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 2015

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2015	2014	Change
	HK$'000	*HK$'000*	*%*
Turnover	**824,182**	858,943	-4.0%
Gross margin	**577,373**	626,390	-7.8%
Gross operating profit	**137,360**	243,256	-43.5%
Profit before interests, tax expense, depreciation and amortisation	**15,113**	252,340	-94.0%
(Loss)/Profit attributable to owners of the Company	**(45,907)**	168,809	N/A
Net Ordinary Operating (Loss)/Profit	**(57,938)**	103,689	N/A
Basic (loss)/earnings per share	**HK(6.61) cents**	HK24.77 cents	N/A
Final dividend (special/ordinary) per share	**HK1.0 cent**	HK3.0 cents	-66.7%

	31 December 2015	31 December 2014	Change
	HK$'000	*HK$'000*	*%*
Total assets	**1,592,234**	1,857,850	-14.3%
Net assets	**1,083,571**	1,194,849	-9.3%
Net assets per share	**HK$1.561**	HK$1.721	-9.3%
Gearing ratio	**26.7%**	16.5%	+10.2%
Total assets/total liabilities ratio	**3.13**	2.80	+11.8%

* *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 2015 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Turnover	*4*	**824,182**	858,943
Cost of sales		**(246,809)**	(232,553)
Gross margin		**577,373**	626,390
Direct operating expenses		**(440,013)**	(383,134)
Gross operating profit		**137,360**	243,256
Other revenue	*6*	**14,517**	24,514
Other gains and losses	*7*	**(38,599)**	70,736
Administrative expenses		**(146,105)**	(120,185)
Share of loss of joint venture		**(1,062)**	–
Finance costs	*9*	**(9,386)**	(10,237)
(Loss)/Profit before income tax expense	*8*	**(43,275)**	208,084
Income tax expense	*10*	**(7,182)**	(28,791)
(Loss)/Profit for the year		**(50,457)**	179,293
Other comprehensive loss, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(22,569)**	(668)
Total comprehensive (loss)/income for the year		**(73,026)**	178,625
(Loss)/Profit attributable to:			
Owners of the Company		**(45,907)**	168,809
Non-controlling interests		**(4,550)**	10,484
		(50,457)	179,293
Total comprehensive (loss)/income attributable to:			
Owners of the Company		**(68,476)**	168,141
Non-controlling interests		**(4,550)**	10,484
		(73,026)	178,625
(Loss)/Earnings per share			
– Basic (HK cents per share)	*12*	**(6.61)**	24.77
– Diluted (HK cents per share)	*12*	**(6.61)**	24.75

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Property, plant and equipment		**243,519**	290,444
Investment properties		**796,494**	523,000
Goodwill	*14*	**81,781**	81,781
Other intangible assets	*15*	**11,628**	13,652
Prepayments and deposits	*17*	**38,448**	142,412
Interest in joint venture	*16*	**13,218**	–
Pledged bank deposits		**–**	202,709
Total non-current assets		**1,185,088**	1,253,998
Current assets			
Inventories		**37,308**	39,184
Trade and other receivables	*17*	**118,951**	65,678
Financial assets at fair value through profit or loss	*18*	**3,478**	5,045
Pledged bank deposits		**28,109**	28,303
Cash and cash equivalents		**219,300**	465,642
Total current assets		**407,146**	603,852
Total assets		**1,592,234**	1,857,850
Current liabilities			
Amount due to joint venture		**4,348**	–
Trade and other payables	*19*	**145,850**	180,290
Current tax liabilities		**87,430**	89,313
Interest bearing borrowings		**83,922**	14,427
Non-interest bearing borrowings		**1,388**	1,388
Total current liabilities		**322,938**	285,418
Net current assets		**84,208**	318,434
Total assets less current liabilities		**1,269,296**	1,572,432

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 31 DECEMBER 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
Non-current liabilities			
Interest bearing borrowings		**137,136**	332,674
Deferred tax liabilities		**43,160**	39,480
Non-interest bearing borrowings		**5,429**	5,429
Total non-current liabilities		**185,725**	377,583
Total liabilities		**508,663**	663,001
NET ASSETS		**1,083,571**	1,194,849
Capital and reserves attributable to owners of the Company			
Share capital		**69,430**	69,430
Reserves		**1,032,614**	1,128,565
Equity attributable to owners of the Company		**1,102,044**	1,197,995
Non-controlling interests		**(18,473)**	(3,146)
TOTAL EQUITY		**1,083,571**	1,194,849

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

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 ("Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. 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 catering, 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 HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the provision of the disclosure requirements of Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for investment properties and certain financial assets, which are measured at fair values as explained in the accounting policies set out in notes to the financial statements in the 2015 annual report.

(c) Functional and presentation currency

The functional currency of the Company is Macau Patacas ("MOP"), while the financial statements are presented in Hong Kong dollars ("HK$"). Each entity in the Group maintains its books and records in its own functional currency. As the Company is listed on Main Board of the Stock Exchange, the Directors consider that it will be more appropriate to adopt HK$ 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 2015

Amendments to HKFRSs	Annual Improvement to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011 – 2013 Cycle

The adoption of these amendments has no material impact on the Group's financial statements.

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

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

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

HKFRSs (Amendments)	Annual Improvement 2012 – 2014 Cycle[1]
Amendments to HKAS 1	Disclosure Initiative[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to HKAS 27	Equity Method in Separate Financial Statements [1]
HKFRS 9 (2014)	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[*]
HKFRS 15	Revenue from Contracts with Customers[2]

[1] Effective for annual periods beginning on or after 1 January 2016
[2] Effective for annual periods beginning on or after 1 January 2018
[*] No mandatory effective date yet determined but it is available for immediate adoption

Amendments to HKAS 1 – Disclosure Initiative

The amendments are designed to encourage entities to use judgement in the application of HKAS 1 when considering the layout and content of their financial statements.

An entity's share of other comprehensive income from equity accounted interests in associates and joint ventures will be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as a single line item within those two groups.

Amendments to HKAS 16 and HKAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that amortisation based on revenue is not appropriate for intangible assets. This presumption can be rebutted if either the intangible asset is expressed as a measure of revenue or revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 27 – Equity Method in Separate Financial Statements

The amendments allow an entity to apply the equity method in accounting for its investments in subsidiaries, joint ventures and associates in its separate financial statements.

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

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

HKFRS 9 (2014) – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss ("FVTPL").

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the 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.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

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

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

HKFRS 15 requires the application of a 5-steps approach to revenue recognition:

– Step 1: Identify the contract(s) with a customer
– Step 2: Identify the performance obligations in the Contract
– Step 3: Determine the transaction price
– Step 4: Allocate the transaction price to each performance obligation
– Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Group has already commenced an assessment of the impact of adopting the new/revised HKFRSs to the Group and the Directors are not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

(c) Impacts of the new Hong Kong Companies Ordinance, Cap. 622

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the new Hong Kong Companies Ordinance, Cap. 622. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended 31 December 2015 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended 31 December 2014 are presented or disclosed in the consolidated financial statements based on the new requirements.

4. TURNOVER

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

	2015	2014
	HK$'000	*HK$'000*
Sales of food and catering	**748,045**	820,229
Sales of food souvenir	**45,877**	14,841
Gross rental income from investment properties	**30,260**	23,873
	824,182	858,943

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 catering – sales of food and catering in Macau, Mainland China and Hong Kong;
- Food souvenir – sales of food souvenir, including festival food products; and
- Property investment – leasing of property

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

For the year ended 31 December 2015

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Revenue				
Turnover from external customers	748,045	45,877	30,260	824,182
Other revenue	11,267	73	3,032	14,372
Reportable segment revenue	759,312	45,950	33,292	838,554
Results				
Reportable segment results	2,221	(66,635)	36,797	(27,617)

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Assets				
Reportable segment assets*	519,549	47,361	1,020,043	1,586,953
Liabilities				
Reportable segment liabilities	217,885	18,112	270,313	506,310
Reportable segment net assets	301,664	29,249	749,730	1,080,643

* As at 31 December 2015, food and catering and food souvenir segment assets included cash and bank balances of approximately HK$180,752,000 (2014: HK$265,689,000) and HK$7,464,000 (2014: HK$3,940,000) respectively, while property investment segment assets included cash and bank balances of approximately HK$30,162,000 (2014: HK$419,891,000) and investment properties of HK$796,494,000 (2014: HK$523,000,000).

