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

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

LOSS ALERT FOR THE YEAR ENDED 31 DECEMBER 2019, ALERT FOR CONSIDERABLE LOSS OF REVENUE IN THE FIRST QUARTER OF 2020 AND BUSINESS UPDATE OF THE GROUP FOR THE FOURTH QUARTER OF 2019

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 year ended 31 December 2019 ("Year"). Based on its unaudited management information currently available, the Group has recorded an unaudited loss attributable to owners of the Company of some HK$376.8 million for the Year, as compared to an unaudited loss attributable to owners of the Company of some HK$60.1 million for the year of 2018. The Group has recorded an unaudited loss attributable to owners of the Company of some HK$166.1 million for the fourth quarter of 2019 ("Fourth Quarter"), as compared to an unaudited loss attributable to owners of the Company of some HK$32.6 million for the fourth quarter of 2018.

The Board is also to give (i) an alert on the considerable loss of revenue in the first quarter of 2020 due to the outbreak of Covid-19 infection which will result in a considerable loss in that quarter; and (ii) an update on the business performance of the Group for the Fourth Quarter and the Year herein, based on its unaudited management information currently available.

*　*For identification purpose only*

The outbreak of Covid-19 infection since mid-January 2020 in many cities in Mainland China, Macau and Hong Kong, has critically and adversely affected the retail business in Macau, Hong Kong and Mainland China. The Group's business during the Chinese New Year holiday in January 2020 was adversely affected. And the Group has had to temporarily close down most of its restaurants and shops in Macau, Hong Kong and Mainland China for about two weeks in February 2020 which would substantially reduce its revenue contribution in the first quarter of this year, where such loss in revenue is unable to be quantified yet although most of the Group's restaurants which have been in February 2020 temporarily closed down are now re-opened with some at limited business hours. The current dire operation environment of the Group is unprecedented. It is currently unable to make any estimation on when Covid-19 infection may be over, and its negative economic impact on those cities the Group has operations, and hence on the Group's business. Management expects that the considerable loss of revenue from the above-mentioned temporary close down of most of its restaurants in Macau, Hong Kong and Mainland China will lead to a considerable loss in the first quarter of 2020 where such loss is unable to be quantified yet.

The Board wishes to remind investors that the information and operational data for the Fourth Quarter and the Year 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 Investors' reference only.

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 YEAR

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

	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%
Third quarter	**(141.0)**	(12.6)	+1,019.0%
Fourth quarter(**)	**(166.1)**	(32.6)	+409.5%
The Year	**(376.8)**	(60.1)	+527.0%

* The profit attributable to owners of the Company 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 loss attributable to owners of the Company some HK$166.1 million for the fourth quarter of 2019 included a part of the disposal loss of some HK$42.4 million from the HQ Disposal Loss (as defined below) so as to affect adversely the Group's performance in that quarter, and without taking into account such disposal loss, the Company would sustain a loss attributable to owners of the Company of some HK$123.7 million for the fourth quarter of 2019.

The trade and technology disputes between US and China and the civil unrest in Hong Kong in the Year have slowed down the economy of Hong Kong, and to some extent, to the tourist industry of Macau, the effect of which has made the operating environment of the Group tough and competitive. This has resulted in a loss attributable to owners of the Company of some HK$376.8 million in the Year, due to mainly (i) the loss attributable to owners of the Group's food souvenir business of some HK$18.1 million; (ii) a net fair value loss of some HK$20.2 million derived from its Key Investment Property (as described below); (iii) a net loss of some HK$140.6 million (comprising of disposal loss in value of some HK$98.5 million and an exchange loss of HK$42.1 million, together called "HQ Disposal Loss") derived from the disposal of its development property project ("Hengqin Land") in Hengqin Island; (iv) the loss from written off/impairment loss of property, plant and equipment of food and beverage business of some HK$62.1 million including the loss from the closure of the Group's food court-Foodium at West Kowloon Station and its restaurants in Guangzhou, Zhuhai, Hong Kong and Taiwan; and (v) impairment loss of right-of-use assets of food and catering business of some HK$59.3 million.

As at 31 December 2019, the Key Investment Property (which comprises of 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 valued by an independent professional valuer at some HK$560.0 million (31 December 2018: HK$505.0 million). The Group has recorded the HQ Disposal Loss in the third and fourth quarters of 2019 and a net fair value loss some HK$20.2 million (being a gross fair value loss of HK$23.0 million) in respect of the Key Investment Property.

