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 NINE MONTHS ENDED 30 SEPTEMBER 2020, BUSINESS UPDATE OF THE GROUP FOR THE THIRD QUARTER OF 2020 AND ALERT FOR LOSS OF REVENUE FOR THE FOURTH QUARTER 2020

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 nine months ended 30 September 2020 ("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$63.8 million for the first quarter of 2020 ("First Quarter"), an unaudited loss attributable to owners of the Company of some HK$46.5 million for the second quarter of 2020 ("Second Quarter"), and an unaudited loss attributable to owners of the Company of some HK$25.1 million for the third quarter of 2020 ("Third Quarter"), as compared to an unaudited loss attributable to owners of the Company of some HK$17.6 million for the first quarter of 2019, an unaudited loss attributable to owners of the Company of some HK$52.1 million for the second quarter of 2019 and an unaudited loss attributable to owners of the Company of some HK$141.0 million for the third quarter of 2019. The Group has thus recorded an unaudited loss attributable to owners of the Company of some HK$135.4 million for the Period as compared to an unaudited loss attributable to owners of the Company of some HK$210.7 million for the same period of 2019.

* *For identification purpose only*

The Board is also to give (i) an alert on the considerable loss of revenue in the fourth Quarter due to the Covid-19 infection which has adversely affected the Group's business performance in that quarter; and (ii) an update on the business performance of the Group for the Third Quarter herein, based on its unaudited management information currently available.

The Board wishes to remind investors that the information and operational data for the Third Quarter and the Period contained in this announcement are based on the unaudited management accounts of the Group which have not been 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 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:

	2020 ***HK$'million*** **(Unaudited)**	2019 *HK$'million* (Unaudited)	Change %
LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY			
First quarter	**(63.8)**	(17.6)	+262.5%
Second quarter	**(46.5)**	(52.1)	–10.7%
First half	**(110.3)**	(69.7)	+58.2%
Third quarter	**(25.1)**	(141.0)	–82.2%
The Period	**(135.4)**	(210.7)	–35.7%

As compared to the same period of 2019, the Group has in the Period sustained a substantial drop of some 65.9% in its turnover due to the negative impact of the Covid-19 infection on the Group's business, with an unaudited loss attributable to owners of the Group of some HK$135.4 million which has been mainly attributable to the Group sustaining (i) a loss of some HK$122.4 million from its food and catering business, (ii) a loss of some HK$5.9 million from food souvenir business and (iii) a net fair value loss of some HK$6.2 million (2019: HK$15.0 million) in respect of its commercial building ("Key Investment Property") located at the prime tourist location near Centro Commercial E Turistico "S. Paulo", Largo da Companha de Jesus N°2, Em Macau (澳門耶穌會紀念廣場2號牌坊廣場購物旅遊中心) in Macau.

The Group has recorded an unaudited other comprehensive loss of some HK$8.4 million for the Period in respect of the exchange differences on translating foreign operations of the Group which relate mainly to its subsidiary companies in Mainland China.

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Net loss attributable to owners of the Group's food souvenir business	**(5.9)**	(7.5)	–21.3%
Loss on written off of/impairment loss on property, plant and equipment of restaurants	**(12.2)**	(18.8)	–35.1%
Net fair value loss of the Key Investment Property	**(6.2)**	(15.0)	–58.7%
Impairment loss of right-of-use assets	**(4.3)**	–	N/A
Net gain on disposal of subsidiary	**5.6**	–	N/A
Rent concessions	**44.6**	–	N/A
Gain on lease modification	**18.2**	–	N/A
HQ Impairment Loss *(Note)*	**–**	(98.2)	–100.0%
Net fair value gain of Hengqin Land	**–**	3.5	–100.0%

Note: HQ Impairment Loss was an impairment loss of some HK$98.2 million derived from its disposal of the Group's development property project in Hengqin Island ("Hengqin Land") in the same period of 2019.