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

Other information

For the year ended 31 December 2015

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Un-allocated *HK$'000*	Consolidated *HK$'000*
Interest income	1,035	1	3,032	–	4,068
Interest expense	2,515	–	6,871	–	9,386
Capital expenditure	45,565	17,273	274,478	2	337,318
Depreciation of property, plant and equipment	36,500	8,315	3,041	156	48,012
Amortisation of other intangible assets	678	312	–	–	990
Equity settled share-based payment for eligible person other than staff	–	297	–	–	297
Loss on disposal of property, plant and equipment	1,027	–	–	–	1,027
Impairment loss on property, plant and equipment	10,544	16,278	–	–	26,822
Written off of property, plant and equipment	29,675	–	–	–	29,675
Impairment loss on trade receivables	1	–	–	–	1
Fair value gain of investment properties	–	–	15,868	–	15,868
Fair value loss of financial assets at fair value through profit or loss	–	–	–	1,567	1,567
Share of loss of joint venture	1,062	–	–	–	1,062
Income tax expense	3,345	–	3,837	–	7,182

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

For the year ended 31 December 2014

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Revenue				
Turnover from external customers	820,229	14,841	23,873	858,943
Other revenue	12,407	22	11,938	24,367
Reportable segment revenue	832,636	14,863	35,811	883,310
Results				
Reportable segment results	185,020	(53,458)	89,095	220,657

As at 31 December 2014

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Assets				
Reportable segment assets	601,404	45,341	1,197,641	1,844,386
Liabilities				
Reportable segment liabilities	253,961	15,607	390,778	660,346
Reportable segment net assets	347,443	29,734	806,863	1,184,040

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

Other information

For the year ended 31 December 2014

	Food and catering *HK$'000*	Food souvenir *HK$'000*	Property investment *HK$'000*	Un-allocated *HK$'000*	Consolidated *HK$'000*
Interest income	2,200	–	11,937	–	14,137
Interest expense	6,196	–	4,041	–	10,237
Capital expenditure	124,540	18,677	42,656	21	185,894
Depreciation of property, plant and equipment	28,959	2,813	1,751	152	33,675
Amortisation of other intangible assets	344	–	–	–	344
Equity settled share-based payment for eligible person other than staff	–	2,725	–	–	2,725
Loss on disposal of property, plant and equipment	86	–	–	–	86
Reversal of impairment loss on trade receivables	32	–	–	–	32
Fair value gain of investment properties	–	–	74,000	–	74,000
Fair value gain of financial assets at fair value through profit or loss	–	–	–	528	528
Income tax expense	19,906	5	8,880	–	28,791

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

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

	2015	2014
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**838,554**	883,310
Other revenue	**(14,372)**	(24,367)
Consolidated turnover	**824,182**	858,943
(Loss)/Profit before income tax expense		
Reportable segment (loss)/profit	**(27,617)**	220,657
Other revenue and other gains and losses	**(1,340)**	1,160
Corporate payroll expenses	**(8,259)**	(8,281)
Unallocated expenses	**(6,059)**	(5,452)
Consolidated (loss)/profit before income tax expense	**(43,275)**	208,084
Assets		
Reportable segment assets	**1,586,953**	1,844,386
Financial assets at fair value through profit or loss	**3,478**	5,045
Unallocated corporate assets	**1,803**	8,419
Consolidated total assets	**1,592,234**	1,857,850
Liabilities		
Reportable segment liabilities	**506,310**	660,346
Unallocated corporate liabilities	**2,353**	2,655
Consolidated total liabilities	**508,663**	663,001

5. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(c) Geographical information

The Group's operations are located in Macau, Mainland China and Hong Kong, 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.

	Turnover from external customers		**Non-current assets**	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**12,730**	4,798	**42,929**	45,642
Mainland China	**96,014**	32,424	**351,192**	230,988
Macau	**715,438**	821,721	**790,967**	774,659
	811,452	854,145	**1,142,159**	1,005,647
	824,182	858,943	**1,185,088**	1,051,289

The geographical location of customers is based on the location at which the goods and services are delivered. For goodwill and other intangible assets, the geographical location is based on the areas of operation of cash generating units ("CGUs"). The geographical location of other non-current assets is based on the physical location of the assets.

(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 2015 and 2014.

6. OTHER REVENUE

	2015	2014
	HK$'000	*HK$'000*
Interest income	**4,068**	14,137
Dividend income	**145**	147
Management fee income	**4,838**	5,095
Rental income from staff quarter and others	**3,668**	3,935
Others	**1,798**	1,200
	14,517	24,514

7. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Exchange gain/(loss), net	**4,625**	(3,738)
Fair value gain of investment properties	**15,868**	74,000
Loss on disposal of property, plant and equipment	**(1,027)**	(86)
Impairment loss on property, plant and equipment	**(26,822)**	–
Written off of property, plant and equipment	**(29,675)**	–
(Impairment loss)/Reversal of impairment loss on trade receivables *(Note 17)*	**(1)**	32
Fair value (loss)/gain of financial assets at fair value through profit or loss	**(1,567)**	528
	(38,599)	70,736

8. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

(Loss)/Profit before income tax expense was arrived at after charging:

	2015	2014
	HK$'000	*HK$'000*
Cost of inventories recognised as expenses	**243,796**	230,095
Direct operating expenses arising from investment properties that generated rental income during the year	**3,013**	2,458
Cost of sales	**246,809**	232,553
Employee costs	**297,528**	250,089
Depreciation of property, plant and equipment	**48,012**	33,675
Amortisation of other intangible assets	**990**	344
Auditor's remuneration	**1,810**	1,700
Equity settled share-based payment for eligible person other than staff	**297**	2,725
Operating lease charges on properties		
– Contingent rentals	**8,338**	18,836
– Minimum lease payments	**89,467**	82,697

9. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on interest bearing borrowings:		
– Repayable within five years	**5,357**	6,196
– Repayable over five years	**4,116**	4,041
	9,473	10,237
Less: Amount capitalised	**(87)**	–
	9,386	10,237

10. INCOME TAX EXPENSE

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

	2015	2014
	HK$'000	*HK$'000*
Current tax – Macau Complementary Income Tax		
– Current year	**13,236**	26,393
– Over-provision in respect of prior years	**(9,891)**	(6,482)
	3,345	19,911
Deferred tax		
– Charge for the year	**3,837**	8,880
Income tax expense	**7,182**	28,791

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 2015 (2014: 12%).

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2014: 25%). No provision for EIT has been made as Mainland China subsidiaries had no assessable profits for EIT for the years ended 31 December 2015 and 2014. 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 2015 and 2014.

At the end of the reporting period, the Group had unused tax losses of HK$102,753,000 (2014: HK$46,655,000) in Mainland China available for offset against future profits which will expire in five years. At the end of the reporting period, the Group had unused tax loss of HK$13,669,000 (2014: $9,311,000) in Hong Kong are available for offset against future profits of the companies in which the losses arose. At the end of the reporting period, the Group had unused tax losses of HK$157,415,000 (2014: HK$78,420,000) in Macau available for offset against future taxable profits which will expire in three years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profits streams.

10. INCOME TAX EXPENSE – Continued

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

	2015	2014
	HK$'000	*HK$'000*
(Loss)/Profit before income tax expense	**(43,275)**	208,084
Tax calculated at the applicable tax rates of 12% (2014: 12%)	**(5,193)**	24,970
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(11,122)**	(2,980)
Tax effect of expenses not deductible for tax purposes	**10,551**	3,508
Tax effect of revenue not taxable for tax purposes	**(1,385)**	(3,931)
Tax effect of tax losses not recognised	**24,222**	13,706
Over-provision in respect of prior years	**(9,891)**	(6,482)
Income tax expense	**7,182**	28,791

11. DIVIDENDS

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

	2015	2014
	HK$'000	*HK$'000*
Special final, proposed – HK1.0 cent (2014: ordinary final, proposed – HK3.0 cents)	**6,943**	20,829

At the board of directors' meeting held on 14 March 2016, the Directors have recommended to pay a special final dividend of HK1.0 cent (2014: HK3.0 cents) per ordinary share. The proposed special final dividend is 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:

	2015	2014
	HK$'000	*HK$'000*
Special interim dividend in respect of the current financial year, approved and paid during the year of HK1.0 cent (2014: ordinary interim dividend of HK3.0 cents) per ordinary share	**6,943**	20,829
Final dividend in respect of the previous financial year, approved and paid during the year of HK3.0 cents (2014: HK5.5 cents) per ordinary share	**20,829**	38,186
	27,772	59,015

12. (LOSS)/EARNINGS PER SHARE

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

(a) Basic (loss)/earnings per share

	2015	2014
	HK$'000	*HK$'000*
(Loss)/Profit for the year attributable to the owners of the Company	**(45,907)**	168,809
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	**694,302,420**	681,401,600
Basic (loss)/earnings per share (HK cents)	**(6.61)**	24.77

(b) Diluted (loss)/earnings per share

There was no diluted loss per share because the exercise price of the Company's options was higher than the average market price for 2015.