For the Year 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 income of some HK$35.1 million of the Group, as compared to an overall other comprehensive loss of some HK$20.2 million for the year of 2018.

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

	For the year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Net loss attributable to owners of the Group's food souvenir business	**(18.1)**	(18.7)	–3.2%
Gain on disposal of property	**–**	19.0	–100%
HQ Disposal Loss	**(140.6)**	–	N/A
Impairment loss of right-of-use assets	**(68.6)**	–	N/A
Loss on written off of/impairment loss on property, plant and equipment	**(62.1)**	(38.7)	+60.5%
Net fair value loss of the Key Investment Property	**(20.2)**	–	N/A
Net fair value gain/(loss) of Hengqin Land	**3.4**	(5.0)	N/A

ALERT FOR CONSIDERABLE LOSS OF REVENUE IN THE FIRST QUARTER OF 2020

The outbreak of Covid-19 infection since mid-January 2020 in many cities in Mainland China, Macau and Hong Kong, has critically and adversely affected the retail business in Macau, Hong Kong and Mainland China. The Group's business during the Chinese New Year holiday in January 2020 was adversely affected. And the Group has had to temporarily close down most of its restaurants and shops in Macau, Hong Kong and Mainland China for about two weeks in February 2020 which would substantially reduce its revenue contribution in the first quarter of this year, where such loss in revenue is unable to be quantified yet although most of the Group's restaurants which have been in February 2020 temporarily closed down are now re-opened with some at limited business hours. The current dire operation environment of the Group is unprecedented. It is currently unable to make any estimation on when Covid-19 infection may be over, and its negative economic impact on those cities the Group has operations, and hence on the Group's business. Management expects that the considerable loss of revenue from the above-mentioned temporary close down of most of its restaurants in Macau, Hong Kong and Mainland China will lead to a considerable loss in the first quarter of 2020 where such loss is unable to be quantified yet.

OPERATIONAL FINANCIALS

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

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Restaurants:			
Japanese restaurants	**67.6**	77.6	–12.9%
Chinese restaurants	**37.1**	45.5	–18.5%
Western and other restaurants *(note 1)*	**15.9**	26.0	–38.8%
Food court counters	**65.3**	42.6	+53.3%
Franchise restaurants *(note 2)*	**47.3**	58.9	–19.7%
	233.2	250.6	–6.9%
Industrial catering	**11.6**	16.1	–28.0%
Food wholesale	**10.7**	12.0	–10.8%
Food and catering business	**255.5**	278.7	–8.3%
Food souvenir business	**21.4**	20.4	+4.9%
Property investment business	**6.1**	–	N/A
Total	**283.0**	299.1	–5.4%

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

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 Fourth Quarter, details of the Group's unaudited turnover breakdown by geographical locations for the Fourth Quarter are as follows:

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**188.8**	204.7	–7.8%
Mainland China	**23.5**	29.4	–20.1%
Hong Kong	**64.6**	64.8	–0.3%
Taiwan	**6.1**	0.2	+2,950.0%
Total	**283.0**	299.1	–5.4%

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

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Turnover	**283.0**	299.1	–5.4%
Cost of sales	**(84.1)**	(91.0)	–7.6%
Gross margin	**198.9**	208.1	–4.4%
Direct operating expenses	**(170.4)**	(172.4)	–1.2%
Gross operating profit	**28.5**	35.7	–20.2%
Gross operating profit margin (%)	**10.1%**	11.9%	–1.8%

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 Fourth Quarter are as follows:

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**67.6**	75.2	–10.1%
Chinese restaurants	**37.1**	43.4	–14.5%
Western and other restaurants	**15.9**	23.8	–33.2%
Food court counters	**38.5**	42.6	–9.6%
Franchise restaurants	**42.8**	55.6	–23.0%
	201.9	240.6	–16.1%
Industrial catering	**11.6**	13.2	–12.1%
Restaurants and industrial catering business	**213.5**	253.8	–15.9%
Food souvenir business	**21.4**	18.7	+14.4%
Total	**234.9**	272.5	–13.8%

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 Fourth Quarter, details of the unaudited (loss)/profit attributable to owners of the Company for the Fourth Quarter are as follows:

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(103.0)**	0.5	N/A
Food souvenir business	**(10.6)**	(6.9)	+53.6%
Property investment business	**(47.8)**	(20.4)	+134.3%
Other revenue, corporate payroll and unallocated expenses	**(4.7)**	(5.8)	–19.0%
Total	**(166.1)**	(32.6)	+409.5%

