax	**2,400**	–
Income tax expense	**13,040**	11,632

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 2013 and 2012.

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2012: 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 2013 and 2012.

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 six months ended 30 June 2013 and 2012.

7. INTERIM DIVIDENDS

The interim dividends declared by the directors are as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interim dividends of HK2.5 cents per ordinary share (2012: HK1.5 cents per ordinary share)	**15,723**	8,309

At the board meeting held on 20 August 2013, the directors have declared to pay an interim dividend of HK2.5 cents per ordinary share (six months ended 30 June 2012: HK1.5 cents per ordinary share). 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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Profit for the reporting period attributable to owners of the Company	**86,535**	60,688
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic profit per share	**628,902,422**	553,902,422
Basic and diluted earnings per share (HK cents)	**13.76**	10.96

(b) Diluted earnings per share

The amount of diluted earnings per share was the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2013 and 2012.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2013, the Group acquired items of property, plant and equipment at a total cost of HK$4,538,000 (2012: HK$5,917,000).

During the six months ended 30 June 2013, the Company disposed of items of property, plant and equipment at total cost and net book value of HK$3,646,000 and HK$2,078,000 respectively (2012: Nil).

10. INTEREST IN A JOINT VENTURE

As at 31 December 2012, the Group had a 51% interest in a joint venture, Merit Noble Company Limited ("Merit Noble"), which is accounted for under the equity method. On 15 January 2013, the Group disposed its 51% equity interests in Merit Noble to another shareholder of Merit Noble at zero consideration. There was no gain or loss on the disposal as the investment in joint venture has been fully impaired in prior years.

11. INVESTMENT PROPERTIES

	30 June 2013	31 December 2012
	(Unaudited)	(Audited)
	HK$'000	HK$'000
Fair Value		
At 1 January	**400,000**	275,000
Fair value gain	**20,000**	125,000
At 30 June/31 December	**420,000**	400,000

The fair values of the Group's investment properties at 30 June 2013 and 31 December 2012 have been arrived at on market value basis carried out by Jones Lang Lasalle Corporate Appraisal and Advisory Limited, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

The investment properties were located outside Hong Kong and held under private properties (propriedade privada) on a permanent basis without tenure.

Investment properties are pledged to a bank to secure a mortgage loan granted to the Group.

12. TRADE AND OTHER RECEIVABLES

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Trade receivables	**19,468**	24,565
Prepayment and deposits	**7,275**	7,216
Other receivables	**6,566**	2,378
Total	**33,309**	34,159

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 ageing analysis of trade receivables is as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
0 to 90 days	**18,727**	21,869
91 to 365 days	**741**	2,696
Total	**19,468**	24,565

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**7,605**	8,600

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 13.

14. TRADE AND OTHER PAYABLES

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Trade payables	**38,218**	41,294
Accruals	**25,858**	33,682
Construction and other payables	**2,704**	6,925
Deposit received in advance	**2,350**	2,350
Deferred rental benefit	**11,356**	11,030
Total	**80,486**	95,281

The ageing analysis of trade payables is as follows:

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
0 to 90 days	**32,917**	36,403
91 to 180 days	**444**	72
181 to 365 days	**92**	4,212
More than 365 days	**4,765**	607
Total	**38,218**	41,294

15. BANK LOANS

	30 June 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Secured bank loans *(note a)*	**353,289**	374,115
Unsecured bank loan *(note b)*	**10,495**	15,450
	363,784	389,565
Carrying amount repayable:		
On demand or within one year	**19,437**	20,694
More than one year, but not exceeding two years	**17,366**	19,823
More than two year, but not exceeding five years	**242,433**	240,430
More than five years	**84,548**	108,618
	363,784	389,565
Amount due within one year included in current liabilities	**(19,437)**	(20,694)
	344,347	368,871

Note a: The Group had two (2012: two) secured bank loans at the end of reporting period, including a bank loan of HK$200.0 million (2012: HK$200.0 million) which is repayable within five years from 2012 and is secured by the bank deposit. This secured bank loan bears interest at prime rate in Macau less 2.25% per annum. Another secured bank loan is a mortgage loan of approximately HK$153.3 million (2012: HK$174.1 million) which is repayable within fifteen years from 2011, bears interest at 1-month Hong Kong Inter-Bank Offered Rate plus 2.75% per annum and is secured by the investment properties.

