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Future Bright Holdings Limited
佳景集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2013	2012	Change
	HK$'000	*HK$'000*	*%*
Turnover	**746,541**	646,093	15.5%
Profit before interests, tax expense, depreciation and amortisation	**357,933**	343,476	4.2%
Profit attributable to owners of the Company	**260,957**	242,279	7.7%
Basic earnings per share	**HK41.49 cents**	HK43.18 cents	-3.9%
Final dividend per share	**HK5.5 cents**	HK4.5 cents	22.2%
Special dividend per share	**Nil**	HK1.5 cents	-100%

	31 December 2013	31 December 2012	Change
	HK$'000	*HK$'000*	*%*
Total assets	**1,405,922**	1,164,700	20.7%
Net assets	**821,703**	603,354	36.2%
Net assets per share	**HK$1.307**	HK$0.959	36.2%
Gearing ratio	**19.3%**	39.9%	-20.6%
Total assets/total liabilities ratio	**2.41**	2.07	16.4%

* *For identification purpose only*

ANNUAL RESULTS

The board of directors ("Directors") of Future Bright Holdings Limited ("Company") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries ("Group") for the year ended 31 December 2013 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	4	**746,541**	646,093
Cost of sales		**(205,440)**	(185,547)
Gross margin		**541,101**	460,546
Direct operating expenses		**(269,252)**	(223,458)
Gross operating profit		**271,849**	237,088
Other revenue	6	**19,485**	13,540
Other gains and losses	7	**132,946**	151,661
Administrative expenses		**(90,447)**	(88,994)
Finance costs	9	**(11,247)**	(9,246)
Profit before income tax expense	8	**322,586**	304,049
Income tax expense	10	**(35,720)**	(36,267)
Profit for the year		**286,866**	267,782
Other comprehensive income, net of tax			
Items that may be reclassified to profit and loss:			
Exchange differences on translating foreign operations		**(53)**	126
Total comprehensive income for the year		**286,813**	267,908
Profit attributable to:			
Owners of the Company		**260,957**	242,279
Non-controlling interests		**25,909**	25,503
		286,866	267,782
Total comprehensive income attributable to:			
Owners of the Company		**260,904**	242,405
Non-controlling interests		**25,909**	25,503
		286,813	267,908
Earnings per share			
– Basic (HK cents per share)	12	**41.49**	43.18
– Diluted (HK cents per share)	12	**41.49**	43.18

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**67,357**	71,023
Investment properties		**520,000**	400,000
Goodwill	*14*	**81,781**	81,781
Interest in a joint venture		**–**	–
Prepayments	*15*	**3,883**	–
Pledged bank deposit		**207,759**	204,874
Total non-current assets		**880,780**	757,678
Current assets			
Inventories		**27,363**	27,619
Trade and other receivables	*15*	**46,693**	34,159
Financial assets at fair value through profit or loss	*16*	**4,517**	8,600
Pledged bank deposits		**20,684**	16,326
Cash and cash equivalents		**425,885**	320,318
Total current assets		**525,142**	407,022
Total assets		**1,405,922**	1,164,700
Current liabilities			
Trade and other payables	*17*	**119,033**	95,281
Current tax liabilities		**73,855**	59,300
Interest bearing borrowings		**18,655**	20,694
Non-interest bearing borrowings		**1,388**	–
Total current liabilities		**212,931**	175,275
Net current assets		**312,211**	231,747
Total assets less current liabilities		**1,192,991**	989,425

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
As at 31 December 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Non-current liabilities			
Interest bearing borrowings		**335,259**	368,871
Deferred tax liabilities		**30,600**	16,200
Non-interest bearing borrowings		**5,429**	1,000
Total non-current liabilities		**371,288**	386,071
Total liabilities		**584,219**	561,346
NET ASSETS		**821,703**	603,354
Capital and reserves attributable to owners of the Company			
Share capital		**62,890**	62,890
Reserves		**747,115**	538,417
Equity attributable to owners of the Company		**810,005**	601,307
Non-controlling interests		**11,698**	2,047
TOTAL EQUITY		**821,703**	603,354

NOTES TO THE FINANCIAL STATEMENTS

31 December 2013

1. GENERAL

Future Bright Holdings Limited is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its head office and principal place of business are at Room 1409, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in the sales of food and beverage and food souvenir and property investment.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for investment properties and certain financial assets, which are measured at fair values as explained in the accounting policies set out in note 4 to the financial statements of the Company's 2013 annual report.

(c) Functional and presentation currency

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

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

(a) Adoption of new/revised HKFRSs – effective 1 January 2013

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

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

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments are applied retrospectively. As the amendments affect presentation only, there are no effects on the Group's financial position or performance.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") – Continued

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 – 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. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements and these are included in notes to the financial statements of the Company's 2013 annual report.

(b) New/revised HKFRSs that have been issued and have been early adopted

Amendments to HKAS 36 – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit ("CGU") to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are effective for annual periods commencing on or after 1 January 2014. The Group has early adopted the amendments to HKAS 36 in the current year. The disclosures about the impairment of property, plant and equipment in note 18 to the financial statements of the Company's 2013 annual report have been modified accordingly.

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

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

Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2010-2012 Cycle[3]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011-2013 Cycle[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities[1]
HKFRS 9	Financial Instruments[4]
HK (IFRIC) 21	Levies[1]

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") – Continued

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

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014
[3] Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014
[4] Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

Amendments to HKAS 19 (2011) – Defined Benefit Plans: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered instead of allocating the contributions to periods of service.

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent charges to a number of standards where they are currently unclear. Among them HKAS 16 Property, Plant and Equipment has been amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity's business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") – Continued

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

HKFRS 9 – Financial Instruments

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

HK (IFRIC) 21 – Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

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

4. TURNOVER

	Group	
	2013	2012
	HK$'000	*HK$'000*
Sales of food and beverage	**725,231**	631,996
Sales of food souvenir	**7,213**	–
Gross rental income from investment properties	**14,097**	14,097
	746,541	646,093

5. BUSINESS AND GEOGRAPHICAL SEGMENTS

(a) Business segments

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

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

- Food and beverage – sales of food and beverage in Macau and Mainland China;
- Food souvenir – sales of food souvenir, including moon cakes; and
- Property investment – leasing of property

Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' result that is used by the chief operating decision-maker for assessment of segment performance.

For the year ended 31 December 2013

Group	**Food and beverage** *HK$'000*	**Food souvenir** *HK$'000*	**Property investment** *HK$'000*	**Consolidated** *HK$'000*
Revenue				
Turnover from external customers	**725,231**	**7,213**	**14,097**	**746,541**
Other revenue	**9,189**	**2**	**9,789**	**18,980**
	734,420	**7,215**	**23,886**	**765,521**
Results				
Segment results	**190,890**	**(147)**	**145,062**	**335,805**

As at 31 December 2013

Group	**Food and beverage** *HK$'000*	**Food souvenir** *HK$'000*	**Property investment** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets*	**493,688**	**29,010**	**864,827**	**1,387,525**
Liabilities				
Segment liabilities	**191,517**	**8,636**	**381,599**	**581,752**
Segment net assets	**302,171**	**20,374**	**483,228**	**805,773**

* As at 31 December 2013, food and beverage and food souvenir segment assets included cash and bank balances of approximately HK$288,101,000 and HK$14,768,000 respectively, while property investment segment assets included cash and bank balances of approximately HK$339,951,000 and investment properties of HK$520,000,000.

