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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)

### ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Change %
	2022 HK\$'000	2021 HK\$'000	
Turnover	285,056	475,422	-40.0%
Gross margin	195,325	328,734	-40.6%
Gross operating (loss)/profit	(12,890)	13,085	N/A
(LBITDA)/EBITDA	(46,518)	34,964	N/A
Loss attributable to owners of the Company	(125,612)	(72,953)	+72.2%
Net Ordinary Operating Loss	(120,332)	(67,673)	+77.8%
Basic loss per share	HK(18.09) cents	HK(10.51) cents	+72.2%
	As at 31 December		Change %
	2022 HK\$'000	2021 HK\$'000	
Total assets	949,936	1,088,091	-12.7%
Net assets	295,503	404,835	-27.0%
Net assets per share	HK\$0.426	HK\$0.583	-27.0%
Gearing ratio	212.6%	159.6%	+53.0%
Total assets/total liabilities ratio	1.45	1.59	-8.8%

\* For identification purpose only

## ANNUAL RESULTS

The board of directors (“Directors”) of Future Bright Holdings Limited (“Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (“Group”) for the year ended 31 December 2022 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Turnover	4	285,056	475,422
Cost of sales		<u>(89,731)</u>	<u>(146,688)</u>
Gross margin		195,325	328,734
Direct operating expenses		<u>(208,215)</u>	<u>(315,649)</u>
Gross operating (loss)/profit		(12,890)	13,085
Other revenue	5	17,826	20,985
Other gains and losses	6	(48,106)	(2,342)
Administrative expenses		(74,763)	(100,885)
Finance costs	8	<u>(16,288)</u>	<u>(18,581)</u>
Loss before income tax	7	(134,221)	(87,738)
Income tax credit	9	<u>6,364</u>	<u>11,084</u>
Loss for the year		(127,857)	(76,654)
Other comprehensive income/(loss), net of tax Item that may be reclassified subsequently to profit or loss: Exchange differences on translating foreign operations		<u>18,525</u>	<u>(10,594)</u>
Total comprehensive loss for the year		<u>(109,332)</u>	<u>(87,248)</u>
Loss attributable to:			
Owners of the Company		(125,612)	(72,953)
Non-controlling interests		<u>(2,245)</u>	<u>(3,701)</u>
		<u>(127,857)</u>	<u>(76,654)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(107,087)	(83,547)
Non-controlling interests		<u>(2,245)</u>	<u>(3,701)</u>
		<u>(109,332)</u>	<u>(87,248)</u>
Loss per share			
– Basic and diluted (HK cents per share)	11	<u>(18.09)</u>	<u>(10.51)</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 31 DECEMBER 2022*

	<i>Notes</i>	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>175,480</b>	199,710
Right-of-use assets		<b>43,290</b>	76,250
Investment properties		<b>556,000</b>	562,000
Goodwill		<b>56,000</b>	81,775
Other intangible assets		<b>10,131</b>	15,918
Prepayments and deposits	<i>12</i>	<b>24,570</b>	36,442
<b>Total non-current assets</b>		<b>865,471</b>	972,095
<b>Current assets</b>			
Inventories		<b>19,966</b>	27,014
Trade and other receivables	<i>12</i>	<b>37,260</b>	45,790
Financial assets at fair value through profit or loss		<b>37</b>	37
Restricted bank deposits		<b>1,170</b>	6,377
Cash and cash equivalents		<b>26,032</b>	36,778
<b>Total current assets</b>		<b>84,465</b>	115,996
<b>Total assets</b>		<b>949,936</b>	1,088,091
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>81,668</b>	117,389
Amounts due to related parties		<b>95,487</b>	17,005
Lease liabilities		<b>25,954</b>	53,818
Current tax liabilities		<b>13,315</b>	18,960
Interest bearing borrowings		<b>45,145</b>	70,636
Non-interest bearing borrowings		<b>1,388</b>	1,388
<b>Total current liabilities</b>		<b>262,957</b>	279,196
<b>Net current liabilities</b>		<b>(178,492)</b>	(163,200)
<b>Total assets less current liabilities</b>		<b>686,979</b>	808,895

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued**  
*AS AT 31 DECEMBER 2022*