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

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	*%*
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**3.8**	22.6	–83.2%
Mainland China	**(59.4)**	(41.2)	+44.2%
Hong Kong	**(75.9)**	(9.9)	+666.7%
Taiwan	**(34.6)**	(4.1)	+743.9%
Total	**(166.1)**	(32.6)	+409.5%

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

	For the three months ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	*%*
	(Unaudited)	(Unaudited)	
Other revenue, gains and losses:			
– Net fair value loss of the Key Investment Property	**(5.3)**	–	N/A
– Net fair value loss of the Hengqin Land	**–**	(17.2)	–100.0%
– HQ Disposal Loss *(note 4)*	**(42.4)**	–	N/A
– Impairment loss of right-of-use assets	**(68.6)**	–	N/A
– Loss on written off of/impairment loss on property, plant and equipment	**(43.3)**	(13.2)	+228.0%
– Others *(note 5)*	**6.2**	7.0	–11.4%
Administrative expenses	**(49.4)**	(54.3)	–9.0%
Finance costs	**(8.9)**	(3.7)	+140.5%

Note 4: Loss on disposal of Hengqin Land amounted to a total of HK$140.6 million, of which HK$98.2 million was recorded in the third quarter of 2019 and HK$42.4 million was recorded in the Fourth Quarter.

Note 5: This item comprised mainly management fee income, bank interest income and exchange gains.

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

	Fourth Quarter *HK$'million* (Unaudited)	**Third Quarter** *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER				
Restaurants:				
Japanese restaurants	67.6	71.8	72.0	75.5
Chinese restaurants	37.1	37.4	38.1	46.1
Western and other restaurants	15.9	20.4	22.5	22.1
Food court counters	65.3	52.4	39.8	44.7
Franchise restaurants	47.3	55.1	56.4	62.6
	233.2	237.1	228.8	251.0
Industrial catering	11.6	7.7	8.9	12.5
Food wholesale	10.7	10.2	11.9	11.9
Food and catering business	255.5	255.0	249.6	275.4
Food souvenir business	21.4	40.8	18.3	20.2
Property investment business	6.1	–	–	–
Total	283.0	295.8	267.9	295.6

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

	Fourth Quarter *HK$'million* (Unaudited)	**Third Quarter** *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER				
Macau	188.8	206.0	180.6	200.3
Mainland China	23.5	25.4	24.6	27.8
Hong Kong	64.6	57.3	55.4	58.7
Taiwan	6.1	7.1	7.3	8.8
Total	283.0	295.8	267.9	295.6

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

	Fourth Quarter *HK$'million* (Unaudited)	Third Quarter *HK$'million* (Unaudited)	Second Quarter *HK$'million* (Unaudited)	First Quarter *HK$'million* (Unaudited)
Turnover	283.0	295.8	267.9	295.6
Cost of sales	(84.1)	(92.2)	(80.3)	(88.7)
Gross margin	198.9	203.6	187.6	206.9
Direct operating expenses	(170.4)	(168.1)	(166.3)	(168.3)
Gross operating profit	28.5	35.5	21.3	38.6
Gross operating profit margin (%)	10.1%	12.0%	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, the Second Quarter, the Third Quarter and the Fourth Quarter are as follows:

	Fourth Quarter *HK$'million* (Unaudited)	Third Quarter *HK$'million* (Unaudited)	Second Quarter *HK$'million* (Unaudited)	First Quarter *HK$'million* (Unaudited)
SAME STORE TURNOVER				
Restaurants:				
Japanese restaurants	67.6	71.8	72.0	75.5
Chinese restaurants	37.1	34.4	34.8	43.6
Western and other restaurants	15.9	18.1	17.3	13.9
Food court counters	38.5	32.8	16.3	18.7
Franchise restaurants	42.8	50.2	47.5	51.8
	201.9	207.3	187.9	203.5
Industrial catering	11.6	7.7	7.4	12.5
Restaurants and industrial catering business	213.5	215.0	195.3	216.0
Food souvenir business	21.4	23.3	12.2	14.7
Total	234.9	238.3	207.5	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)/profit attributable to owners of the Company for the First Quarter, the Second Quarter, the Third Quarter and the Fourth Quarter are as follows:

	Fourth Quarter *HK$'million* (Unaudited)	**Third Quarter** *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Food and catering business	(103.0)	(41.2)	(24.5)	(6.2)
Food souvenir business	(10.6)	0.6	(3.6)	(4.5)
Property investment business	(47.8)	(97.9)	(20.5)	(3.2)
Other revenue, corporate payroll and unallocated expenses	(4.7)	(2.5)	(3.5)	(3.7)
Total	(166.1)	(141.0)	(52.1)	(17.6)

Details of the breakdown of unaudited (loss)/profit attributable to owners of the Company by geographical locations for the First Quarter, the Second Quarter, the Third Quarter and the Fourth Quarter are as follows:

	Fourth Quarter *HK$'million* (Unaudited)	**Third Quarter** *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Macau	3.8	5.6	(27.0)	1.6
Mainland China	(59.4)	(110.5)	(8.1)	(10.1)
Hong Kong	(75.9)	(32.1)	(13.6)	(6.2)
Taiwan	(34.6)	(4.0)	(3.4)	(2.9)
Total	(166.1)	(141.0)	(52.1)	(17.6)

The unaudited gross operating profit/(loss) (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, second, third and fourth 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%
Third quarter	**+11.8%**	+15.2%	–3.4%
Fourth quarter	**+10.1%**	+13.7%	–3.6%
The Year	**+11.7%**	+15.0%	–3.3%
Gross operating (loss)/profit margin of food souvenir business:			
First quarter	**–10.4%**	–22.0%	+11.6%
Second quarter	**–14.2%**	–30.1%	+15.9%
Third quarter	**+14.0%**	–5.0%	N/A
Fourth quarter	**–14.5%**	–10.3%	–4.2%
The Year	**–2.2%**	–14.3%	+12.1%

In the Fourth Quarter, the Group's turnover performance has been unsatisfactory as the US and China trade and technology disputes and the current civil unrest in Hong Kong since June 2019 have materially and adversely affected the business performance of the Group. In the Fourth Quarter, the Group has recorded:

(i) Decreases of some 5.4% in turnover, of some 7.6% in cost of sales (food costs), of some 1.2% in direct operating expenses, of some 9.0% in administrative expenses, and increase of some 140.5% in finance costs, as compared to that of same quarter of 2018;

(ii) Remaining part of the HQ Disposal Loss of some HK$42.4 million;

(iii) Impairment loss of right-of-use assets of some HK$68.6 million;

(iv) A drop of some 20.2% in gross operating profit as compared to that of same quarter of 2018;

(v) A loss attributable to owners of some HK$166.1 million as compared to a loss attributable to owners of some HK$32.6 million for the same quarter of 2018; and

(vi) 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$157.4 million in the Fourth Quarter.

The performance of different restaurants in different food types in the Fourth Quarter is set out above. As compared to the performance of the Group in the same quarter of 2018, the turnover decrease of the Group in the Fourth Quarter was largely due to the then civil unrest in Hong Kong. The performance in of the Group's food and catering business in Macau in the Fourth Quarter has been in line with the decreased level of the visitor inflow to Macau in that quarter and also in line with drop in the Macau Gross Gaming Revenue, which has dropped in the Fourth Quarter by 8.49% year on year, when the level of visitor inflow to Macau has decreased by 7.88% to 9.203 million in the Fourth Quarter, as compared to 9.990 million in the same quarter of 2018.

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

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Restaurants:			
Japanese restaurants	**286.9**	317.3	–9.6%
Chinese restaurants	**158.7**	182.7	–13.1%
Western and other restaurants	**80.9**	123.4	–34.4%
Food court counters	**202.2**	97.8	+106.7%
Franchise restaurants	**221.4**	243.0	–8.9%
	950.1	964.2	–1.5%
Industrial catering	**40.7**	48.7	–16.4%
Food wholesale	**44.7**	42.0	+6.4%
Food and catering business	**1,035.5**	1,054.9	–1.8%
Food souvenir business	**100.7**	78.4	+28.4%
Property investment business	**6.1**	–	N/A
Total	**1,142.3**	1,133.3	+0.8%

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

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**775.7**	797.5	–2.7%
Mainland China	**101.3**	122.6	–17.4%
Hong Kong	**236.0**	213.0	+10.8%
Taiwan	**29.3**	0.2	+14,550.0%
Total	**1,142.3**	1,133.3	+0.8%