All secured bank loans carry a covenant that the managing director and controlling owner of the Company – Mr. Chan Chak Mo ("Mr. Chan") and his associates have to hold not less than 40% (2012: 40%) equity interest holding of the Company.

Note b: As at the end of reporting period, the unsecured bank loan of approximately HK$10.5 million (2012: HK$15.45 million) with maximum facility of HK$75 million is repayable within five years from the reporting period and bears interest at the prime rate in Macau less 1.25% per annum. It carries a covenant that Mr. Chan and his associates have to hold not less than 40% (2012: 40%) equity interest holding of the Company.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the six months ended 30 June 2013, the Group has received management fee income of HK$1,739,000 (For the six months ended 30 June 2012: HK$3,049,000) 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 loans of HK$353.3 million (31 December 2012: HK$374.1 million) of the Group contains a covenant that Mr. Chan and his associates have to hold the direct equity interest not less than 40% equity holding of the Company. The unsecured bank loan with maximum facility of HK$75 million (31 December 2012: HK$75 million) of the Company contains a covenant that Mr. Chan and his associates have to hold the direct equity interest not less than 40% 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	
	2013	2012
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Basic salaries and allowance	**10,540**	10,067
Retirement scheme contributions	**33**	31
	10,573	10,098

17. 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 2013. 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 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Not later than one year	**7,049**	14,097

Operating leases – lessee

The Group has entered into operating leases on certain land and buildings during the six months ended 30 June 2013. 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 2013 (Unaudited) HK$'000	31 December 2012 (Audited) HK$'000
Not later than one year	**48,776**	46,936
Later than one year and not later than five years	**87,384**	88,638
Over five years	**12,818**	19,399
	148,978	154,973

18. CAPITAL COMMITMENTS

There are no commitments for capital expenditure contracted but not provided for as at the end of reporting period (2012: nil).

19. ACQUISITION OF SUBSIDIARY

(a) For the six months ended 30 June 2013

The Group did not have any material acquisition during the six months ended 30 June 2013.

(b) For the year ended 31 December 2012

During the year ended 31 December 2012, the Group acquired 20% equity interests of Toei Delights Restaurant in L'Arc Macau from its non-controlling shareholder at zero consideration, but also acquired the non-controlling shareholder's loan of Toei Delight Restaurant in L'Arc Macau at HK$1,456,000.

20. CONTINGENT LIABILITIES

At 30 June 2013, the Group did not have any contingent liabilities (31 December 2012: Nil).

21. EVENTS AFTER THE REPORTING PERIOD

The Group has also on 9 August 2013 entered into two agreements to acquire two Macau trademarks-mainly the trademark of "Macau Yeng Kee Bakery", one Hong Kong trademark and the related Macau business license for an aggregate consideration of approximately MOP4.0 million (equivalent to approximately HK$3.9 million) and to bring in two joint venture partners for its food souvenir business in Macau. The trademark – "Macau Yeng Kee Bakery" has been established since 1928 in Macau selling almond cookies, egg rolls, moon cakes, beef jerky, traditional Chinese cakes and candies. Other than that, there is no other material event occurred after the end of reporting period.

INTERIM DIVIDEND

The Directors have declared the payment of an interim dividend of HK2.5 cents per share for the Period (For the six months ended 30 June 2012: HK1.5 cents per share). The interim dividend will be payable on or before 19 September 2013 to shareholders whose name appears on the register of shareholders of the Company on 9 September 2013, being the record date for entitlements. The register of shareholders shall be closed from 5 to 9 September 2013 for the purpose of ascertaining dividend entitlements.

