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

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2016	2015	Change
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	%
Turnover	**390,912**	407,363	–4.0%
Gross margin	**268,552**	286,218	–6.2%
Gross operating profit	**59,283**	67,128	–11.7%
Profit before interests, tax expense, depreciation and amortisation	**12,728**	13,177	–3.4%
Loss attributable to owners of the Company	**(15,726)**	(27,546)	–42.9%
Net Ordinary Operating Loss	**(14,035)**	(50,075)	–72.0%
Basic loss per share	**HK(2.27) cents**	HK(3.97) cents	–42.8%
Interim dividend (special) per share	**HK1.0 cent**	HK1.0 cent	–

* *For identification purpose only*

FINANCIAL HIGHLIGHTS – Continued

	30 June 2016 (Unaudited)	31 December 2015 (Audited)	Change
	HK$'000	*HK$'000*	%
Total assets	**1,611,992**	1,592,234	+1.2%
Net assets	**1,056,698**	1,083,571	–2.5%
Net assets per share (Unaudited)	**HK$1.522**	HK$1.561	–2.5%
Gearing ratio (Unaudited)	**30.5%**	26.7%	+3.8%
Total assets/total liabilities ratio (Unaudited)	**2.90**	3.13	–7.3%

IMPORTANT DATES

Board meeting approving 2016 interim results	23 August 2016
Ex-entitlement trading date for 2016 special interim dividend	8 September 2016
Closure of shareholder register for the purpose of ascertaining shareholders' entitlement to 2016 special interim dividend	12–14 September 2016
Record date of 2016 special interim dividend entitlement	14 September 2016
Payment of 2016 special interim dividend	28 September 2016

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Future Bright Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016 (the "Period") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2016

		Six months ended 30 June	
		2016	2015
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**390,912**	407,363
Cost of sales		**(122,360)**	(121,145)
Gross margin		**268,552**	286,218
Direct operating expenses		**(209,269)**	(219,090)
Gross operating profit		**59,283**	67,128
Other revenue		**5,334**	7,250
Other gains and losses		**(2,207)**	(12,839)
Administrative expenses		**(68,077)**	(75,516)
Share of loss of joint venture		**(2,464)**	–
Finance costs		**(3,713)**	(5,930)
Loss before income tax expense		**(11,844)**	(19,907)
Income tax expense	*6*	**(5,305)**	(11,695)
Loss for the period		**(17,149)**	(31,602)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**(381)**	(100)
Total comprehensive loss for the period		**(17,530)**	(31,702)
Loss attributable to:			
Owners of the Company		**(15,726)**	(27,546)
Non-controlling interests		**(1,423)**	(4,056)
		(17,149)	(31,602)
Total comprehensive loss attributable to:			
Owners of the Company		**(16,107)**	(27,646)
Non-controlling interests		**(1,423)**	(4,056)
		(17,530)	(31,702)
Loss per share			
– Basic (HK cents per share)	*8*	**(2.27)**	(3.97)
– Diluted (HK cents per share)	*8*	**(2.27)**	(3.97)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	30 June 2016 (Unaudited) HK$'000	31 December 2015 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	9	**262,667**	243,519
Investment properties	10	**797,093**	796,494
Goodwill		**81,781**	81,781
Other intangible assets		**10,950**	11,628
Prepayments and deposits	11	**53,788**	38,448
Interest in joint venture		**10,754**	13,218
Pledged bank deposits		**18,676**	–
Total non-current assets		**1,235,709**	1,185,088
Current assets			
Inventories		**36,523**	37,308
Trade and other receivables	11	**74,807**	118,951
Financial assets at fair value through profit or loss	12	**3,458**	3,478
Pledged bank deposits		**28,171**	28,109
Cash and cash equivalents		**233,324**	219,300
Total current assets		**376,283**	407,146
Total assets		**1,611,992**	1,592,234
Current liabilities			
Amount due to joint venture		**2,929**	4,348
Trade and other payables	13	**130,453**	145,850
Current tax liabilities		**92,513**	87,430
Interest bearing borrowings	14	**49,749**	83,922
Non-interest bearing borrowings		**1,388**	1,388
Bank overdraft – secured	14	**9,565**	–
Total current liabilities		**286,597**	322,938
Net current assets		**89,686**	84,208
Total assets less current liabilities		**1,325,395**	1,269,296
Non-current liabilities			
Interest bearing borrowings	14	**219,993**	137,136
Deferred tax liabilities		**43,275**	43,160
Non-interest bearing borrowings		**5,429**	5,429
Total non-current liabilities		**268,697**	185,725
Total liabilities		**555,294**	508,663
NET ASSETS		**1,056,698**	1,083,571

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 30 JUNE 2016

	Notes	**30 June 2016 (Unaudited)** *HK$'000*	31 December 2015 (Audited) *HK$'000*
Capital and reserves attributable to owners of the Company			
Share capital		**69,430**	69,430
Reserves		**1,009,564**	1,032,614
Equity attributable to owners of the Company		**1,078,994**	1,102,044
Non-controlling interests		**(22,296)**	(18,473)
TOTAL EQUITY		**1,056,698**	1,083,571

Notes:

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments and investment properties, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2015 except as those explained below.

The Group has applied for the first time the following relevant new and revised standards, amendment and interpretations ("new/revised HKFRSs") issued by HKICPA which are effective on 1 January 2016:

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements

The application of these standards has no significant impact on the Group's financial statements.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current accounting period. The Group is in the process of making an assessment of the potential impact of these new and revised HKFRSs and the directors so far concluded that they are not yet in a position to quantify the effects on the Group's financial statements.

3. TURNOVER

Turnover and revenue recognised by category are as follows:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sales of food and catering	**353,635**	377,233
Sales of food souvenir	**23,186**	15,000
Gross rental income from investment properties	**14,091**	15,130
	390,912	407,363

4. 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.

The segment revenue and results for the six months ended 30 June 2016 are as follows:

	Food and catering (Unaudited) *HK$'000*	**Food souvenir (Unaudited)** *HK$'000*	**Property investment (Unaudited)** *HK$'000*	**Consolidated (Unaudited)** *HK$'000*
Revenue				
Turnover from external customers	**353,635**	**23,186**	**14,091**	**390,912**
Other revenue	**5,069**	**(29)**	**294**	**5,334**
Other gains and losses	**2,828**	**(1,590)**	**(3,491)**	**(2,253)**
Reportable segment revenue	**361,532**	**21,567**	**10,894**	**393,993**
Results				
Segment results before tax and non-controlling interests	**10,068**	**(19,336)**	**3,755**	**(5,513)**

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

(a) **Business segments** – Continued

Other information for the six months ended 30 June 2016

	Food and catering (Unaudited) ***HK$'000***	**Food souvenir (Unaudited)** ***HK$'000***	**Property investment (Unaudited)** ***HK$'000***	**Unallocated (Unaudited)** ***HK$'000***	**Consolidated (Unaudited)** ***HK$'000***
Interest income	**267**	**–**	**294**	**–**	**561**
Interest expense	**708**	**–**	**3,005**	**–**	**3,713**
Fair value loss of investment properties	**–**	**–**	**1,562**	**–**	**1,562**
Capital expenditure on property, plant and equipment	**40,702**	**344**	**–**	**–**	**41,046**
Capital expenditure on investment property under construction	**–**	**–**	**2,656**	**–**	**2,656**
Depreciation of property, plant and equipment	**14,852**	**3,712**	**1,550**	**72**	**20,186**
Amortisation of other intangible assets	**490**	**183**	**–**	**–**	**673**
Gain on disposal of property, plant and equipment	**492**	**–**	**–**	**–**	**492**
Written off of property, plant and equipment	**–**	**1,746**	**–**	**–**	**1,746**
Impairment loss on trade receivables	**3**	**–**	**–**	**–**	**3**
Fair value loss on financial assets at fair value through profit or loss	**–**	**–**	**–**	**20**	**20**
Share of loss of joint venture	**2,464**	**–**	**–**	**–**	**2,464**
Income tax expense	**5,175**	**–**	**130**	**–**	**5,305**