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

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Turnover	**1,142.3**	1,133.3	+0.8%
Cost of sales	**(345.3)**	(340.1)	+1.5%
Gross margin	**797.0**	793.2	+0.5%
Direct operating expenses	**(673.1)**	(646.4)	+4.1%
Gross operating profit	**123.9**	146.8	–15.6%
Gross operating profit margin (%)	**10.8%**	13.0%	–2.2%
Loss attributable to owners of the Company	**(376.8)**	(60.1)	+527.0%

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 Year are as follows:

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**286.9**	302.4	–5.1%
Chinese restaurants	**157.4**	168.3	–6.5%
Western and other restaurants	**72.5**	66.5	+9.0%
Food court counters	**151.7**	87.8	+72.8%
Franchise restaurants	**197.3**	217.6	–9.3%
	865.8	842.6	+2.8%
Industrial catering	**36.6**	38.6	–5.2%
Restaurants and industrial catering business	**902.4**	881.2	+2.4%
Food souvenir business	**95.5**	70.1	+36.2%
	997.9	951.3	+4.9%

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 Year, details of the unaudited (loss)/profit attributable to owners of the Company for the Year are as follows:

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(174.9)**	(28.1)	+522.4%
Food souvenir business	**(18.1)**	(18.7)	–3.2%
Property investment business	**(169.4)**	2.7	N/A
Other revenue, corporate payroll and unallocated expenses	**(14.4)**	(16.0)	–10.0%
Total	**(376.8)**	(60.1)	+527.0%

Based on its unaudited management accounts for the Year, details of the breakdown of the unaudited (loss)/profit attributable to owners of the Company by geographical locations for the Year are as follows:

	For the Year ended 31 December		
	2019	2018	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**(16.0)**	30.1	N/A
Mainland China	**(188.1)**	(77.0)	+144.3%
Hong Kong	**(127.8)**	(9.1)	+1,304.4%
Taiwan	**(44.9)**	(4.1)	+995.1%
Total	**(376.8)**	(60.1)	+527.0%

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

	For the Year ended 31 December		
	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	**(20.2)**	–	N/A
– Net fair value gain of the Hengqin Land	**3.4**	(5.0)	N/A
– HQ Disposal Loss	**(140.6)**	–	N/A
– Impairment loss of right-of-use assets	**(68.6)**	–	N/A
– Loss on written off of/impairment loss on property, plant and equipment	**(62.1)**	(38.7)	+60.5%
– Others *(note 4)*	**12.7**	17.8	–28.7%
Administrative expenses	**(195.6)**	(190.3)	+2.8%
Finance costs	**(37.5)**	(11.8)	+217.8%

Note 4: This item comprised of mainly management fee income, bank interest income and exchange gains.

BUSINESS UPDATE

As previously announced, the Group completed its disposal to an independent third party for the whole of its Hengqin Land at the consideration of RMB300 million (equivalent to approximately HK$335.7 million) in cash, completion of which gave rise to the Group recording the HQ Disposal Loss of some HK$140.6 million (comprising of disposal loss in value of some HK$98.5 million and an exchange loss of HK$42.1 million) in the Year.

The Group's operating environment in the Year has been tough and challenging with keen competition resulting in a loss attributable to the owners of some HK$376.8 million, during which the Group has recorded for the Year:

(i) Increases of some 0.8% in turnover, of some 1.5% in cost of sales (food costs), of some 4.1% in direct operating expenses, of some 2.8% in administrative expenses, and of some 217.8% in finance costs, as compared to that of the year of 2018;

(ii) A drop of some 15.6% in gross operating profit as compared to that of the year of 2018;

(iii) A loss attributable to owners of some HK$376.8 million as compared to a loss attributable to owners of some HK$60.1 million for the year of 2018;

(iv) A stable gross margin ratio of some 69.8% with a negative EBITDA at some HK$275.5 million as against a gross margin ratio of some 70.0% with an EBITDA at some HK$17.9 million in the year of 2018;

(v) A loss attributable to owners of the Company excluding any net fair value gain/loss of the investment properties ("Net Ordinary Operating Loss") for the Year was HK$360.0 million, as against a Net Ordinary Operating Loss of some HK$55.1 million for the year of 2018; and

(vi) An increase of 2.4% in the same store performance of its restaurants and industrial catering business, and an increase of 36.2% in the same store performance of its food souvenir shops, as compared to the year of 2018.

The Net Ordinary Operating Loss of some HK$360.0 million for the Year has been largely due to (i) the loss attributable to the Group's food souvenir business; (ii) the loss from written off/impairment loss of property, plant and equipment of food and beverage business of some HK$62.1 million including the loss from the closure of the Group's food court-Foodium at West Kowloon Station and its restaurants in Guangzhou, Zhuhai, Hong Kong and Taiwan; (iii) impairment loss on right-of-use assets of food and catering business of some HK$59.3 million; and (iv) the HQ Disposal Loss of some HK$140.6 million.

