Future Bright Holdings Limited
佳 景 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

LOSS ALERT FOR THE SIX MONTHS ENDED 30 JUNE 2019, BUSINESS UPDATE OF THE GROUP FOR THE SECOND QUARTER OF 2019 AND UPDATE ON NEGOTIATIONS WITH INDEPENDENT THIRD PARTIES FOR THE SALE OF CONTROLLING OR ALL EQUITY INTERESTS IN THE DEVELOPMENT PROJECT OF THE GROUP IN HENGQIN ISLAND

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board ("Board") of directors of Future Bright Holdings Limited ("Company" and together with its subsidiaries called "Group") wishes to inform the shareholders of the Company and potential investors of a loss alert for the six months ended 30 June 2019 ("Period"). Based on its unaudited management information currently available, the Group has recorded an unaudited loss attributable to owners of the Company of some HK$17.6 million for the first quarter of 2019 ("First Quarter") and an unaudited loss attributable to owners of the Company of some HK$52.1 million for the second quarter of 2019 ("Second Quarter"), as compared to an unaudited profit attributable to owners of the Company of some HK$6.2 million for the first quarter of 2018 and an unaudited loss attributable to owners of the Company of some HK$21.1 million for the second quarter of 2018. The Group has thus recorded an unaudited loss attributable to owners of the Company of some HK$69.7 million for the Period as compared to an unaudited loss attributable to owners of the Company of some HK$14.9 million for the same period of 2018.

* *For identification purpose only*

The Board is also to give (i) an update on the business performance of the Group for the Second Quarter and the Period herein, based on its unaudited management information currently available; and (ii) an update on the negotiations with independent third parties for the sale of certain or all equity interests in the Group's development project in Hengqin Island.

The Board wishes to remind investors that the information and operational data for the Second Quarter and the Period contained in this announcement are based on the unaudited management accounts of the Group which have not been reviewed, confirmed or audited by the Company's auditors, and as such the data may be subject to adjustment and is for the investors' reference only.

Shareholders and potential investors of the Company should note that the abovementioned negotiations on the disposal of the Group's project in Hengqin Island may or may not materialize and there is no assurance that any agreement from the abovementioned negotiations will be entered into.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

LOSS ALERT FOR THE PERIOD

The Board wishes to inform the shareholders of the Company and potential investors of a loss alert for the Period. Based on its unaudited management information currently available, the Group has recorded the following results attributable to owners of the Company for the Period:

	2019 *HK\$'million* **(Unaudited)**	2018 *HK\$'million* (Unaudited)	Change %
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
First quarter*	**(17.6)**	6.2	N/A
Second quarter	**(52.1)**	(21.1)	+146.9%
The Period	**(69.7)**	(14.9)	+367.7%

* The profit attributable to owners of the Company of some HK$6.2 million for the first quarter of 2018 included a disposal gain of some HK$19.0 million so as to improve the Group's performance in that quarter, and without taking into account such disposal gain, the Company would sustain a loss attributable to owners of the Company of some HK$12.8 million for the first quarter of 2018.

The Group's operating environment has been challenging with keen competition resulting in a loss attributable to owners of the Company of some HK$69.7 million in the Period, during which the Group has recorded no rental income contribution from its "Key Investment Property" in Macau (as defined below), and a net fair value loss of some HK$21.1 million derived from the Key Investment Property and a net fair gain of some HK$3.5 million derived from its development property project in Hengqin Island ("Hengqin Land").

As at 30 June 2019, the Key Investment Property (which comprises 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 (excluding the self-use portion) at Centro Commercial E Turistico "S. Paulo", Largo), and the Group's Hengqin Land have been valued by an independent professional valuer at some HK$481.0 million (31 December 2018: HK$505.0 million) and some HK$450.1 million (equivalent to RMB396.0 million) (31 December 2018: HK$442.0 million (equivalent to RMB387.6 million)) respectively. The Group has recorded a net fair value gain of some HK$3.5 million (being a gross fair value gain of HK$4.67 million) in respect of the Hengqin Land and a net fair value loss some HK$21.1 million (being a gross fair value loss of HK$24.0 million) in respect of the Key Investment Property.