The segment revenue and results for the six months ended 30 June 2015 are as follows:

	Food and catering (Unaudited) *HK$'000*	Food souvenir (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue				
Turnover from external customers	377,233	15,000	15,130	407,363
Other revenue	4,521	34	2,695	7,250
Other gains and losses	(36,064)	(4,783)	27,662	(13,185)
Reportable segment revenue	345,690	10,251	45,487	401,428
Results				
Segment results before tax and non-controlling interests	(21,016)	(31,440)	38,429	(14,027)

4. BUSINESS AND GEOGRAPHICAL SEGMENTS – Continued

(a) Business segments – Continued

Other information for the six months ended 30 June 2015

	Food and catering (Unaudited) *HK$'000*	Food souvenir (Unaudited) *HK$'000*	Property investment (Unaudited) *HK$'000*	Unallocated (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Interest income	605	–	2,695	–	3,300
Interest expense	2,515	–	3,415	–	5,930
Equity settled share-based payment for eligible person other than staff	–	297	–	–	297
Fair value gain of investment properties	–	–	27,959	–	27,959
Capital expenditure on property, plant and equipment	31,070	15,707	–	–	46,777
Capital expenditure on investment property under construction	–	–	268,843	–	268,843
Depreciation of property, plant and equipment	21,392	3,683	1,495	78	26,648
Amortisation of other intangible assets	506	–	–	–	506
Loss on disposal of property, plant and equipment	40	–	–	–	40
Impairment loss on property, plant and equipment	39,367	4,910	–	–	44,277
Fair value gain on financial assets at fair value through profit or loss	–	–	–	321	321

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

	Six months ended 30 June **2016** **(Unaudited)** ***HK$'000***	2015 (Unaudited) *HK$'000*
Revenue		
Reportable segment revenue	**393,993**	401,428
Other revenue	**(5,334)**	(7,250)
Other gains and losses	**2,253**	13,185
Consolidated turnover	**390,912**	407,363
Loss before income tax expense		
Reportable segment loss	**(5,513)**	(14,027)
Other gains and losses	**66**	25
Fair value (loss)/gain on financial assets at fair value through profit or loss	**(20)**	321
Corporate payroll expenses	**(4,088)**	(3,525)
Unallocated expenses	**(2,289)**	(2,701)
Loss before income tax expense	**(11,844)**	(19,907)

5. DEPRECIATION AND AMORTISATION

During the reporting period, depreciation charge of approximately HK$20,186,000 (six months ended 30 June 2015: HK$26,648,000) was recognised in respect of the Group's property, plant and equipment.

During the reporting period, amortisation charge of approximately HK$673,000 (six months ended 30 June 2015: HK$506,000) was recognised in respect of the Group's other intangible assets.

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:		
Current tax – Macau Complementary Income Tax		
– Current period	**5,175**	6,712
– Over-provision in respect of prior years	**–**	(447)
	5,175	6,265
Deferred tax charge for the period	**130**	5,430
Income tax expense	**5,305**	11,695

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the reporting period. The maximum tax rate was 12% for the six months ended 30 June 2016 and 2015.

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2015: 25%). No provision for EIT has been made during the reporting period as the Mainland China subsidiaries have had no assessable profits for EIT for the six months ended 30 June 2016 and 2015.

No provision for Hong Kong Profits Tax has been made during the reporting period as the Group has no assessable profits for Hong Kong Profits Tax for the six months ended 30 June 2016 and 2015.

7. INTERIM DIVIDENDS

The interim dividends declared by the directors are as follows:

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Special interim dividend of HK1.0 cent per ordinary share (2015: special interim dividend of HK1.0 cent per ordinary share)	**6,943**	6,943

At their board meeting held on 23 August 2016, the Directors have declared to pay out of the Company's retained earnings a special interim dividend of HK1.0 cent per ordinary share for the Period (six months ended 30 June 2015: HK1.0 cent per ordinary share). No liability has been recorded in the financial statements in respect of this special interim dividend for the six months ended 30 June 2016.

8. LOSS PER SHARE

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

(a) Basic loss per share

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the reporting period attributable to owners of the Company	**(15,726)**	(27,546)
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic loss per share	**694,302,420**	694,302,420
Basic loss per share (HK cents)	**(2.27)**	(3.97)

(b) Diluted loss per share

The amount of diluted loss per share for the six months ended 30 June 2016 and 2015 were the same as basic loss per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2016 and 2015.

9. PROPERTY, PLANT AND EQUIPMENT

(a) During the six months ended 30 June 2016, the Group acquired items of property, plant and equipment at a total cost of HK$41,046,000 (2015: HK$46,777,000).

(b) During the six months ended 30 June 2016, the Group disposed of/wrote off items of property, plant and equipment at total cost and net book value of HK$2,194,000 (2015: HK$2,149,000) and HK$1,746,000 (2015: HK$630,000) respectively.

(c) During the six months ended 30 June 2015, management of the Group provided impairment loss on leasehold improvements and equipment of several restaurants and food souvenir shops in Macau and Hong Kong (which were loss-making for quite some time) and a food court in Huafa Mall, Zhuhai (which was closed by the end of August because of its poor performance). Fair value less costs of disposal had been used to determine the recoverable amount of the property, plant and equipment. Due to the lack of active market, management considered that the leasehold improvements and equipment of these restaurants might not be sold and would have insignificant resales value as well. Therefore, a full impairment on such remaining leasehold improvements and equipment of HK$44,277,000 was made during the six months ended 30 June 2015.

10. INVESTMENT PROPERTIES

	30 June 2016		
	Investment properties (Unaudited) *HK$'000* *(note a)*	**Investment property under construction (Unaudited)** *HK$'000* *(note b)*	**Total (Unaudited)** *HK$'000*
Fair Value			
At 1 January 2016	**524,000**	**272,494**	**796,494**
Additions	**–**	**2,656**	**2,656**
Fair value (losses)/gains	**(4,000)**	**2,438**	**(1,562)**
Exchange adjustment	**–**	**(495)**	**(495)**
At 30 June 2016	**520,000**	**277,093**	**797,093**

	31 December 2015		
	Investment properties (Audited) *HK$'000* *(note a)*	Investment property under construction (Audited) *HK$'000* *(note b)*	Total (Audited) *HK$'000*
Fair Value			
At 1 January 2015	523,000	–	523,000
Additions	–	143,754	143,754
Transferred from prepayment	–	130,516	130,516
Fair value gains	1,000	14,868	15,868
Exchange adjustment	–	(16,644)	(16,644)
At 31 December 2015	524,000	272,494	796,494

The fair values of the Group's investment properties at 30 June 2016 and 31 December 2015 have been arrived at on market value basis carried out by Jones Lang Lasalle Corporate Appraisal and Advisory Limited, an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued.

Note a: The investment properties were located outside Hong Kong and held under private properties (propriedade privada) on a permanent basis without tenure. There were no changes to the valuation techniques during the six months ended 30 June 2016. Investment properties are pledged to a bank to secure a mortgage loan and a bank overdraft granted to the Group.