OPERATIONAL FINANCIALS

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

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Restaurants:			
Japanese restaurants	**15.4**	71.8	–78.6%
Chinese restaurants	**16.0**	37.4	–57.2%
Western and other restaurants *(note 1)*	**10.0**	20.4	–51.0%
Food court counters	**12.1**	52.4	–76.9%
Franchise restaurants *(note 2)*	**14.8**	55.1	–73.1%
	68.3	237.1	–71.2%
Industrial catering	**2.8**	7.7	–63.6%
Food wholesale	**4.0**	10.2	–60.8%
Food and catering business	**75.1**	255.0	–70.5%
Food souvenir business	**13.1**	40.8	–67.9%
Property investment business	**4.9**	–	N/A
Total	**93.1**	295.8	–68.5%

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 and Fu-Un-Maru restaurants.

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

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**55.7**	206.0	–73.0%
Mainland China	**14.0**	25.4	–44.9%
Hong Kong	**21.0**	57.3	–63.4%
Taiwan	**2.4**	7.1	–66.2%
Total	**93.1**	295.8	–68.5%

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

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Turnover	**93.1**	295.8	–68.5%
Cost of sales	**(33.7)**	(92.2)	–63.4%
Gross margin	**59.4**	203.6	–70.8%
Direct operating expenses	**(84.5)**	(168.1)	–49.7%
Gross operating (loss)/profit	**(25.1)**	35.5	N/A
Gross operating (loss)/profit margin (%)	**(27.0)%**	12.0%	N/A

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 Third Quarter are as follows:

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**15.4**	63.2	–75.6%
Chinese restaurants	**16.0**	34.5	–53.6%
Western and other restaurants	**10.0**	16.7	–40.1%
Food court counters	**10.4**	48.4	–78.5%
Franchise restaurants	**14.8**	27.2	–45.6%
	66.6	190.2	–64.9%
Industrial catering	**2.8**	4.6	–39.1%
Restaurants and industrial catering business	**69.4**	194.6	–64.3%
Food souvenir business	**13.1**	37.6	–65.2%
Total	**82.5**	232.2	–64.5%

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2020 and 2019 only.

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

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(23.7)**	(41.2)	–42.5%
Food souvenir business	**(1.8)**	0.6	N/A
Property investment business	**2.2**	(97.9)	N/A
Other revenue, corporate payroll and unallocated expenses	**(1.8)**	(2.5)	–28.0%
Total	**(25.1)**	(141.0)	–82.2%

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

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**(30.1)**	5.6	N/A
Mainland China	**8.6**	(110.5)	N/A
Hong Kong	**(3.8)**	(32.1)	–88.2%
Taiwan	**0.2**	(4.0)	N/A
Total	**(25.1)**	(141.0)	–82.2%

Note: The profit attributable to owners of the Company from Mainland China and Taiwan for the three months ended 30 September 2020 are mainly due to gain from lease modification in that quarter.

The Group has also recorded the following unaudited revenue/expenses in the Third Quarter as follows:

	For the three months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Other revenue, gains and losses:			
– Net fair value gain of the Key Investment Property	**–**	6.1	–100.0%
– HQ Impairment Loss	**–**	(98.2)	–100.0%
– Loss on written off of/impairment loss on property, plant and equipment on restaurant	**–**	(17.1)	–100.0%
– Others *(note 4)*	**18.7**	(0.6)	N/A
Administrative expenses	**(26.8)**	(48.9)	–45.2%
Finance costs	**(6.4)**	(13.5)	–52.6%

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

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

	Third Quarter *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER			
Restaurants:			
Japanese restaurants	15.4	10.6	28.0
Chinese restaurants	16.0	13.3	17.6
Western and other restaurants	10.0	10.3	8.4
Food court counters	12.1	9.2	31.5
Franchise restaurants	14.8	15.2	25.9
	68.3	58.6	111.4
Industrial catering	2.8	1.3	2.5
Food wholesale	4.0	2.3	4.8
Food and catering business	75.1	62.2	118.7
Food souvenir business	13.1	1.0	8.8
Property investment business	4.9	4.8	4.7
Total	93.1	68.0	132.2

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

	Third Quarter *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
TURNOVER			
Macau	55.7	32.4	80.4
Mainland China	14.0	11.1	9.1
Hong Kong	21.0	22.8	38.7
Taiwan	2.4	1.7	4.0
Total	93.1	68.0	132.2