For the Period in respect of the exchange differences on translating foreign operations which relate mainly to the Group's subsidiary companies in Mainland China, the Group has recorded an overall other comprehensive loss of some HK$0.7 million, as compared to an overall other comprehensive loss of some HK$5.3 million for the same period of 2018.

Below are the unaudited losses and gains that have material impact on the Group's performance for the Period:

	For the six months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Net loss attributable to owners of the Group's food souvenir business	**(8.1)**	(9.0)	–10.0%
Gain on disposal of property	**–**	19.0	–100.0%
Loss on written off of/impairment loss on property, plant and equipment	**(1.7)**	(25.0)	–93.2%
Net fair value loss of the Key Investment Property	**(21.1)**	–	N/A
Net fair value gain of Hengqin Land	**3.5**	12.6	–72.2%

OPERATIONAL FINANCIALS

The Board is to give an update on the Group's performance for the Second Quarter and the Period. Based on its unaudited management accounts for the Second Quarter, details of the Group's unaudited turnover breakdown for the Second Quarter are as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Restaurants:			
Japanese restaurants	**72.0**	76.4	–5.7%
Chinese restaurants	**38.1**	43.0	–11.3%
Western and other restaurants *(note 1)*	**22.5**	27.9	–19.3%
Food court counters	**39.8**	15.4	+158.4%
Franchise restaurants *(note 2)*	**56.4**	58.9	–4.2%
	228.8	221.6	+3.2%
Industrial catering	**8.9**	10.5	–15.2%
Food wholesale	**11.9**	10.3	+15.5%
Food and catering business	**249.6**	242.4	+2.9%
Food souvenir business	**18.3**	13.6	+34.5%
Property investment business	**–**	–	–
Total	**267.9**	256.0	+4.6%

Note 1: The turnover of "Western and other restaurants" included turnover from the Group's Western restaurants and 2 sandwich bars.

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

Based on its unaudited management accounts for the Second Quarter, details of the Group's unaudited turnover breakdown by geographical locations for the Second Quarter are as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**180.6**	181.3	–0.3%
Mainland China	**24.6**	30.2	–18.5%
Hong Kong	**55.4**	44.5	+24.4%
Taiwan	**7.3**	–	N/A
Total	**267.9**	256.0	+4.6%

A summary of the Group's unaudited operational financials for the Second Quarter is as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Turnover	**267.9**	256.0	+4.6%
Cost of sales	**(80.3)**	(75.7)	+6.0%
Gross margin	**187.6**	180.3	+4.0%
Direct operating expenses	**(166.3)**	(153.8)	+8.1%
Gross operating profit	**21.3**	26.5	–19.6%
Gross operating profit margin (%)	**7.9%**	10.3%	–2.4%

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

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**72.0**	72.1	–0.1%
Chinese restaurants	**34.8**	38.8	–10.3%
Western and other restaurants	**17.3**	14.7	+17.6%
Food court counters	**16.3**	15.4	+5.8%
Franchise restaurants	**47.5**	52.8	–10.0%
	187.9	193.8	–3.0%
Industrial catering	**7.4**	8.3	–10.8%
Restaurants and industrial catering business	**195.3**	202.1	–3.3%
Food souvenir business	**18.3**	13.6	+34.5%
Total	**213.6**	215.7	–0.9%

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2019 and 2018 only.

Based on its unaudited management accounts for the Second Quarter, details of the unaudited results attributable to owners of the Company for the Second Quarter are as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(24.5)**	(22.4)	+9.3%
Food souvenir business	**(3.6)**	(4.9)	–26.5%
Property investment business	**(20.5)**	10.3	N/A
Other revenue, corporate payroll and unallocated expenses	**(3.5)**	(4.1)	–14.6%
Total	**(52.1)**	(21.1)	+146.9%

