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 2017

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2017	2016	*Change*
	(Unaudited)	(Unaudited)	
	HK$'000	*HK$'000*	*%*
Turnover	**433,626**	390,912	+10.9%
Gross margin	**304,026**	268,552	+13.2%
Gross operating profit	**52,007**	59,283	–12.3%
Profit before interests, tax expense, depreciation and amortisation ("EBITDA")	**28,309**	12,728	+122.4%
Loss attributable to owners of the Company	**(16,987)**	(15,726)	+8.0%
Net Ordinary Operating Loss	**(29,157)**	(14,035)	+107.8%
Basic loss per share	**HK(2.45) cents**	HK(2.27) cents	+7.9%
Special interim dividend per share	**HK1.0 cent**	HK1.0 cent	–

* *For identification purpose only*

FINANCIAL HIGHLIGHTS – Continued

	30 June 2017 (Unaudited) *HK$'000*	31 December 2016 (Audited) *HK$'000*	*Change* %
Total assets	**1,682,809**	1,664,579	+1.1%
Net assets	**1,030,763**	1,047,403	–1.6%
Net assets per share	**HK$1.485**	HK$1.509	–1.6%
Gearing ratio	**45.6%**	38.0%	+7.6%
Total assets/total liabilities ratio	**2.58**	2.70	–4.4%

IMPORTANT DATES

Board meeting approving 2017 interim results	24 August 2017
Ex-entitlement trading date for 2017 special interim dividend	7 September 2017
Closure of shareholder register for the purpose of ascertaining shareholders' entitlement to 2017 special interim dividend	11–13 September 2017
Record date of 2017 special interim dividend entitlement	13 September 2017
Payment of 2017 special interim dividend	27 September 2017

INTERIM RESULTS

The board ("Board") of directors ("Directors") of Future Bright Holdings Limited ("Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries ("Group") for the six months ended 30 June 2017 ("Period") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2017

		Six months ended 30 June	
		2017	2016
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Turnover	*5*	**433,626**	390,912
Cost of sales		**(129,600)**	(122,360)
Gross margin		**304,026**	268,552
Direct operating expenses		**(252,019)**	(209,269)
Gross operating profit		**52,007**	59,283
Other revenue		**4,253**	5,334
Other gains and losses		**20,624**	(2,207)
Administrative expenses		**(76,863)**	(68,077)
Share of loss of joint venture		**(1,238)**	(2,464)
Finance costs		**(3,607)**	(3,713)
Loss before income tax expense		**(4,824)**	(11,844)
Income tax expense	*8*	**(10,270)**	(5,305)
Loss for the period		**(15,094)**	(17,149)
Other comprehensive income/(loss), net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		**9,897**	(381)
Total comprehensive loss for the period		**(5,197)**	(17,530)
Profit/(Loss) attributable to:			
Owners of the Company		**(16,987)**	(15,726)
Non-controlling interests		**1,893**	(1,423)
		(15,094)	(17,149)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**(7,090)**	(16,107)
Non-controlling interests		**1,893**	(1,423)
		(5,197)	(17,530)
Loss per share			
– Basic (HK cents per share)	*10*	**(2.45)**	(2.27)
– Diluted (HK cents per share)	*10*	**(2.45)**	(2.27)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	**30 June 2017 (Unaudited) *HK$'000***	31 December 2016 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment	*11*	**378,173**	366,742
Investment properties	*12*	**832,118**	780,439
Goodwill		**81,781**	81,781
Other intangible assets		**9,720**	10,288
Prepayments and deposits	*13*	**22,560**	19,533
Interest in joint venture		**8,270**	9,508
Pledged bank deposits		**18,408**	17,844
Total non-current assets		**1,351,030**	1,286,135
Current assets			
Inventories		**37,348**	43,135
Amount due from joint venture		**2,186**	645
Trade and other receivables	*13*	**74,195**	77,399
Financial assets at fair value through profit or loss	*14*	**4,631**	3,948
Pledged bank deposits		**31,493**	33,771
Cash and cash equivalents		**181,926**	219,546
Total current assets		**331,779**	378,444
Total assets		**1,682,809**	1,664,579
Current liabilities			
Trade and other payables	*15*	**137,747**	180,442
Current tax liabilities		**82,279**	79,101
Interest bearing borrowings	*16*	**60,830**	47,973
Non-interest bearing borrowings		**1,388**	1,388
Total current liabilities		**282,244**	308,904
Net current assets		**49,535**	69,540
Total assets less current liabilities		**1,400,565**	1,355,675

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 30 JUNE 2017

	Notes	30 June 2017 (Unaudited) HK$'000	31 December 2016 (Audited) HK$'000
Non-current liabilities			
Interest bearing borrowings	*16*	**316,163**	260,476
Deferred tax liabilities		**48,210**	42,367
Non-interest bearing borrowings		**5,429**	5,429
Total non-current liabilities		**369,802**	308,272
Total liabilities		**652,046**	617,176
NET ASSETS		**1,030,763**	1,047,403
Capital and reserves attributable to owners of the Company			
Share capital		**69,430**	69,430
Reserves		**988,231**	1,002,264
Equity attributable to owners of the Company		**1,057,661**	1,071,694
Non-controlling interests		**(26,898)**	(24,291)
TOTAL EQUITY		**1,030,763**	1,047,403

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 24 August 2017.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2016 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2017. Details of any changes in accounting policies are set out in note 3 to the condensed consolidated interim financial statements of 2017 interim report.

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 4 to the condensed consolidated interim financial statements of 2017 interim report.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated interim financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the group since the 2016 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2016 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but has been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the HKICPA. BDO Limited's independent review report to the Board of Directors is included in 2017 interim report.

The financial information relating to year ended 31 December 2016 that is included in these condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements.

3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Of these, the following amendments are relevant to the Group:

- Amendments to HKFRSs, Annual Improvements 2014-2016 Cycle
- Amendments to HKAS 7, Disclosure Initiative
- Amendments to HKAS 12, Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 7, Disclosure Initiative

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosures to be provided in the Group's annual financial statements. The Group is not required to provide the additional disclosures in these condensed consolidated interim financial statements.

Amendments to HKAS 12, Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to HKAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situation. The amendments clarify that an entity, when assessing whether taxable profit will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2016 annual financial statements.