Diluted earnings per share for the year ended 31 December 2014 was calculated by dividing the profit attributable to owners of the Company of approximately by HK$168,809,000 by the adjusted weighted average number of ordinary shares in issue during the year ended 31 December 2014. The weighted average number of ordinary shares used in calculation of diluted earnings per share for the year ended 31 December 2014 was calculated based on the weighted average of 681,401,600 ordinary shares in issue during the year ended 31 December 2014 as used in the calculation of basic earnings per share plus the weighted average of 721,473 ordinary shares deemed to be issued at no consideration as if all outstanding share options had been exercised.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the year, save as disclosed elsewhere in the financial statements of the 2015 annual report, the Group had the following significant transactions with related parties:

(a) During the year, the Group received management fee income of HK$3,602,000 (2014: HK$3,859,000), 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) During the year, the Group paid rental of HK$4,800,000 (2014: HK$1,200,000) to Mr. Chan Chak Mo ("Mr. Chan") under the lease agreement dated 29 August 2014 ("Lease Agreement") between Mr. Chan (as landlord) and Bright Elite Gourmet Company Limited ("Bright Elite"), a subsidiary of the Company (as tenant) where Bright Elite has leased the shop premise located at a Em Macau, Patio da Ameaca No. 1-A, Res-do-Chao, A com Sobreloja, Macau with a gross floor area of approximately 74 square meters for a term of three years commencing from 1 October 2014 to 30 September 2017 at a monthly rental of HK$400,000 for the first two years and HK$460,000 for the third year. In December 2015, Mr Chan has agreed in writing to reduce the monthly rental of HK$400,000 payable by Bright Elite under the Lease Agreement to a monthly rental of HK$300,000 from 1 January 2016 to 31 December 2016 with the other terms of the Lease Agreement remaining valid.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS – Continued

(c) As at 31 December 2015, a mortgage loan of HK$119,963,000 (2014: secured bank loans and mortgage loan of HK$333,581,000) of the Group contained a covenant that Mr. Chan and his associates had to hold not less than 37% (2014: 37%) equity interest holding of the Company. In addition, one unsecured bank loan of HK$24,000,000 (2014: Nil) with maximum facility of HK$80,000,000 of the Company contained a covenant that Mr. Chan and his associates had to hold not less than 37% equity interest holding of the Company. Moreover, two unsecured bank loans of HK$58,450,000 (2014: Nil) and HK$5,845,000 (2014: Nil) with maximum facility of HK$58,450,000 and HK$35,070,000 of the Company contained a covenant that Mr. Chan and his associates had to hold not less than 40% equity interest holding of the Company

14. GOODWILL

	2015	2014
	HK$'000	*HK$'000*
Cost		
At 1 January and 31 December	**81,781**	81,781

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

	2015	2014
	HK$'000	*HK$'000*
Kanysia Investments Limited ("Kanysia Group")	**61,775**	61,775
Era Catering Management Company Limited ("Era Catering")	**6**	6
Nippon Gourmet Trading Company Limited ("Nippon Gourmet")	**20,000**	20,000
	81,781	81,781

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

	2015	2014
	%	%
Discount rate	**12**	12
Operating margin	**18 to 49**	21 to 53
Growth rate within five-year period	**0 to 5**	0 to 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 CGU. Discount rates used are pre-tax and reflect specific risks related to the CGU. 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. OTHER INTANGIBLE ASSETS

	Trademark *HK$'000*	**Franchise** *HK$'000*	**Royalties** *HK$'000*	**Total** *HK$'000*
Cost				
At 1 January 2015	**3,883**	**10,113**	**–**	**13,996**
Additions – externally acquired	**–**	**217**	**1,170**	**1,387**
Cancellation *(Note)*	**–**	**(2,340)**	**–**	**(2,340)**
Exchange adjustment	**–**	**(97)**	**–**	**(97)**
At 31 December 2015	**3,883**	**7,893**	**1,170**	**12,946**
Accumulated amortisation				
At 1 January 2015	**–**	**344**	**–**	**344**
Amortisation	**–**	**678**	**312**	**990**
Exchange adjustment	**–**	**(16)**	**–**	**(16)**
At 31 December 2015	**–**	**1,006**	**312**	**1,318**
Cost				
At 1 January 2014	–	–	–	–
Additions	3,883	10,113	–	13,996
At 31 December 2014	3,883	10,113	–	13,996
Accumulated amortisation				
At 1 January 2014	–	–	–	–
Amortisation	–	344	–	344
At 31 December 2014	–	344	–	344
Net book value				
At 31 December 2015	**3,883**	**6,887**	**858**	**11,628**
At 31 December 2014	3,883	9,769	–	13,652

Note: During the year ended 31 December 2015, the Group and the franchisor of "Mad for Garlic" and "Bistro Seoul" agreed to exclude Guangdong as operation territory.

Impairment tests for trademark

For the purpose of impairment testing, trademark is allocated to one of the CGU under the food souvenir segment. The recoverable amount of above CGU has been determined based on value in use calculations, covering a detailed five-year budget plan, followed by an extrapolation of expected cash flows at the average growth rates of 0% to 5% and pre-tax discount rate of 12% estimated by management.

The key assumptions for the Group have been determined by the Group's management based on past performance and its expectations for the industry development. The discount rate used is pre-tax and reflect specific risks relating to the food souvenir segment.

Apart from the considerations described in determining the value in use of the CGU, the Group's management is not currently aware of any other probable changes that would necessitate changes in key estimates.

16. INTEREST IN JOINT VENTURE

	2015	2014
	HK$'000	*HK$'000*
Share of net assets	**13,218**	–

The Group has a 51% (2014: Nil) interest in a material joint venture, "Shiki Hotpot Restaurant", a restaurant located at Studio City in Macau for HK$14,280,000. The primary activity of this restaurant is food and catering business, which is in line with the Group's strategy to expand the food and catering business division.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with this Shiki Hotpot Restaurant. Under HKFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. The Group's share of loss of joint venture was HK$1,062,000 for the year ended 31 December 2015 (2014: Nil).

Amount due to joint venture was unsecured, interest free and repayable on demand as at 31 December 2015.

Summarised financial information in relation to the joint venture is presented below:

	2015	2014
	HK$'000	*HK$'000*
As at 31 December		
Current assets	**16,692**	–
Non-current assets	**19,140**	–
Current liabilities	**(9,915)**	–
Included in the above amounts are:		
Cash and cash equivalents	**6,958**	–
Amount due from the Group	**4,348**	–
Year ended 31 December		
Revenues	**2,359**	–
Loss for the year and total comprehensive income	**(2,083)**	–
Included in the above amounts are:		
Depreciation and amortisation	**660**	–

17. TRADE AND OTHER RECEIVABLES

The Group's sales to customers are mainly on a cash and credit card settlement. Trade 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.

	2015	2014
	HK$'000	*HK$'000*
Current portion		
Trade receivables	**27,270**	26,126
Prepayments and deposits	**89,280**	35,887
Other receivables	**2,401**	3,665
Total	**118,951**	65,678
Non-current portion		
Prepayments and deposits *(Note a)*	**38,448**	142,412

Note a: As at 31 December 2015, these balances mainly represented deposits paid for guarantee of development of investment properties under construction. As at 31 December 2014, these balances mainly represented deposits paid for acquisition of land use rights to the Group's business expansion.

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:

	2015	2014
	HK$'000	*HK$'000*
Current *(Note b)*	**22,190**	22,530
Less than 3 months past due	**4,730**	3,249
More than 3 months past due	**350**	347
Amount past due as of the end of reporting period but not impaired *(Note c)*	**5,080**	3,596
Total	**27,270**	26,126

Note b: These 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 c: These 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.

17. TRADE AND OTHER RECEIVABLES – Continued

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

	2015	2014
	HK$'000	*HK$'000*
0 to 90 days	**26,920**	25,779
91 days to 365 days	**235**	347
Over 365 days	**115**	–
Total	**27,270**	26,126

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

	2015	2014
	HK$'000	*HK$'000*
At 1 January	**3,479**	3,511
Impairment loss/(Reversal of) impairment loss	**1**	(32)
At 31 December	**3,480**	3,479

The Group recognised impairment loss based on the accounting policy stated in notes to the financial statements of the 2015 annual report.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015	2014
	HK$'000	*HK$'000*
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**3,478**	5,045

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.

19. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	*HK$'000*
Trade payables	**56,256**	62,498
Accruals and provision	**49,398**	57,591
Other payables	**34,438**	47,472
Deposit received in advance	**709**	709
Deferred rental benefit	**5,049**	12,020
Total	**145,850**	180,290

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

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**49,503**	54,605
91 to 180 days	**1,152**	1,177
181 to 365 days	**1,179**	741
More than 365 days	**4,422**	5,975
Total	**56,256**	62,498

CHAIRMAN'S STATEMENT

The board of Directors is pleased to present to our shareholders the annual report of the Group for the year ended 31 December 2015 ("Year").