Note b: The investment property under construction was located outside Hong Kong and held under medium-term lease.

11. TRADE AND OTHER RECEIVABLES

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
Current portion		
Trade receivables	**25,987**	27,270
Prepayments and deposits	**46,255**	89,280
Other receivables	**2,565**	2,401
	74,807	118,951
Non-current portion		
Prepayments and deposits	**53,788**	38,448

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.

The ageing analysis of trade receivables is as follows:

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
0 to 90 days	**25,517**	26,920
91 days to 365 days	**407**	235
Over 365 days	**63**	115
Total	**25,987**	27,270

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**3,458**	3,478

The financial assets are traded on active liquid markets. The fair values are determined with reference to quoted market prices which are under level 1 (quoted prices (unadjusted) in active markets for identical assets or liabilities) of fair value hierarchy under HKFRS 13.

13. TRADE AND OTHER PAYABLES

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
Trade payables	**50,428**	56,256
Accruals and provision	**38,824**	49,398
Other payables	**36,298**	34,438
Deposit received in advance	**709**	709
Deferred rental benefit	**4,194**	5,049
Total	**130,453**	145,850

The ageing analysis of trade payables is as follows:

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
Within 90 days	**46,990**	49,503
91 days to 180 days	**1,929**	1,152
181 days to 365 days	**73**	1,179
More than 365 days	**1,436**	4,422
Total	**50,428**	56,256

14. INTEREST BEARING BORROWINGS AND BANK OVERDRAFT

	30 June 2016 (Unaudited) *HK$'000*	31 December 2015 (Audited) *HK$'000*
Bank overdraft – secured *(note a)*	**9,565**	–
Secured bank loans *(notes b and c)*	**42,777**	–
Mortgage loans *(notes d and e)*	**184,331**	132,763
Unsecured bank loans *(note f)*	**42,634**	88,295
	269,742	221,058
Total interest bearing borrowings and bank overdraft	**279,307**	221,058
Carrying amount repayable:		
On demand or within one year	**59,314**	83,922
More than one year, but not exceeding two years	**37,101**	20,041
More than two years, but not exceeding five years	**107,822**	62,736
More than five years	**75,070**	54,359
	279,307	221,058
Amount due within one year included in current liabilities	**(59,314)**	(83,922)
	219,993	137,136

14. INTERREST BEARING BORROWINGS AND BANK OVERDRAFT – Continued

Note a: As at 30 June 2016, the Group had one (2015: Nil) secured bank overdraft of HK$9,565,000 (31 December 2015: Nil) which is repayable within 1 year from the reporting period. It bears interest at prime rate less 2.5% per annum and is secured by the investment properties and freehold land and buildings. It includes a covenant that Mr. Chan Chak Mo ("Mr. Chan") and his associates have to hold not less than 37% (2015: Nil) equity interest holding of the Company.

Note b: The Group had three (2015: Nil) secured loans at the end of reporting period, including:

(i) a secured loan of approximately HK$8,800,000 (31 December 2015: Nil) which is repayable within 1 year from the reporting period, bears interest at 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") plus 1.8% per annum and is secured by a leasehold land and building;

(ii) a secured loan of HK$21,834,000 (31 December 2015: Nil) which is repayable within 8 years from 2018 with maximum facility of HK$124,272,000 (equivalent to MOP128,000,000). It bears interest at the prime rate less 2.25% per annum and is secured by the construction in progress;

(iii) a secured loan of approximately HK$12,143,000 (31 December 2015: Nil) which is repayable within 3 years from the reporting period, bears interest at 1-month HIBOR plus 1.75% per annum.

Note c: As at 30 June 2016, the Group had a secured loan of HK$21,834,000 (31 December 2015: Nil) which carries a covenant that the managing director and controlling owner of the Company, Mr. Chan and his associates have to hold not less than 35% (2015: Nil) equity interest holding of the Company.

Note d: The Group had three (2015: two) mortgage loans at the end of reporting period, including a mortgage loan of approximately HK$113,008,000 (31 December 2015: HK$119,963,000) which is repayable within 15 years from 2011, bears interest at 1-month HIBOR plus 2.75% per annum and is secured by the investment properties and freehold land and buildings. The Group's second mortgage loan of approximately HK$58,883,000 (31 December 2015: Nil) is repayable within 7 years from 2016, bears interest at prime rate less 2.7% per annum and is secured by the investment properties and freehold land and buildings. The Group's third mortgage loan of approximately HK$12,440,000 (31 December 2015: HK$12,800,000) is repayable within 7 years from 2014, bears interest at 1-month HIBOR plus 1.75% per annum and is secured by a leasehold land and building.

Note e: As at 30 June 2016, the Group had two mortgage loans of HK$171,891,000 (31 December 2015: HK$119,963,000) which carry a covenant that the managing director and controlling owner of the Company, Mr. Chan and his associates have to hold not less than 37% (2015: 37%) equity interest holding of the Company.

Note f: As at 30 June 2016, the Group had two (31 December 2015: three) unsecured bank loans, including:

(i) an unsecured bank loan of HK$36,798,000 (31 December 2015: HK$24,000,000) which is repayable within 5 years from 2015 with maximum facility of HK$80,000,000. It bears interest at the prime rate less 1.5% per annum and is carried a covenant that Mr. Chan and his associates have to hold not less than 37% equity interest holding of the Company;

(ii) an unsecured bank loan of HK$5,836,000 (equivalent to RMB5,000,000) (31 December 2015: HK$5,845,000) which is repayable within 1 year from the reporting period with maximum facility of HK$35,070,000 (equivalent to RMB30,000,000). It bears interest at the higher of CNY HIBOR plus 0.7% per annum or 4.3% per annum and includes a covenant that Mr. Chan and his associates have to hold not less than 40% equity interest holding of the Company;

14. INTEREST BEARING BORROWINGS AND BANK OVERDRAFT – Continued

(iii) as at 31 December 2015, the Group had an unsecured bank loan of HK$58,450,000 (equivalent to RMB50,000,000) which was repayable within 1 year from the reporting period with maximum facility of HK$58,450,000 (equivalent to RMB50,000,000). Its interest rate was at the higher of CNY HIBOR plus 0.7% per annum or 4.3% per annum with a covenant that Mr. Chan and his associates had to hold not less than 40% equity interest holding of the Company. The Group has repaid such unsecured loan during the six months ended 30 June 2016.

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the period, except as disclosed elsewhere in these condensed financial statements, the Group had the following significant transactions with related parties:

(a) During the six months ended 30 June 2016, the Group has received management fee income of HK$1,725,000 (six months ended 30 June 2015: HK$2,017,000) on a reimbursement of expense sharing basis from several companies in which a director of the Company is also a director and an ultimate non-controlling shareholder of such companies.

(b) During the six months ended 30 June 2016, the Group paid rental of HK$1,800,000 (six months ended 30 June 2015: HK$2,400,000) to 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.