The Group's operating cash flow was strong during the Period, and management believes that a healthy level of cash holdings shall be maintained for its coming capital requirements while it is important to uphold steady pay out of normal dividends each year. The dividend payout ratio based on the interim dividend over the profit attributable to owners for the last three interim periods are as follows:

	For the six months ended 30 June		
	2013	2012	2011
	%	%	%
Interim dividend payout ratio (based on the profit attributable to owners)	**18.2**	13.7	–

The dividend payout ratio based on the interim dividend over the Net Ordinary Operating Profit (being the profit attributable to owners of the Company before taking into account any net fair value gain from investment properties) (the "Net Ordinary Operating Profit"), for the last three interim periods are as follows:

	For the six months ended 30 June		
	2013	2012	2011
	%	%	%
Interim dividend payout ratio (based on the Net Ordinary Operating Profit)	**22.8**	13.7	–

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

The turnover of the Group for the Period was approximately HK$345.1 million, representing an increase of 9.3% as compared to the same period of last year of HK$315.6 million. The increase in turnover was mainly attributable to the Group's restaurant chain business while the Group's property investment business has continued to make steady turnover contribution to the Group. The Group's restaurant chain business has performed with some growth in turnover and net profit, much in line with the mild increase in number of visitors' inflow to Macau, further details on the Group's business performance are set out below.

FINANCIAL REVIEW – Continued

Turnover – Continued

The Group's turnover from food and beverage business generated some HK$338.1 million during the Period, representing an increase of 9.6% as compared to the same period of last year of HK$308.6 million. The Group's turnover from property investment business recorded some HK$7.0 million during the Period. Below are two tables of comparison of the turnover of food and beverage business of the first and second quarters of 2012 and 2013:

	For the three months ended 31 March 2013 HK$'million	Growth %	For the three months ended 31 March 2012 HK$'million
Turnover – First quarter			
Japanese restaurants	**90.7**	8.6%	83.5
Chinese restaurants	**41.8**	15.2%	36.3
Western restaurants	**7.8**	–9.3%	8.6
Food court counters	**15.1**	–2.6%	15.5
Industrial catering	**3.4**	325.0%	0.8
Food wholesale	**6.9**	13.1%	6.1
Others*	**6.4**	64.1%	3.9
Total	**172.1**	11.2%	154.7

	For the three months ended 30 June 2013 HK$'million	Growth %	For the three months ended 30 June 2012 HK$'million
Turnover – Second quarter			
Japanese restaurants	**88.3**	5.4%	83.8
Chinese restaurants	**36.5**	16.2%	31.4
Western restaurants	**7.6**	–5.0%	8.0
Food court counters	**14.5**	–4.6%	15.2
Industrial catering	**3.5**	600.0%	0.5
Food wholesale	**9.1**	4.6%	8.7
Others*	**6.5**	3.2%	6.3
Total	**166.0**	7.9%	153.9

FINANCIAL REVIEW – Continued

Turnover – Continued

Details of turnover breakdown of food and beverage business by type of restaurants for the last three interim periods are as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Turnover			
Japanese restaurants	**179.0**	167.3	119.1
Chinese restaurants	**78.3**	67.7	60.8
Western restaurants	**15.4**	16.6	15.0
Food court counters	**29.6**	30.7	29.1
Industrial catering	**6.9**	1.3	1.2
Food wholesale	**16.0**	14.8	8.5
Others*	**12.9**	10.2	3.6
Total	**338.1**	308.6	237.3

Below is a table of comparison of the turnover of food and beverage business by types of restaurants for the six months ended 30 June 2012 and 2013:

	For the six months ended 30 June 2013 HK$'million	Growth %	For the six months ended 30 June 2012 HK$'million
Turnover			
Japanese restaurants	**179.0**	7.0%	167.3
Chinese restaurants	**78.3**	15.7%	67.7
Western restaurants	**15.4**	–7.2%	16.6
Food court counters	**29.6**	–3.6%	30.7
Industrial catering	**6.9**	430.8%	1.3
Food wholesale	**16.0**	8.1%	14.8
Others*	**12.9**	26.5%	10.2
Total	**338.1**	9.6%	308.6

* *The turnover of "Others" included turnover from Pacific Coffee and Royal Thai Kitchen Restaurant of the Group.*

FINANCIAL REVIEW – Continued

Gross margin (food costs against the Group's total turnover)