The Group sustained an overall annual loss in 2015 for the first time for many years with its operating environment being competitive and tough during that year. In 2015, the Macau economy went soft: a total of 30.714 million visitors to Macau were recorded as against 31.525 million visitors to Macau in 2014 while the visitor spending was about MOP1,665 per person as against the visitor spending at MOP1,959 per person in 2014. The Macau Gross Gaming Revenue has dropped by 34.2% in 2015 as compared to those of 2014.

The Group's total turnover for 2015 reached at HK$824.2 million witnessing a mild 4.0% decrease as compared to HK$858.9 million turnover in 2014. And the loss attributable to owners of the Company excluding any special/non-recurring income or any net fair value gain from the investment properties, ("Net Ordinary Operating Loss") for the year of 2015 was HK$57.9 million, as against a Net Ordinary Operating Profit of some HK$103.7 million in 2014. Such loss to the Group for 2015 was mainly due to (i) the loss of the Group's food souvenir business, (ii) the loss of the Group's restaurants and food court at Huafa Mall, Zhuhai which included impairment losses and write-off of some HK$32.2 million in respect of the closure of the 19 food court counters and some impairment losses relating to the restaurants at Huafa Mall, (iii) the decrease in net fair value gains of the Group's investment properties, and (iv) the slowdown in the Group's restaurants in Macau. With a volatile currency exchange of Renminbi ("RMB") in 2015, the Group incurred a comprehensive loss of some HK$22.6 million derived from exchange differences on translating foreign operations relating mainly to its subsidiary companies in Mainland China. Details of financial analysis and breakdown on the Group's performance are set out in the section of "Management Discussion and Analysis" below.

It has always been 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 view of recording a loss for the year of 2015 and to extend the Company's gratitude towards the support of its shareholders, the Directors propose to declare and pay out of the Company's retained earnings, a special final dividend of HK1.0 cent per share in respect of the year of 2015 where such special final dividend is a non-recurrent special dividend.

Food and Catering Business Review

Restaurant Chain (self-owned and under franchise)

During 2015, the Group's restaurant chain business recorded a drop in turnover by about 8.8% incurring considerable losses mainly from its restaurants and food court at Huafa Mall, the loss of which included the impairment losses mentioned above. Details of the turnover breakdown and same store performance in different cuisines are set out in the section headed "Management Discussion and Analysis" below.

Food and Catering Business Review – Continued

Restaurant Chain (self-owned and under franchise) – Continued

Management has also started in 2015 cautiously to explore opening more mass market restaurants in Macau, Hong Kong and Guangdong to diversify its revenue. In 2015, the Group has opened 6 new restaurants (self-owned, joint venture and franchise) including: (i) a Japanese restaurant "Senkizen" at Galaxy Macau, (ii) a Western restaurant "Old Macau" at University of Macau, (iii) a "Pacific Coffee" shop at the Broadway of Galaxy Macau, (iv) first Japanese ramen shop under the brand name of "Bari-Uma" in Hong Kong, (v) a "Pepper Lunch" restaurant at Huafa Mall, Zhuhai, and (vi) a joint venture's restaurant, "Shiki Hot Pot" Restaurant at Studio City, Cotai. The Group closed down 2 restaurants and 19 food court counters in 2015 including: (i) a "Shiki Hot Pot" Restaurant at Rio Hotel, Macau (ii) a Japanese restaurant "Edo" in Hong Kong, and (iii) 19 food court counters at Huafa Mall.

To better realign its resources, the Group has recently revised its franchise arrangement with "Pepper Lunch" restaurant to include its operation territory to cover Cotai area, and its franchise arrangement with "Mad for Garlic" and "Bistro Seoul" restaurants to exclude Guangdong as its operation territory. The Group is soon to open another ramen shop under the franchise "Bari-Uma" in Tsim Sha Tsui, Hong Kong, its first "Bistro Seoul" restaurant in Wan Chai, Hong Kong and its first "Mad for Garlic" restaurant in Causeway Bay, Hong Kong. The Group will also soon open another Japanese restaurant "Edo" at Sheraton Zhuhai Hotel in the first half of this year. It is also expected to open (i) 3 restaurants at Sam's Club, Zhuhai, Mainland China and (ii) 3 restaurants and 3 food court counters at the new casino shopping mall of The Parisian Macao, Cotai in the second half of 2016. The Parisian Macao is intended to become a major tourist attraction with a gaming area, a hotel with over 3,000 rooms and suites and retail, entertainment, dining and meeting facilities. Details of the restaurants to be opened in 2016 are set out in the 2015 annual report.

Industrial Catering Business

The Group's industrial catering business has always been derived from its operations of providing the canteen services for universities and school with a steady and modest turnover of some HK$48.3 million, representing a growth of some 21.4% as compared to those of 2014. In 2015, the Group operated 2 canteens at University of Macau in Hengqin Island, a canteen at International School of Macau and a canteen at Macau University of Science and Technology. With the soft economic situation in Macau in 2015 that adversely affected the Group's business, its industrial catering business helped to maintain diversified revenue to the Group.

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. Foundation works are in progress. Completion of its construction is expected to be sometime in 2017.

Food and Catering Business Review – Continued

Wholesales of Japanese food and materials Business

The Group's wholesale business of Japanese food and materials has also been adversely affected by the soft economic situation in Macau in 2015. And this business was profitable in 2015 with turnover of some HK$36.4 million in 2015, representing a growth of some 9.6% as compared to those of 2014. It is expected that the soft economic situation of Macau now may still have some impact on this business.

Food Souvenir Business Review

The Group's food souvenir business under the brand name of "澳門英記餅家 Macau Yeng Kee Bakery" and "澳門英記餅家 Ou Mun Ieng Kei Peng Ka" has since its launch in the second half of 2014 been an indispensable part of the Group's business.

The Group's food souvenir business has been adversely affected by the soft economic situation in Macau in 2015, during which management has restructured the Group's Yeng Kee Bakery food souvenir business through enhancing operating cost efficiency and opening more sales channels. These included closing down a high rental street shop in Macau and a shop at Huafa Mall; opening more kiosks; and setting up consignment arrangements with duty free shops at airports. Details of the list of shops and kiosks of this business are set out in the 2015 annual report. This business has continued to improve its sales considerably with more stores and kiosks. In 2015, this business recorded a total turnover of some HK$45.9 million with a loss to owners of the Company of some HK$51.5 million, as against a turnover of some HK$14.8 million with a loss to owners of some HK$39.4 million in 2014. In 2015, Macau economy was so soft that the overall food souvenir market went soft too. To address such soften demand, management did ask for, and succeeded to get, some rental reduction in respect of its shop outlets for the year of 2016. Management is fully aware of the challenges ahead and has been continuing to expand more sales channels (local and overseas) for its food souvenir products to build up a critical mass for this business. Details of the performance of this business are set out in the section headed "Management Discussion and Analysis" below.

Property Investment Business Review

It is the Group's policy to be cautious in engaging in the property investment business as management is aware of its related risk. The rental market in Macau went soft in 2015 when Macau economy was soft, where tenants started to ask for reduction of rental. The Group's investment property of 6-storey commercial building in Macau continued to generate steady rental income of some HK$30.3 million to the Group in 2015 with good profit.

Property Investment Business Review – Continued

The Group has in early 2015 completed its acquisition of a piece of land with 50,000 sq.m. buildable gross floor area in Hengqin Island for the development of an international food plaza to become a tourist attraction. Soil foundation treatments work at the Group's development site at Hengqin Island has commenced. It has been the intention of the Group to look for partners to co-develop this land in Hengqin Island. Macau has since the last quarter of 2014 experienced a substantial slowdown of its gaming industry. Macau economy has continued to be soft since then. In view of such soft economic development in Macau and the Group's food and catering business soft performance in 2015, management is now reviewing and considering the Group's resources as well as its benefits (short and long terms), capital commitment, plan and work schedule for the development of its land in Hengqin Island, with all options and alternatives open.

Outlook

The Group has since the second half of 2014 diversified into different sectors of the food and catering business. All these new businesses did first encounter a substantial slowdown in Macau gaming industry, and then faced a tough year of 2015 with soft economic condition in Macau. Management has since the middle of 2015 started to revamp the Group's strategy and to restructure most of these new businesses, as detailed above. Management hopes that Macau will have a better economic condition in 2016 so as to lead to a better performance of the Group's business.

The Group's current business strategy is to cautiously open new restaurants or food souvenir shops to generate more revenue with a focus on more mass market restaurants. The Group is also in a constant and continuous process of reviewing its business strategy to maintain its local market leading position. 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 2016

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

The turnover of the Group was approximately HK$824.2 million for the year ended 31 December 2015, representing a decrease of approximately 4.0% as compared to those of 2014 of HK$858.9 million.