In the Year, the Group's food and catering business in Macau has underperformed against the improved level of visitor flow to Macau and has underperformed against the slight drop in Macau Gross Gaming Revenue, where a total of 39.406 million visitors to Macau have been recorded with an increase of 10.06% while the Macau Gross Gaming Revenue has dropped slightly by 3.5%, as compared to the same period of 2018.

In the year of 2019, as a continuous review process of the performance of its restaurants, the Group has closed down 3 restaurants and 2 coffee shops in Macau, and Foodium food court in West Kowloon Station in Hong Kong, and 1 restaurant in Mainland China. In the Year, the Group has also converted its Vergnano restaurant at The Venetian in Macau into a Bistro Seoul restaurant. And in the year of 2019, the Group has opened the following restaurants and food court counters:

- Bari-Uma ramen restaurant at Breeze Nan Shan, Taiwan;
- Mad for Garlic restaurant at Breeze Nan Shan, Taiwan;
- Canton Roast at West Kowloon Station;
- Bari-Uma ramen restaurant at Cocopark, Mainland China;
- 1 food court counter in Hong Kong International Airport; and
- 10 food court counters – Food Playground in K11 Musea, Hong Kong.

In the year of 2020, management plans to open a food court at a new hotel complex in Macau, and one Edo Japanese restaurant and another food court at another new hotel complex in Macau. The management also plans to convert its 456 Modern Shanghai Cuisine at The Venetian to Shiki Hot Pot restaurant. Due to its performance being unsatisfactory, management has in mid-March 2020 closed down Canton 12 restaurant in Taipei, one Fu-Un-Maru restaurant and one Bistro Seoul restaurant in Hong Kong, and the Azores restaurant and Musashi Japanese restaurant in Zhuhai. Management will also by the first half of 2020 close down the Bari-Uma ramen restaurant at Breeze Nan Shan, Taipei, and two Bari-Uma ramen restaurants and one Mad for Garlic restaurant in Hong Kong.

The Group's food souvenir business has continued to improve with a healthy increase in turnover (in terms of volume and geographical areas) with slight reduction of its loss in the Year, since the food souvenir business was still adversely affected by the high rental and staff costs. The Group's food souvenir business has in the Year recorded a total turnover of some HK$100.7 million with a loss attributable to owners of the Company of some HK$18.1 million (comprising of operation losses of some HK$8.8 million and an impairment loss of right-of-use assets of some HK$9.3 million), as against the turnover of some HK$78.4 million with a loss attributable to owners of the Company of some HK$18.7 million for the year of 2018. The increase in turnover of the food souvenir business was mainly due to the increases of turnover from the new Yeng Kee bakery shop at Macau Airport Terminal and from its distribution sales in Mainland China. In the Year, management has closed down 3 Yeng Kee shops in Macau. In the year of 2020, management plans to open a Yeng Kee shop at Lisboeta Macau, and another Yeng Kee shop at another new hotel complex in Macau.

As recently announced, with the renting out its Key Investment Property for a period of 8 years from commencement of the tenant's business or end of the rent free period (whichever is earlier), the tenant has taken possession of the Key Investment Property, and should start to pay rent from April 2020.

As mentioned above, the outbreak of Covid-19 infection since mid-January 2020 in many cities in Mainland China, Macau and Hong Kong, has critically and adversely affected the retail business in Macau, Hong Kong and Mainland China and hence, the Group's business. With the Group's temporary close down of most of its restaurants and shops in Macau, Hong Kong and Mainland China for about two weeks in February 2020, it would substantially reduce its revenue contribution in the first quarter of this year, where such loss in revenue is unable to be quantified yet, although most of the Group's restaurants which have been in February 2020 temporarily closed down are now re-opened with some at limited business hours. The current dire operation environment of the Group is unprecedented. It is currently unable to make any estimation on when Covid-19 infection may be over, and its negative economic impact on those cities the Group has operations, and hence on the Group's business. Management expects that the operating environment of the Group in the first three quarters of 2020 will be very tough, and cost savings measures (including rental reduction requests to the relevant landlords) have been taken to brave this coming storm of the uncertain operation environment of those cities in which the Group is operating.

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 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, 11 March 2020

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.