5. TURNOVER

Turnover and revenue recognised by category are as follows:

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Sales of food and catering	**411,072**	353,635
Sales of food souvenir	**22,554**	23,186
Gross rental income from investment properties	**–**	14,091
	433,626	390,912

6. SEGMENT REPORTING

(a) Business segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that is 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 2017 are as follows:

	Food and catering (Unaudited) *HK$'000*	**Food souvenir (Unaudited)** *HK$'000*	**Property investment (Unaudited)** *HK$'000*	**Inter-segment elimination (Unaudited)** *HK$'000*	**Consolidated (Unaudited)** *HK$'000*
Revenue					
Turnover from external customers	**411,072**	**22,554**	**–**	**–**	**433,626**
Turnover from inter-segment	**–**	**–**	**1,323**	**(1,323)**	**–**
Other revenue	**3,933**	**9**	**311**	**–**	**4,253**
Other gains and losses	**1,982**	**246**	**17,789**	**–**	**20,017**
Reportable segment revenue	**416,987**	**22,809**	**19,423**	**(1,323)**	**457,896**
Results					
Reportable segment results before tax and non-controlling interests	**3,948**	**(14,720)**	**11,598**	**–**	**826**

6. **SEGMENT REPORTING** – Continued

(a) **Business segments** – Continued

Other information for the six months ended 30 June 2017

	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	**170**	**–**	**311**	**–**	**481**
Interest expense	**1,087**	**–**	**2,520**	**–**	**3,607**
Capital expenditure on property, plant and equipment	**42,538**	**1,232**	**–**	**10**	**43,780**
Capital expenditure on investment property under construction	**–**	**–**	**24,704**	**–**	**24,704**
Depreciation of property, plant and equipment	**24,150**	**2,940**	**1,594**	**72**	**28,756**
Amortisation of other intangible assets	**519**	**251**	**–**	**–**	**770**
Written off of property, plant and equipment	**4,488**	**–**	**–**	**–**	**4,488**
Fair value gain of investment property under construction	**–**	**–**	**26,787**	**–**	**26,787**
Fair value loss of investment properties	**–**	**–**	**9,000**	**–**	**9,000**
Fair value gain on financial assets at fair value through profit or loss	**–**	**–**	**–**	**683**	**683**
Share of loss of joint venture	**1,238**	**–**	**–**	**–**	**1,238**
Income tax expense	**4,653**	**–**	**5,617**	**–**	**10,270**

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$'000*	Inter-segment elimination (Unaudited) *HK$'000*	Consolidated (Unaudited) *HK$'000*
Revenue					
Turnover from external customers	353,635	23,186	14,091	–	390,912
Turnover from inter-segment	–	–	2,127	(2,127)	–
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	13,021	(2,127)	393,993
Results					
Reportable segment results before tax and non-controlling interests	10,068	(19,336)	3,755	–	(5,513)

6. **SEGMENT REPORTING** – 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 gain of investment property under construction	–	–	2,438	–	2,438
Fair value loss of investment properties	–	–	4,000	–	4,000
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

6. **SEGMENT REPORTING** – Continued

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

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**457,896**	393,993
Other revenue	**(4,253)**	(5,334)
Other gains and losses	**(20,017)**	2,253
Consolidated turnover	**433,626**	390,912
Loss before income tax expense		
Reportable segment profit/(loss)	**826**	(5,513)
Other gains and losses	**(76)**	66
Fair value gain/(loss) on financial assets at fair value through profit or loss	**683**	(20)
Corporate payroll expenses	**(4,253)**	(4,088)
Unallocated expenses	**(2,004)**	(2,289)
Loss before income tax expense	**(4,824)**	(11,844)

7. **DEPRECIATION AND AMORTISATION**

During the reporting period, depreciation charge of approximately HK$28,756,000 (six months ended 30 June 2016: HK$20,186,000) was recognised in respect of the Group's property, plant and equipment.

During the reporting period, amortisation charge of approximately HK$770,000 (six months ended 30 June 2016: HK$673,000) was recognised in respect of the Group's other intangible assets.

8. **INCOME TAX EXPENSE**

	Six months ended 30 June	
	2017	2016
	(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	**4,653**	5,175
Deferred tax charge for the reporting period	**5,617**	130
Income tax expense	**10,270**	5,305

8. INCOME TAX EXPENSE – Continued

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 2017 and 2016.

Mainland China Enterprise Income Tax ("EIT") is calculated at rate of 25% (2016: 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 2017 and 2016.

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2017 as the Group has adequate tax losses brought forward. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2016 as the Group has no assessable profits for Hong Kong Profits Tax for the six months ended 30 June 2016.

9. DIVIDENDS

(i) The interim dividends declared by the Directors are as follows:

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Special interim dividend of HK1.0 cent (2016: HK1.0 cent) per ordinary share	**6,943**	6,943

At their board meeting held on 24 August 2017, 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 2016: 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 2017.

(ii) Dividends payable to owners of the Company attributable to the previous financial years, which have been approved and paid during the reporting period, are as follows:

	Six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Special final dividend of HK1.0 cent (2016: HK1.0 cent) per ordinary share	**6,943**	6,943

10. 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	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Loss for the reporting period attributable to owners of the Company	**(16,987)**	(15,726)
	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)	**(2.45)**	(2.27)

(b) Diluted loss per share

The amounts of diluted loss per share for the six months ended 30 June 2017 and 2016 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 2017 and 2016.

11. PROPERTY, PLANT AND EQUIPMENT

(a) During the six months ended 30 June 2017, the Group acquired items of property, plant and equipment at a total cost of HK$43,780,000 (2016: HK$41,046,000).

(b) During the six months ended 30 June 2017, the Group wrote off items of property, plant and equipment at total cost and net book value of HK$11,916,000 (2016: HK$2,194,000) and HK$4,488,000 (2016: HK$1,746,000) respectively.

12. INVESTMENT PROPERTIES

	30 June 2017		
	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 2017	**513,000**	**267,439**	**780,439**
Additions	**–**	**24,704**	**24,704**
Fair value (losses)/gains	**(9,000)**	**26,787**	**17,787**
Exchange adjustment	**–**	**9,188**	**9,188**
At 30 June 2017	**504,000**	**328,118**	**832,118**

	31 December 2016		
	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 2016	524,000	272,494	796,494
Additions	–	4,917	4,917
Fair value (losses)/gains	(11,000)	2,887	(8,113)
Exchange adjustment	–	(12,859)	(12,859)
At 31 December 2016	513,000	267,439	780,439

The fair values of the Group's investment properties at 30 June 2017 and 31 December 2016 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: In the Period, 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 2017. The investment properties are pledged to a bank to secure mortgage loans 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 in the Period.