Based on its unaudited management accounts for the Second Quarter, details of the breakdown of the unaudited loss attributable to owners of the Company by geographical locations for the Second Quarter are as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**(27.0)**	(1.6)	+1,587.5%
Mainland China	**(8.1)**	(6.9)	+17.3%
Hong Kong	**(13.6)**	(12.6)	+7.9%
Taiwan	**(3.4)**	–	N/A
Total	**(52.1)**	(21.1)	+146.9%

The Group has also recorded the following unaudited revenue/expenses for the Second Quarter as follows:

	For the three months ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Other revenue, gains and losses:			
– Net fair value loss of the Key Investment Property	**(21.1)**	–	N/A
– Net fair value gain of the Hengqin Land	**3.5**	12.6	–72.2%
– Loss on written off of/impairment loss on property, plant and equipment	**(0.6)**	(8.5)	–92.9%
– Others *(note 4)*	**0.8**	(0.5)	N/A
Administrative expenses	**(45.7)**	(43.6)	+4.8%
Finance costs	**(7.5)**	(3.1)	+141.9%

Note 4: This item comprised mainly management fee income, profit from disposal of financial assets, bank interest income and exchange gains.

Details of the Group's unaudited turnover breakdown for the First Quarter and the Second Quarter are as follows:

	Second Quarter *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER		
Restaurants:		
Japanese restaurants	72.0	75.5
Chinese restaurants	38.1	46.1
Western and other restaurants	22.5	22.1
Food court counters	39.8	44.7
Franchise restaurants	56.4	62.6
	228.8	251.0
Industrial catering	8.9	12.5
Food wholesale	11.9	11.9
Food and catering business	249.6	275.4
Food souvenir business	18.3	20.2
Property investment business	–	–
Total	267.9	295.6

Details of the Group's unaudited turnover breakdown by geographical locations for the First Quarter and the Second Quarter are as follows:

	Second Quarter *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER		
Macau	180.6	200.3
Mainland China	24.6	27.8
Hong Kong	55.4	58.7
Taiwan	7.3	8.8
Total	267.9	295.6

A summary of the Group's unaudited operational financials for the First Quarter and the Second Quarter is as follows:

	Second Quarter *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
Turnover	267.9	295.6
Cost of sales	(80.3)	(88.7)
Gross margin	187.6	206.9
Direct operating expenses	(166.3)	(168.3)
Gross operating profit	21.3	38.6
Gross operating profit margin (%)	7.9%	13.1%

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

	Second Quarter *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
SAME STORE TURNOVER		
Restaurants:		
Japanese restaurants	72.0	75.5
Chinese restaurants	34.8	43.6
Western and other restaurants	17.3	13.9
Food court counters	16.3	18.7
Franchise restaurants	47.5	51.8
	187.9	203.5
Industrial catering	7.4	12.5
Food and catering business	195.3	216.0
Food souvenir business	18.3	14.7
Total	213.6	230.7

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2019 and 2018 only.

Details of the unaudited loss attributable to owners of the Company for the First Quarter and Second Quarter are as follows:

	Second Quarter *HK$'million* (Unaudited)	First Quarter *HK$'million* (Unaudited)
LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Food and catering business	(24.5)	(6.2)
Food souvenir business	(3.6)	(4.5)
Property investment business	(20.5)	(3.2)
Other revenue, corporate payroll and unallocated expenses	(3.5)	(3.7)
Total	(52.1)	(17.6)

Details of the breakdown of unaudited results attributable to owners of the Company by geographical locations for the First Quarter and the Second Quarter are as follows:

	Second Quarter *HK$'million* (Unaudited)	First Quarter *HK$'million* (Unaudited)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Macau	(27.0)	1.6
Mainland China	(8.1)	(10.1)
Hong Kong	(13.6)	(6.2)
Taiwan	(3.4)	(2.9)
Total	(52.1)	(17.6)

The unaudited gross operating profit (being turnover less food costs and direct operating costs) margins of the Group's food and catering business and food souvenir business for the first and second quarters of 2019 and 2018 were as follows:

	2019 (Unaudited)	2018 (Unaudited)	Change %
Gross operating profit margin of food and catering business:			
First quarter	**+14.9%**	+18.4%	–3.5%
Second quarter	**+9.5%**	+12.7%	–3.2%
The Period	**+12.3%**	+15.6%	–3.3%
Gross operating profit margin of food souvenir business:			
First quarter	**–10.4%**	–22.0%	+11.6%
Second quarter	**–14.2%**	–30.1%	+15.9%
The Period	**–12.2%**	–25.6%	+13.4%

The Group's turnover performance in the First Quarter was satisfactory, when comparing to that of the same quarter of 2018. In January 2019, the Group has closed its Japanese restaurant in Guangzhou leading to a further loss of some HK$1.1 million for written off and impairment on plant and equipment in that quarter. And the Second Quarter has seen some turnover growth in the Group's food and catering business, but without any rental income contribution from the Key Investment Property. The Group has recorded for the Second Quarter:

(i) Increases of some 4.6% in turnover, of some 6.0% in cost of sales (food costs), of some 8.1% in direct operating expenses, of some 4.8% in administrative expenses, and of some 141.9% in finance costs, as compared to that of same quarter of 2018;

(ii) A drop of some 19.6% in gross operating profit as compared to that of same quarter of 2018;

(iii) A loss attributable to owners of some HK$52.1 million as compared to a loss attributable to owners of some HK$21.1 million for the same quarter of 2018; and

(iv) As compared to the same quarter of 2018, the gross margin ratio has been relatively stable while the EBITDA has become negative by some HK$27.1 million in the Second Quarter.

The performance of different restaurants in different food types in the Second Quarter is set out above. As compared to the performance of the Group in the same quarter of 2018, the turnover increase of the Group in the Second Quarter has been largely due to an increase in turnover of the Group's food court counters. The Group's performance in the Second Quarter especially in respect of its food and catering business in Macau has underperformed against the good increased level of the visitor inflow to Macau in that quarter, but has performed in line with a slight drop in the Macau Gaming Revenue, which has decreased slightly in the Second Quarter by 0.64% year on year, when the level of visitor inflow to Macau has increased by 20.03% to 9.925 million in the Second Quarter, as compared to 8.268 million in the same quarter of 2018.

Based on its unaudited management accounts for the Period, details of the Group's unaudited turnover breakdown for the Period are as follows:

	For the Period ended 30 June		
	2019 ***HK$'million*** **(Unaudited)**	2018 *HK$'million* (Unaudited)	Change *%*
TURNOVER			
Restaurants:			
Japanese restaurants	**147.5**	159.5	–7.5%
Chinese restaurants	**84.2**	94.3	–10.7%
Western and other restaurants	**44.6**	59.0	–24.4%
Food court counters	**84.5**	32.8	+157.6%
Franchise restaurants	**119.0**	122.3	–2.6%
	479.8	467.9	+2.5%
Industrial catering	**21.4**	22.1	–3.1%
Food wholesale	**23.8**	19.6	+21.4%
Food and catering business	**525.0**	509.6	+3.0%
Food souvenir business	**38.5**	30.0	+28.3%
Property investment business	**–**	–	–
Total	**563.5**	539.6	+4.4%

Based on its unaudited management accounts for the Period, details of the Group's unaudited turnover breakdown by geographical locations for the Period are as follows:

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	*%*
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**380.9**	384.3	–0.8%
Mainland China	**52.4**	64.2	–18.3%
Hong Kong	**114.1**	91.1	+25.2%
Taiwan	**16.1**	–	N/A
Total	**563.5**	539.6	+4.4%

A summary of the Group's unaudited operational financials for the Period is as follows:

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	*%*
	(Unaudited)	(Unaudited)	
Turnover	**563.5**	539.6	+4.4%
Cost of sales	**(169.0)**	(160.4)	+5.3%
Gross margin	**394.5**	379.2	+4.0%
Direct operating expenses	**(334.6)**	(306.9)	+9.0%
Gross operating profit	**59.9**	72.3	–17.1%
Gross operating profit margin (%)	**10.6%**	13.4%	–2.8%
Loss attributable to owners of the Company	**(69.7)**	(14.9)	+367.7%

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

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**147.5**	150.2	–1.7%
Chinese restaurants	**77.7**	85.8	–9.4%
Western and other restaurants	**34.7**	28.3	+22.6%
Food court counters	**35.0**	32.7	+7.0%
Franchise restaurants	**99.2**	109.3	–9.2%
	394.1	406.3	–3.0%
Industrial catering	**17.3**	18.1	–4.4%
Food and catering business	**411.4**	424.4	–3.0%
Food souvenir business	**26.9**	29.3	–8.1%
	438.3	453.7	–3.3%

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2019 and 2018 only.