Details of turnover breakdown (Note 1) are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**300.2**	400.0	385.7
Chinese restaurants	**180.2**	188.3	165.6
Western and other restaurants *(Note 2)*	**80.6**	69.6	40.3
Food court counters	**64.4**	60.2	62.2
Franchise restaurants *(Note 3)*	**37.9**	29.1	21.4
	663.3	747.2	675.2
Industrial catering	**48.3**	39.8	18.4
Food wholesale	**36.4**	33.2	31.6
Food and catering business	**748.0**	820.2	725.2
Food souvenir business	**45.9**	14.8	7.2
Property investment business	**30.3**	23.9	14.1
Total	**824.2**	858.9	746.5

FINANCIAL REVIEW – Continued

Turnover – Continued

Below is a table of comparison of the turnover for the years ended 31 December 2015 and 2014:

	2015	Change	2014
	HK$'million	%	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**300.2**	-25.0%	400.0
Chinese restaurants	**180.2**	-4.3%	188.3
Western and other restaurants *(Note 2)*	**80.6**	+15.8%	69.6
Food court counters	**64.4**	+7.0%	60.2
Franchise restaurants *(Note 3)*	**37.9**	+30.2%	29.1
	663.3	-11.2%	747.2
Industrial catering	**48.3**	+21.4%	39.8
Food wholesale	**36.4**	+9.6%	33.2
Food and catering business	**748.0**	-8.8%	820.2
Food souvenir business	**45.9**	+210.1%	14.8
Property investment business	**30.3**	+26.8%	23.9
Total	**824.2**	-4.0%	858.9

Note 1: Certain figures of 2014 and 2013 were restated to conform with the current year's presentation.

Note 2: The turnover relating to "Western and other restaurants" item included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, 2 sandwich bars and Royal Thai Kitchen.

Note 3: The turnover relating to "Franchise restaurants" item included turnover from the Group's Pacific Coffee shops, Pepper Lunch and Bari-Uma ramen.

The decrease in turnover of the Group's food and catering business was mainly attributable to the decrease in number of its customers. The turnover growth in the Group's food souvenir business was attributable to the increase of sales from the Group's new Yeng Kee bakery shops operated in Macau for 2015. The increase in turnover of the Group's property investment business was mainly attributable to the increase in rental income of the Group's investment properties.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

FINANCIAL REVIEW – Continued

Turnover – Continued

Below is a table of comparison of the turnover of the first, second, third and fourth quarters of 2015 and 2014:

	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
First quarter	**214.3**	-1.4%	217.3
Second quarter	**193.0**	-4.3%	201.7
Third quarter	**206.8**	-2.7%	212.6
Fourth quarter	**210.1**	-7.6%	227.3
Total	**824.2**	-4.0%	858.9

Details of the Group's turnover breakdown of the first, second, third and fourth quarters of 2015 are as follows:

	2015			
	Fourth quarter	**Third quarter**	**Second quarter**	**First quarter**
	HK$'million	***HK$'million***	***HK$'million***	***HK$'million***
TURNOVER				
Restaurants:				
Japanese restaurants	**75.8**	**70.7**	**71.6**	**82.1**
Chinese restaurants	**44.9**	**40.6**	**42.2**	**52.5**
Western and other restaurants	**18.8**	**22.6**	**20.8**	**18.4**
Food court counters	**13.9**	**17.6**	**15.0**	**17.9**
Franchise restaurants	**12.0**	**11.1**	**7.9**	**6.9**
	165.4	**162.6**	**157.5**	**177.8**
Industrial catering	**15.5**	**9.9**	**10.2**	**12.7**
Food wholesale	**8.2**	**9.2**	**9.9**	**9.1**
Food and catering business	**189.1**	**181.7**	**177.6**	**199.6**
Food souvenir business	**13.4**	**17.5**	**7.9**	**7.1**
Property investment business	**7.6**	**7.6**	**7.5**	**7.6**
Total	**210.1**	**206.8**	**193.0**	**214.3**

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

FINANCIAL REVIEW – Continued

Turnover – Continued

Details of the Group's turnover breakdown of the first, second, third and fourth quarters of 2014 are as follows:

	2014			
	Fourth quarter *HK$'million*	Third quarter *HK$'million*	Second quarter *HK$'million*	First quarter *HK$'million*
TURNOVER				
Restaurants:				
Japanese restaurants	93.6	92.4	100.5	113.5
Chinese restaurants	52.9	42.9	42.5	50.0
Western and other restaurants	19.8	17.9	16.5	15.4
Food court counters	18.2	16.2	11.9	13.9
Franchise restaurants	7.3	8.0	7.0	6.8
	191.8	177.4	178.4	199.6
Industrial catering	14.9	10.4	7.5	7.0
Food wholesale	8.3	8.5	8.8	7.6
Food and catering business	215.0	196.3	194.7	214.2
Food souvenir business	5.4	8.6	–	0.8
Property investment business	6.9	7.7	7.0	2.3
Total	227.3	212.6	201.7	217.3

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

FINANCIAL REVIEW – Continued

Turnover – Continued

Same Store Performance

Below is a table of comparison of the Group's same store performance (Note 4) of its restaurants, industrial catering business and food souvenir business in term of their aggregate turnover for the first, second, third, fourth quarters and the whole year of 2015 and 2014:

	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
First quarter	**161.6**	-20.2%	202.5
Second quarter	**137.1**	-25.0%	182.7
Third quarter	**162.5**	-15.6%	192.6
Fourth quarter	**180.7**	-9.8%	200.5
Whole year	**707.0**	-7.6%	765.4

Details of the Group's same store performance (Note 4) of its restaurants, industrial catering business and food souvenir business in term of turnover for the first, second, third and fourth quarters of 2015 and 2014 and the whole year of 2015 and 2014 are as follows:

		First quarter	
	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**76.6**	-30.6%	110.3
Chinese restaurants	**36.1**	-27.8%	50.0
Western and other restaurants	**16.6**	+7.8%	15.4
Food court counters	**14.3**	+2.9%	13.9
Franchise restaurants	**6.9**	+35.3%	5.1
	150.5	-22.7%	194.7
Industrial catering	**9.2**	+31.4%	7.0
	159.7	-20.8%	201.7
Food souvenir business	**1.9**	+137.5%	0.8
	161.6	-20.2%	202.5

FINANCIAL REVIEW – Continued

Turnover – Continued

Same Store Performance – Continued

	Second quarter		
	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**65.3**	–34.2%	99.2
Chinese restaurants	**26.3**	–38.1%	42.5
Western and other restaurants	**18.0**	+9.1%	16.5
Food court counters	**12.1**	+1.7%	11.9
Franchise restaurants	**7.1**	+39.2%	5.1
	128.8	–26.5%	175.2
Industrial catering	**8.3**	+10.7%	7.5
	137.1	–25.0%	182.7
Food souvenir business	**–**	N/A	–
	137.1	–25.0%	182.7

	Third quarter		
	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**65.5**	–29.1%	92.4
Chinese restaurants	**29.5**	–24.6%	39.1
Western and other restaurants	**20.3**	+13.4%	17.9
Food court counters	**17.6**	+8.6%	16.2
Franchise restaurants	**6.9**	–13.8%	8.0
	139.8	–19.5%	173.6
Industrial catering	**9.9**	–4.8%	10.4
	149.7	–18.6%	184.0
Food souvenir business	**12.8**	+48.8%	8.6
	162.5	–15.6%	192.6

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

FINANCIAL REVIEW – Continued

Turnover – Continued

Same Store Performance – Continued

	Fourth quarter		
	2015	Change	2014
	HK$'million	%	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**72.8**	–20.2%	91.2
Chinese restaurants	**44.9**	–8.6%	49.1
Western and other restaurants	**17.9**	–9.6%	19.8
Food court counters	**13.2**	–2.2%	13.5
Franchise restaurants	**7.6**	+4.1%	7.3
	156.4	–13.5%	180.9
Industrial catering	**15.5**	+4.0%	14.9
	171.9	–12.2%	195.8
Food souvenir business	**8.8**	+87.2%	4.7
	180.7	–9.8%	200.5

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

FINANCIAL REVIEW – Continued

Turnover – Continued

Same Store Performance – Continued

		For the year	
	2015	Change	2014
	HK$'million	*%*	*HK$'million*
TURNOVER			
Restaurants:			
Japanese restaurants	**288.8**	–26.1%	390.8
Chinese restaurants	**174.7**	+1.3%	172.5
Western and other restaurants	**77.9**	+11.9%	69.6
Food court counters	**55.9**	+1.1%	55.3
Franchise restaurants	**28.5**	+19.7%	23.8
	625.8	–12.1%	712.0
Industrial catering	**48.3**	+21.4%	39.8
	674.1	–10.3%	751.8
Food souvenir business	**32.9**	+141.9%	13.6
	707.0	–7.6%	765.4

Note 4: Same store performance is compared on the basis of those shops/outlets which were in place in the same quarters/years of 2015 and 2014 only.