13. TRADE AND OTHER RECEIVABLES

	30 June 2017 (Unaudited) *HK$'000*	31 December 2016 (Audited) *HK$'000*
Current portion		
Trade receivables	**17,093**	29,597
Prepayments and deposits	**53,221**	45,831
Other receivables	**3,881**	1,971
Total	**74,195**	77,399
Non-current portion		
Prepayments and deposits	**22,560**	19,533

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 based on invoice date (net of impairment losses) is as follows:

	30 June 2017 (Unaudited) *HK$'000*	31 December 2016 (Audited) *HK$'000*
0 to 90 days	**16,985**	29,450
91 days to 365 days	**95**	50
Over 365 days	**13**	97
Total	**17,093**	29,597

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2017 (Unaudited) *HK$'000*	31 December 2016 (Audited) *HK$'000*
Financial assets at fair value through profit or loss:		
– Listed in Hong Kong held for trading	**4,631**	3,948

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.

15. TRADE AND OTHER PAYABLES

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Trade payables	**62,642**	61,773
Accruals and provision	**43,823**	52,924
Construction and other payables	**25,793**	61,427
Deferred rental benefit	**5,489**	4,318
Total	**137,747**	180,442

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

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Within 90 days	**58,179**	59,942
91 days to 180 days	**769**	190
181 days to 365 days	**2,499**	472
More than 365 days	**1,195**	1,169
Total	**62,642**	61,773

16. INTEREST BEARING BORROWINGS

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Secured bank loans *(note a)*	**148,456**	83,833
Mortgage loans *(note b)*	**161,437**	172,957
Unsecured bank loans *(note c)*	**67,100**	51,659
Total interest bearing borrowings	**376,993**	308,449
Carrying amount repayable:		
On demand or within one year	**60,830**	47,973
More than one year, but not exceeding two years	**59,300**	47,963
More than two years, but not exceeding five years	**178,717**	137,762
More than five years	**78,146**	74,751
	376,993	308,449
Amount due within one year included in current liabilities	**(60,830)**	(47,973)
	316,163	260,476

16. INTEREST BEARING BORROWINGS – Continued

Note a: As at 30 June 2017, the Group had four (31 December 2016: three) secured bank loans of approximately HK$148,456,000 (31 December 2016: HK$83,833,000), including:

(i) a secured bank loan of approximately HK$8,800,000 (31 December 2016: HK$8,800,000) with maximum facility of HK$10,000,000. It bears interest at 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") and London Inter-Bank Offered Rate ("LIBOR") plus 1.8% per annum and is secured by a leasehold land and building;

(ii) a secured bank loan of HK$116,799,000 (31 December 2016: HK$65,033,000) 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 of the Group's central food and logistic processing centre in Macau. Such secured bank loan is also carried with a covenant that Mr. Chan Chak Mo ("Mr. Chan"), being the controlling shareholder of the Company, and his associates have to hold not less than 37% (2016: 35%) equity interest holding of the Company;

(iii) a secured bank loan of approximately HK$7,857,000 (31 December 2016: HK$10,000,000) which is repayable within 3 years from June 2016 and bears interest at HIBOR plus 1.75% per annum and is secured by a leasehold land and building; and

(iv) a secured bank loan of approximately HK$15,000,000 (31 December 2016: Nil) which is repayable within 5 years from May 2017 and bears interest at HIBOR plus 2.0% per annum and is secured by a leasehold land and building.

Note b: As at 30 June 2017, the Group had three (31 December 2016: three) mortgage loans of HK$161,437,000 (31 December 2016: HK$172,957,000), including:

(i) a mortgage loan of approximately HK$98,824,000 (31 December 2016: HK$105,962,000) which is repayable within 15 years from 2011, bears interest at 1-month HIBOR plus 2.75% per annum. This mortgage loan is secured by the freehold land and buildings and investment properties. Such mortgage loan is also carried with a covenant that Mr. Chan and his associates have to hold not less than 37% (2016: 37%) equity interest holding of the Company;

(ii) a mortgage loan of approximately HK$50,893,000 (31 December 2016: HK$54,915,000) which is repayable within 7 years from 2016 and bears interest at the prime rate less 2.7% per annum. This mortgage loan is secured by the freehold land and buildings and investment properties. Such mortgage loan is also carried with a covenant that Mr. Chan and his associates have to hold not less than 37% (2016: 37%) equity interest holding of the Company; and

(iii) a mortgage loan of approximately HK$11,720,000 (31 December 2016: HK$12,080,000) which is repayable within 7 years from 2014, bears interest at HIBOR plus 1.75% per annum and is secured by a leasehold land and building.

Note c: As at 30 June 2017, the Group had an unsecured bank loan of HK$67,100,000 (31 December 2016: HK$51,659,000) which is repayable within 5 years from 2016 with maximum facility of HK$80,000,000. It bears interest at the prime rate less 1.5% per annum and is carried with a covenant that Mr. Chan and his associates have to hold not less than 37% (2016: 37%) equity interest holding of the Company.

Note d: As at 30 June 2017, the Group had one (2016: one) secured bank overdraft facility with maximum facility of MOP40,000,000 (equivalent to HK$38,835,000). It bears interest at the prime rate less 2.5% per annum and is secured by the freehold land and buildings and investment properties. Such overdraft facility is also carried with a covenant that Mr. Chan and his associates have to hold not less than 37% (2016: 37%) equity interest holding of the Company. As at 30 June 2017 and 31 December 2016, the Group's bank overdraft were at zero.

17. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

(a) During the six months ended 30 June 2017, the Group received management fee income of HK$1,799,000 (six months ended 30 June 2016: HK$1,725,000) on a reimbursement of expense sharing basis from several companies in which a director of the Company is also a director and holds an ultimate non-controlling interest of such companies.

(b) During the six months ended 30 June 2017, the Group paid rental of HK$1,800,000 (six months ended 30 June 2016: HK$1,800,000) 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 from 1 January 2016 to 30 September 2016 and HK$460,000 from 1 October 2016 to 31 December 2016 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. In January 2017, Mr. Chan has agreed in writing to reduce the monthly rental of HK$460,000 from 1 January 2017 to 30 September 2017 payable by Bright Elite under the Lease Agreement to a monthly rental of HK$300,000 from 1 January 2017 to 30 September 2017 with the other terms of the Lease Agreement remaining valid.