Based on its unaudited management accounts for the Period, details of the unaudited results attributable to owners of the Company for the Period are as follows:

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(30.7)**	(24.9)	+23.2%
Food souvenir business	**(8.1)**	(9.0)	–10.0%
Property investment business	**(23.7)**	26.0	N/A
Other revenue, corporate payroll and unallocated expenses	**(7.2)**	(7.0)	+2.8%
Total	**(69.7)**	(14.9)	+367.7%

Based on its unaudited management accounts for the Period, details of the breakdown of the unaudited results attributable to owners of the Company by geographical locations for the Period are as follows:

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**(25.4)**	(0.3)	+8,366.6%
Mainland China	**(18.2)**	(18.9)	–3.7%
Hong Kong	**(19.8)**	4.3	N/A
Taiwan	**(6.3)**	–	N/A
Total	**(69.7)**	(14.9)	+367.7%

The Group has also recorded the following unaudited revenue/expenses for the Period as follows:

	For the Period ended 30 June		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Other revenue, gains and losses:			
– Gain from disposal of property	**–**	19.0	–100.0%
– Net fair value loss of the Key Investment Property	**(21.1)**	–	N/A
– Net fair value gain of the Hengqin Land	**3.5**	12.6	–72.2%
– Loss on written off of/impairment loss on property, plant and equipment	**(1.7)**	(25.0)	–93.2%
– Others *(note 4)*	**7.1**	10.6	–33.0%
Administrative expenses	**(97.3)**	(90.5)	+7.5%
Finance costs	**(15.1)**	(5.5)	+174.5%

Note 4: This item comprised mainly management fee income, profit from disposal of financial assets, bank interest income and exchange gains.

BUSINESS UPDATE

The Group's operating environment in the Period has been challenging with keen competition resulting in a loss attributable to the owners of some HK$69.7 million, during which the Group has recorded for the Period:

(i) Increases of some 4.4% in turnover, of some 5.3% in cost of sales (food costs), of some 9.0% in direct operating expenses, of some 7.5% in administrative expenses, and of some 174.5% in finance costs, as compared to that of same period of 2018;

(ii) A drop of some 17.1% in gross operating profit as compared to that of same period of 2018;

(iii) A loss attributable to owners of the Company of some HK$69.7 million as compared to a loss attributable to owners of the Company of some HK$14.9 million for the same period of 2018 in which a disposal gain of some HK$19.0 million was recorded to improve the Group's performance in that period; and

(iv) As compared to the same period of 2018, the gross margin ratio has been relatively stable while the EBITDA has become negative by some HK$14.8 million in the Period.

The loss attributable to owners of the Company excluding any net fair value gain/loss of the investment properties ("Net Ordinary Operating Loss") for the Period was HK$49.4 million, as against a Net Ordinary Operating Loss of some HK$27.5 million for the same period of 2018. The Net Ordinary Operating Loss of some HK$49.4 million for the Period has been largely due to (i) the loss attributable to the Group's food souvenir business; (ii) the lack of rental income from the Group's investment property in Macau; and (iii) a loss from written off of/ impairment loss on property, plant and equipment of some HK$1.7 million derived mainly from the closure of the Group's Japanese restaurant in Guangzhou.