FINANCIAL REVIEW – Continued

Gross margin (the Group's turnover less food costs)

The gross margin (being the Group's turnover less food costs) of the Group for the year ended 31 December 2015 was about HK$577.4 million, representing a decrease of approximately 7.8% as compared to those of HK$626.4 million of 2014. The decrease in gross margin was mainly attributable to the decrease in turnover of the Group's business. The gross margin ratio (being gross margin over turnover) of the Group for the year ended 31 December 2015 was about 70.1%, representing a decrease of 2.8% as compared to those of last year of 72.9%. The decrease in gross margin was mainly attributable to the increase in food costs of the Group. The Group has over the last three years maintained steady healthy gross margin and gross margin ratio as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
GROSS MARGIN			
First quarter	**151.2**	160.6	126.3
Second quarter	**135.0**	149.3	122.2
Third quarter	**143.6**	156.3	143.2
Fourth quarter	**147.6**	160.2	149.4
Total	**577.4**	626.4	541.1
Gross margin ratio*	**70.1%**	72.9%	72.5%

* Gross margin over turnover

Below is a table of comparison of the gross margin (being the Group's turnover less food costs) of the first, second, third and fourth quarters of 2015 and 2014:

	2015	Change	2014
	HK$'million	%	*HK$'million*
GROSS MARGIN			
First quarter	**151.2**	–5.9%	160.6
Second quarter	**135.0**	–9.6%	149.3
Third quarter	**143.6**	–8.1%	156.3
Fourth quarter	**147.6**	–7.9%	160.2
Total	**577.4**	–7.8%	626.4

FINANCIAL REVIEW – Continued

Gross operating profit (the Group's turnover less food costs and direct operating costs)

The gross operating profit (being the Group's turnover less food costs and direct operating costs) of the Group for the year ended 31 December 2015 was about HK$137.4 million, representing a decrease of approximately 43.5% as compared to those of last year of HK$243.3 million. The decreases in gross operating profit and gross operating profit ratio were mainly attributable to the soft performance of the Group's restaurants in 2015 and the gross operating loss of some HK$17.1 million sustained by the Group's restaurants in Huafa Mall (excluded franchise restaurants there) and the gross operating loss of some HK$37.6 million incurred by the Group's food souvenir business. The Group's gross operating profit and gross operating profit ratio for last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
GROSS OPERATING PROFIT			
First quarter	**39.0**	84.9	61.8
Second quarter	**28.2**	72.4	60.1
Third quarter	**31.3**	47.5	76.2
Fourth quarter	**38.9**	38.5	73.7
Total	**137.4**	243.3	271.8
Gross operating profit ratio#	**16.7%**	28.3%	36.4%

\# Gross operating profit over turnover

Below is a table of comparison of the gross operating profit (being the Group's turnover less food costs and direct operating costs) of the first, second, third and fourth quarters of 2015 and 2014:

	2015	Change	2014
	HK$'million	%	*HK$'million*
GROSS OPERATING PROFIT			
First quarter	**39.0**	–54.1%	84.9
Second quarter	**28.2**	–61.0%	72.4
Third quarter	**31.3**	–34.1%	47.5
Fourth quarter	**38.9**	+1.0%	38.5
Total	**137.4**	–43.5%	243.3

FINANCIAL REVIEW – Continued

EBITDA

The EBITDA for the year ended 31 December 2015 was approximately HK$15.1 million representing a decrease of approximately 94.0% as compared to those of HK$252.3 million in 2014. The decrease in the EBITDA was mainly attributable to (i) the loss from the Group's food souvenir business, (ii) the loss attributable to the Group's 3 restaurants and the recently closed food court at Huafa Hall, Zhuhai, (iii) the lesser increase in fair value gains of the Group's investment properties and (iv) the slowdown in the performance of the Group's restaurants in Macau. The Group's EBITDA and EBITDA against turnover ratio over the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
EBITDA	**15.1**	252.3	357.9
EBITDA against turnover ratio	**1.8%**	29.5%	47.9%

Net (loss)/profit

The loss attributable to owners of the Company for the year ended 31 December 2015 was approximately HK$45.9 million as compared to a profit of HK$168.8 million for 2014. Such loss of the Group was mainly attributable to (i) the loss from the Group's food souvenir business, (ii) the loss attributable to the Group's 3 restaurants and the recently closed food court at Huafa Hall, Zhuhai, (iii) the lesser increase in fair value gains of the Group's investment properties and (iv) the slowdown in the performance of the Group's restaurants in Macau.

The (loss)/profit attributable to owners of the Company and (loss)/profit attributable to owners of the Company against turnover ratio over the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
(Loss)/Profit attributable to owners of the Company	**(45.9)**	168.8	261.0
(Loss)/Profit attributable to owners of the Company against turnover ratio	**(5.6)%**	19.7%	35.0%

FINANCIAL REVIEW – Continued

Net (loss)/profit – Continued

The Net Ordinary Operating Loss (being the loss attributable to owners excluding any special non-recurring income or any net fair value gains from investment properties) for the year ended 31 December 2015 was approximately HK$57.9 million as compared to profit for those of last year of HK$103.7 million. Set out below are the Net Ordinary Operating (Loss)/Profit with Net Ordinary Operating (Loss)/Profit ratio (Net Ordinary Operating (Loss)/Profit against turnover) for the last three years ended 31 December 2015:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
Net Ordinary Operating (Loss)/Profit	**(57.9)**	103.7	155.4
Net Ordinary Operating (Loss)/Profit against turnover ratio	**(7.0)%**	12.1%	20.8%

The Group's food and catering business remained the main revenue contributor to the Group in 2015 while the Group's food souvenir business was gradually being built up and the Group's property investment continued to contribute steady rental income in 2015. The Group's operational financials of all its business **(but excluding the Group's food souvenir business, the 3 restaurants and the recently closed food court at Huafa Mall and any net fair value gains from investment properties of the Group**) for the years ended 31 December 2015 and 2014 would be as follows:

	2015	Change	2014
	HK$'million	%	*HK$'million*
Turnover	**705.3**	-14.9%	828.5
Cost of sales	**(196.1)**	-9.9%	(217.6)
Gross margin	**509.2**	-16.6%	610.9
Direct operating expenses	**(317.1)**	+3.3%	(307.0)
Gross operating profit	**192.1**	-36.8%	303.9
Gross operating profit margin (%)	**27.2%**	-9.5%	36.7%
Profit attributable to owners of the Company	**63.0**	-60.7%	160.2

FINANCIAL REVIEW – Continued

(Loss)/Earnings per share

The loss per share of the Company for the year ended 31 December 2015 was some HK6.61 cents as compared to earnings per share of HK24.77 cents for 2014. The Group (loss)/earnings per share over the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK cents	*HK cents*	*HK cents*
(Loss)/Earnings per share – basic	**(6.61)**	24.77	41.49

The loss per share of the Company based on the Net Ordinary Operating Loss for the year ended 31 December 2015 was some HK8.35 cents as compared to earnings per share for those of last year of HK15.22 cents. Below is the (loss)/earnings per share based on the Net Ordinary Operating (Loss)/Profit over the last three years:

	For the year ended 31 December		
	2015	2014	2013
	HK cents	*HK cents*	*HK cents*
Net Ordinary Operating (Loss)/ Profit per share – basic	**(8.35)**	15.22	24.70

Cash flows

The cash inflow from operating activities of the Group for the year ended 31 December 2015 was approximately HK$15.7 million, representing a decrease of 92.0% as compared to those of last year of HK$195.1 million. The Group's cash inflow from operating activities over the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
Cash inflow from operating activities	**15.7**	195.1	237.5

FINANCIAL REVIEW – Continued

Net assets

The net assets of the Group as at 31 December 2015 was approximately HK$1,083.6 million representing a decrease of approximately 9.3% as compared to 31 December 2014 of HK$1,194.8 million. The decrease in net assets was mainly attributable to (i) the loss of some HK$45.9 million attributable to owners of the Company in 2015 and (ii) the Group's other comprehensive loss of some HK$22.6 million for the year ended 31 December 2015 derived from exchange differences on translating foreign operations which relate mainly to the Group's subsidiaries in Mainland China. The net assets and net assets per share of the Group as at 31 December 2015, 2014 and 2013 were as follows:

	As at 31 December		
	2015	2014	2013
	HK$'million	*HK$'million*	*HK$'million*
Net assets	**1,083.6**	1,194.8	821.7
	HK$	*HK$*	*HK$*
Net assets per share – basic	**1.561**	1.721	1.307

OPERATIONS REVIEW

During the year ended 31 December 2015, the Group's principal activities were in the sales of food and catering, food souvenir and property investment.

Food and Catering Business

Restaurant Chain

During the year ended 31 December 2015, the Group's food and catering business contributed some HK$748.0 million turnover representing about 90.8% of turnover of the Group, a decrease of approximately 8.8% as compared to those of last year of HK$820.2 million. Such decrease was mainly attributable to the weak performance of the Group's restaurants in Macau during the year.