(c) As at 30 June 2016, the Group had a secured loan of HK$21,834,000 (31 December 2015: Nil) with maximum facility of HK$124,272,000 of the Company which has a covenant that Mr. Chan and his associates have to hold not less than 35% (31 December 2015: Nil) equity interest holding of the Company. The Group had two mortgage loans of HK$171,891,000 (31 December 2015: HK$119,963,000) of the Group with a covenant that Mr. Chan and his associates have to hold not less than 37% (31 December 2015: 37%) equity interest holding of the Company. In addition, the Group had an unsecured bank loan of HK$36,798,000 (31 December 2015: HK$24,000,000) with maximum facility of HK$80,000,000 of the Company which has a covenant that Mr. Chan and his associates have to hold not less than 37% (31 December 2015: 37%) equity interest holding of the Company. Moreover, the Group had an unsecured bank loan of HK$5,836,000 (31 December 2015: HK$5,845,000) with maximum facility of HK$35,070,000 of the Company which has a covenant that Mr. Chan and his associates have to hold not less than 40% (31 December 2015: 40%) equity interest holding of the Company.

(d) Compensation of key management personnel

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

	Six months ended 30 June	
	2016	2015
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Basic salaries and allowance	**9,571**	10,556
Retirement scheme contributions	**18**	27
	9,589	10,583

16. OPERATING LEASE COMMITMENTS

Operating leases – lessor

The Group entered into commercial lease on its investment properties. The lease has an initial period of four years with renewal option included in the contract.

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

	30 June 2016 (Unaudited) ***HK$'000***	31 December 2015 (Audited) *HK$'000*
Not later than one year	**24,000**	28,800
Later than one year and not later than five years	**56,640**	71,040
Total	**80,640**	99,840

Operating leases – lessee

The Group has entered into commercial leases on certain leasehold land and buildings, and the leases for certain restaurants include contingent rents, which are determined by applying predetermined percentages to revenue less the basic rentals of the respective leases during the six months ended 30 June 2016. These leases have an average life of one to ten years with renewal options included in the contracts. The total future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2016 (Unaudited) ***HK$'000***	31 December 2015 (Audited) *HK$'000*
Not later than one year	**120,488**	118,214
Later than one year and not later than five years	**278,555**	293,739
Over five years	**42,119**	108,371
Total	**441,162**	520,324

17. CAPITAL COMMITMENTS

	30 June 2016 (Unaudited) ***HK$'000***	31 December 2015 (Audited) *HK$'000*
Contracted but not provided for		
– property, plant and equipment	**89,886**	71,524

18. EVENTS AFTER THE REPORTING PERIOD

At 30 June 2016, the Group did not have any material events after the reporting period.

INTERIM DIVIDEND

In view of the loss incurred by the Group for the Period and to extend the Company's gratitude towards the support of its shareholders, the Directors have decided to declare and pay out of the Company's retained earnings, a special interim dividend of HK1.0 cent per share for the Period (for the six months ended 30 June 2015: special interim dividend of HK1.0 cent per share).

	For the six months ended 30 June		
	2016	2015	2014
	%	%	%
Interim dividend (special/ordinary) payout ratio (based on the (loss)/profit attributable to owners)	**N/A**	N/A	17.6

The dividend payout ratios based on the interim dividend (special/ordinary) over the Net Ordinary Operating (Loss)/Profit (being the (loss)/profit attributable to owners of the Company before taking into account any special non-recurring income or any net fair value (losses)/gains from its investment properties) (the "Net Ordinary Operating (Loss)/Profit"), for the last three interim periods are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	%	%	%
Interim dividend (special/ordinary) payout ratio (based on the Net Ordinary Operating (Loss)/Profit)	**N/A**	N/A	29.0

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover

The turnover of the Group for the Period was approximately HK$390.9 million, representing a decrease of 4.0% as compared to the same period of 2015 of HK$407.3 million. The decrease in turnover was mainly attributable to the soft performance of the Group's restaurant chain business especially with the decrease in turnover from the Group's high end and mid-priced restaurants. The Group's restaurant chain business has performed in line with the soft level of visitor inflow to Macau and visitor spending in Macau. Further details on the Group's business performance are set out below.

Turnover of the Group over the last three interim periods are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
Turnover	**390.9**	407.3	419.0

The Group's turnover from food and catering business generated some HK$353.6 million during the Period, representing a decrease of 6.3% compared to the same period of last year of HK$377.2 million. The Group's turnover from food souvenir business generated some HK$23.2 million during the Period, representing an increase of 54.7% as compared to the same period of last year of HK$15.0 million. The Group's turnover from property investment business recorded some HK$14.1 million during the Period, representing a decrease of 6.6% compared to the same period of last year of HK$15.1 million.

Below is a table of comparison of the turnover of the first and second quarters of 2016 and 2015:

	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover			
First quarter	**199.9**	–6.7%	214.3
Second quarter	**191.0**	–1.0%	193.0
For the Period	**390.9**	–4.0%	407.3

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of turnover of the first quarter of 2016 and 2015:

	For the three months ended 31 March		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – First quarter			
Restaurants:			
Japanese restaurants	**68.6**	–16.4%	82.1
Chinese restaurants	**46.7**	–11.0%	52.5
Western and other restaurants *(note 1)*	**19.3**	+4.9%	18.4
Food court counters	**13.1**	–26.8%	17.9
Franchise restaurants *(note 2)*	**11.9**	+72.5%	6.9
	159.6	–10.2%	177.8
Industrial catering	**12.0**	–5.5%	12.7
Food wholesale	**9.2**	+1.1%	9.1
Food and catering business	**180.8**	–9.4%	199.6
Food souvenir business	**12.3**	+73.2%	7.1
Property investment business	**6.8**	–10.5%	7.6
Total	**199.9**	–6.7%	214.3

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, sandwich bars and Royal Thai Kitchen Restaurant.

Note 2: The turnover of "Franchise restaurants" included turnover from the Group's Pacific Coffee shops, Pepper Lunch, Bari-Uma ramen and Mad for Garlic restaurants.

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of turnover of the second quarter of 2016 and 2015:

	For the three months ended 30 June		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – Second quarter			
Restaurants:			
Japanese restaurants	**62.1**	–13.3%	71.6
Chinese restaurants	**42.8**	+1.4%	42.2
Western and other restaurants *(note 1)*	**18.4**	–11.5%	20.8
Food court counters	**10.9**	–27.3%	15.0
Franchise restaurants *(note 2)*	**16.4**	+107.6%	7.9
	150.6	–4.4%	157.5
Industrial catering	**9.2**	–9.8%	10.2
Food wholesale	**13.0**	+31.3%	9.9
Food and catering business	**172.8**	–2.7%	177.6
Food souvenir business	**10.9**	+38.0%	7.9
Property investment business	**7.3**	–2.7%	7.5
Total	**191.0**	–1.0%	193.0

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, sandwich bars and Royal Thai Kitchen Restaurant.

Note 2: The turnover of "Franchise restaurants" included turnover from the Group's Pacific Coffee shops, Pepper Lunch, Bari-Uma ramen and Mad for Garlic restaurants.

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of the Group's turnover for the Period and the six months ended 30 June 2015:

	For the six months ended 30 June		
	2016	Change	2015
	HK$'million	%	*HK$'million*
Turnover for the Period			
Restaurants:			
Japanese restaurants	**130.7**	–15.0%	153.7
Chinese restaurants	**89.5**	–5.5%	94.7
Western and other restaurants *(note 1)*	**37.7**	–3.8%	39.2
Food court counters	**24.0**	–27.1%	32.9
Franchise restaurants *(note 2)*	**28.3**	+91.2%	14.8
	310.2	–7.5%	335.3
Industrial catering	**21.2**	–7.4%	22.9
Food wholesale	**22.2**	+16.8%	19.0
Food and catering business	**353.6**	–6.3%	377.2
Food souvenir business	**23.2**	+54.7%	15.0
Property investment business	**14.1**	–6.6%	15.1
Total	**390.9**	–4.0%	407.3

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, sandwich bars and Royal Thai Kitchen Restaurant.