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

Other information

For the year ended 31 December 2013

Group	**Food and beverage** *HK$'000*	**Food souvenir** *HK$'000*	**Property investment** *HK$'000*	**Un-allocated** *HK$'000*	**Consolidated** *HK$'000*
Interest income	**1,142**	**–**	**9,789**	**–**	**10,931**
Interest expense	**6,383**	**–**	**4,864**	**–**	**11,247**
Capital expenditure	**18,753**	**7,933**	**–**	**706**	**27,392**
Depreciation of property, plant and equipment	**23,865**	**35**	**53**	**147**	**24,100**
Equity settled share-based payment for eligible person other than staff	**–**	**1,251**	**–**	**–**	**1,251**
Gain on disposal of financial assets at fair value through profit or loss	**–**	**–**	**–**	**712**	**712**
Gain on disposal of property, plant and equipment	**297**	**–**	**–**	**145**	**442**
Impairment loss on property, plant and equipment	**4,190**	**–**	**–**	**–**	**4,190**
Impairment loss on trade receivables	**22**	**–**	**–**	**–**	**22**
Fair value gain of investment properties	**–**	**–**	**120,000**	**–**	**120,000**
Fair value loss of financial assets at fair value through profit or loss	**–**	**–**	**–**	**749**	**749**
Income tax expense	**21,320**	**–**	**14,400**	**–**	**35,720**

For the year ended 31 December 2012

Group	Food and beverage *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Revenue			
Turnover from external customers	631,996	14,097	646,093
Other revenue	11,206	2,334	13,540
	643,202	16,431	659,633
Results			
Segment results	174,505	136,808	311,313

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

As at 31 December 2012

Group	Food and beverage *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets **	425,146	727,141	1,152,287
Liabilities			
Segment liabilities	150,010	394,316	544,326
Segment net assets	275,136	332,825	607,961

** As at 31 December 2012, food and beverage segment assets included cash and bank balances of approximately HK$216,762,000 while property investment segment assets included cash and bank balances of approximately HK$322,212,000 and investment properties of HK$400,000,000.

Other information

For the year ended 31 December 2012

Group	Food and beverage *HK$'000*	Property investment *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Interest income	697	2,334	40	3,071
Interest expense	–	5,902	3,344	9,246
Capital expenditure	16,511	–	–	16,511
Depreciation of property, plant and equipment	29,996	56	129	30,181
Gain on termination of a lease agreement	13,515	–	–	13,515
Gain on disposal of financial assets at fair value through profit or loss	–	–	4,834	4,834
Loss on disposal of property, plant and equipment	351	–	–	351
Impairment loss on property, plant and equipment	3,576	–	–	3,576
Reversal of impairment loss on inventories	–	–	135	135
Impairment loss on trade receivables	1,053	–	–	1,053
Fair value gain of investment properties	–	125,000	–	125,000
Fair value gain of financial assets at fair value through profit or loss	–	–	2,487	2,487
Income tax expense	20,067	16,200	–	36,267

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

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

Group	2013 *HK$'000*	2012 *HK$'000*
Revenue		
Reportable segment revenue	**746,541**	646,093
Profit before income tax expense		
Reportable segment profit	**335,805**	311,313
Other revenue and other gains and losses	**417**	8,137
Corporate payroll expenses	**(7,492)**	(6,873)
Unallocated expenses	**(6,144)**	(5,184)
Finance costs	**–**	(3,344)
Consolidated profit before income tax expense	**322,586**	304,049
Assets		
Reportable segment assets	**1,387,525**	1,152,287
Financial assets at fair value through profit or loss	**4,517**	8,600
Unallocated corporate assets	**13,880**	3,813
Total assets	**1,405,922**	1,164,700
Liabilities		
Reportable segment liabilities	**581,752**	544,326
Interest bearing borrowings	**–**	15,449
Unallocated corporate liabilities	**2,467**	1,571
Total liabilities	**584,219**	561,346

(c) Geographical information

The Group's operations are located in Macau and Mainland China, while Macau is the place of domicile of the Company.

The following table provides an analysis of the Group's turnover from external customers and non-current assets.

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(c) Geographical information – Continued

Group	Turnover from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**1,046**	631
Mainland China	**14,306**	12,561	**–**	–
Macau	**732,235**	633,532	**668,092**	552,173
	746,541	646,093	**668,092**	552,173
	746,541	646,093	**669,138**	552,804

(d) Information about major customers

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2013 and 2012.

6. OTHER REVENUE

	Group	
	2013	2012
	HK$'000	*HK$'000*
Interest income	**10,931**	3,071
Dividend income	**219**	402
Management fee income	**4,885**	6,813
Rental income from staff quarter and others	**2,672**	2,422
Others	**778**	832
	19,485	13,540

7. OTHER GAINS AND LOSSES

	Group	
	2013	2012
	HK$'000	*HK$'000*
Exchange gain, net	**16,753**	10,670
Gain on termination of an operating lease agreement	**–**	13,515
Gain on disposal of financial assets at fair value through profit or loss	**712**	4,834
Fair value gain of investment properties	**120,000**	125,000
Gain/(Loss) on disposal of property, plant and equipment	**442**	(351)
Reversal of impairment loss on inventories	**–**	135
Impairment loss on property, plant and equipment	**(4,190)**	(3,576)
Impairment loss on trade receivables	**(22)**	(1,053)
Fair value (loss)/gain of financial assets at fair value through profit or loss	**(749)**	2,487
	132,946	151,661

8. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense was arrived at after charging:

	Group	
	2013	2012
	HK$'000	*HK$'000*
Cost of inventories recognised as expenses	**203,960**	184,137
Direct operating expenses arising from investment properties that generated rental income during the year	**1,480**	1,410
Cost of sales	**205,440**	185,547
Staff costs	**192,918**	160,769
Depreciation of property, plant and equipment	**24,100**	30,181
Auditor's remuneration	**1,565**	1,414
Equity settled share-based payment for eligible person other than staff	**1,251**	–
Operating lease charges on properties		
– Contingent rentals	**19,255**	15,407
– Minimum lease payments	**63,984**	57,961

9. FINANCE COSTS

	Group	
	2013	2012
	HK$'000	*HK$'000*
Interest on interest bearing borrowings:		
– Repayable within five years	**6,362**	3,399
– Repayable over five years	**4,885**	5,847
	11,247	9,246

10. INCOME TAX EXPENSE

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Current tax – Macau Complementary Income Tax		
– Current year	**26,191**	23,280
– Over-provision in respect of prior years	**(4,871)**	(3,213)
	21,320	20,067
Deferred tax		
– Charge for the year	**14,400**	16,200
Income tax expense	**35,720**	36,267

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the year. The maximum tax rate is 12% for the year ended 31 December 2013 (2012: 12%).