The gross margin, being the total turnover less food costs, of the Group for the Period was about HK$248.5 million, representing an increase of approximately 10.4% as compared to the same period of last year of HK$225.1 million. The slight increase in gross margin in the Period was mainly attributable to the lower cost for import of Japanese food materials as a result of Japanese yen depreciation. The Group has over the last three interim periods maintained steady healthy gross margin as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Gross margin	**248.5**	225.1	170.8
Gross margin ratio	**72.0%**	71.3%	69.9%

Below is a table of comparison of the gross margins (food costs against the Group's total turnover) of the first and second quarters of 2012 and 2013:

	For the six months ended 30 June 2013 HK$'million	Growth %	For the six months ended 30 June 2012 HK$'million
Gross margin			
First quarter	**126.3**	10.7%	114.1
Second quarter	**122.2**	10.1%	111.0
	248.5	10.4%	225.1

Gross operating profit (direct operating costs against the Group's total turnover)
The gross operating profit, being gross margin less direct operating costs, of the Group for the Period was about HK$121.9 million, representing an increase of approximately 1.8% as compared to the same period of last year of HK$119.7 million. The mild increase in gross operating profit was attributable to the growth in turnover. The gross operating margin for the Period was about 35.3%, a decrease in about 2.6% compared to those of the same period last year of 37.9%. The decrease in gross operating margin was mainly due to the increases in staff and other operating costs related to those restaurants located outside the major casino shopping mall and opened in 2012 which have been building up its sales gradually since their openings, and been sustaining slight losses in the Period as expected. The Group has still over the last three interim periods maintained healthy gross operating profit ratio as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Gross operating profit	**121.9**	119.7	85.4
Gross operating profit ratio*	**35.3%**	37.9%	35.0%

* *Gross operating profit over total turnover*

Below is a table of comparison of the gross operating profit (direct operating costs against the Group's total turnover) of the first and second quarters of 2012 and 2013:

	For the six months ended 30 June 2013 HK$'million	Growth %	For the six months ended 30 June 2012 HK$'million
Gross operating profit			
First quarter	**61.8**	–0.3%	62.0
Second quarter	**60.1**	+4.1%	57.7
	121.9	+1.8%	119.7

EBITDA

The profit before interests, tax expense, depreciation and amortization (the "EBITDA") for the Period was approximately HK$129.8 million representing an increase of approximately 24.3% as compared to those of the same period in last year of HK$104.4 million. The increase in EBITDA was mainly attributable to (i) growth in turnover and hence, operating profits from food and beverage business, (ii) a net fair value gain of HK$17.6 million from property investment business and (iii) increase in exchange gain. The Group has nevertheless over the last three interim periods maintained healthy performance in the EBITDA as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
EBITDA	**129.8**	104.4	69.2
EBITDA against turnover ratio	**37.6%**	33.1%	28.3%

Net profit attributable to owners

The profit attributable to owners of the Company for the Period was approximately HK$86.5 million representing an increase of approximately 42.6% as compared to the same period of last year of HK$60.7 million. As mentioned above, the increase of the Group's results was mainly attributable to (i) growth in turnover and hence, operating profits from food and beverage business, (ii) a net fair value gain of HK$17.6 million from property investment business and (iii) increases in exchange gain. The Group has still over the last three interim periods maintained good performance in the ratio of the profit attributable to owners of the Company as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Profit attributable to owners of the Company	**86.5**	60.7	32.1
Profit attributable to owners of the Company against turnover ratio	**25.1%**	19.2%	13.1%

FINANCIAL REVIEW – Continued

Net profit attributable to owners – Continued

The Net Ordinary Operating Profit (being the profit attributable to owners of the Company before taking into account any net fair value gain from investment properties) for the Period was approximately HK$68.9 million representing an increase of approximately 13.5% as compared to the same period of last year of HK$60.7 million. Set out below are the Net Ordinary Operating Profits with Net Ordinary Operating Profit ratio (Net Ordinary Operating Profit against turnover) for the last three interim periods:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Net Ordinary Operating Profit	**68.9**	60.7	32.1
Net Ordinary Operating Profit against turnover ratio	**20.0%**	19.2%	13.1%