Note 2: The turnover of "Franchise restaurants" included turnover from the Group's Pacific Coffee shops, Pepper Lunch, Bari-Uma ramen and Mad for Garlic restaurants.

FINANCIAL REVIEW – Continued
Turnover – Continued

Details of the Group's same store performance (note 3) of its restaurants, industrial catering business and food souvenir business in terms of turnover for the first and second quarters of 2016 and 2015 are as follows:

	For the three months ended 31 March		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – First quarter			
Restaurants:			
Japanese restaurants	**66.6**	–16.5%	79.8
Chinese restaurants	**46.7**	–2.7%	48.0
Western and other restaurants	**18.6**	+1.1%	18.4
Food court counters	**13.1**	–8.4%	14.3
Franchise restaurants	**7.3**	+5.8%	6.9
	152.3	–9.0%	167.4
Industrial catering	**12.0**	–5.5%	12.7
Food and catering business	**164.3**	–8.8%	180.1
Food souvenir business	**9.4**	+49.2%	6.3
	173.7	–6.8%	186.4

	For the three months ended 30 June		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – Second quarter			
Restaurants:			
Japanese restaurants	**62.1**	–10.4%	69.3
Chinese restaurants	**42.8**	+3.9%	41.2
Western and other restaurants	**17.9**	–13.9%	20.8
Food court counters	**10.9**	–9.9%	12.1
Franchise restaurants	**8.1**	+2.5%	7.9
	141.8	–6.3%	151.3
Industrial catering	**9.2**	–9.8%	10.2
Food and catering business	**151.0**	–6.5%	161.5
Food souvenir business	**10.1**	+40.3%	7.2
	161.1	–4.5%	168.7

Note 3: Same store performance is compared on the basis of those shops/outlets which were in place in the same periods of 2016 and 2015 only.

FINANCIAL REVIEW – Continued
Turnover – Continued

Details of the Group's same store performance (note 3) of its restaurants, industrial catering business and food souvenir business in terms of turnover for the Period are as follows:

	For the six months ended 30 June		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover for the Period			
Restaurants:			
Japanese restaurants	**130.7**	–12.7%	149.7
Chinese restaurants	**89.5**	+0.2%	89.3
Western and other restaurants	**37.2**	–5.1%	39.2
Food court counters	**24.0**	–9.1%	26.4
Franchise restaurants	**17.3**	+16.9%	14.8
	298.7	–6.5%	319.4
Industrial catering	**21.2**	–7.4%	22.9
Food and catering business	**319.9**	–6.5%	342.3
Food souvenir business	**21.7**	+60.7%	13.5
	341.6	–4.0%	355.8

Note 3: Same store performance is compared on the basis of those shops/outlets which were in place in the same periods of 2016 and 2015 only.

Below is a table of comparison of the turnover of the Group's food and catering business by geographical location of the first quarter of 2016 and 2015:

	For the three months ended 31 March		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – First quarter			
Macau	**155.4**	–10.4%	173.4
Mainland China	**22.7**	–5.0%	23.9
Hong Kong	**2.7**	+17.4%	2.3
Total	**180.8**	–9.4%	199.6

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of the turnover of the Group's food and catering business by geographical location of the second quarter of 2016 and 2015:

	For the three months ended 30 June		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover – second quarter			
Macau	**143.9**	–4.1%	150.0
Mainland China	**21.7**	–16.2%	25.9
Hong Kong	**7.2**	+323.5%	1.7
Total	**172.8**	–2.7%	177.6

Below is a table of comparison of the turnover of the Group's food and catering business by geographical location for the Period and the six months ended 30 June 2015:

	For the six months ended 30 June		
	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Turnover for the Period			
Macau	**299.3**	–7.5%	323.4
Mainland China	**44.4**	–10.8%	49.8
Hong Kong	**9.9**	+147.5%	4.0
Total	**353.6**	–6.3%	377.2

The turnover of the Group's food souvenir business and property investment business are also mainly generated in Macau.

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 Period was about HK$268.5 million, representing a decrease of approximately 6.2% as compared to the same period of last year of HK$286.2 million. The gross margin ratio for the Period was about 68.7%, with a decrease of about 1.6% compared to the same period of last year of 70.3%. The decrease in gross margin was mainly due to the decrease in turnover especially for those of the high end restaurants, for the Period. Gross margins and gross margin ratios of the Group over the last three interim periods are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
Gross margin	**268.5**	286.2	309.9
Gross margin ratio (Gross margin over turnover)	**68.7%**	70.3%	74.0%

Below is a table of comparison of the gross margins (as described above) of the Group for the first and second quarters of 2016 and 2015:

	2016	Change	2015
	HK$'million	*%*	*HK$'million*
Gross margin			
First quarter	**140.4**	–7.1%	151.2
Second quarter	**128.1**	–5.1%	135.0
For the Period	**268.5**	–6.2%	286.2

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 Period was about HK$59.3 million, representing a decrease of approximately 11.7% as compared to the same period of last year of HK$67.2 million. The gross operating profit ratio for the Period was about 15.2%, a decrease in about 1.3% as compared to the same period of last year of 16.5%. The decrease in gross operating profit was mainly due to the decrease in turnover and higher direct operating costs for the Period. The gross operating profits and gross operating profit ratios for the last three interim periods of the Group are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
Gross operating profit	**59.3**	67.2	157.3
Gross operating profit ratio (Gross operating profit over turnover)	**15.2%**	16.5%	37.5%

Below is a table of comparison of the gross operating profits (as described above) of the Group for the first and second quarters of 2016 and 2015:

	2016	Change	2015
	HK$'million	%	*HK$'million*
Gross operating profit			
First quarter	**36.4**	–6.7%	39.0
Second quarter	**22.9**	–18.8%	28.2
For the Period	**59.3**	–11.7%	67.2

FINANCIAL REVIEW – Continued

EBITDA

The Group's profit before interests, tax expense, depreciation and amortization (the "EBITDA") for the Period was approximately HK$12.7 million, representing a decrease of approximately 3.8% as compared to those of the same period in last year of HK$13.2 million. The decrease in EBITDA was mainly attributable to the losses incurred by the Group as mentioned below, as well as the continuous soft performance of the Group's restaurants in Macau. The EBITDA ratios for the last three interim periods of the Group are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
EBITDA	**12.7**	13.2	171.5
EBITDA against turnover ratio	**3.2%**	3.2%	40.9%

Net (loss)/profit

The loss attributable to owners of the Company for the Period was approximately HK$15.7 million, representing an improvement of some 42.9%, as compared to the same period of last year of approximately HK$27.5 million. The loss for the Period was mainly attributable to (i) the loss attributable to owners of the Group's food souvenir business of some HK$14.0 million (2015: HK$22.6 million), (ii) written off/impairment losses on the Group's assets of some HK$1.7 million (2015: HK$44.3 million) and (iii) a net fair value loss from property investment business of some HK$1.7 million (2015: net fair value gain of HK$28.0 million). The ratios of the (loss)/profit attributable to owners of the Company for the last three interim periods of the Group are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
(Loss)/Profit attributable to owners of the Company	**(15.7)**	(27.5)	118.5
(Loss)/Profit attributable to owners of the Company against turnover ratio	**(4.0)%**	(6.8)%	28.3%