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2012: 25%). No provision for EIT has been made as Mainland China subsidiaries had no assessable profits for EIT for the years ended 31 December 2013 and 2012. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2013 and 2012.

At the end of the reporting period, the Group had unused tax losses of HK$26,055,000 (2012: HK$22,150,000) in Mainland China available for offset against future profits which will be expired in five years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profits streams.

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Profit before income tax expense	**322,586**	304,049
Tax calculated at the applicable tax rates of 12% (2012:12%)	**38,710**	36,486
Tax effect of share of loss of a joint venture	**–**	317
Effect of different tax rates of subsidiaries operating in other jurisdictions	**82**	(1,305)
Tax effect of expenses not deductible for tax purposes	**1,740**	1,484
Tax effect of revenue not taxable for tax purposes	**(3,325)**	(1,588)
Tax effect of tax losses not recognised	**3,384**	4,086
Over-provision in respect of prior years	**(4,871)**	(3,213)
Income tax expense	**35,720**	36,267

11. DIVIDENDS

i) Proposed dividends to owners of the Company attributable to the year:

	2013	2012
	HK$'000	*HK$'000*
Final, proposed – HK5.5 cents (2012: HK4.5 cents)	**34,590**	28,301
Special, proposed – Nil (2012: HK1.5 cents)	**–**	9,434
	34,590	37,735

At the board meeting held on 14 March 2014, the Directors have recommended to pay a final dividend of HK5.5 cents per ordinary share (2012: HK4.5 cents) and nil special dividend per ordinary share (2012: HK1.5 cents). The proposed dividends are not reflected as dividends payable in these financial statements.

ii) Dividends payable to owners of the Company attributable to the previous and current financial years, approved and paid during the year:

	2013	2012
	HK$'000	*HK$'000*
Interim dividend in respect of the current financial year, approved and paid during the year of HK2.5 cents (2012: HK1.5 cents) per ordinary share	**15,722**	8,309
Final dividend in respect of the previous financial year, approved and paid during the year of HK4.5 cents (2012: HK3.0 cents) per ordinary share	**28,301**	16,617
Special dividend in respect of the previous financial year, approved and paid during the year of HK1.5 cents (2012: Nil) per ordinary share	**9,434**	–
	53,457	24,926

12. EARNINGS PER SHARE

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Profit for the year attributable to the owners of the Company	**260,957**	242,279
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	**628,902,422**	561,074,551
Basic earnings per share (HK cents)	**41.49**	43.18

The amount of diluted earnings per share was the same as basic earnings per share as the potential ordinary shares have no dilutive effect on the earnings per share (2012: there were no dilutive potential ordinary shares in existence).

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) During the year, the Group received management fee income of HK$3,605,000 (2012: HK$5,016,000), on a reimbursement of expenses sharing basis, from several companies of which a director of the Company is also a director and holds an ultimate non-controlling interest of such companies.

(b) As at 31 December 2013, all the secured bank loans of HK$346,816,000 (2012: HK$374,115,000) of the Group contained a covenant that Mr. Chan Chak Mo ("Mr. Chan") and his associates had to hold not less than 40% (2012: 40%) equity interest holding of the Company. As at 31 December 2013, the unsecured bank loans with maximum facility of HK$75,000,000 (2012: HK$75,000,000) of the Company contained a covenant that Mr. Chan and his associates had to hold not less than 40% (2012: 40%) equity interest holding of the Company.

On 3 March 2014, all bank loans carried a covenant that the managing director and controlling owner of the Company, Mr. Chan and his associates had to hold not less than 37% equity interest holding of the Company.

14. GOODWILL

	Group	
	2013	2012
	HK$'000	*HK$'000*
Cost		
At 1 January and 31 December	**81,781**	81,781

14. GOODWILL – Continued

For the purpose of impairment testing, goodwill is allocated to the CGUs under the food and beverage segment. The CGUs were identified as follows:

	2013	2012
	HK$'000	*HK$'000*
Kanysia Investments Limited ("Kanysia Group")	**61,775**	61,775
Era Catering Management Company Limited ("Era Catering")	**6**	6
Nippon Gourmet Trading Company Limited ("Nippon Gourmet")	**20,000**	20,000
	81,781	81,781

The recoverable amounts of the CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period is extrapolated at zero growth rate, which does not exceed the long-term growth rate for the business in which the CGUs operate. Key assumptions are as follows:

	2013	2012
	%	%
Discount rate	**12**	12
Operating margin	**21 to 52**	18 to 53
Growth rate within five-year period	**0 to 5**	5

Operating margins have been determined based on past performance, and management's expectations for market share, after taking into consideration published market forecast and research. The weighted average growth rate used is consistent with the forecasts included in industry reports. The growth rate reflects the long-term average growth rate for the product line of the CGUs. Discount rates are calculated based on the Group's beta adjusted to reflect management's assessment of specific risks related to the CGUs. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate recoverable amounts to be lower than the aggregate carrying amounts of the Kanysia Group, Era Catering and Nippon Gourmet.

15. TRADE AND OTHER RECEIVABLES

The Group's sales to customers are mainly on a cash basis. Trade and other receivables mainly represent the revenue collected by the operators on the Group's behalf where the restaurants of the Group are located. The credit terms granted to these operators are 30 days from the sales made.

	Group	
	2013	2012
	HK$'000	*HK$'000*
Current portion		
Trade receivables	**24,936**	24,565
Prepayments and deposits	**18,971**	7,216
Other receivables	**2,786**	2,378
Total	**46,693**	34,159
Non-current portion		
Prepayments	**3,883**	–

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Current *(Note a)*	**18,018**	21,338
Less than 3 months past due	**6,178**	531
More than 3 months past due	**740**	2,696
Amount past due as of the end of reporting period but not impaired *(Note b)*	**6,918**	3,227
Total	**24,936**	24,565

Note a: The balances that were neither past due nor impaired related to a number of debtors that have good track records of payment with the Group. Based on the past experience, the management has estimated that the carrying amounts could be fully recovered.

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

15. TRADE AND OTHER RECEIVABLES – Continued

The ageing analysis of the trade receivables based on invoice date (net of impairment losses) is as follows:

	Group	
	2013	2012
	HK$'000	*HK$'000*
0 to 90 days	**24,196**	21,869
91 days to 365 days	**740**	2,696
Total	**24,936**	24,565

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
At 1 January	**3,489**	2,436
Impairment loss recognised	**22**	1,053
At 31 December	**3,511**	3,489

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2013	2012
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**4,517**	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 7.

17. TRADE AND OTHER PAYABLES

	Group	
	2013	2012
	HK$'000	*HK$'000*
Trade payables	**48,999**	41,294
Accruals	**41,792**	33,682
Construction and other payables	**14,767**	6,925
Deposit received in advance	**2,350**	2,350
Deferred rental benefit	**11,125**	11,030
Total	**119,033**	95,281

17. TRADE AND OTHER PAYABLES – Continued

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

	Group	
	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**35,724**	36,403
91 to 180 days	**7,451**	72
181 to 365 days	**969**	4,212
More than 365 days	**4,855**	607
Total	**48,999**	41,294

18. ACQUISITIONS OF SUBSIDIARY DURING THE YEAR

(a) For the year ended 31 December 2013

The Group had not acquired any material subsidiary during the year ended 31 December 2013.