(c) As at 30 June 2017, one (2016: one) secured bank loan of approximately HK$116,799,000 (31 December 2016: HK$65,033,000) with maximum facility of MOP128,000,000 (equivalent to HK$124,272,000) contained a covenant that Mr. Chan and his associates had to hold not less than 37% (31 December 2016: 35%) equity interest holding of the Company. As at 30 June 2017, two (2016: two) mortgage loans of approximately HK$98,824,000 (31 December 2016: HK$105,962,000) and approximately HK$50,893,000 (31 December 2016: HK$54,915,000) of the Group contained covenants that Mr. Chan and his associates had to hold not less than 37% (31 December 2016: 37%) equity interest holding of the Company. As at 30 June 2017, one (2016: one) unsecured bank loan of approximately HK$67,100,000 (31 December 2016: HK$51,659,000) with maximum facility of HK$80,000,000 and a bank overdraft facility with maximum facility of MOP40,000,000 (equivalent to HK$38,835,000) of the Group contained covenants that Mr. Chan and his associates had to hold not less than 37% (31 December 2016: 37%) 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	
	2017	2016
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Basic salaries and allowance	**10,501**	9,571
Retirement scheme contributions	**30**	18
	10,531	9,589

18. OPERATING LEASE COMMITMENTS

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 2017. These leases have an average life of one to eight years (2016: one to eight years) with renewal options included in the contracts. The total future minimum lease payments under non-cancellable operating leases as at 30 June 2017 are as follows:

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Not later than one year	**127,813**	121,776
Later than one year and not later than two years	**122,423**	100,093
Later than two years and not later than five years	**144,333**	163,159
Over five years	**28,617**	40,605
Total	**423,186**	425,633

Operating leases – lessor

As at 30 June 2017, certain investment properties of the Group have been vacated prior to the end of the lease term. Where possible, the Group always endeavours to sub-lease vacant space on short-term lets.

19. CAPITAL COMMITMENTS

	30 June 2017 (Unaudited) ***HK$'000***	31 December 2016 (Audited) *HK$'000*
Contracted but not provided for		
– property, plant and equipment	**20,076**	45,778
– investment property under construction	**104,821**	23,552
Total	**124,897**	69,330

MANAGEMENT DISCUSSION AND ANALYSIS
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 2016: special interim dividend of HK1.0 cent per share).

	For the six months ended 30 June		
	2017	2016	2015
	%	%	%
Special interim dividend payout ratio (based on the loss attributable to owners)	**N/A**	N/A	N/A

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

	For the six months ended 30 June		
	2017	2016	2015
	%	%	%
Special interim dividend payout ratio (based on the Net Ordinary Operating Loss)	**N/A**	N/A	N/A

FINANCIAL REVIEW

Turnover

The turnover of the Group for the Period was approximately HK$433.6 million, representing an increase of approximately 10.9%, as compared to the same period of 2016 of approximately HK$390.9 million. The increase in turnover was mainly attributable to the Group's newly opened restaurants in Macau and Hong Kong in the second half of 2016. The Group's food and catering business has enjoyed an overall same store growth of approximately 5.2% in the Period, as compared to the same period of 2016. The Group's food and catering business has performed in line with the slightly increased level of visitor inflow to 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		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Turnover	**433.6**	390.9	407.3

The Group's turnover from food and catering business generated some HK$411.0 million during the Period, representing an increase of approximately 16.2%, as compared to the same period of 2016 of approximately HK$353.6 million. The Group's turnover from food souvenir business generated some HK$22.6 million during the Period, representing a decrease of approximately 2.6%, as compared to the same period of 2016 of approximately HK$23.2 million. The Group's property investment business recorded no income during the Period, representing a decrease of 100.0% compared to the same period of 2016 of approximately HK$14.1 million.

Below is a table of comparison of the turnover of the first and second quarters of 2017 and 2016:

	2017	Change	2016
	HK$'million	%	*HK$'million*
Turnover			
First quarter	**224.4**	+12.3%	199.9
Second quarter	**209.2**	+9.5%	191.0
For the Period	**433.6**	+10.9%	390.9

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of turnover of the first quarter of 2017 and 2016:

	For the three months ended 31 March		
	2017	Change	2016
	HK$'million	%	*HK$'million*
Turnover – first quarter			
Restaurants:			
Japanese restaurants	**73.5**	+7.1%	68.6
Chinese restaurants	**48.1**	+3.0%	46.7
Western and other restaurants *(note 1)*	**22.5**	+16.6%	19.3
Food court counters	**17.7**	+35.1%	13.1
Franchise restaurants *(note 2)*	**32.7**	+174.8%	11.9
	194.5	+21.9%	159.6
Industrial catering	**11.3**	–5.8%	12.0
Food wholesale	**7.1**	–22.8%	9.2
Food and catering business	**212.9**	+17.8%	180.8
Food souvenir business	**11.5**	–6.5%	12.3
Property investment business	**–**	–100.0%	6.8
Total	**224.4**	+12.3%	199.9

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of turnover of the second quarter of 2017 and 2016:

	For the three months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Turnover – second quarter			
Restaurants:			
Japanese restaurants	**67.0**	+7.9%	62.1
Chinese restaurants	**41.5**	–3.0%	42.8
Western and other restaurants *(note 1)*	**23.2**	+26.1%	18.4
Food court counters	**14.1**	+29.4%	10.9
Franchise restaurants *(note 2)*	**36.6**	+123.2%	16.4
	182.4	+21.1%	150.6
Industrial catering	**8.4**	–8.7%	9.2
Food wholesale	**7.3**	–43.8%	13.0
Food and catering business	**198.1**	+14.6%	172.8
Food souvenir business	**11.1**	+1.8%	10.9
Property investment business	**–**	–100.0%	7.3
Total	**209.2**	+9.5%	191.0

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, 3 sandwich bars and Royal Thai Kitchen Restaurant.