Earnings per share

The earnings per share of the Company for the Period was some HK13.76 cents, representing an increase of 25.5% comparing to the same period of last year of HK10.96 cents. The Group's earnings per share for the last three interim periods are as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK cents	HK cents	HK cents
Earnings per share – basic	**13.76**	10.96	6.95

The earnings per share of the Company based on the Net Ordinary Operating Profit for the Period was some HK10.96 cents, being similar to the same period of last year of HK10.96 cents. Below are the earnings per share based on the Net Ordinary Operating Profit over the last three interim periods:

	For the six months ended 30 June		
	2013	2012	2011
	HK cents	HK cents	HK cents
Net Ordinary Operating Profit per share – basic	**10.96**	10.96	6.95

FINANCIAL REVIEW – Continued

Cash flow

The cash inflow from operating activities of the Group for the Period was approximately HK$94.8 million, representing an increase of 12.5% as compared to those of the same period of last year of HK$84.3 million. The Group has witnessed over the last three interim periods healthy increases in its cash inflow from operating activities as follows:

	For the six months ended 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Cash inflow from operating activities	**94.8**	84.3	64.2

Net assets

The net assets of the Group as at 30 June 2013 was approximately HK$658.2 million representing an increase of approximately 86.2% as compared to 30 June 2012 of HK$353.4 million. The increase in net assets was mainly attributable to an increase in profit attributable to the owners, fair value gains from investment property and the proceeds from the placing of ordinary shares undertaken in November 2012. The net assets of the Group as at 30 June 2013, 2012 and 2011 were as follows:

	As at 30 June		
	2013	2012	2011
	HK$'million	HK$'million	HK$'million
Net assets	**658.2**	353.4	242.8
	HK cents	HK cents	HK cents
Net assets per share – basic	**104.66**	63.81	43.83

OPERATION REVIEW

Food and Beverage Business

Restaurant Chain

The Group enjoyed a turnover increase of 9.6% in the Period, as compared to the same period of last year of HK$308.6 million. The Group's gross operating profit and net profit after tax from food and beverage business generated some HK$116.3 million and HK$73.9 million respectively during the Period, representing increases of 1.8% and a decrease of 3.3% as compared to the same period of last year of HK$114.2 million and HK$76.4 million respectively. During the Period, the Group continued to face higher operating costs, and increases in number of staffs and rental costs followed the opening of more new restaurants in the second half of 2012. The Group has increased the total area of restaurants of 106,255 sq.ft. in the first half year of 2012 to 129,531 sq.ft. in the Period.

Number of restaurant's analysis for the last three interim periods is listed as follows:

		As at 30 June	
	2013	2012	2011
Number of restaurants			
Japanese restaurants *(note a)*	**9**	12	10
Chinese restaurants *(note b)*	**6**	4	4
Western restaurants *(note c)*	**2**	2	2
Food court counters	**10**	10	8
Industrial catering	**1**	1	1
Others *(note d)*	**9**	8	4
	37	37	29
Total area of restaurants (sq.ft.) *(note e)*	**129,531**	106,255	92,821
Turnover per sq.ft. (HK$)	**2,610**	2,525	2,556

Note a: As at 30 June 2013, Japanese restaurants included seven Edo Japanese Restaurants, one Toei Delights Restaurant and one Musashi Restaurant.

Note b: As at 30 June 2013, Chinese restaurants included one Turtle Essence Restaurant, one 456 Modern Shanghai Cuisine Restaurant and four Shiki Hot Pot Restaurants.

Note c: As at 30 June 2013, Western restaurants included one Madeira Portuguese Restaurant and one Vergnano Italian Restaurant.

Note d: As at 30 June 2013, other restaurants included eight Pacific Coffee Shops and one Royal Thai Kitchen Restaurant.

Note e: The total gross floor area as at 30 June 2011 and 2012 had been calculated with exclusion of 15,947 sq.ft. gross floor area of joint venture's restaurants.

Note f: Certain numbers of restaurants as at 30 June 2011 were restated to conform with current period's presentation.

Details of Group's restaurants will be stated in the List of Restaurants/Counters/Stores of 2013 interim report.