(b) For the year ended 31 December 2012

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

CHAIRMAN'S STATEMENT

The board of directors ("Directors") of Future Bright Holdings Limited ("Company") is pleased to present to our shareholders the 2013 annual report of the Company and its subsidiaries ("Group") for the year ended 31 December 2013.

The year of 2013 kicked off with a bumpy start of the Group's business in the first quarter and gradually a good catch up from the second half of the year. Also the year of 2013 saw the Group's successful implementation of its plan to expand into different sectors of the food and beverage business in Macau as mentioned in the Group's 2013 interim report. The total turnover for the year of 2013 reached at HK$746.54 million witnessing a 15.5% increase as compared to the same period of last year of HK$646.09 million. And the profit attributable to owners excluding any special non-recurring income or any net fair value gain from the investment properties ("Net Ordinary Operating Profit") for the year of 2013 reached at HK$155.36 million witnessing a 27.8% increase as compared to the same period of last year of HK$121.59 million. The profit attributable to the owners for the year of 2013 was HK$260.96 million.

As previously mentioned, it is the policy of the Company to maintain a healthy dividend payout policy, hopefully at a payout ratio of not less than 30% of our Group's annual Net Ordinary Operating profit. In line with such policy, the Directors would propose to declare and pay a final dividend of HK5.5 cents per share in respect of the year of 2013.

Food and Beverage Business Review

Restaurant Chain

During the year of 2013, the Group's restaurant chain business performed with healthy growth in both turnover and net profit, much in line with the inflow of visitors to Macau. A total of 29.324 million visitors into Macau were recorded in 2013 with an increase of 4.4% amounting to an additional 1.241 million visitors, compared to those of the number of visitors into Macau in the corresponding period in 2012. The turnover of food and beverage business of the Group for 2013 was approximately HK$725.2 million with some HK$338.1 million for the first half of 2013 and approximately HK$387.1 million for the second half of 2013. Details of the turnover breakdown in different cuisines are set out in the section headed "Management discussion and analysis". The strong pick up in the second half of 2013 has contributed a good healthy growth in the Group's overall business.

During the year of 2013, the Group has opened a staff/student canteen at University of Macau in Hengqin Island (17,571 sq.ft.), a cafeteria services at Macau International School and a Pacific Coffee kiosk at ground floor, 16 Travessa dos Anjos. And the Group in 2013 sustained increases in direct operating expenses related to those restaurants in October 2012 where these restaurants have gradually built up its sales, but some did not generate sufficient revenue to cover the increased operating expenses. In late 2013, the Group closed down the 8 food court counters at City of Dream, at Cotai, Macau as the owner of the premises has desired to carry out renovation works while the related tenancy also expired by the end of that year. These food court counters contributed an insignificant turnover contribution to the Group, representing about 1.4% of the Group's turnover for the year of 2013.

Food and Beverage Business Review – Continued

Restaurant Chain – Continued

The Group has in January 2014 opened a multi cuisine restaurant and a Pacific Coffee Shop at Macau International Airport (air side) (6,146 sq.ft.), and also a Chinese restaurant at Macau International Airport (land side) (1,991 sq.ft.).

As previously disclosed, the Group has during 2013 signed tenancy agreements to rent some 11,375 sq.m. located at different floors of Huafa Mall (華發商都) at 8 Zhuhai Avenue, Zhuhai, Mainland China, with an intent to open three big restaurants and a big food court there. Huafa Mall will be a huge commercial and shopping mall with a total commercial area of over 180,000 sq.m. containing lots of attractions for tourists and local residents. Huafa Mall is a part of a big residential, office and shopping development which is designed to be the shopping landmark in the city of Zhuhai. Huafa Mall is located at the close proximity to railways stations and Gongbei, so that the Group could manage and monitor its new restaurants with all its logistic support easily. The Group is now in the process of setting up the three big restaurants and one food court at Huafa Mall.

Management has noted that many visitors to Macau also visit Hong Kong before or after their visit to Macau and to promote the Group's Japanese restaurants in Macau to these visitors and local residents in Hong Kong, the Group plans to open a Japanese restaurant in Hong Kong to enhance and promote its image and high good food quality.

Industrial Catering Business

Management firmly 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, and hence, much more visitors coming in. Industrial catering business is therefore an important piece of the Group's business.

In 2013, the Group's industrial catering business was derived from its operations of providing the canteen services for universities and school with a modest turnover of some HK$18.4 million, at a reasonable profit. Today, the Group has established a track record of its capability to undertake big canteen services. The Group will operate two more 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 mid-2014.

Food and Beverage Business Review – Continued

Industrial Catering Business – Continued

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. 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's temporary central kitchen with a total usable floor area of 12,274 sq.ft. at 17th floor, Avenida Do Almirante Lacerda N41, EDF Industrial Yau Sek in Macau is in operation. This temporary central processing centre is 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.

Wholesales of Japanese food and materials Business

The Group's wholesale business of Japanese food and materials enjoyed some turnover of HK$31.6 million in 2013. This business has been slowly developed with promising growth potentials in years ahead given the various new casino/hotel developments with restaurants in there, will be open from 2015-2017.

Food Souvenir Business

The Group's food souvenir business has become 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.

In 2013, turnover from the food souvenir business represented sales of moon cakes in that year. But, the Group has since 2013 been in full force building up its inroad into the food souvenir (almond cookies, egg rolls, beef jerky etc.) market in Macau. The Group's rented production facilities with a total usable floor area of 12,274 sq.ft. at 16th floor, Avenida Do Almirante Lacerda N41, EDF Industrial Yau Sek in Macau have been under installation of production equipment and facilities at which production of moon cakes for sales was carried out. It is the present intention to start pilot production soon, and to sell the food souvenirs through our own restaurants and leased special designed shops/counters by the second half of 2014. Our 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 previously announced, the Group has appointed Mr. Tam Wing Lun, Alan, an active and well-known Chinese television and movie actor as the spokesperson for 5 years to endorse the Group's food souvenir products to be sold under its trademarks "澳門英記餅家 Macau Yeng Kee Bakery" and "澳門英記餅家 Ou Mun Ieng Kei Peng Ka". Management believes that such endorsement arrangement with Mr. Tam will facilitate the Group utilizing his popularity and fame to effectively launch its food souvenir products with easier market recognition in Macau.

Food Souvenir Business – Continued

The shop of 2,390 sq.ft. at the Group's commercial investment property in Macau for use as the flagship store for selling the Group's food souvenir products is under renovation. Details of the food souvenir shops to be opened in 2014 are set out in the list of food souvenir shops of the Company's 2013 annual report.