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

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of the Group's turnover for the six months ended 30 June 2017 and 2016:

	For the six months ended 30 June		
	2017	Change	2016
	HK$'million	%	*HK$'million*
Turnover for the period			
Restaurants:			
Japanese restaurants	**140.5**	+7.5%	130.7
Chinese restaurants	**89.6**	+0.1%	89.5
Western and other restaurants *(note 1)*	**45.7**	+21.2%	37.7
Food court counters	**31.8**	+32.5%	24.0
Franchise restaurants *(note 2)*	**69.3**	+144.9%	28.3
	376.9	+21.5%	310.2
Industrial catering	**19.7**	–7.1%	21.2
Food wholesale	**14.4**	–35.1%	22.2
Food and catering business	**411.0**	+16.2%	353.6
Food souvenir business	**22.6**	–2.6%	23.2
Property investment business	**–**	–100.0%	14.1
Total	**433.6**	+10.9%	390.9

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants, Food Paradise at Macau International Airport, 3 sandwich bars and Royal Thai Kitchen Restaurant.

Note 2: The turnover of "Franchise restaurants" included turnover from the Group's Pacific Coffee shops, and Pepper Lunch, Bari-Uma ramen, Fu-Un-Maru, Mad for Garlic and Bistro Seoul 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 2017 and 2016 are as follows:

	For the three months ended 31 March		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Same store turnover – first quarter			
Restaurants:			
Japanese restaurants	**67.1**	+2.1%	65.7
Chinese restaurants	**48.1**	+3.0%	46.7
Western and other restaurants	**17.6**	–8.8%	19.3
Food court counters	**11.5**	–12.2%	13.1
Franchise restaurants	**12.1**	+1.7%	11.9
	156.4	–0.2%	156.7
Industrial catering	**11.3**	–5.8%	12.0
Food and catering business	**167.7**	–0.6%	168.7
Food souvenir business	**10.1**	–13.7%	11.7
	177.8	–1.4%	180.4

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2017 and 2016 only.

	For the three months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Same store turnover – second quarter			
Restaurants:			
Japanese restaurants	**62.2**	+3.7%	60.0
Chinese restaurants	**41.5**	–3.0%	42.8
Western and other restaurants	**18.5**	+0.5%	18.4
Food court counters	**9.0**	–17.4%	10.9
Franchise restaurants	**23.9**	+45.7%	16.4
	155.1	+4.4%	148.5
Industrial catering	**8.4**	–8.7%	9.2
Food and catering business	**163.5**	+3.7%	157.7
Food souvenir business	**9.6**	–7.7%	10.4
	173.1	+3.0%	168.1

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		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Same store turnover for the period			
Restaurants:			
Japanese restaurants	**129.3**	+2.9%	125.7
Chinese restaurants	**89.6**	+0.1%	89.5
Western and other restaurants	**36.5**	–3.2%	37.7
Food court counters	**20.5**	–14.6%	24.0
Franchise restaurants	**47.7**	+68.6%	28.3
	323.6	+6.0%	305.2
Industrial catering	**19.7**	–7.1%	21.2
Food and catering business	**343.3**	+5.2%	326.4
Food souvenir business	**19.9**	–10.0%	22.1
	363.2	+4.2%	348.5

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2017 and 2016 only.

Below is a table of comparison of the turnover of the Group by geographical locations of the first quarter of 2017 and 2016:

	For the three months ended 31 March		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Turnover – first quarter			
Macau	**183.5**	+5.2%	174.5
Mainland China	**22.3**	–1.8%	22.7
Hong Kong	**18.6**	+588.9%	2.7
Total	**224.4**	+12.3%	199.9

FINANCIAL REVIEW – Continued
Turnover – Continued

Below is a table of comparison of the turnover of the Group by geographical locations of the second quarter of 2017 and 2016:

	For the three months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Turnover – second quarter			
Macau	**165.7**	+2.2%	162.1
Mainland China	**21.0**	–3.2%	21.7
Hong Kong	**22.5**	+212.5%	7.2
Total	**209.2**	+9.5%	191.0

Below is a table of comparison of the turnover of the Group by geographical locations of the six months ended 30 June 2017 and 2016:

	For the six months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Turnover for the period			
Macau	**349.2**	+3.7%	336.6
Mainland China	**43.3**	–2.5%	44.4
Hong Kong	**41.1**	+315.2%	9.9
Total	**433.6**	+10.9%	390.9

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$304.0 million, representing an increase of approximately 13.2%, as compared to the same period of 2016 of approximately HK$268.5 million. The gross margin ratio for the Period was about 70.1%, with an increase of about 1.4% compared to the same period of 2016 of approximately 68.7%. The increase in gross margin was partly due to the increase 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		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Gross margin	**304.0**	268.5	286.2
Gross margin ratio (Gross margin over turnover)	**70.1%**	68.7%	70.3%

Below is a table of comparison of the gross margins (as described above) of the Group for the first and second quarters of 2017 and 2016:

	2017	Change	2016
	HK$'million	*%*	*HK$'million*
Gross margin			
First quarter	**157.4**	+12.1%	140.4
Second quarter	**146.6**	+14.4%	128.1
For the Period	**304.0**	+13.2%	268.5

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$52.0 million, representing a decrease of approximately 12.3%, as compared to the same period of 2016 of approximately HK$59.3 million. The gross operating profit ratio for the Period was about 12.0%, representing a decrease in about 3.2%, as compared to the same period of 2016 of 15.2%. The decrease in gross operating profit was mainly due to the higher direct operating costs and the lack of rental income from investment properties in 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		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Gross operating profit	**52.0**	59.3	67.2
Gross operating profit ratio (Gross operating profit over turnover)	**12.0%**	15.2%	16.5%

Below is a table of comparison of the gross operating profits (as described above) of the Group for the first and second quarters of 2017 and 2016:

	2017	Change	2016
	HK$'million	%	*HK$'million*
Gross operating profit			
First quarter	**32.0**	–12.1%	36.4
Second quarter	**20.0**	–12.7%	22.9
For the Period	**52.0**	–12.3%	59.3

FINANCIAL REVIEW – Continued
EBITDA

The Group's profit before interests, tax expense, depreciation and amortization (the "EBITDA") for the Period was approximately HK$28.3 million, representing an increase of approximately 122.4%, as compared to the same period of 2016 of approximately HK$12.7 million. The increase in EBITDA was mainly attributable to the fair value gain of investment properties for the Period. The EBITDA ratios for the last three interim periods of the Group are as follows:

	For the six months ended 30 June		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
EBITDA	**28.3**	12.7	13.2
EBITDA against turnover ratio	**6.5%**	3.2%	3.2%