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	24,212	47,737
Interest bearing borrowings	326,774	315,113
Deferred tax liabilities	35,061	35,781
Non-interest bearing borrowings	5,429	5,429
	<u>391,476</u>	<u>404,060</u>
<b>Total non-current liabilities</b>	<u>391,476</u>	404,060
<b>Total liabilities</b>	<u>654,433</u>	<u>683,256</u>
<b>NET ASSETS</b>	<u>295,503</u>	404,835
<b>Capital and reserves attributable to owners of the Company</b>		
Share capital	69,430	69,430
Reserves	255,034	362,121
	<u>324,464</u>	<u>431,551</u>
<b>Equity attributable to owners of the Company</b>	<u>324,464</u>	431,551
Non-controlling interests	(28,961)	(26,716)
	<u>295,503</u>	<u>404,835</u>
<b>TOTAL EQUITY</b>	<u>295,503</u>	<u>404,835</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2022

#### 1. BASIS OF PREPARATION

##### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

##### (b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial assets, which are measured at fair values as explained in the accounting policies to be set out in the Company’s 2022 annual report. The outbreak of the COVID-19 pandemic and the lockdown measures imposed by governments in various regions to contain the spreading of COVID-19 pandemic had negatively impacted the results of the Group during the reporting period and the liquidity position. The Group also closed some of the restaurants during the year.

During the year ended 31 December 2022, the Group has incurred a net loss of approximately HK\$127.9 million and had a net operating cash outflow of approximately HK\$5.4 million. As at that date, its current liabilities, included amounts due to related parties of approximately HK\$95.5 million, exceeded its current assets by approximately HK\$178.5 million. However, the Group had cash and cash equivalents of approximately HK\$26.0 million only as at 31 December 2022.

These conditions may cast significant doubt about the Group’s ability to continue as going concern. For the purpose of assessing going concern, the directors of the Company have reviewed the Group’s cash flow forecast covering a period of twelve months from the end of the reporting period (the “Forecast Period”), after taking into account the past operating performance of the Group and the following:

- (i) The Group has been actively negotiating with banks for having extension of the payment terms for the existing bank loans in order to secure necessary funds to meet the Group’s working capital and financing requirements in the foreseeable future;
- (ii) Up to the date of this announcement, the Group had unused bank and credit facilities of a total amount of approximately HK\$77.3 million, including credit facilities for capital expenditures and working capital of amounts of approximately HK\$22.3 million and approximately HK\$55.0 million respectively;
- (iii) Management has been endeavoring to improve the Group’s operating results and cash flows by continuing to slow down the opening of new restaurants or close underperforming restaurants in the future;
- (iv) The related parties undertook that they will not request the Company to repay the outstanding amounts of approximately HK\$95.5 million until the Company is in a position to repay; and

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**1. BASIS OF PREPARATION – Continued**

**(b) Basis of measurement and going concern assumption – Continued**

- (v) The Group will consider to realise the investment properties of the Group with a fair value of approximately HK\$556.0 million and certain land and buildings of the Group with a carrying amount of approximately HK\$130.8 million as at 31 December 2022 and using the proceeds to repay certain secured bank loans and strengthen the Group’s liquidity, when necessary.

They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the Forecast Period notwithstanding there are inherent uncertainties associated with the outcomes of these plans and measures. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2022 on a going concern basis. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made in the consolidated financial statements to write down the values of the assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of such adjustments has not been reflected in the consolidated financial statements.

**(c) Functional and presentation currency**

The functional currency of the Company is Macau Patacas (“MOP”), while the consolidated financial statements are presented in Hong Kong dollars (“HK\$”). Each entity in the Group maintains its books and records in its own functional currency. As the Company is listed on Main Board of the Stock Exchange, the directors consider that it will be more appropriate to adopt HK\$ as the Group’s and the Company’s presentation currency.

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”)**

**(a) Adoption of new or amended HKFRSS**

The Hong Kong Institute of Certified Public Accountants has issued a number of amended HKFRSS that are first effective for the current accounting period of the Group:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 37	Onerous Contract – Cost of Fulfilling a Contract
Amendments improvement to HKFRSS	Annual Improvements to HKFRSS 2018-2020

The Group has early adopted above amendment to HKFRS 16 for its annual reporting period beginning on 1 January 2021. The adoption of remaining amendments to HKFRSS has no material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSS that is not yet effective for the current accounting period.