Property Investment Business Review

It is always the Group's policy to be cautious in engaging in the property investment business as management is fully aware of its related risk: the Group does not consider making any acquisition unless the property is quite unique and at very good tourist locations, capable to be self-used, or to generate good steady rental income and health growth in capital appreciation. The tenant for net leasable floor area of 21,184 sq.ft. of the Group's commercial investment property in Macau for five years has taken possession of the premise already with a rent free period kicking in. And at such, the Group has started in January 2014 sustained a temporary loss of rental income for few months while the new rental rate per square feet will be adjusted upwards at the end of the rent free period, compared to those of the last year rental rate per square feet.

OUTLOOK

The year of 2013 was a year of investment for the Group during which management has started to expand in full swing the Group's business into different sectors of the food and beverage business in Macau, as detailed above. As previously disclosed, the Group has also planned to tap on the coming development of Hengqin Island where the Group has already submitted to the Macau Trade and Investment Promotion Institute for its consideration an investment proposal to obtain land to build a food plaza at "Guangdong-Macao Co-operation Industrial Park" in Hengqin Island's special economic zone, parts of the lands of which will be given with priority to approved Macau's small and medium-sized enterprises for investment and development.

"Guangdong-Macao Co-operation Industrial Park" is referred to five square kilometers (1.9 square miles) of land located at different areas of Hengqin Island which are set aside for sectors covering leisure and tourism, culture and creativity industry, information technology, research on traditional Chinese medicine and financial services. The land so granted to the approved investors will have a land use right of from 40-70 years where the land cost under the category of leisure and tourism sector will be in the range of RMB1,685 to RMB3,057 per sq.m., depending on the purpose of use and other factors.

The Group has recently made a presentation to the vetting committee for Macao Projects in Hengqin Development which will complete its review of the submitted investment proposals and then forward to the Hengqin Authority for a decision. The Hengqin Authority has the absolute discretion to determine what an investment proposal is acceptable and to set and modify the terms and conditions (including the size, location and plot ratio of the land to be granted) under which an investment proposal is acceptable.

OUTLOOK – Continued

The Group's proposed food plaza at Hengqin Island will be a building complex to house up to 100 restaurants and food souvenir shops with diverse cuisines and food souvenir products, an exhibition hall and related logistic facilities, offices, warehouses and car parks, hopefully with a total gross floor area of some 140,000 sq.m. The Group intends to build such food plaza into a key tourist attraction for visitors to Macau, Hengqin Island and Zhuhai city. The Group will find appropriate partners to participate in this proposed investment if successfully approved. It is expected that if the investment proposal is approved, the development of such food plaza may take few years to complete, depending on the size of the land so granted.

The Company on 4 March 2014 has entered into a placing agreement with a placing agent and a subscription agreement with Mr. Chan Chak Mo, the controlling shareholder of the Company, to raise new equity funds by placing ("Placing") of 65,400,000 existing shares from Mr. Chan to independent investors (unconnected to the Company's directors, substantial shareholders or their associates or parties acting in concert with Mr. Chan) and issue ("Subscription") of the same number of new shares to Mr. Chan. The Placing was completed by 7 March 2014 while the Subscription was completed by the evening of 14 March 2014. The net proceeds from the Placing and the Subscription was about HK$276 million, which would be used by the Company to finance its proposed project in Hengqin Island if such submitted development proposal is duly approved by the relevant authorities, and failing which, as to approximately HK$100 million for opening new restaurants and food souvenir shops, with the balance for the general working capital of the Group.

The Group's current business strategy is to fully capture all the strong growth potentials of the food and beverage business in the Greater Macau Area. This strategy would lead to labour and rental costs of the Group to be increased considerably in the first half of 2014, with the four big new restaurants in Zhuhai and few food souvenir shops in Macau to be opened by second half of 2014. Details of the new restaurants to be opened in 2014 are set out in the Company's 2013 annual report. The Group is also in a constant and continuous process of reviewing its business strategy to maintain its local market leading position. To enhance access to its updated information on a timely manner, the Group has since 2013 adopted the policy to issue 1st and 3rd quarterly business updates in addition to the release of interim and annual results of each year.

I am confident that the Group would be able to face up with the challenges ahead and come out stronger and as resilient ever.

CHAN SEE KIT, JOHNNY
Chairman

Hong Kong
14 March 2014

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

The turnover of the Group was approximately HK$746.5 million for the year ended 31 December 2013, representing an increase of approximately 15.5% as compared to those of last year of HK$646.1 million.

Details of turnover breakdown are as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Turnover			
Restaurants:			
Japanese restaurants	**385.7**	334.3	272.2
Chinese restaurants	**165.6**	138.8	123.6
Western restaurants	**33.8**	33.6	33.4
Food court counters	**62.2**	65.0	63.0
Other restaurants*	**27.9**	22.9	11.6
	675.2	594.6	503.8
Industrial catering	**18.4**	7.1	2.3
Food wholesale	**31.6**	27.5	24.1
Food and beverage business	**725.2**	629.2	530.2
Food souvenir business	**7.2**	2.8	2.2
Property investment business	**14.1**	14.1	14.1
Total	**746.5**	646.1	546.5

FINANCIAL REVIEW – Continued

Turnover – Continued

Below is a table of comparison of the turnover for the years ended 31 December 2013 and 2012:

	2013	Growth	2012
	HK$'million	%	*HK$'million*
Turnover			
Restaurants:			
Japanese restaurants	**385.7**	15.4%	334.3
Chinese restaurants	**165.6**	19.3%	138.8
Western restaurants	**33.8**	0.6%	33.6
Food court counters	**62.2**	-4.3%	65.0
Other restaurants*	**27.9**	21.8%	22.9
	675.2	13.6%	594.6
Industrial catering	**18.4**	159.2%	7.1
Food wholesale	**31.6**	14.9%	27.5
Food and beverage business	**725.2**	15.3%	629.2
Food souvenir business	**7.2**	157.1%	2.8
Property investment business	**14.1**	–	14.1
Total	**746.5**	15.5%	646.1

Note: Certain figures of 2012 and 2011 were restated to conform with the current year's presentation.

* The turnover of "Other restaurants" for the year 2013 included turnover from Pacific Coffee and Royal Thai Kitchen Restaurant of the Group.

The increase in turnover of food and beverage business was mainly attributable to the Group's expanded restaurant operations as well as the organic growth of the Group's existing restaurants. The turnover growth in food souvenir business was attributable to the increased sales of moon cakes. The Group's property investment business continued to make steady turnover contribution to the Group.