OPERATION REVIEW – Continued

Food Souvenir Business

With many years of experience in the retail sales of moon cakes business in Macau, food souvenir business has always been an indispensable part of the Group's business expansion plan where this business can upon its being well-established, generate constant and steady income; and could with proper expansion, diversify income from different geographical markets.

The Group has in the Period been in full force building up its inroad into the food souvenir (almond cookies, egg rolls, beef jerky etc.) market in Macau. The Group has rented for 4 years a premise of a total usable floor area of about 12,274 sq.ft. at 16th floor, Avenida Do Almirante Lacerda N41, EDF Industrial Yau Sek, Macau to house its production facilities for this purpose, and the related equipment and facilities have been ordered. And production of moon cakes for sales has been started. It is the present intention to start pilot production before the end of this year, and to sell the food souvenirs through our own restaurants and leased special designed shops/counters in 2014. The tenancy of the Group's own commercial building will expire by the end of this year, and it is the present plan to retain one floor of shop spaces at such commercial building to be self-used as the flagship store of the Group's food souvenir products, given that such commercial building is located at the very prime tourist location in Macau. The Group's central food kitchen and logistic centre will also upon completion have additional production facilities for the production of various products for this Macau food souvenir market.

As recently announced, the Group has also on 9 August 2013 entered into two agreements to acquire two Macau trademarks–mainly the trademark of "Macau Yeng Kee Bakery", one Hong Kong trademark and the related Macau business license for an aggregate consideration of approximately MOP4.0 million (equivalent to approximately HK$3.9 million) and to bring in two joint venture partners for its food souvenir business in Macau. The trademark–"Macau Yeng Kee Bakery" has been established since 1928 in Macau selling almond cookies, egg rolls, moon cakes, beef jerky, traditional Chinese cakes and candies. With its traditional flavor and good quality, the products of "Macau Yeng Kee Bakery" are well known to customers in Macau and some cities in Mainland China. The vendors of these trademarks currently have one shop in Macau, and 15 own shops and 3 franchise shops in Mainland China. Upon completion of the acquisition, the two joint venture partners will own 30% equity capital of the Group's subsidiary engaged in the food souvenir product business, and there will be no business relationship between the Group's food souvenir business in Macau and the vendors' bakery business in Mainland China. And management intends to re-design the product labels and layouts of the trademark–"Macau Yeng Kee Bakery" and to launch a promotion campaign for such re-design of food souvenir products sometime next year in Macau. This acquisition will facilitate the Group to effectively launch its food souvenir products with easier market recognition in Macau. The Group intends to launch its food souvenir products sometime next year expecting that this business will make sales contribution to the Group in 2014.

OPERATION REVIEW – Continued

Industrial Catering Business

Management believes that there are great potentials in the Macau industrial catering business with so much development in hotels and facilities in Macau through 2015–2017, during which up to 30,000 hotel rooms are expected to be built and hence much more visitors coming in. Industrial catering business is therefore an integral part of the Group's business expansion into different sectors of the Macau food and beverage market. And the Group has since August 2012 been operating the canteen services for Macau University of Science and Technology with a modest turnover of some HK$6.9 million, at a reasonable profit. By now, the Group has established a track record of its capability to undertake big canteen services. The Group has during the Period been proceeding in full swing to set up the canteen services for University of Macau at Hengqin Island. The Group has also recently obtained a two years contract for operating a cafeteria and canteen for an international school in Macau. And the Group has also got the tender to operate two canteens for 3 years at the four dormitories of University of Macau at Hengqin Island where these two canteens will be able to serve up to 1,600 students and will commence operation by February 2014.