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSS”) – Continued**

**(b) New or amended HKFRSs that have been issued but are not yet effective**

The following new or amended HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1	Classification of liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1 HK Interpretation 5 (2022)	Non-current Liabilities with Covenants <sup>2</sup> Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8 Amendments to HKAS 12	Definition of Accounting Estimates <sup>1</sup> Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of the impact of these new or revised HKFRSs upon initial application. Up to now, the Group considers that these standards will not have a significant impact on the Group’s financial performance and financial position.

**3. SEGMENT REPORTING**

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has three reportable segments. These segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

- Food and catering – sales of food and catering in Macau, Mainland China, Hong Kong and Taiwan;
- Food souvenir – sales of food souvenir, including festival food products; and
- Property investment – leasing of property.

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue from contracts with customers under HKFRS 15</b>		
Food and catering – sales of food and catering in Macau, Mainland China, Hong Kong and Taiwan	220,372	402,212
Food souvenir – sales of food souvenir, including festival food products	44,773	53,219
	<u>265,145</u>	455,431
<b>Revenue from other source</b>		
Property investment – leasing of property	19,911	19,991
	<u>285,056</u>	475,422

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

**(a) Business segments**

*For the year ended 31 December 2022*

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Inter- segment elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Revenue</b>					
Revenue from external customers	220,372	44,773	19,911	–	285,056
Revenue from inter-segment	–	–	175	(175)	–
Other revenue	16,634	1,017	175	–	17,826
	<u>237,006</u>	<u>45,790</u>	<u>20,261</u>	<u>(175)</u>	<u>302,882</u>
Reportable segment revenue	<u>237,006</u>	<u>45,790</u>	<u>20,261</u>	<u>(175)</u>	<u>302,882</u>
<b>Results</b>					
Reportable segment results	<u>(120,529)</u>	<u>(10,651)</u>	<u>3,558</u>	<u>–</u>	<u>(127,622)</u>



**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

*As at 31 December 2022*

	<b>Food and catering HK\$'000</b>	<b>Food souvenir HK\$'000</b>	<b>Property investment HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>Assets</b>				
Reportable segment assets*	330,934	41,323	576,887	949,144
<b>Liabilities</b>				
Reportable segment liabilities	<u>341,181</u>	<u>18,019</u>	<u>293,020</u>	<u>652,220</u>
Reportable segment net (liabilities)/assets	<u>(10,247)</u>	<u>23,304</u>	<u>283,867</u>	<u>296,924</u>

\* As at 31 December 2022, food and catering and food souvenir segment assets included cash and cash equivalents of approximately HK\$21,866,000 (2021: HK\$31,357,000) and HK\$2,096,000 (2021: HK\$5,165,000) respectively, while property investment segment assets included cash and cash equivalents of approximately HK\$1,990,000 (2021: HK\$72,000), and investment properties of approximately HK\$556,000,000 (2021: HK\$562,000,000).

***Other information***

*For the year ended 31 December 2022*

	<b>Food and catering HK\$'000</b>	<b>Food souvenir HK\$'000</b>	<b>Property investment HK\$'000</b>	<b>Consolidated HK\$'000</b>
Interest income	148	–	–	148
Interest expense	8,620	352	7,316	16,288
Capital expenditure	10,091	2,626	–	12,717
Addition of right-of-use assets	22,470	1,803	–	24,273
Depreciation of property, plant and equipment	19,572	2,600	691	22,863
Depreciation of right-of-use assets	44,073	3,772	–	47,845
Amortisation of other intangible assets	512	195	–	707
Impairment loss on goodwill	25,775	–	–	25,775
Impairment loss on property, plant and equipment	2,196	–	–	2,196
Impairment loss on other intangible assets	–	5,000	–	5,000
Loss on written off of property, plant and equipment	10,155	1,541	–	11,696
Fair value loss on investment properties	–	–	6,000	6,000
Rent concessions	6,207	667	–	6,874
Gain on lease modification	12,604	–	–	12,604
Income tax credit, net	<u>5,644</u>	<u>–</u>	<u>720</u>	<u>6,364</u>

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

*For the year ended 31 December 2021*

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Inter- segment elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Revenue</b>					
Revenue from external customers	402,212	53,219	19,991	–	475,422
Revenue from inter- segment	–	–	198	(198)	–
Other revenue	20,422	374	189	–	20,985
Reportable segment revenue	<u>422,634</u>	<u>53,593</u>	<u>20,378</u>	<u>(198)</u>	<u>496,407</u>
<b>Results</b>					
Reportable segment results	<u>(69,085)</u>	<u>(12,229)</u>	<u>2,875</u>	<u>–</u>	<u>(78,439)</u>