FINANCIAL REVIEW – Continued

Gross margin (food costs against turnover)

The gross margin, being turnover less food costs, of the Group for the year ended 31 December 2013 was about HK$541.1 million, representing an increase of approximately 17.5% as compared to those of last year of HK$460.5 million. The increase in gross margin was attributable to the improved economy of scale deriving from the good growth in turnover. The Group has over the last three years maintained steady healthy gross margin as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Gross margin	**541.1**	460.5	384.4
Gross margin ratio	**72.5%**	71.3%	70.3%

Gross operating profit (direct operating costs against turnover)

The gross operating profit, being gross margin less direct operating costs, of the Group for the year ended 31 December 2013 was about HK$271.8 million, representing a healthy increase of approximately 14.6% as compared to those of last year of HK$237.1 million. Again, the increase in gross operating profit was attributable to the good growth in turnover while the lack of improvement in the gross operating margin ratio was attributable to the increased in direct staff and food costs relating to the Chinese restaurants opened in late 2012 where such Chinese restaurants built up in sales in 2013 without higher level of revenue to cover their expenses. The Group has over the last three years maintained good healthy gross operating profit ratio as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Gross operating profit	**271.8**	237.1	198.8
Gross operating profit ratio	**36.4%**	36.7%	36.4%

FINANCIAL REVIEW – Continued

EBITDA

The profit before interests, tax expense, depreciation and amortization (the "EBITDA") for the year ended 31 December 2013 was approximately HK$357.9 million representing an increase of approximately 4.2% as compared to those of last year of HK$343.5 million. The increase in the EBITDA was mainly attributable to the increase in turnover and hence, operating profits, with the Group's expanded food and beverage business. The year of 2013 saw a drop of 5.3% in the ratio of EBITDA against turnover which was mainly attributed to the lack of any special income like those of 2012 and a reduced fair value gain of HK$5.0 million from investment properties in 2013. The Group has also over the last three years sustained healthy performance in the EBITDA as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
EBITDA	**357.9**	343.5	166.3
EBITDA against turnover ratio	**47.9%**	53.2%	30.4%

Net profit

The profit attributable to owners of the Company for the year ended 31 December 2013 was approximately HK$261.0 million representing an increase of approximately 7.7% as compared to those of last year of HK$242.3 million. The increase of the Group's results was mainly attributable to the increase in turnover and hence, operating profits of the Group's expanded food and beverage. The decrease of 2.5% in the ratio of profit attributable to owners against turnover was mainly due to the lack of any special income like those of 2012 and a reduced fair value gain of HK$5.0 million from investment properties in 2013.

The Group has also over the last three years sustained healthy performance in the ratio of the profit attributable to owners of the Company as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Profit attributable to owners of the Company	**261.0**	242.3	89.6
Profit attributable to owners of the Company against turnover ratio	**35.0%**	37.5%	16.4%

FINANCIAL REVIEW – Continued

Net profit – Continued

The profit attributable to owners of the Company before taking into account any special non-recurring income or any net fair value gain from investment properties for the year ended 31 December 2013 (the "Net Ordinary Operating Profit") was approximately HK$155.4 million representing an increase of approximately 27.8% as compared to those of last year of HK$121.6 million (being the profit attributable to owners of the Company before taking into account net special gain of HK$11.9 million from termination of a lease agreement and the net fair value gain of HK$108.8 million from the investment properties in 2012). 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 years ended 31 December 2013:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Net Ordinary Operating Profit	**155.4**	121.6	79.6
Net Ordinary Operating Profit against turnover ratio	**20.8%**	18.8%	14.6%

The Group's food and beverage business was the main revenue and growth engine, the Group's food souvenir business was gradually being built up and the Group's property investment business continued to contribute steady rental income in 2013.

Earnings per share

The earnings per share of the Company for the year ended 31 December 2013 was some HK41.49 cents, representing a decrease of 3.9% as compared to those of last year of HK43.18 cents. Such decrease was mainly attributable to (i) the increase in weighted average number of ordinary shares of the Company only taken place in November 2012, (ii) the lack of any special income like those of 2012 and (iii) a reduced fair value gain of HK$5.0 million from investment properties in 2013. The Group has achieved over the last 3 years good growth in its earnings per share as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK cents	*HK cents*	*HK cents*
Earnings per share – basic	**41.49**	43.18	16.18

FINANCIAL REVIEW – Continued

Earnings per share – Continued

The earnings per share of the Company based on the Net Ordinary Operating Profit for the year ended 31 December 2013 was some HK24.70 cents, representing an increase of 14.0% as compared to those of last year of HK21.67 cents. Below is the earnings per share based on the Net Ordinary Operating Profit over the last 3 years:

	For the year ended 31 December		
	2013	2012	2011
	HK cents	*HK cents*	*HK cents*
Net Ordinary Operating Profit per share – basic	**24.70**	21.67	14.37

Cash flows

The cash inflow from operating activities of the Group for the year ended 31 December 2013 was approximately HK$237.5 million, representing an increase of 8.6% as compared to those of last year of HK$218.7 million. The Group has witnessed over the last 3 years healthy increases in its cash inflow from operating activities as follows:

	For the year ended 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Cash inflow from operating activities	**237.5**	218.7	165.1

Net assets

The net assets of the Group as at 31 December 2013 was approximately HK$821.7 million representing an increase of approximately 36.2% as compared to 31 December 2012 of HK$603.4 million. The increase in net assets was mainly attributable to the increase in profit attributable to the owners. The net assets of the Group as at 31 December 2013, 2012 and 2011 were as follows:

	As at 31 December		
	2013	2012	2011
	HK$'million	*HK$'million*	*HK$'million*
Net assets	**821.7**	603.4	308.5
	HK$	*HK$*	*HK$*
Net assets per share	**1.307**	0.959	0.557

OPERATIONS REVIEW

During the year ended 31 December 2013, the Group's principal activities were in the sales of food and beverage, food souvenir and property investment.

Food and Beverage Business

Restaurant Chain

During the year ended 31 December 2013, the food and beverage business contributed some HK$725.2 million turnover representing about 97.1% of turnover of the Group, an increase of approximately 15.3% as compared to those of last year of HK$629.2 million. Such increase was due to the Group's capability of benefiting a lot from the increases in tourist visitors and spending in Macau, despite of high operating costs.

During the year, the Group opened three more new restaurants but closed five restaurants (including three jointly controlled entity's restaurants in early January 2013) and eight food court counters. The performance of these five restaurants and eight food court counters was unsatisfactory with insignificant contribution to the Group. At such, the number of restaurants of the Group has been reduced. During 2013, the Group's restaurant operation continued to be subject to the increased direct staff and food costs relating to the Chinese restaurants opened in late 2012 where these Chinese restaurants built up in sales without higher level of revenue to cover their expenses. As at 31 December 2013, the Group had 29 restaurants and 2 food court counters.

Number of restaurant's analysis for the last three years and as at the date of the Company's 2013 annual report is listed as follows:

	As at the date of the Company's 2013 annual report	**As at 31 December**		
		2013	2012	2011
Number of restaurants				
Japanese restaurants *(note a)*	**9**	**9**	11	11
Chinese restaurants *(note b)*	**7**	**6**	7	4
Western restaurants *(note c)*	**2**	**2**	2	2
Other restaurants *(note d)*	**11**	**9**	10	6
	29	**26**	30	23
Food court counters	**2**	**2**	10	10
Industrial catering *(note e)*	**3**	**3**	1	1
	34	**31**	41	34
Total area of restaurants (sq.ft.) *(note f)*	**141,316 sq.ft.**	**133,179 sq.ft.**	131,416 sq.ft.	97,396 sq. ft.
Turnover over total area of restaurants (per sq.ft. per annum)	**Not applicable**	**HK$5,446**	HK$4,788	HK$5,444

OPERATIONS REVIEW – Continued

Food and Beverage Business – Continued

Restaurant Chain – Continued

Note a: As at 31 December 2013, Japanese restaurants included seven Edo Japanese Restaurants, one Toei Delights Restaurant and one Musashi Restaurant.