As previously disclosed, the Group is proceeding to develop its central food and logistic processing centre at its leased site of 2,719 sq.m. (approximately 29,256 sq.ft.) at Lot D5 in the Macau zone of Parque Industrial Transfronteirico Zhuhai – Macau. And the development plan has just recently been approved in principle, and final detail layout plans and further development works are being carried out. It is expected that once the final detail layout plan is approved, completion of the construction work is expected to take place 12 months followed such approval. In the meantime, the Group has also rented for 4 years a premise of a total usable floor area of 12,274 sq.ft. at 17th floor, Avenida Do Almirante Lacerda N41, EDF Industrial Yau Sek, Macau to set up central food processing centre which should be up and running in a few months' time. This central processing centre will be used to carry out most of the food preparation works (such as sorting, cleaning and chopping of food materials) for some of the Group's restaurants as well as for its industrial catering business. This central kitchen will enable the Group, while being in the development of its central kitchen and logistic centre at the Macau zone of Parque Industrial Transfronteirico Zhuhai – Macau, not only to enhance operation efficiency but also to capture any new and present opportunities for providing industrial catering services for different institutions and corporations. It is also the current plan to utilize this central food processing centre to train up management and staff to meet the services and food variety requirements for industrial catering for various kinds of institutions and corporations.

Wholesale of Food and Food Materials Business

The Group has started its wholesale of food and food materials for a few years in Macau. With the Group's ability to source Japanese food and food materials direct from Japan, this business has been slowly developed with promising growth potentials in years ahead given the various new casino/hotel developments including restaurants in there will be open from 2015-2017. This wholesale business of the Group has contributed a turnover of some HK$16.0 million in the Period with a healthy profit to the Group.

OPERATION REVIEW – Continued

Logistic Support

As previously disclosed, the Group is proceeding to develop its central food and logistic processing centre at its leased site of 2,719 sq.m. (approximately 29,256 sq.ft.) at Lot D5 in the Macau zone of Parque Industrial Transfronteirico Zhuhai-Macau. And the development plan has just recently been approved in principle, and final detail layout plans and further development works are being carried out. It is expected that once the final detail layout plan is approved, completion of the construction work is expected to take place within 12 months followed such approval. In the meantime, the Group's central kitchen at 17th floor, Avenida Do Almirante Lacerda N41, EDF Industrial Yau Sek, Macau which will be up and running before the end of this year, will enable the Group to capture new and present opportunities for industrial catering services business for different institutions and corporations when they arise before. Under the current development plan, the Group's central kitchen and food logistic centre in Macau will comprise of 5–6 storey having a total gross floor area of about 9,391 sq.m. (approximately 101,047 sq.ft.) with a basement, to provide adequate facilities and office space.

Human Resources

To capture all the new food and beverage business opportunities in Macau now and in the coming few years, management believes that a strong management and staff team is a must and a valuable asset to the Group's success. The Group has gradually been expanding and training up its management and staff team in Macau, to cater for the Group's expansion into different sectors of the food and beverage business in Macau including the coming new restaurants to be opened from 2015–2017.

Property Investment Business

During the Period, the 6-storey commercial building in Macau has generated a steady rental income of some HK$7.0 million (equivalent to MOP7.3 million) to the Group as same as the same period of last year of HK$7.0 million. The tenancy of this investment property will expire on 31 December 2013. As mentioned above, it is currently intended that at least one floor of such commercial building will by then be retained for self-use as the flagship store for selling the Group's food souvenir products, while the rest of the floors will be leased out to outside parties. It is expected that such arrangement will lead to a loss of rental income for few months in early 2014 due to the rental free periods to be given to the new tenant(s), but the new rental rate per square feet will be adjusted upwards, compared to those of the current rental rate per square feet.

The Group's 6 storey commercial building was valued at HK$420.0 million as at 30 June 2013 (31 December 2012: HK$400.0 million) and a fair value gain of HK$20.0 million was recognized in the consolidated statement of comprehensive income for the Period (six months ended 30 June 2012: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internal generated resources and banking facilities.

As at 30 June 2013, the Group had net current assets of HK$248.2 million (as at 31 December 2012: HK$231.7 million), and the Group's cash and bank balances amounted to HK$565.1 million (as at 31 December 2012: HK$541.5 million), while the Group's pledged bank deposits amounted to HK$227.8 million (as at 31 December 2012: HK$221.2 million) in which HK$211.1 million (as at 31 December 2012: HK$204.9 million) has been pledged to secure a bank loan and the balance of HK$16.7 million (as at 31 December 2012: HK$16.3 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 30 June 2013, the Group had interest-bearing loans of HK$363.8 million (as at 31 December 2012: HK$389.6 million). The Group had two secured bank loans (as at 31 December 2012: two), including a bank loan of HK$200.0 million (as at 31 December 2012: HK$200.0 million) which was interest bearing at the prime rate in Macau less 2.25% per annum, repayable within five years from 2012 and secured by the bank deposits. Another secured mortgage loan of HK$153.3 million (as at 31 December 2012: HK$174.1 million) was interest bearing at 1-month Hong Kong Inter-Bank Offered Rate plus 2.75% per annum, repayable within fifteen years from 2011 and secured by the investment properties of the Group.