Net loss

The loss attributable to owners of the Company for the Period was approximately HK$16.9 million, representing an increase of some 8.0%, as compared to the same period of 2016 of approximately HK$15.7 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$10.9 million (2016: HK$14.0 million), (ii) the soft performance of the Group's newly opened restaurants in late 2016 which have been building up their sales volume; (iii) the lack of rental income from the Group's investment property in Macau; and (iv) a loss from written off of property, plant and equipment of some HK$4.5 million derived from the closure of a Western restaurant at the University of Macau in Hengqin Island. The loss attributable to owners of the Company with loss attributable to owners of the Company against turnover ratios for the last three interim periods of the Group are as follows:

	For the six months ended 30 June		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Loss attributable to owners of the Company	**(16.9)**	(15.7)	(27.5)
Loss attributable to owners of the Company against turnover ratio	**(3.9)%**	(4.0)%	(6.8)%

FINANCIAL REVIEW – Continued
Net loss – Continued

The Net Ordinary Operating Loss (being the loss attributable to owners of the Company before taking into account any special non-recurring income or any net fair value (losses)/gains of its investment properties) for the Period was at a loss of approximately HK$29.1 million, representing an increase of 107.8%, as compared to the same period of 2016 of approximately HK$14.0 million. Set out below is the Net Ordinary Operating Loss with Net Ordinary Operating Loss ratios (being Net Ordinary Operating Loss against turnover) for the last three interim periods:

	For the six months ended 30 June		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Net Ordinary Operating Loss	**(29.1)**	(14.0)	(50.1)
Net Ordinary Operating Loss against turnover ratio	**(6.7)%**	(3.6)%	(12.3)%

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

	For the six months ended 30 June		
	2017	Change	2016
	HK$'million	%	*HK$'million*
	(Unaudited)		(Unaudited)
Turnover	**379.1**	+13.2%	334.9
Cost of sales	**(110.3)**	+8.7%	(101.5)
Gross margin	**268.8**	+15.2%	233.4
Direct operating expenses	**(207.1)**	+29.4%	(160.0)
Adjusted gross operating profit	**61.7**	–15.9%	73.4
Adjusted gross operating profit margin (%)	**16.3%**	–5.6%	21.9%
Adjusted (Loss)/Profit attributable to owners of the Company	**(12.0)**	N/A	8.6

FINANCIAL REVIEW – Continued
Loss 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 for the Period was some HK2.45 cents, representing an increase of about 7.9%, as compared to the same period of 2016 at a basic loss per share of HK2.27 cents. The Group's basic loss per share for the last three interim periods are as follows:

	For the six months ended 30 June		
	2017	2016	2015
	HK cents	*HK cents*	*HK cents*
Loss per share – basic	**(2.45)**	(2.27)	(3.97)

The basic loss per share of the Company based on the Net Ordinary Operating Loss for the Period was some HK4.20 cents, representing an increase of about 107.9%, as compared to the same period of 2016 of some HK2.02 cents. Below are the basic loss per share based on the Net Ordinary Operating Loss over the last three interim periods:

	For the six months ended 30 June		
	2017	2016	2015
	HK cents	*HK cents*	*HK cents*
Net Ordinary Operating Loss per share – basic	**(4.20)**	(2.02)	(7.21)

Cash flow

The cash inflow from operating activities of the Group for the Period was approximately HK$12.4 million, representing a decrease of approximately 73.8%, as compared to the same period of 2016 of approximately HK$47.3 million. Such decrease in cash flow in the Period was mainly due to a higher cash inflow in the same period of 2016 where the Group had a receipt of re-fund of some of the deposits for guarantee of development of the investment property under construction at Hengqin Island in the same period of 2016. The Group's cash inflows from operating activities for the last three interim periods are as follows:

	For the six months ended 30 June		
	2017	2016	2015
	HK$'million	*HK$'million*	*HK$'million*
Cash inflow from operating activities	**12.4**	47.3	4.0

FINANCIAL REVIEW – Continued
Net assets

The net assets of the Group as at 30 June 2017 was approximately HK$1,030.8 million, representing a slightly decrease of approximately 1.6%, as compared to those 31 December 2016 of approximately HK$1,047.4 million. The decrease in net assets was mainly attributable to the losses from operations. The net assets of the Group as at 30 June 2017, 31 December 2016 and 30 June 2016 were as follows:

	As at 30 June 2017	As at 31 December 2016	As at 30 June 2016
	HK$'million	*HK$'million*	*HK$'million*
Net assets	**1,030.8**	1,047.4	1,056.7
	HK$	*HK$*	*HK$*
Net assets per share – basic	**1.485**	1.509	1.522

OPERATION REVIEW

Food and Catering Business

Restaurant Chain

The Group's operational financials of the Group's food and catering business for the six months ended 30 June 2017 and 2016 are as follows:

	For the six months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
	(Unaudited)		(Unaudited)
Turnover	**411.0**	+16.2%	353.6
Cost of sales	**(122.3)**	+7.3%	(114.0)
Gross margin	**288.7**	+20.5%	239.6
Direct operating expenses	**(226.1)**	+24.7%	(181.3)
Gross operating profit	**62.6**	+7.4%	58.3
Gross operating profit margin (%)	**15.2%**	–1.3%	16.5%
(Loss)/Profit attributable to owners of the Company	**(6.4)**	N/A	1.0

The Group's food and catering business has sustained a loss of some HK$6.4 million in the Period, as compared to a profit of some HK$1.0 million for the same period of 2016. During the Period, the Group's food and catering business contributed turnover of some HK$411.0 million, representing about 94.8% of the Group's overall turnover, an increase of approximately 16.2%, as compared to the same period of 2016 of some HK$353.6 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 2016. The Group has increased its total area of self-owned and franchise restaurants from 232,365 sq.ft. in the first half of 2016 to 246,391 sq.ft. in the Period followed by the newly opened restaurants and food court counters in the late 2016.

OPERATION REVIEW – Continued
Food and Catering Business – Continued
Restaurant Chain – Continued

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

	As at 30 June		
	2017	2016	2015
Number of restaurants			
Japanese restaurants *(note a)*	**9**	9	11
Chinese restaurants *(note b)*	**9**	9	9
Western and other restaurants *(note c)*	**12**	10	8
Food court counters *(note d)*	**4**	2	21
Franchise restaurants *(note e)*	**21**	15	10
	55	45	59
Industrial catering *(note f)*	**4**	4	4
	59	49	63
Total area of self-owned and franchise restaurants (sq.ft.)	**246,391**	232,365	276,986
Turnover per sq.ft. (HK$)	**1,668**	1,522	1,362

Note a: As at 30 June 2017, Japanese restaurants included 6 Edo Japanese Restaurants, 2 Senkizen Japanese Restaurants and 1 Musashi Japanese Restaurant.