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

	Third Quarter *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
Turnover	93.1	68.0	132.2
Cost of sales	(33.7)	(21.4)	(40.5)
Gross margin	59.4	46.6	91.7
Direct operating expenses	(84.5)	(87.2)	(109.9)
Gross operating loss	(25.1)	(40.6)	(18.2)
Gross operating loss margin (%)	(27.0)%	(59.7)%	(13.8)%

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 First Quarter, the Second Quarter and the Third Quarter are as follows:

	Third Quarter *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	15.4	10.6	27.6
Chinese restaurants	16.0	13.3	16.2
Western and other restaurants	10.0	10.3	7.7
Food court counters	10.4	2.7	15.0
Franchise restaurants	14.8	12.6	19.6
	66.6	49.5	86.1
Industrial catering	2.8	0.8	2.5
Restaurants and industrial catering business	69.4	50.3	88.6
Food souvenir business	12.9	1.0	8.8
Total	82.3	51.3	97.4

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2020 and 2019 only.

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

	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	(23.7)	(39.7)	(59.0)
Food souvenir business	(1.8)	(0.3)	(3.8)
Property investment business	2.2	(3.9)	1.9
Other revenue, corporate payroll and unallocated expenses	(1.8)	(2.6)	(2.9)
Total	(25.1)	(46.5)	(63.8)

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

	Third Quarter *HK$'million* (Unaudited)	**Second Quarter** *HK$'million* (Unaudited)	**First Quarter** *HK$'million* (Unaudited)
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	(30.1)	(53.5)	(37.1)
Mainland China	8.6	3.1	(16.1)
Hong Kong	(3.8)	(1.8)	(8.1)
Taiwan	0.2	5.7	(2.5)
Total	(25.1)	(46.5)	(63.8)

The unaudited gross operating (loss)/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 nine months ended 30 September of 2020 and 2019 were as follows:

	2020 (Unaudited)	2019 (Unaudited)	Change %
Gross operating (loss)/profit margin of food and catering business:			
First quarter	**(16.9)%**	+14.9%	N/A
Second quarter	**(64.4)%**	+9.5%	N/A
Third quarter	**(37.4)%**	+11.8%	N/A
The Period	**(34.4)%**	+12.2%	N/A
Gross operating (loss)/profit margin of food souvenir business:			
First quarter	**(29.5)%**	(10.4)%	+19.1%
Second quarter	**(550.0)%**	(14.2)%	+535.8%
Third quarter	**(12.2)%**	+14.0%	N/A
The Period	**(42.4)%**	+1.1%	N/A

The Group's business in the Third Quarter has continued to be adversely affected by the negative impact on the retail business under the Covid-19 infection, leading to a considerable loss with a drastic drop in turnover contribution in Macau, Mainland China and Hong Kong. The Group has in the Third Quarter recorded some HK$93.1 million turnover with a loss attributable to owners of some HK$25.1 million, as compared to some HK$295.8 million turnover with a loss attributable to owners of some HK$141.0 million for the same quarter of 2019. The Group has also in the Third Quarter 2020 recorded the followings:

(i) A drop of some 68.5% in turnover as compared to that of same quarter of 2019;

(ii) Decreases of some 63.4% in cost of sales (food costs), of some 49.7% in direct operating expenses, of some 45.2% in administrative expenses, and of some 52.6% in finance costs, as compared to that of the same quarter of 2019;

(iii) (27.0)% in gross operating loss ratio as compared to that gross operating profit ratio of 12.0% for the same quarter of 2019;

(iv) A loss attributable to owners of some HK$25.1 million as compared to a loss attributable to owners of some HK$141.0 million for the same quarter of 2019;

(v) A gross margin ratio of some 63.8% with a positive EBITDA at some HK$12.9 million as against a gross margin ratio of some 68.8% with a negative EBITDA at some HK$76.7 million for the same quarter of 2019; and

(vi) A decrease of 64.3% in the same store performance of its restaurants and industrial catering business, and a decrease of 65.2% in the same store performance of its food souvenir business, as compared to that of the same quarter of 2019.

As compared to the performance of the Group in the same quarter of 2019, the turnover drop of the Group has been largely due to the local social distance orders in Hong Kong and substantial drop of visitor flow to Macau under the Covid-19 infection in the Third Quarter. The performance details of different restaurants in different food types in the Third Quarter are set out above. In the Third Quarter, the Group's food and catering business in Macau has performed much in line with a drastic drop of visitor flow to Macau, where a total of 750,204 visitors to Macau have been recorded with a drop of 92.4%, as compared to the same quarter of 2019.