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Restaurant Chain – Continued

During 2015, the Group opened 5 new restaurants (including 2 franchise restaurants) and 1 joint venture's restaurant but closed down 2 restaurants and 19 food court counters. In 2015, the Group's restaurant operation continued to be adversely affected by the increased direct operating costs relating to the three restaurants and 19 recently closed food court counters in Huafa Mall, Zhuhai. As at 31 December 2015, the Group had 42 restaurants (including 2 franchise restaurants) and 2 food court counters. Details of the number of restaurant's analysis for the last three years and as at the date of this announcement (excluded joint venture's restaurant) are listed as follows:

	As at the date of this announcement	As at 31 December **2015**	2014	2013
Number of restaurants				
Japanese restaurants *(Note a)*	**10**	**10**	10	9
Chinese restaurants *(Note b)*	**9**	**9**	10	6
Western and other restaurants *(Note c)*	**8**	**8**	7	3
Franchise restaurants *(Note d)*	**11**	**11**	8	8
Industrial catering *(Note e)*	**4**	**4**	4	3
	42	**42**	39	29
Food court counters	**2**	**2**	21	2
	44	**44**	60	31
Total area of restaurants (sq.ft.) *(note f)*	**221,414 sq.ft.**	**221,414 sq.ft.**	277,102 sq.ft.	133,179 sq.ft.
Turnover over total area of restaurants (per sq.ft. per annum)	**Not applicable**	**HK$3,378**	HK$2,960	HK$5,446

Note a: As at 31 December 2015, Japanese restaurants included 1 Senkizen Japanese Restaurant, 7 Edo Japanese Restaurants and 2 Musashi Japanese Restaurants.

Note b: As at 31 December 2015, Chinese restaurants included 1 Turtle Essence, 1 "456" Modern Shanghai Cuisine, 4 Shiki Hot Pot Restaurants, 1 Good Fortune Kitchen, 1 Fortune Inn Restaurant and 1 noodle congee shop.

Note c: As at 31 December 2015, Western and other restaurants included 1 Madeira Portuguese Restaurant, 1 Azores Portuguese Restaurant, 1 Vergnano Italian Restaurant, 1 Royal Thai Kitchen, 1 Old Macau, 1 multi cuisine restaurant and 2 sandwich bars.

Note d: As at 31 December 2015, franchise restaurants included 9 Pacific Coffee, 1 Pepper Lunch and 1 Bari-Uma.

Note e: As at 31 December 2015, industrial catering included 4 student/staff canteens.

Note f: The total gross floor area as at 31 December 2015 had been calculated with exclusion of 6,158 sq.ft. gross floor area of a joint venture's restaurant.

Number of restaurants and food court counter's analysis for the last three years by geographical (excluded joint venture's restaurant) is listed as follows:

	As at 31 December		
	2015	2014	2013
Number of restaurants			
Macau	**36**	34	28
Mainland China	**5**	4	1
Hong Kong	**1**	1	–
Total	**42**	39	29

	As at 31 December		
	2015	2014	2013
Number of food court counters			
Macau	**2**	2	2
Mainland China	**–**	19	–
Hong Kong	**–**	–	–
Total	**2**	21	2

Details of Group's restaurants are set out in the List of Restaurants/Food Court Counters/ Stores in the 2015 annual report.

The Group's gross margin and gross operating profit from its food and catering business generated some HK$524.1 million and HK$147.8 million respectively during 2015, representing decreases of 12.3% and 44.5% respectively as compared to the last year of HK$597.8 million and HK$266.3 million respectively. The Group's net loss attributable to owners of the Company from its food and catering business was some HK$11.7 million in 2015, as compared to profit for those of last year of HK$140.3 million. More details on the Group's food and catering business are set out above as well as in the Chairman's Statement of this announcement.

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Industrial Catering

In 2015, 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$48.3 million, representing an increase of 21.4%, as compared to those of last year of HK$39.8 million. With the soft economic situation in Macau in 2015 that adversely affected the Group's business, its industrial catering business helped to maintain diversified revenue to the Group. More details on this business are set out in the Chairman's Statement of this announcement.

Food Wholesale

The Group's wholesale business of Japanese food and materials has also been adversely affected by the soft economic situation in Macau in 2015. And this business was profitable in 2015 with some turnover of HK$36.4 million in 2015, representing a growth of some 9.6% as compared to those of 2014. It is expected that the soft economic situation of Macau now may still have impact on this business.

Food Souvenir Business

During the year ended 31 December 2015, the food souvenir business contributed some HK$45.9 million turnover representing about 5.6% of total turnover of the Group, an increase of approximately 210.1% as compared to those of last year of HK14.8 million. Such increase was due to the additional sales from the 5 newly opened Yeng Kee bakery shops/kiosks opened in Macau during 2015.

The Group's gross margin, gross operating loss and net loss attributable to the Group's food souvenir business generated some HK$26.1 million, HK$37.6 million and HK$51.5 million respectively in 2015, representing an increase of 262.5% in gross margin, a decrease of 20.0% in gross operating loss and an increase of 30.7% in net loss attributable to the Group's food souvenir business, as compared to those of last year of HK$7.2 million, HK$47.0 million and HK$39.4 million respectively. The increase in net loss was mainly due to impairment losses of HK$16.3 million incurred for 2015. During the year, the Group opened 5 new Yeng Kee bakery shops/kiosks in Macau, 1 new Yeng Kee bakery shop in Mainland China but closed down 1 Yeng Kee bakery shop in Macau and 1 Yeng Kee Shop in Mainland China. As at 31 December 2015, the Group had 10 Yeng Kee Bakery shops/kiosks in Macau. Details of Group's food souvenir shops are set out in the List of Food Souvenir Shops of the 2015 annual report. Further details of the Group's food souvenir business are set out in the Chairman's Statement of this announcement.

OPERATIONS REVIEW – Continued

Property Investment Business

During the year ended 31 December 2015, the Group's 6-storey commercial building in Macau has generated a steady rental income of some HK$30.3 million representing about 3.6% of turnover of the Group, an increase of approximately 26.8% as compared to those of last year of HK$23.9 million. The Group's net profit attributable to Group's property investment business generated some HK$33.0 million during the year, representing a decrease of 58.9% as compared to the last year of HK$80.2 million. Such decrease was mainly attributable to the lesser of fair value gain from investment properties.

The Group's investment properties excluding self-use portion in Macau were valued at HK$524.0 million as at 31 December 2015 (2014: HK$523.0 million). The Group's investment properties under construction in Hengqin Island, Mainland China were valued at HK$272.5 million (equivalent to RMB233.1 million) (2014: Nil). During the year ended 31 December 2015, a gross fair value gain of HK$15.8 million was recognised in the consolidated statement of comprehensive income, representing a decrease of 78.6% as compared to those of last year of HK$74.0 million. More details on this business are set out in the Chairman's Statement of this announcement.

Details on the Group's properties are set out in the 2015 annual report.

Logistic Support and Human Resources

The foundation works for the construction of the Group's central food processing and logistic centre in Macau have been proceeding. It is expected that completion of the construction work is expected to be in 2017. The Group has also continued to actively enhance its logistic support including food sourcing and food process facilities.

The management and staff teams have been expanded in 2015 with now over 1,700 people in Macau, Mainland China and Hong Kong. Management and staff teams will continue to be expanded in the second half of 2016 with new restaurants to be opened. Remuneration packages including medical plan have been and will be regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. During the year, various training activities including operational safety and management skills have been conducted to enhance operation efficiency.

DIVIDENDS

In view of the loss incurred by the Group for the year and to extend the Company's gratitude towards the support of its shareholders, a special final dividend of HK1.0 cent per share (2014: final dividend of HK3.0 cents) have been recommended. The total dividends for the year ended 31 December 2015 will amount to HK2.0 cents per share (2014: HK6.0 cents) including the special interim dividend of HK1.0 cent per share (2014: HK3.0 cents). Subject to the approval of shareholders at the Company's annual general meeting to be held on 9 May 2016 ("2016 AGM"), the special final dividend will be payable on 27 May 2016 to shareholders whose name appears on the register of members of the Company on 18 May 2016.