Note b: As at 30 June 2017, Chinese restaurants included 1 Turtle Essence, 1 "456" Modern Shanghai Cuisine Restaurant, 3 Shiki Hot Pot Restaurants, 1 Seasons Bright Restaurant, 1 Good Fortune Cantonese Kitchen, 1 Fortune Inn Restaurant and 1 noodle congee shop.

Note c: As at 30 June 2017, Western and other restaurants included 1 Madeira Portuguese Restaurant, 2 Azores Portuguese Restaurants, 1 Vergnano Italian Restaurant, 1 Royal Thai Kitchen Restaurant,1 Le Sourire Restaurant, 1 Vibes Restaurant, 1 multi cuisine restaurant, 3 sandwich bars and 1 Milk Republic cafe.

Note d: As at 30 June 2017, food court counters included 2 Toei Delights Japanese food counters and 2 Hundred Taste Kitchen Taiwanese food counters.

Note e: As at 30 June 2017, franchise restaurants included 10 Pacific Coffee shops, and 4 Pepper Lunch, 4 Bari-Uma ramen, 1 Fu-Un-Maru, 1 Mad for Garlic and 1 Bistro Seoul restaurants.

Note f: As at 30 June 2017, industrial catering included 4 student/staff canteens.

OPERATION REVIEW – Continued
Food and Catering Business – Continued
Restaurant Chain – Continued

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

	As at 30 June		
	2017	2016	2015
Number of restaurants/food court counters			
Macau	**45**	38	38
Mainland China	**8**	8	24
Hong Kong	**6**	3	1
	59	49	63

Details of Group's restaurants opened and closed during the Period will be stated in the section headed "List of Restaurants/Food Court Counters/Stores" of its 2017 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$19.7 million, representing a decrease of approximately 7.1%, as compared to the same period of 2016 of approximately HK$21.2 million. More details on the Group's industrial catering business will be set out in the section headed "Chairman's Statement" of its 2017 interim report.

Food Wholesale

During the Period, the Group's wholesale business of Japanese food and materials has achieved a turnover of some HK$14.4 million, representing a decrease of approximately 35.1%, as compared to the same period of 2016 of approximately HK$22.2 million. More details on the Group's food wholesale business will be set out in the section headed "Chairman's Statement" of its 2017 interim report.

OPERATION REVIEW – Continued

Food Souvenir Business

The Group's operational financials of the Group's food souvenir business for the six months ended 30 June 2017 and 2016 are as follows:

	For the six months ended 30 June		
	2017	Change	2016
	HK$'million	*%*	*HK$'million*
	(Unaudited)		(Unaudited)
Turnover	**22.6**	–2.6%	23.2
Cost of sales	**(6.4)**	–13.5%	(7.4)
Gross margin	**16.2**	+2.5%	15.8
Direct operating expenses	**(25.9)**	–7.5%	(28.0)
Gross operating loss	**(9.7)**	–20.5%	(12.2)
Gross operating loss margin (%)	**–42.9%**	+9.7%	–52.6%
Loss attributable to owners of the Company	**(10.9)**	–22.1%	(14.0)

During the Period, the Group's food souvenir business has contributed some HK$22.6 million turnover, representing about 5.2% of Group's turnover. The decreases in turnover and net loss of the food souvenir business was partly due to the closure of the Group's two Yeng Kee bakery shops in 2016, those of which were of high rental expenses and loss making. Further details of the Group's food souvenir business will be set out in the section headed "Chairman's Statement" of its 2017 interim report.

As at 30 June 2017, the Group has 11 Yeng Kee bakery shops/kiosks (30 June 2016: 11). Details of Group's food souvenir shops will be set out in the section headed "List of Food Souvenir Shops" of its 2017 interim report.

Property Investment Business

During the Period, the Group's property investment business generated no rental income, as the Group's leased property in Macau ("Leased Property") comprising the whole of the ground floor to third floor, basement level 2, and portion of basement level 1 & 3 of the 6-storey commercial building at Centro Commercial E Turistico "S. Paulo", Largo has been without a tenant and is as of today still vacant. Management is actively looking for a tenant for the Leased Property. The Group's net profit attributable to Group's property investment business was some HK$6.0 million in the Period, representing an increase of approximately 66.7%, as compared to the same period of 2016 of approximately HK$3.6 million. Such increase was mainly attributable to a fair value gain of the Group's land site in Hengqin Island ("Hengqin Land").

OPERATION REVIEW – Continued
Property Investment Business – Continued

The Group has started its foundation construction works for its property development project at the Hengqin Land upon obtaining the permit for its foundation works in January 2017. As previously announced, in May 2017, the Group has received from the local government authority of Hengqin Island a letter of its result finding of the Investigation informing that (i) failure to commence the foundation construction works at the Hengqin Land within the development milestone under the Land Acquisition Contract was due to good justifications, (ii) the Hengqin Land has only become an idle land since 28 November 2016, (iii) idle land penalty or re-possession of the Hengqin Land without compensation is not to be imposed, and (iv) the Group needs to submit within 10 working days from receipt of such letter of the result finding, an application together with an initial proposal to address the idle land issue under Article 19 of Zhuhai Measures Regarding Idle Land (珠海市閒置土地處置辦法). The Group has already submitted its application together with an initial proposal to seek the signing of a supplemental agreement for an extension of the development milestones of the Land Acquisition Contract under Article 19 of Zhuhai Measures Regarding Idle Land (珠海市閒置土地處置辦法).

The Leased Property was valued at HK$504.0 million as at 30 June 2017 (31 December 2016: HK$513.0 million) and a gross fair value loss before tax of HK$9.0 million was recognised in the consolidated statement of comprehensive income for the Period, as compared to the same period of 2016 of HK$4.0 million. The Hengqin Land was valued at approximately HK$328.1 million (equivalent to approximately RMB285.2 million) (31 December 2016: HK$267.4 million (equivalent to approximately RMB239.8 million)) and a gross fair value gain before tax of approximately HK$26.8 million was recognised in the consolidated statement of comprehensive income for the Period, as compared to the same period of 2016 of approximately HK$2.4 million. More details on this business will be set out in the section headed "Chairman's Statement" of the Group's 2017 interim report.