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 nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Restaurants:			
Japanese restaurants	**54.0**	219.3	–75.4%
Chinese restaurants	**46.9**	121.6	–61.4%
Western and other restaurants *(note 1)*	**28.7**	65.0	–55.8%
Food court counters	**52.8**	136.9	–61.4%
Franchise restaurants *(note 2)*	**55.9**	174.1	–67.9%
	238.3	716.9	–66.8%
Industrial catering	**6.6**	29.1	–77.3%
Food wholesale	**11.1**	34.0	–67.4%
Food and catering business	**256.0**	780.0	–67.2%
Food souvenir business	**22.9**	79.3	–71.1%
Property investment business	**14.4**	–	N/A
Total	**293.3**	859.3	–65.9%

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
TURNOVER			
Macau	**168.5**	586.9	–71.3%
Mainland China	**34.2**	77.8	–56.0%
Hong Kong	**82.5**	171.4	–51.9%
Taiwan	**8.1**	23.2	–65.1%
Total	**293.3**	859.3	–65.9%

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Turnover	**293.3**	859.3	–65.9%
Cost of sales	**(95.6)**	(261.2)	–63.4%
Gross margin	**197.7**	598.1	–66.9%
Direct operating expenses	**(281.6)**	(502.7)	–44.0%
Gross operating (loss)/profit	**(83.9)**	95.4	N/A
Gross operating (loss)/profit margin (%)	**(28.6)%**	11.1%	N/A
Loss attributable to owners of the Company	**(135.4)**	(210.7)	–35.7%

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 nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
SAME STORE TURNOVER			
Restaurants:			
Japanese restaurants	**51.8**	194.8	–73.4%
Chinese restaurants	**45.4**	112.1	–59.5%
Western and other restaurants	**27.7**	53.4	–48.1%
Food court counters	**39.7**	121.4	–67.3%
Franchise restaurants	**41.4**	84.2	–50.8%
	206.0	565.9	–63.6%
Industrial catering	**5.1**	13.9	–63.0%
Restaurants and industrial catering business	**211.1**	579.8	–63.6%
Food souvenir business	**22.3**	69.1	–67.7%
Total	**233.4**	648.9	–64.0%

Note 3: Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2020 and 2019 only.

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Food and catering business	**(122.4)**	(71.9)	+70.2%
Food souvenir business	**(5.9)**	(7.5)	–21.3%
Property investment business	**0.2**	(121.6)	N/A
Other revenue, corporate payroll and unallocated expenses	**(7.3)**	(9.7)	–24.7%
Total	**(135.4)**	(210.7)	–35.7%

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Macau	**(120.7)**	(19.8)	+509.6%
Mainland China	**(4.4)**	(128.7)	–96.6%
Hong Kong	**(13.7)**	(51.9)	–73.6%
Taiwan	**3.4**	(10.3)	N/A
Total	**(135.4)**	(210.7)	–35.7%

Note: The profit attributable to owners of the Company from Taiwan for the nine months ended 30 September 2020 is mainly due to gain from lease modification.

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

	For the nine months ended 30 September		
	2020	2019	Change
	HK$'million	*HK$'million*	%
	(Unaudited)	(Unaudited)	
Other revenue, gains and losses:			
– Loss on written off of/impairment loss on property, plant and equipment of restaurants	**(12.2)**	(18.8)	–35.1%
– Net fair value loss of the Key Investment Property	**(6.2)**	(15.0)	–58.7%
– Net fair value gain of the Henqgin Land	**–**	3.5	–100.0%
– HQ Impairment Loss	**–**	(98.2)	–100.0%
– Impairment loss of right-of-use assets	**(4.3)**	–	N/A
– Rent concessions	**44.6**	–	N/A
– Gain on lease modification	**18.2**	–	N/A
– Net gain on disposal of subsidiary	**5.6**	–	N/A
– Others *(note 4)*	**23.0**	6.5	+253.8%
Administrative expenses	**(98.8)**	(146.2)	–32.4%
Finance costs	**(23.6)**	(28.6)	–17.5%