FINANCIAL REVIEW – Continued
Net (loss)/profit – Continued

The Net Ordinary Operating (Loss)/Profit (being the (loss)/profit attributable to owners of the Company before taking into account any special non-recurring income or any net fair value (losses)/gains from its investment properties) for the Period was at a loss of approximately HK$14.0 million, representing a decrease of 72.0%, as compared to the same period of last year of approximately HK$50.1 million. Set out below is the Net Ordinary Operating (Loss)/Profit with Net Ordinary Operating (Loss)/Profit ratios (being Net Ordinary Operating (Loss)/Profit against turnover) for the last three interim periods:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
Net Ordinary Operating (Loss)/Profit	**(14.0)**	(50.1)	71.9
Net Ordinary Operating (Loss)/Profit against turnover ratio	**(3.6)%**	(12.3)%	17.2%

The Group's operating financials and results of all its business (but excluding the food souvenir business, the three restaurants and closed food court at Huafa Mall and any net fair value (losses)/gains from investment properties of the Group) for the Period are as follows:

	For the six months ended 30 June		
	2016	Change	2015
	HK$'million	%	*HK$'million*
	(Unaudited)		(Unaudited)
Turnover	**334.9**	–5.0%	352.6
Cost of sales	**(101.5)**	+2.6%	(98.9)
Gross margin	**233.4**	–8.0%	253.7
Direct operating expenses	**(160.0)**	+3.1%	(155.2)
Gross operating profit	**73.4**	–25.5%	98.5
Gross operating profit margin (%)	**21.9%**	–6.0%	27.9%
Profit attributable to owners	**8.6**	–67.3%	26.3

FINANCIAL REVIEW – Continued
(Loss)/Earnings per share

Based on the loss attributable to owners of the Company and the number of 694,302,420 shares in issue during the Period, the basic loss per share of the Company was some HK2.27 cents, representing a decrease of about 42.8% as compared to the same period of last year at a basic loss per share of HK3.97 cents. The Group's basic (loss)/earnings per share for the last three interim periods are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK cents	*HK cents*	*HK cents*
(Loss)/Earnings per share – basic	**(2.27)**	(3.97)	17.74

The basic loss per share of the Company based on the Net Ordinary Operating Loss for the Period was some HK2.02 cents, representing a decrease of about 72.0% as compared to the same period of last year of some HK7.21 cents. Below are the basic (loss)/earnings per share based on the Net Ordinary Operating (Loss)/Profit over the last three interim periods:

	For the six months ended 30 June		
	2016	2015	2014
	HK cents	*HK cents*	*HK cents*
Net Ordinary Operating (Loss)/Profit per share – basic	**(2.02)**	(7.21)	10.76

Cash flow

The cash inflow from operating activities of the Group for the Period was approximately HK$47.3 million, representing an increase of 1,082.5% as compared to those of the same period of last year of approximately HK$4.0 million. Such increase in cash flow was mainly due to cash inflows from receipt of re-fund of some of the deposits for guarantee of development of the investment property under construction at Hengqin Island during the Period. The Group's cash inflows from operating activities for the last three interim periods are as follows:

	For the six months ended 30 June		
	2016	2015	2014
	HK$'million	*HK$'million*	*HK$'million*
Cash inflow from operating activities	**47.3**	4.0	75.7

FINANCIAL REVIEW – Continued
Net assets

The net assets of the Group as at 30 June 2016 was approximately HK$1,056.7 million, representing a decrease of approximately 2.5% as compared to those as at 31 December 2015 of HK$1,083.6 million. The decrease in net assets was mainly attributable to the losses from operations. The net assets of the Group as at 30 June 2016, 31 December 2015 and 30 June 2015 were as follows:

	As at 30 June 2016	As at 31 December 2015	As at 30 June 2015
	HK$'million	*HK$'million*	*HK$'million*
Net assets	**1,056.7**	1,083.6	1,133.8
	HK$	*HK$*	*HK$*
Net assets per share – basic	**1.522**	1.561	1.633

OPERATION REVIEW

Food and Catering Business

Restaurant Chain

The Group has been able to improve its performance and narrowed down its losses in the Period, as compared to those of the same period of 2015. During the Period, the Group's food and catering business contributed turnover of some HK$353.6 million, representing about 90.5% of the Group's turnover, a drop of approximately 6.3%, as compared to the same period of last year of HK$377.2 million. The Group's gross operating profit from food and catering business was some HK$58.3 million during the Period, representing a decrease of 21.0% as compared to the same period of last year of HK$73.8 million. The Group's net profit after tax attributable to owners from its food and catering business was some HK$1.0 million during the Period as compared to a net loss for the same period of last year of HK$32.0 million. During the Period, the Group's food and catering business has continued to face high operating costs, as compared to the same period of 2015. The Group has decreased its total area of restaurants from 276,986 sq.ft. in the first half of 2015 to 238,523 sq.ft. in the Period followed by the streamlining of unsatisfactory restaurants and food court counters. Such decrease in area was mainly due to the closure of food court in Huafa Mall in August 2015.

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

	As at 30 June		
	2016	2015	2014
Number of restaurants			
Japanese restaurants *(note a)*	**9**	11	8
Chinese restaurants *(note b)*	**9**	9	7
Western and other restaurants *(note c)*	**10**	8	3
Food court counters	**2**	21	3
Franchise restaurants *(note d)*	**15**	10	10
	45	59	31
Industrial catering *(note e)*	**4**	4	3
	49	63	34
Total area of restaurants (sq.ft.)	**238,523**	276,986	142,463
Turnover per sq.ft.(HK$)	**1,482**	1,362	2,870

Note a: As at 30 June 2016, Japanese restaurants included 7 Edo Japanese Restaurants, 1 Senkizen Japanese Restaurant and 1 Musashi Japanese Restaurant.

Note b: As at 30 June 2016, Chinese restaurants included 1 Turtle Essence, 1 "456" Modern Shanghai Cuisine Restaurant, 1 Good Fortune Cantonese Kitchen and 4 Shiki Hot Pot Restaurants, 1 Fortune Inn Restaurant and 1 noodle congee shop.

Note c: As at 30 June 2016, Western and other restaurants included 1 Madeira Portuguese Restaurant, 2 Azores Portuguese Restaurants, 1 Vergnano Italian Restaurant, 1 Royal Thai Kitchen Restaurant, 1 Food Paradise at Macau International Airport, 2 sandwich bars, 1 cafe and 1 Old Macau Restaurant.

Note d: As at 30 June 2016, franchise restaurants included 9 Pacific Coffee, 3 Bari-Uma ramen, 1 Mad for Garlic and 2 Pepper Lunch restaurants.

Note e: As at 30 June 2016, industrial catering included 4 student/staff canteens.

OPERATION REVIEW – Continued
Food and Catering Business – Continued

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

	As at 30 June		
	2016	2015	2014
Number of restaurants/food court counters			
Macau	**38**	38	33
Mainland China	**8**	24	1
Hong Kong	**3**	1	–
	49	63	34

Details of Group's restaurants opened and closed during the Period are stated in the List of Restaurants/Food Court Counters/Stores, as set out in 2016 interim report.

Industrial Catering

During the Period, the Group's industrial catering business has derived from its operations of providing the canteen services for universities and schools with a turnover of some HK$21.2 million, representing a decrease of 7.4% as compared to the same period of last year of HK$22.9 million. More details on the Group's industrial catering business are set out in the Chairman's Statement of 2016 interim report.

Food Wholesale

During the Period, the Group's wholesale business of Japanese food and materials has achieved a turnover of some HK$22.2 million, representing an increase of 16.8% as compared to the same period of last year of HK$19.0 million. More details on the Group's food wholesale business are set out in the Chairman's Statement of 2016 interim report.