Note b: As at 31 December 2013, Chinese restaurants included one Turtle Essence Restaurant, one 456 Modern Shanghai Cuisine Restaurant, three Shiki Hot Pot Restaurants and one Chinese restaurant.

Note c: As at 31 December 2013, Western restaurants included one Madeira Portuguese Restaurant and one Vergnano Italian Restaurant.

Note d: As at 31 December 2013, other restaurants included eight Pacific Coffee Shops and one Royal Thai Kitchen Restaurant.

Note e: As at 31 December 2013, industrial catering included three student/staff canteens.

Note f: The total gross floor area as at 31 December 2012 and 2011 had been calculated with exclusion of 15,947 sq.ft. gross floor area of jointly controlled entity's restaurants.

Note g: Certain figures of 2012 and 2011 were restated to conform with current year's presentation.

Details of Group's restaurants are stated in the list of restaurants/counters/stores set out in the Company's 2013 annual report.

The Group's gross margin, gross operating profit and net profit from its food and beverage business generated some HK$522.9 million, HK$260.2 million and HK$169.6 million respectively during the year, represent increases of 17.2%, 15.1% and 9.8% respectively as compared to the last year. More details on the Group's food and beverage business are set out above as well as in the chairman's statement of the Company's 2013 annual report.

Industrial Catering and Food Wholesale

In 2013, the Group's industrial catering business was derived from its operations of providing the canteen services for universities and school with a modest turnover of some HK$18.4 million, at a reasonable profit. Today, the Group has established a track record of its capability to undertake big canteen services. The Group will operate two more 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 mid-2014.

The Group's wholesale business of Japanese food and materials enjoyed some turnover of HK$31.6 million in 2013. This business has been slowly developed with promising growth potentials in years ahead given the various new casino/hotel developments with restaurants in there, will be open from 2015-2017.

OPERATIONS REVIEW – Continued

Food Souvenir Business

During the year ended 31 December 2013, the food souvenir business contributed some HK$7.2 million turnover representing about 1.0% of turnover of the Group, an increase of approximately 157.1% as compared to those of last year of HK$2.8 million. Such increase was due to the growth in sales of moon cakes of the Group.

The Group is setting up a shop of 2,390 sq.ft. at the Group's commercial investment property in Macau which will be used as the flagship store for selling the Group's food souvenir products. The Group has also rented a shop of some 1,300 sq.ft. at 17 Rua do Cunha, Macau for three years commencing from March 2014 for its food souvenir shop. Further details of the Group's food souvenir business are set out in the chairman's statement of the Company's 2013 annual report. Details of Group's souvenir shops to be opened in 2014 are stated in the list of food souvenir shops of the Company's 2013 annual report.

Property Investment Business

During the year ended 31 December 2013, the Group's 6-storeys commercial building in Macau has generated a steady rental income of some HK$14.1 million (equivalent to MOP14.5 million) representing about 1.9% of turnover of the Group, as same as the last year of HK$14.1 million. The tenancy of this investment property was expired on 31 December 2013. The tenant for net leasable floor area of 21,184 sq.ft. of the Group's commercial investment property in Macau for five years has taken possession of the premises already with a rent free period kicking in. And at such, the Group has started in January 2014 sustained a temporary loss of rental income for few months while the new rental rate per square feet will be adjusted upwards at the end of the rent free period, compared to those of the last year rental rate per square feet.

The Group's net profit from property investment business generated some HK$130.7 million during the year, represents an increase of 8.4% as compared to the last year. Such increase was attributable by increases in the exchange gain and interest income from bank deposits.

The Group's investment properties were valued at HK$520.0 million as at 31 December 2013 (2012: HK$400.0 million), a fair value gain of HK$120.0 million was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2013, representing a decrease of 4.0% as compared to those of last year of HK$125.0 million.

Details on the Group's properties are set out in the Group's properties of the Company's 2013 annual report.

OPERATIONS REVIEW – Continued

Logistic Support

The Group has already submitted to the relevant Macau government department for its approval the detail plan to build its industrial building of five storeys which will have a total gross floor area designed to house the central food processing and logistic centre, warehouse and office facilities. 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's temporary central kitchen with a total usable floor area of 12,274 sq.ft. at 17th floor in Macau is in operation. This central processing centre is 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. The Group has also continued to actively enhance its logistic support including food sourcing and food process facilities.

Human Resources

There is no doubt that management and staffs are the valuable assets of the Group and the integral part to the Group's success. The management and staff teams have been expanded in 2013 with now near 1,100 people in Macau. With new restaurants and souvenir shops to be opened in 2014, the management has been expanding its management and staff teams to enhance operation efficiency. Remuneration packages including medical plan have been regularly reviewed in 2013, and have been generally structured by reference to market terms, individual qualifications, experience, duties and responsibilities. During 2013, various training activities including operational safety and management skills have been conducted to enhance operation efficiency.

DIVIDENDS

A final dividend of HK5.5 cents per share (2012: HK4.5 cents) and nil special dividend per share (2012: HK1.5 cents) have been recommended. The total dividends for the year ended 31 December 2013 will amount to HK8.0 cents per share (2012: HK7.5 cents) including the interim dividend of HK2.5 cents per share (2012: HK1.5 cents). Subject to the approval of shareholders at the annual general meeting to be held on 2 May 2014 ("2014 AGM"), the final dividend will be payable on 23 May 2014 to shareholders whose name appears on the register of members of the Company on 13 May 2014.

DIVIDENDS – Continued

The Group's operating cash flow was strong in 2013 with a healthy level of cash holdings be maintained. The policy of upholding steady payout of normal dividend each year has been upheld. The Company's dividend policy is stated in the chairman statement of this annual report. The dividend payout ratio based on the **total dividends (all dividends including interim, final and if any, special dividend)** over the profit attributable to owners for the last three years are as follows:

	For the year ended 31 December		
	2013	2012	2011
	%	%	%
Total dividend payout ratio (based on the profit attributable to owners)	**19**	19	19

The dividend payout ratio, based on the total dividends (all dividends including interim, final and if any, special dividend) over the Net Ordinary Operating Profit (being profit attributable to owners before taking into account any special non-recurring income or any fair value gain from investment property), for the last three years are as follows:

	For the year ended 31 December		
	2013	2012	2011
	%	%	%
Total dividend payout ratio (based on the Net Ordinary Operating Profit)	**32**	38	21

The **dividend payout ratio, based on the aggregate of the interim and final dividends only** over the Net Ordinary Operating Profit (as defined above), for the last three years are as follows:

	For the year ended 31 December		
	2013	2012	2011
	%	%	%
Interim and final dividends payout ratio (based on the Net Ordinary Operating Profit)	**32**	30	21

MATERIAL LITIGATION

As at 31 December 2013, the Group had not been involved in any material litigation or arbitration (2012: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 December 2013, the Group had net current assets of HK$312.2 million (2012: HK$231.7 million). As at 31 December 2013, the Group had cash and bank balances of HK$654.3 million (2012: HK$541.5 million), while the Group's pledged bank deposits amounted to HK$228.4 million (2012: HK$221.2 million) in which HK$207.7 million (2012: HK$204.9 million) has been pledged to a bank to secure a bank loan and the balance of HK$20.7 million (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 31 December 2013, the Group had interest-bearing bank loans of HK$353.9 million (2012: HK$389.6 million). The Group had two secured bank loans, including a bank loan of HK$200.0 million (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$146.8 million (2012: HK$174.1 million) was interest bearing at 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") 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$7.1 million (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 the year-end date over the last three years was as follows:

	As at 31 December		
	2013	2012	2011
	%	%	%
Gearing ratio	**19.3**	39.9	72.8

The decrease in Group's gearing ratio as at 31 December 2013 is mainly due to the repayment of bank loans and the increase in the Group's total equity.