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

BUSINESS UPDATE

The Group's operating environment has been quite difficult in the Period, during which the Covid-19 infection in many cities in Mainland China, Macau and Hong Kong, has critically and adversely affected the local retail business, with substantial drops of inflow of visitors to Macau and social distancing orders to curtail the social and dining gatherings of local residents in Hong Kong. The Group has recorded a loss attributable to owners of some HK$135.4 million in the Period which was mainly attributable to the Group sustaining (i) a loss attributable to owners of the Group's food souvenir business of some HK$5.9 million; (ii) a loss from written off of/impairment loss on property, plant and equipment of some HK$12.2 million derived mainly from the closure of the Group's restaurants; (iii) impairment losses on right-of-use assets of some HK$4.3 million; and (iv) a net fair value loss of some HK$6.2 million derived from its Key Investment Property so recorded in the Second Quarter.

The Group has also recorded for the Period:

(i) A drop of some 65.9% in turnover as compared to that of same period of 2019;

(ii) Decreases of some 63.4% in cost of sales (food costs), of some 44.0% in direct operating expenses, of some 32.4% in administrative expenses, and an increase of some 17.5% in finance costs, as compared to that of the same period of 2019;

(iii) (28.6)% in gross operating loss ratio as compared to that gross operating profit ratio of 11.1% for the same period of 2019;

(iv) A loss attributable to owners of some HK$135.4 million as compared to a loss attributable to owners of some HK$210.7 million for the same period of 2019;

(v) A gross margin ratio of some 67.4% with a negative EBITDA at some HK$8.8 million as against a gross margin ratio of some 69.6% with a negative EBITDA at some HK$12.4 million for the same period of 2019; and

(vi) A decrease of 63.6% in the same store performance of its restaurants and industrial catering business, and a decrease of 67.7% in the same store performance of its food souvenir business, as compared to that of the same period of 2019.

As at 30 June 2020, the Key Investment Property has been valued by an independent professional valuer at some HK$553.0 million (31 December 2019: HK$560.0 million). The Group has recorded a net fair value loss some HK$6.2 million (being a gross fair value loss of HK$7.0 million) in respect of the Key Investment Property in the Second Quarter.

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$129.2 million, as against some HK$199.2 million for the same period of 2019. The Net Ordinary Operating Loss of some HK$129.2 million for the Period has been largely due to the reasons as stated above.

The Group has recorded an overall other comprehensive loss of some HK$8.4 million of the Group for the Period in respect of the exchange differences on translating foreign operations of the Group which relate mainly to its subsidiary companies in Mainland China, as compared to an overall other comprehensive loss of some HK$12.4 million for the same period of 2019.

The Group has in the Period recorded a drop of 63.6% in the same store performance of its restaurants and food court counters, and a decrease of 67.7% in the same store performance of its food souvenir business, as compared to the same period of 2019. In the Period, the Group's food and catering business in Macau has performed much in line with a drastic drop of visitor flow to Macau, where a total of 4.019 million visitors to Macau have been recorded with a drop of 86.7%, as compared to the same period of 2019.

With the Covid-19 infection under control in Macau now, granting of permits for (i) visitors from Guangdong province to Macau under the Individual Visit Scheme has been resumed on 26 August 2020, and (ii) the granting of such permits for visitors from other provinces to Macau has also been resumed on 23 September 2020. This has led to some improvement to the visitor inflow to Macau and hence to the Group's business in Macau recently. Hopefully, such improvement shall continue from now on. In Hong Kong, the number of infected cases of the Covid-19 infection has recently increased, leading to further tightening of the social distancing measures which should then in turn affect the business of the Group's restaurants in Hong Kong.

ALERT ON LOSS OF REVENUE IN THE FOURTH QUARTER

With the Covid-19 infection in Macau already under control, but not in Hong Kong, the Group's business in Hong Kong has been adversely being affected, and as compared to those of the same quarter of 2019, the recent improvement to the Group's business has been slow and there would still be, as expected by the Board, a considerable drop in the revenue of the Group in the Fourth Quarter, which will have negative impact on the Group's business performance in that quarter.

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, 27 November 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.