Food Souvenir Business

During the Period, the Group's food souvenir business has contributed some HK$23.2 million turnover representing about 5.9% of Group's turnover, an increase of 54.7% as compared to the same period of last year of HK$15.0 million. Such increase was due to the additional sales from the Group's Yeng Kee bakery shops during the Period.

During the Period, the gross margin, gross operating loss and net loss attributable to owners from the Group's food souvenir business were some HK$15.8 million, HK$12.2 million and HK$14.0 million (2015: HK$9.8 million, HK$20.9 million and HK$22.6 million) respectively. Such losses were mainly due to relatively low level of sales because of the soft market sentiment and the high direct operating costs incurred for the Period. Further details of the Group's food souvenir business are set out in the Chairman's Statement of 2016 interim report.

As at 30 June 2016, the Group has 11 Yeng Kee bakery shops/kiosks (30 June 2015: 11), 0 Milk Republic shop (30 June 2015: 1) and 0 Chocoland shop (30 June 2015: 1). Details of Group's food souvenir shops are set out in the List of Food Souvenir Shops of 2016 interim report.

OPERATION REVIEW – Continued
Property Investment Business

The investment property market in Macau has in the Period been under rental reduction pressure when Macau economy has become soft, and where tenants have started to ask for reduction of rental. The property investment business has performed steadily in the Period, during which the Group generated relatively constant rental income from the Group's 6-storey commercial building ("Macau Commercial Building") at the prime tourist location near Centro Commercial E Turistico "S. Paulo", Largo da Companha de Jesus N°2, Em Macau (澳門耶穌會紀念廣場2號，牌坊廣場購物旅遊中心) in Macau.

The Macau Commercial Building recorded a net fair value loss while the Group's land at Hengqin Island ('Hengqin Land") enjoyed a net fair value gain, resulting in an overall net fair value losses of some HK$1.7 million for the Period (six months ended 30 June 2015: net fair value gain of HK$22.6 million), based on the valuation of these properties by an independent professional valuer. The Macau Commercial Building excluding self-use portion was valued at HK$520.0 million as at 30 June 2016 (31 December 2015: HK$524.0 million) and a fair value loss before tax of HK$4.0 million was recognised in the consolidated statement of comprehensive income for the Period (six months ended 30 June 2015: fair value gain of HK$12.0 million). As at 30 June 2016, the Hengqin Land was valued at HK$277.1 million (31 December 2015: HK$272.5 million) and a fair value gain before tax of some HK$2.4 million was recognised in the consolidated statement of comprehensive income for the Period (six months ended 30 June 2015: HK$16.0 million).

During the Period, the Group enjoyed a steady rental income of some HK$14.1 million, representing a decrease of about 6.6% as compared to the same period of last year of some HK$15.1 million. Such reduction of rental income in the Period was due to an agreement with the tenant of the Macau Commercial Building to reduce a monthly rental of some HK$0.6 million for the whole of 2016. The net profit attributable to owners from the Group's property investment business generated some HK$3.6 million during the Period, representing a decrease of 89.1% as compared to the same period of last year of some HK$33.0 million. Such decrease was mainly attributable to the decrease in rental income and the lesser fair value gain from investment properties.

OPERATION REVIEW – Continued
Property Investment Business – Continued

The Group's property development project in Hengqin Island is progressing: the approval for the Group's building development and design plan (規劃設計方案) for its Hengqin Island project has finally been obtained in October 2015 and soft soil foundation treatment work at the Group's development site at Hengqin Island will be soon completed. In October 2015 the Group has in accordance with the terms of the relevant land sale contract of 12 January 2015, applied for an extension of time on certain development milestones contained in it, based on various reasons. In July 2016, the Planning and Land Bureau of the Administrative Committee of Zhuhai Hengqin New Area (珠海市橫琴新區管理委員會規劃國土局) ("Hengqin Land Authority") has sent a preliminary reply letter to the Group's extension request, alleging of a possible breach by the Group under the relevant land sale contract, due to the failure to obtain its permit for carrying out the foundation works by its first development milestone by 28 November 2015. Hengqin Land Authority has also requested the Group to make a further submission to address such delay. A failure to meet any development milestones contained in the relevant land sale contract may lead to a daily penalty of RMB628,108.11 unless such failure to meet any development milestone is caused by force majeure or government reasons. The Group has already made further submission, as so requested, to Hengqin Land Authority to deny any possible breach of the relevant land sale contract since such delay has been due to many reasons beyond its control (force majeure and others). These reasons include that there was a lengthy exchange of views between the Group and different government departments of Zhuhai Hengqin New Area on the building development and design plan (規劃設計方案) for the proposed building complex; the approval for the Group's building development and design plan was finally obtained in October 2015; there was an unexpected soft soil issue at the relevant site that has required the Group to carry out additional survey and treatment; the foundation work drawing plan (樁基工程施工圖) has already been submitted and is still being considered; and upon obtaining such approval, the Group will then be able to apply for the foundation work permit and proceed to carry out the foundation work.

Logistic Support

The foundation works for the construction of the Group's central food processing and logistic centre in Macau have been proceeding in full swing. It is expected that completion of the construction work is in the second half of 2017. The Group is about to set up a small central kitchen in Hong Kong to cater for its restaurants in Hong Kong with an intent to enhance the operation efficiency of the Group's restaurants in Hong Kong. The Group will continue to actively enhance its logistic support including food sourcing and food processing facilities.

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 June 2016, the Group had net current assets of some HK$89.7 million (as at 31 December 2015: HK$84.2 million), and the Group's total cash and bank balances amounted to some HK$270.6 million (as at 31 December 2015: HK$247.4 million), while the Group's pledged bank deposits and secured bank overdraft amounted to some HK$46.9 million and HK$9.6 million (as at 31 December 2015: HK$28.1 million and Nil) respectively. The Group's pledged bank deposits of HK$28.2 million (as at 31 December 2015: HK$28.1 million) have been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit and the balance of HK$18.7 million (as at 31 December 2015: Nil) has been pledged to a bank for guarantee of development of investment properties under construction. The Group's secured bank overdraft of HK$9.6 million is interest bearing at prime rate less 2.5% per annum, secured by the investment properties and freehold land and buildings of the Group and has a covenant that Mr. Chan and his associates have to hold not less than 37% (2015: Nil) equity interest holding of the Company.

As at 30 June 2016, the Group had interest-bearing loans of some HK$269.7 million (as at 31 December 2015: HK$221.1 million).

As at 30 June 2016, the Group had three secured bank mortgage loans (as at 31 December 2015: two), including a secured mortgage loan of some HK$113.0 million (as at 31 December 2015: HK$120.0 million) which was interest bearing at 1-month HIBOR plus 2.75% per annum, repayable within 15 years from 2011 and secured by the investment properties and land and buildings of the Group. The Group's second secured mortgage loan of some HK$58.9 million (as at 31 December 2015: Nil) was interest bearing at prime rate less 2.7% per annum, repayable within 7 years from 2016 and secured by the investment properties and land and buildings of the Group. The first and second mortgage loans totaling of HK$171.9 million (31 December 2015: HK$120.0 million) carry a covenant that the managing director and controlling owner of the Company, Mr. Chan and his associates have to hold not less than 37% (2015: 37%) equity interest holding of the Company. The Group's third secured mortgage loan of some HK$12.4 million (as at 31 December 2015: HK$12.8 million) was interest bearing at HIBOR plus 1.75% per annum, repayable within 7 years from 2014 and secured by the leasehold land and buildings of the Group.