Logistic Support

The Group has a central kitchen in Hong Kong to cater for its restaurants in Hong Kong to enhance the operation efficiency of the Group's restaurants in Hong Kong. The Group's central food and logistic processing centre in the Macau will commence its interior renovation soon and should become operational in early 2018. The Group will continue to actively enhance its logistic support including food sourcing and food process facilities.

LIQUIDITY AND FINANCIAL RESOURCES

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

LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 30 June 2017, the Group had net current assets of some HK$49.5 million (31 December 2016: HK$69.5 million), and the Group's total cash and bank balances amounted to some HK$231.8 million (31 December 2016: HK$271.1 million), while the Group's pledged bank deposits amounted to some HK$49.9 million (31 December 2016: HK$51.6 million). The Group's pledged bank deposits of some HK$31.5 million (31 December 2016: HK$33.8 million) have been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit and the balance of some HK$18.4 million (31 December 2016: HK$17.8 million) has been pledged to a bank for guarantee of development of investment property under construction.

As at 30 June 2017, the Group had interest-bearing loans of some HK$377.0 million (31 December 2016: HK$308.5 million). Details of the borrowings and charges on assets of the Group are set out in note 16 of "Interest Bearing Borrowings" to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2017 above.

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

The Group's gearing ratios represented by the Group's net debt (total liabilities less cash and cash equivalents) to the Group's total equity as at 30 June 2017, 31 December 2016 and 30 June 2016 were as follows:

	As at 30 June 2017 %	As at 31 December 2016 %	As at 30 June 2016 %
Gearing ratio	**45.6**	38.0	30.5

The increase in Group's gearing ratio as at 30 June 2017 was mainly due to the increase in interest-bearing loans and the decrease in the Group's total equity. As at 30 June 2017, the Group's current ratio was 1.18 (31 December 2016: 1.23), and the ratio of the total assets against the total liabilities of the Group was 2.58 (31 December 2016: 2.70).

MATERIAL LITIGATION

As at 30 June 2017, the Group was not involved in any material litigation or arbitration (31 December 2016: Nil).

CHARGES ON GROUP ASSETS

As at 30 June 2017, the Group pledged the investment properties and freehold land and building in Macau to a bank in Macau to secure two mortgage loans and a bank overdraft facility. The Group also pledged the construction in progress of the Group's central and logistic processing centre in Macau to a bank in Macau to secure a bank loan. The Group also as at that date pledged the leasehold land and building in Hong Kong to a bank in Hong Kong to secure a mortgage loan and two bank loans. The Group also as at that date pledged the leasehold land and building in Macau to a bank in Hong Kong to secure a bank loan. Save as disclosed above, the Group did not have any charges on its assets. Details of the borrowings and charges on assets of the Group are set out in note 16 of "Interest Bearing Borrowings" to the Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2017 above.

CONTINGENT LIABILITIES

As at 30 June 2017, the Group did not have any contingent liabilities (31 December 2016: Nil).

CURRENCY EXPOSURE

As at 30 June 2017, 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 2017, the Group has employed a total of 1,877 full time staff (as at 30 June 2016: 1,724) 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.

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.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the six months ended 30 June 2017.

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 interim financial statements and the interim results announcement of the Group for the Period have been reviewed by the audit committee before submission to the Board for adoption.

CORPORATE GOVERNANCE

The Company has 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 (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.

In June 2017, the Environmental, Social and Corporate Governance report for 2016 has been issued and presented on the Company's website at www.fb.com.hk and the Stock Exchange's website at www.hkexnews.hk.

SUBSEQUENT EVENTS

On 24 August 2017, the Group has entered into a media advertising agreement ("LED Advertisement Agreement") with Mr. Chan for his outdoor LED billboard at Largo dos Bombeiros, Macau (澳門消防局前地，官也薈地下及1樓外牆), under which the Group has agreed to purchase from Mr. Chan a total airtime of 18,250 spots to display and promote the Group's food services and products at his outdoor LED billboard for a period of one year from 1 September 2017 to 31 August 2018, at a total consideration of some HK$262,135 (equivalent to MOP270,000).

The entering into of the LED Advertisement Agreement constitutes a connected transaction for the Company under the Listing Rules as Mr. Chan is the managing director and the controlling shareholder of the Company. As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transaction contemplated under the LED Advertisement Agreement is less than 0.1% and the maximum annual cap is less than HK$3,000,000, the transaction contemplated under the LED Advertisement Agreement is exempted from the announcement requirement under the section 14A.76 in Chapter 14A of the Listing Rules.

Save as those announced publicly or disclosed here, there has been no other significant subsequent event after 30 June 2017.

OUTLOOK

The Group has sustained a soft performance in the Period with a loss attributable to owners of the Company of some HK$16.9 million, and an increased turnover of some 10.9% reaching a total turnover of some HK$433.6 million, as compared to the same period of 2016. In the Period, the Group's performance has been much in line with the slightly increased level of visitors to Macau. The Group has achieved a mild growth of 6.0% in the same store performance of its restaurants and food court counters, but a drop of 10% in the same store performance of its food souvenir shops, all in the Period, as compared to the same period of 2016.

Management expects that the operating environment of the Group in the second half of 2017 should still be challenging, but may improve hopefully with steady increases in visitor inflow to Macau and the continuous improved performance of Macau Gross Gaming Revenue. The Group's current business strategy remains to be to cautiously open new restaurants or food souvenir shops to generate more revenue with a focus more on mass market restaurants. Management is currently looking for opportunities for opening new restaurants and food court counters in Macau, and is cautiously expanding its mass market restaurants in both Hong Kong and Mainland China in the next two years. The Group is also exploring the viability of cautiously expanding its mass market restaurants into the Taiwan market. Management is confident that the Group would be able to face up with the challenges ahead and come out stronger and as resilient ever.

CLOSURE OF REGISTER OF MEMBERS

The register of shareholders of the Company will be closed from Monday, 11 September 2017 to Wednesday, 13 September 2017 (both days inclusive), during which no transfer of shares will be registered for the purpose of ascertaining shareholders' entitlement to the 2017 special interim dividend. The record date for the entitlement to the 2017 special interim dividend shall be 13 September 2017. In order to qualify for the 2017 special interim dividend for the six months ended 30 June 2017, 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, 8 September 2017.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement is published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.fb.com.hk. The 2017 interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

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, 24 August 2017