The ratio of the total assets against total liabilities of the Group as at 31 December 2013 was 2.41 (2012: 2.07).

CAPITAL EXPENDITURES

For the year ended 31 December 2013, the Group's capital expenditures on the acquisitions of property, plant and equipment were approximately HK$27.4 million (2012: HK$16.5 million).

CHARGES ON GROUP ASSETS

As at 31 December 2013, the Group pledged the investment properties to a bank to secure a mortgage loan. Also the Group pledged a bank deposits to a bank to secure a bank loan. Other than that, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

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

CURRENCY EXPOSURE

As at 31 December 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.

CHANGES IN THE GROUP'S COMPOSITION

The Group had no material changes in the Group's composition during the year 2013.

EMPLOYEES

The Group employed, as at 31 December 2013, a total of 7 full-time staff in Hong Kong (2012: 7), 64 full-time staff in Mainland China (2012: 66) and 1,002 full-time staff in Macau (2012: 954). The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detail remuneration packages for the employees are determined by the management based on their performance.

The employee share option scheme of the Company approved by its shareholders and adopted on 13 June 2002 has been terminated. A new share option scheme was adopted on 8 June 2012 and effective for a period of 10 years since the date of adoption. 46,160,240 share options were granted to the directors and employees in 2007 and all share options lapsed in 2010. Details of the retirement benefits schemes of the Group are set out in note 4(m) to the financial statements of the Company's 2013 annual report.

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 31 December 2013, the Group has applied HK$4.2 million of the net proceeds for the development of its central kitchen, HK$16.9 million of the net proceeds for the opening of new 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.

CLOSURE OF REGISTER OF MEMBERS

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

(i) From Monday, 28 April 2014 to Friday, 2 May 2014 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders's entitlement to attend and vote at the 2014 AGM. The record date for the annual general meeting shall be 2 May 2014. In order to qualify to be shareholders of the Company to attend, act and vote at the 2014 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) not later than 4:00 p.m. on Friday, 25 April 2014; and

(ii) From Monday, 12 May 2014 to Tuesday, 13 May 2014 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. The record date for the entitlement to the final dividend shall be 13 May 2014. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) not later than 4:00 p.m. on Friday, 9 May 2014.

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

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

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2013.

SHARE OPTIONS

On 31 October 2013, the Group entered into an endorsement agreement with an agent, a company owned by Mr. Tam Wing Lun, Alan ("Mr. Tam"), whereby Mr. Tam, an active and well-known Chinese singer, television and movie actor would be the brand spokesperson for the Group's food souvenir business. In consideration of the services of Mr. Tam, the Company paid the agent a performance fee, and also granted a share option to Mr. Tam to subscribe for 5,000,000 new shares, representing approximately 0.8% of the issued share capital of the Company as at 31 December 2013, at the price of HK$3.07 per share. Such share option was granted pursuant to the general mandate of the Company. The subscription price of HK$3.07 represented a premium of some 2.8% to the closing price of the Company's shares of HK$2.99 on 31 October 2013, the date of grant of such share option, and a premium of some 1.65% to the weighted average closing price of HK$3.02 of the Company's shares traded for the last 5 trading days from 25 to 31 October 2013. Other than that, the Group did not enter into any share-based payment transactions during the year.

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive Directors, Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso. The audit committee has reviewed with the management the accounting policies as well as critical accounting estimates and assumptions with management. The audit committee has also discussed with the external auditor on their audit plan and key audit areas. The audited consolidated financial statements and the annual results announcement of the Group for the year ended 31 December 2013 have been reviewed by the audit committee before submission to the Board for adoption.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code (the "CG Code") for the year ended 31 December 2013 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 have confirmed that they have complied with the standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rules 3.13 of the Model Code. The Company has considered all of the independent non-executive Directors are independent.

EVENTS AFTER THE REPORTING DATE

On 9 August 2013, the Group entered into an agreement with an independent third party to acquire trademarks, mainly the trademarks of "Macau Yeng Kee Bakery" in Macau and Hong Kong, and the related brand name at a consideration of MOP4,000,000 (equivalent to approximately HK$3,883,000) ("Acquisition") to facilitate the Group to launch the food souvenir business with easier market recognition in Macau. As of 31 December 2013, the Acquisition had not yet been completed. The Group has reclassified the consideration paid as prepayments for acquisition of intangible assets under non-current assets in the Group's consolidated statement of financial position as at 31 December 2013. The Acquisition was subsequently completed in February 2014.

The Company on 4 March 2014 has entered into a placing agreement with a placing agent and a subscription agreement with Mr. Chan Chak Mo, the controlling shareholder of the Company, to raise new equity funds by placing of 65,400,000 existing shares from Mr. Chan to independent investors (unconnected to the Company's directors, substantial shareholders or their associates or parties acting in concert with Mr. Chan) and issue of the same number of new shares to Mr. Chan. The Placing was completed by 7 March 2014 while the Subscription was completed by the evening of 14 March 2014. The net proceeds from the Placing and the Subscription was about HK$276 million, which would be used by the Company to finance its proposed project in Hengqin Island if such submitted development proposal is duly approved by the relevant authorities, and failing which, as to approximately HK$100 million for opening new restaurants and food souvenir shops, with the balance for the general working capital of the Group.

Save as disclosed above, there is no significant subsequent events after the year end date of 31 December 2013.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2014 AGM of the Company will be held on Friday, 2 May 2014, for the purpose of, among other things, approving the payment of a final dividend of HK5.5 cents per share. The notice of 2014 AGM together with the Company's 2013 annual report and all other relevant documents (the "Documents") will be despatched to the Shareholders on or about 25 March 2014. The Documents and this announcement shall also be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.fb.com.hk.

BOARD OF DIRECTORS

As at the date hereof, the members of the board of directors of the Company comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman and executive Director, (iii) Mr. Lai King Hung, the deputy chairman and executive Director, (iv) Ms. Leong In Ian, the executive Director and (v) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.

On behalf of the Board
Chan Chak Mo
Managing Director

Hong Kong, 14 March 2014