As at 30 June 2016, the Group also had three secured bank loans (as at 31 December 2015: Nil), including a secured bank loan of some HK$8.8 million (as at 31 December 2015: Nil) which was interest bearing at HIBOR plus 1.8% per annum, repayable within 1 year with maximum facility of HK$10.0 million and secured by a land and building of the Group. The Group's second secured bank loan of some HK$12.2 million (as at 31 December 2015: Nil) was interest bearing at HIBOR plus 1.75% per annum, repayable within 35 monthly instalments from June 2016 and secured by a land and building of the Group. The Group's third secured bank loan of some HK$21.8 million (as at 31 December 2015: Nil) was interest bearing at prime rate less 2.25% per annum, repayable within 8 years from 2018 and secured by the construction in progress of the Group. Such secured bank loan of HK$21.8 million (as at 31 December 2015: Nil) carries a covenant that the managing director and controlling owner of the Company, Mr. Chan and his associates have to hold not less than 35% (2015: Nil) equity interest holding of the Company.

LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 30 June 2016, the Group had two (as at 31 December 2015: three) unsecured bank loans, including an unsecured bank loan of HK$36.8 million (as at 31 December 2015: HK$24.0 million) which is repayable within 5 years from 2015 with maximum facility of HK$80.0 million. It bears interest at the prime rate less 1.5% per annum and has a covenant that Mr. Chan and his associates have to hold not less than 37% (2015: 37%) equity interest holding of the Company. The Group's second unsecured bank loan of some HK$5.8 million (equivalent to RMB5.0 million) (as at 31 December 2015: HK$5.8 million) is repayable within 1 year from 2015 with maximum facility of some HK$35.1 million (equivalent to RMB30.0 million) (as at 31 December 2015: HK$35.1 million), and bears interest at higher of CNY HIBOR plus 0.7% per annum or 4.3% per annum. Such two unsecured bank loans carry a covenant that Mr. Chan and his associates have to hold not less than 40% (2015: 40%) equity interest holding of the Company.

As at 31 December 2015, the Group had an unsecured bank loan of HK$58.5 million which was interest bearing at higher of CNY HIBOR plus 0.7% per annum or 4.3% per annum, repayable within 1 year from 2015. The Group repaid such unsecured bank loan during the Period.

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

The Group's gearing ratio represented by the Group's net debt (total liabilities less cash and cash equivalents) to the Group's total equity as at 30 June 2016, 31 December 2015 and 30 June 2015 were as follows:

	As at 30 June 2016	As at 31 December 2015	As at 30 June 2015
	%	%	%
Gearing ratio	**30.5**	26.7	26.5

The increase in Group's gearing ratio as at 30 June 2016 was mainly due to the increase in interest-bearing loans and the decrease in the Group's total equity. As at 30 June 2016, the Group's current ratio was 1.31 (as at 31 December 2015: 1.26), and the ratio of the total assets against the total liabilities of the Group was 2.90 (as at 31 December 2015: 3.13).

MATERIAL LITIGATION

As at 30 June 2016, the Group was not involved in any material litigation or arbitration (as at 31 December 2015: Nil).

CHARGES ON GROUP ASSETS

As at 30 June 2016, the Group has pledged the investment properties in Macau and freehold land and building in Macau to a bank in Macau to secure two mortgage loans and a bank overdraft. The Group has also pledged the leasehold land and building in Hong Kong to a bank in Hong Kong to secure a mortgage loan and two secured loans. Other than that, the Group did not have any charges on assets.

CONTINGENT LIABILITIES

As at 30 June 2016, the Group did not have any contingent liabilities (as at 31 December 2015: Nil).

CURRENCY EXPOSURE

As at 30 June 2016, the Group did not have any outstanding hedging instrument. The Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

EMPLOYEES

As at 30 June 2016, the Group has employed a total of 1,724 full time staff (as at 30 June 2015: 1,814) in Hong Kong, Macau and Mainland China. Remuneration packages including medical plan have been and are regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detail remuneration packages for the employees are determined by management based on their performance.

SUBSEQUENT EVENTS

Saved as those announced publicly or disclosed here, there has been no significant subsequent event after 30 June 2016.

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

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

AUDIT COMMITTEE

The audit committee of the Company consists of three independent non-executive directors: Mr. Chan Pak Cheong Afonso (Chairman), Mr. Cheung Hon Kit and Mr. Yu Kam Yuen, Lincoln. The audit committee has reviewed with management the accounting principles as well as critical accounting estimates and assumptions. The audit committee has also discussed with the external auditor on their audit plan and key audit areas. The condensed consolidated financial statements and the interim results announcement of the Group for the Period have been reviewed by the audit committee before submission to the Board for adoption.

RISK COMMITTEE

The risk committee of the Company consists of two independent non-executive directors, Mr. Chan Pak Cheong Afonso (Chairman), Mr. Yu Kam Yuen, Lincoln and an executive director, Mr. Chan See Kit, Johnny. The risk committee's role is to make recommendation to the Board on the risk management framework and internal control policies and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance, having regard to the interests of shareholders. The principal duties of the risk committee include reviewing and monitoring the Company's risks. The risk committee also reviews the effectiveness of the enterprise risk management function, including staffing level and qualification as well as risk reports and breaches of risk tolerances and policies from time to time.

CORPORATE GOVERNANCE

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

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 for Securities Transactions by Directors of Listing Companies of the Listing Rules. Having made specific enquiry with them, all Directors confirmed that they have complied with the standard set out in such Model Code and the code of conduct regarding securities transactions by directors adopted by the Company

OUTLOOK

Management has been able to successfully revamp the Group's strategy and to restructure some of the Group's businesses, as detailed above. Management believes that in the coming months of 2016, the Group's operating environments would still be so challenging that the Group needs to continue to monitor the performance of its various businesses closely.

Taking into account the loss incurred by the Group in the Period, the overall performance of the Group for the whole of 2016 may be adversely affected, hopefully with improvement as compared to those of the year of 2015. The Directors are confident that the Group would be able to face up with the challenges ahead and come out stronger and as resilient ever.

USE OF PROCEEDS

In November 2012, the Company undertook a placement and issued 75,000,000 new ordinary shares at HK$1.2 per share, representing a discount of approximately 11.11% to the then 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 30 June 2016, the Group has fully applied HK$86.9 million of the net proceeds, details are as follows:

	30 June 2016	31 December 2015
	HK$'million	*HK$'million*
	(Unaudited)	(Unaudited)
Opening of new restaurants	**34.6**	34.6
Acquisition of kitchen equipment for its central kitchen	**30.0**	27.9
Working capital	**22.3**	22.3
Total	**86.9**	84.8

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 then 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). The Group had fully applied all the net proceeds to finance the acquisition of Hengqin Land up to 31 December 2015.

CLOSURE OF REGISTER OF SHAREHOLDERS

The register of shareholders of the Company will be closed from Monday, 12 September 2016 to Wednesday, 14 September 2016 (both days inclusive), during which no transfer of shares will be registered for the purpose of ascertaining shareholders' entitlement to the 2016 special interim dividend. The record date for the entitlement to the 2016 special interim dividend shall be 14 September 2016. In order to qualify for the 2016 special interim dividend for the six months ended 30 June 2016, 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 Friday, 9 September 2016.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.fb.com.hk. The 2016 interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

On behalf of the Board
Chan Chak Mo
Managing director

Hong Kong, 23 August 2016

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.