Unsecured bank loan of HK$10.5 million (as at 31 December 2012: HK$15.5 million) was unsecured, interest bearing at the prime rate in Macau less 1.25% per annum and repayable by 60 equal instalments from May 2008.

The Group's borrowings are made in Hong Kong dollars.

The Group's gearing ratio represented by the Group's net debt (total liabilities less cash and cash equivalents) to the Group's total equity as at 30 June 2013, 31 December 2012 and 30 June 2012 were as follows:

	As at 30 June 2013	As at 31 December 2012	As at 30 June 2012
	%	%	%
Gearing ratio	**29.8**	39.9	46.0

The decrease in Group's gearing ratio as at 30 June 2013 was mainly due to the repayment in bank loans and the increase in the Group's total equity.

As at 30 June 2013, the Group's current ratio was 2.46 (as at 31 December 2012: 2.32), and the Group's total assets to the Group's total liabilities ratio was 2.23 (as at 31 December 2012: 2.07).

USE OF PROCEEDS

In November 2012, the Company undertook a placement and issued 75,000,000 new ordinary shares at HK$1.2 per share to independent third parties. The net proceeds from this placement were some HK$86.9 million. Up to 30 June 2013, the Group has applied HK$1.6 million of the net proceeds on acquisition of kitchen equipment for its central kitchen, HK$3.5 million of the net proceeds to renovate one of its restaurants with a different food cuisine and HK$22.25 million of the net proceeds as its working capital. The Group will further apply the remaining proceeds for the development of the central kitchen and opening of new restaurants.

MATERIAL LITIGATION

As at 30 June 2013, the Group was not involved in any material litigation or arbitration (as at 31 December 2012: Nil).

CHARGES ON GROUP ASSETS

As at 30 June 2013, the Group has pledged the investment properties to a bank to secure a mortgage loan. The Group has also pledged a bank deposit to a bank to secure a bank loan. Other than that, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group did not have any contingent liabilities (as at 31 December 2012: Nil).

CURRENCY EXPOSURE

As at 30 June 2013, 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 2013, the Group has employed a total of 1,037 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 management based on their performance.

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

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

OUTLOOK

The year of 2013 is a year of investment for the Group during which management has since the Period started to expand in full swing the Group's business into different sectors of the food and beverage business in Macau, as detailed above. The road map for the Group is that restaurant chain business shall remain a centre piece of the Group's business with bulk of its turnover from its restaurant chain business in 2013 and 2014, revenue from the Group's industrial catering business will be enhanced from the second half of 2013 while meaningful revenue income from the food souvenir business is expected to roll in 2014.

The Group shall continue its current business strategy for its restaurant chain business to cautiously expand its restaurant outlets to provide a diversified food range at both different pricings and different good tourist locations. It is the Group's strategy to open new restaurants at good locations with the food types suitable to cater for the type of visitor traffic flow at a particular location. And the Group shall proceed ahead speedily to tap into the food souvenir market through setting up its food souvenir production facilities in Macau and opening of shop outlets at prime tourist locations. The Group is also in a continuous process of expanding its industrial catering business to cover different institutions and corporations in Macau so as to establish the Group's local market leading position.

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 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 of Directors for adoption.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code for the Period as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 Thursday, 5 September 2013 to Monday, 9 September 2013 (both days inclusive), during which no transfer of shares will be registered for the purpose of ascertaining shareholders' entitlement to the 2013 interim dividend. The record date for the entitlement to the 2013 interim dividend shall be 9 September 2013. In order to qualify for the interim dividend for the six months ended 30 June 2013, 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, 4 September 2013.

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 2013 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, 20 August 2013

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.