In the Period, the Group has recorded a drop of 3.0% in the same store performance of its restaurants and food court counters, and a decrease of 8.1% in the same store performance of its food souvenir shops, as compared to the same period of 2018. In the Period, the Group's food and catering business in Macau has underperformed against the improved level of visitor flow to Macau but has performed in line with the slight drop in the Macau Gross Revenue, where a total of 20.284 million visitors to Macau have been recorded with an increase of 20.6% and the Macau Gross Gaming Revenue has reduced slightly by 0.57%, as compared to the same period of 2018.

In the Period, management has closed down its Japanese restaurant in Guangzhou and 4 restaurants in Macau. Management has in the Period opened the following restaurants:

- Bari-Uma ramen restaurant at Breeze Nan Shan, Taiwan; and

- Mad for Garlic restaurant at Breeze Nan Shan, Taiwan.

In the second half of this year, management also expects to open 1 Bari-Uma ramen restaurant in Mainland China, 1 food court counter in Hong Kong International Airport and a food court called “Food Playground” at the new K11 Musea Shopping Mall, and management also plans to convert its Vergnano Italian restaurant and 456 Modern Shanghai Cuisine restaurant at The Venetian in Macau into a Bistro Seoul restaurant and a Shiki Hot Pot restaurant respectively.

The Group’s food souvenir business has continued to reduce its loss in the Period. The Group’s central food and logistic processing centre in the Macau has also become operational helping to improve the production efficiency and quality for the Group’s food souvenir business. To improve its sales, management has continued its policy to expand its sales networks with more stores and kiosks, more online sales platforms, and exploration to identify more distribution agents in Mainland China and overseas countries. The Group’s food souvenir business has in the Period recorded a total turnover of some HK$38.5 million with a loss attributable to owners of the Company of some HK$8.1 million, as against the turnover of some HK$30.0 million with a loss attributable to owners of the Company of some HK$9.0 million for the same period of 2018. By the end of 2019, management intends to close two Yeng Kee shops and to open one new Yeng Kee shop.

As recently announced, the Group has as landlord entered into a tenancy agreement with an independent third party as tenant, for a period of 8 years from commencement of the tenant’s business or end of the rent free period (whichever is earlier) in respect of the Key Investment Property including the self-use portion. The entering into of this tenancy agreement would generate rental income to the Group to enhance the revenue base of the Group.

More business update of the Group will be included in the coming 2019 interim report of the Company which will be issued before the end of August 2019.

UPDATE ON NEGOTIATIONS WITH INDEPENDENT THIRD PARTIES FOR THE SALE OF CONTROLLING OR ALL EQUITY INTERESTS IN THE DEVELOPMENT PROJECT OF THE GROUP IN HENGQIN ISLAND

The Group has, as previously announced, been undertaking negotiation with a potential buyer party which is an independent third party for the sale of controlling or all equity interest of the Group’s development project in Hengqin Island. Such negotiation is slow but still ongoing as there are still some issues unresolved during such negotiation.

As also previously announced, management has submitted an application (“Application”) to Hengqin Island Land Authority (橫琴新區規劃國土局) in respect of its Hengqin Land seeking for its approval for (i) a further extension of the remaining development milestones under the relevant land acquisition contract with a wholly owned subsidiary of the Group (佳景美食廣場項目發展有限公司), and (ii) a change of use of some parts of this development project as serving apartments. Management has recently met representatives of Hengqin Island Land Authority to discuss the Application and management is now working to revise its detailed building plan for such partial change of land use right for servicing apartments.

Recently, the Group has also been approached by other property agents acting for other potential parties which are independent third parties for the acquisition of controlling interests of the Hengqin Land, and these potential parties have recently visited the site of the Hengqin Land, and further discussions between the parties would take place in due course.

Shareholders and potential investors of the Company should note that the abovementioned negotiations may or may not materialize and there is no assurance that any agreement from the abovementioned negotiations will be entered into. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

The Board wishes to remind investors that the information and operational data contained in this announcement are based on the unaudited management accounts of the Group which have not been reviewed, confirmed or audited by the Company's auditors, and as such, the data may be subject to adjustment and is for the investors' reference only. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board of
Future Bright Holdings Limited
Chan Chak Mo
Managing Director

Hong Kong, 9 August 2019

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.