The Group's operating cash flow was stable in 2015 with a healthy level of cash holdings be maintained. The policy of upholding a dividend payout ratio of not less than 30% of the annual Net Ordinary Operating Profit has been upheld. The Company's dividend policy is stated in the Chairman's Statement of this announcement. The dividend payout ratio based on the total dividends (all dividends including interim, final and if any, special dividends) over the (loss)/profit attributable to owners of the Company for the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	%	%	%
Total dividend payout ratio (based on the (loss)/profit attributable to owners)	**N/A**	25	19

The dividend payout ratio, based on the total dividends (all dividends including interim, final and if any, special dividends) over the Net Ordinary Operating (Loss)/Profit, for the last three years are as follows:

	For the year ended 31 December		
	2015	2014	2013
	%	%	%
Total dividend payout ratio (based on the Net Ordinary Operating (Loss)/Profit)	**N/A**	40	32

DIVIDENDS – Continued

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

	For the year ended 31 December		
	2015	2014	2013
	%	%	%
Interim and final dividends payout ratio (based on the Net Ordinary Operating (Loss)/Profit)	**N/A**	40	32

MATERIAL LITIGATION

As at 31 December 2015, the Group had not been involved in any material litigation or arbitration (2014: 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 2015, the Group had net current assets of HK$84.2 million (2014: HK$318.4 million). As at 31 December 2015, the Group had cash and bank balances of HK$247.4 million (2014: HK$696.7 million), while the Group's pledged bank deposits amounted to HK$28.1 million (2014: HK$231.0 million) in which HK$28.1 million (2014: HK$28.3 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit. As at 31 December 2014, the Group also pledged bank deposits of HK$202.7 million to a bank to secure a bank loan and such bank deposits were released to repay bank loan by the Group during the year of 2015.

As at 31 December 2015, the Group had interest-bearing bank loans of HK$221.1 million (2013: HK$347.1 million). The Group had two (2014: three) secured bank loans, including a secured mortgage loan of HK$120.0 million (2013: HK$133.6 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 and freehold land and buildings of the Group. The second secured mortgage loan of HK$12.8 million (2014: HK$13.5 million) was interest bearing at HIBOR plus 1.8% per annum, repayable within seven years from 2014 and secured by the leasehold land and buildings of the Group. As at 31 December 2014, the Group had a bank loan of 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. The Group repaid such bank loan during the year of 2015.

LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 31 December 2015, the Group had three (2014: Nil) unsecured bank loans, including an unsecured bank loan of HK$24.0 million (2014: Nil) which is repayable within 5 years from the reporting period with maximum facility of HK$80.0 million. It bears interest at the prime rate less 1.5% per annum and is carried a covenant that Mr. Chan and his associates had to hold not less than 37% equity interest holding of the Company. The second and third unsecured bank loans of some HK$5.8 million (equivalent to RMB5.0 million) (2014: Nil) and some HK$58.5 million (equivalent to RMB50.0 million) (2014: Nil) respectively which are repayable within one year from the reporting period with maximum facility of some HK$35.1 million (equivalent to RMB30.0 million) and some HK$58.5 million (equivalent to RMB50.0 million) respectively, both bear interest at the higher of CNY HIBOR plus 0.7% per annum or 4.3% per annum. Both second and third unsecured bank loans are carried a covenant that Mr. Chan and his associates had to hold not less than 40% equity interest holding of the Company.

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

The Group's gearing ratio represented by the Group's net debts (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		
	2015	2014	2013
	%	%	%
Gearing ratio	**26.7**	16.5	19.3

The increase in Group's gearing ratio as at 31 December 2015 is mainly due to the increase of net debts and decrease of total equity.

The ratio of the total assets against total liabilities of the Group as at 31 December 2015 was 3.13 (2014: 2.80).

CAPITAL EXPENDITURES

For the year ended 31 December 2015, the Group's capital expenditures on the acquisitions of investment properties and property, plant and equipment were approximately HK$274.3 million (2014: Nil) and HK$61.7 million (2014: HK$185.9 million) respectively.

For the year ended 31 December 2015, the Group's capital expenditures on the acquisitions of trademark, franchise and royalties were approximately nil (2014: HK$3.9 million), HK$1.4 million (2014: HK$14.0 million) and HK$1.1 million (2014: Nil) respectively.

CHARGES ON GROUP ASSETS

As at 31 December 2015, the Group pledged the investment properties in Macau and freehold land and building in Macau to a bank in Macau to secure a mortgage loan and also pledged the leasehold land and building in Hong Kong to a bank in Hong Kong to secure a mortgage loan. Other than that, the Group did not have any charges on assets.

As at 31 December 2014, the Group pledged the investment properties in Macau and freehold land and building in Macau to a bank in Macau to secure a mortgage loan and also pledged a bank deposits to this bank to secure a bank loan. The Group also pledged the leasehold land and building in Hong Kong to a bank in Hong Kong to secure a mortgage loan.

CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any contingent liabilities (2014: Nil).

CURRENCY EXPOSURE

As at 31 December 2015, 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 of 2015.

EMPLOYEES

The Group employed, as at 31 December 2015, a total of 1,740 (2014: 1,897) full time staff, in which 29 (2014: 30) full-time staff in Hong Kong, 413 (2014: 554) full-time staff in Mainland China and 1,298 (2014: 1,313) full-time staff in Macau. 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.

An employee share option scheme of the Company was adopted on 8 June 2012 and effective for a period of 10 years since the date of adoption. Details of the retirement benefits schemes of the Group are set out in notes to the financial statements of the 2015 annual report.

USE OF PROCEED

In November 2012, the Company undertook a placement and issued 75,000,000 new ordinary shares at HK$1.2 per share, representing a discount of approximately 11.11% to the market closing price of HK$1.35 per share on 26 November 2012, to the independent third parties. The net proceeds from this placement were some HK$86.9 million (being net price of HK$1.16 per share). Up to 31 December 2015, the Group has applied HK$84.8 million of the net proceeds, details are as follows:

	2015	2014
	HK$'million	*HK$'million*
Opening of new restaurants	**34.6**	34.6
Acquisition of kitchen equipment for its central kitchen	**27.9**	10.6
Working capital	**22.3**	22.3
Total	**84.8**	67.5

The Group is further applying the remaining proceeds of HK$2.1 million for the development of its central food processing and logistic centre in Macau.

In March 2014, the Company undertook a placement and issued 65,400,000 new ordinary shares at HK$4.3 per share, representing a discount of approximately 6.52% to the market closing price of HK$4.6 per share on 4 March 2014, to the Independent Third Parties. The net proceeds from this placement were some HK$276.1 million (being net price of HK$4.22 per share). Up to 31 December 2015, the Group has fully applied all the net proceeds to finance the acquisition of a land in Hengqin Island.

CLOSURE OF REGISTER OF MEMBERS

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

(i) From Wednesday, 4 May 2016 to Monday, 9 May 2016 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the 2016 AGM. The record date for the 2016 AGM shall be 9 May 2016. In order to qualify to be shareholders of the Company to attend, act and vote at the 2016 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 3 May 2016; and

CLOSURE OF REGISTER OF MEMBERS – Continued

(ii) From Tuesday, 17 May 2016 to Wednesday, 18 May 2016 (both days inclusive), during which time no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed special final dividend. The record date for the entitlement to the special final dividend shall be 18 May 2016. In order to qualify for the proposed special 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 16 May 2016.

CONTINUING CONNECTED TRANSACTIONS

Mr. Chan Chak Mo is a beneficial shareholder and an executive Director, and thus a connected person of the Company. Pursuant to the lease agreement dated 29 August 2014 ("Lease Agreement") between Mr. Chan (as landlord) and Bright Elite Gourmet Company Limited ("Bright Elite"), a subsidiary of the Company (as tenant), Bright Elite has leased a shop premise located at a Em Macau, Patio da Ameaca, No. 1-A, Res-do-Chao, A com Sobreloja, Macau with a gross floor area of approximately 74 sq.m. for a term of three years commencing from 1 October 2014 to 30 September 2017 at a monthly rental of HK$400,000 for the first two years and HK$460,000 for the third year. In December 2015, Mr. Chan has agreed in writing to reduce the monthly rental of HK$400,000 payable by Bright Elite under the Lease Agreement to a monthly rental of HK$300,000 from 1 January 2016 to 31 December 2016 with the other terms of the Lease Agreement remaining valid.

Particulars of a connected transaction, which is also a related party transaction, are disclosed in the consolidated financial statements in accordance with HKAS 24 Related Party Disclosures, and the rental of HK$4,800,000 (2014: HK$1,200,000) paid for the above shop premise is disclosed and included under notes to the financial statements of the 2015 annual report.

The independent non-executive Directors confirm that the above transaction has been entered into by the Company in the ordinary course of its business, on normal commercial terms from independent third parties, and in accordance with the terms of the agreement governing such transactions that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

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 2015.

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 2015 have been reviewed by the audit committee before submission to the board of directors for adoption.

CORPORATE GOVERNANCE

The Company has complied with the CG Code for the year ended 31 December 2015 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 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

There is no significant subsequent events after the year end date of 31 December 2015.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2016 AGM of the Company will be held on Monday, 9 May 2016, for the purpose of, among other things, approving the payment of a special final dividend of HK1.0 cent per share. The notice of 2016 AGM together with the Company's 2015 annual report and all other relevant documents (the "Documents") will be despatched to the shareholders of the Company on or about 24 March 2016. 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 2016