*As at 31 December 2021*

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Assets</b>				
Reportable segment assets*	445,671	55,547	585,985	1,087,203
<b>Liabilities</b>				
Reportable segment liabilities	<u>353,067</u>	<u>23,962</u>	<u>304,304</u>	<u>681,333</u>
Reportable segment net assets	<u>92,604</u>	<u>31,585</u>	<u>281,681</u>	<u>405,870</u>

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

*Other information*

*For the year ended 31 December 2021*

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Un-allocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Interest income	296	3	–	–	299
Interest expense	11,544	425	6,612	–	18,581
Capital expenditure	3,063	1,183	–	–	4,246
Addition of right-of-use assets	953	–	–	–	953
Depreciation of property, plant and equipment	27,693	4,548	787	21	33,049
Depreciation of right-of-use assets	66,624	3,670	–	–	70,294
Amortisation of other intangible assets	575	203	–	–	778
Impairment loss on goodwill	6	–	–	–	6
Impairment loss on property, plant and equipment	8,046	3,402	–	–	11,448
Impairment loss on right-of-use assets	5,367	–	–	–	5,367
Impairment loss on other intangible assets	289	–	–	–	289
Loss on written off of property, plant and equipment	8,469	–	–	–	8,469
Fair value loss on investment properties	–	–	6,000	–	6,000
Fair value loss of financial assets at fair value through profit or loss (“FVTPL”)	–	–	–	18	18
Rent concessions	12,424	1,632	–	–	14,056
Gain on lease modification	1,254	156	–	–	1,410
Income tax credit/(expense), net	11,176	–	(92)	–	11,084

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

**(b) Reconciliation of reportable segment revenues, profit and loss, assets and liabilities**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Revenue</b>		
Reportable segment revenue	302,882	496,407
Less: Other revenue	<u>(17,826)</u>	<u>(20,985)</u>
Consolidated revenue	<u>285,056</u>	<u>475,422</u>
<b>Loss before income tax</b>		
Reportable segment loss	(127,622)	(78,439)
Other revenue and other gains and losses	–	(286)
Corporate payroll expenses	(3,253)	(4,537)
Unallocated expenses	<u>(3,346)</u>	<u>(4,476)</u>
Consolidated loss before income tax	<u>(134,221)</u>	<u>(87,738)</u>
<b>Assets</b>		
Reportable segment assets	949,144	1,087,203
Financial assets at FVTPL	37	37
Unallocated corporate assets	<u>755</u>	<u>851</u>
Consolidated total assets	<u>949,936</u>	<u>1,088,091</u>
<b>Liabilities</b>		
Reportable segment liabilities	652,220	681,333
Unallocated corporate liabilities	<u>2,213</u>	<u>1,923</u>
Consolidated total liabilities	<u>654,433</u>	<u>683,256</u>

Unallocated expenses comprised mainly of the expenses of the Group's headquarter which were not directly attributable to the business activities of any operating segment.

Unallocated corporate assets comprised mainly of cash and cash equivalents which are held as general working capital of the Group as a whole and other corporate assets of the Group's headquarter which were not directly attributable to the business activities of any operating segment. Unallocated corporate liabilities mainly comprised of the liabilities of the Group's headquarter which were not directly attributable to the business activities of any operating segment.

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**3. SEGMENT REPORTING – Continued**

**(c) Geographical information**

The Group's operations are located in Macau, Mainland China, Hong Kong and Taiwan, while Macau is the place of domicile of the Company. The following table provides an analysis of the Group's revenue from external customers and non-current assets (other than financial assets).

	Revenue from external customers		Non-current assets (other than financial assets)	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Hong Kong	69,256	110,980	18,097	29,301
Mainland China	25,421	54,929	5,833	25,085
Macau	190,126	301,926	816,971	881,267
Taiwan	253	7,587	–	–
	<b>285,056</b>	<b>475,422</b>	<b>840,901</b>	<b>935,653</b>

The geographical location of customers is based on the location at which the goods and services are delivered. For goodwill and other intangible assets, the geographical location is based on the areas of operation of CGUs. The geographical location of other non-current assets is based on the physical location of the assets.

**(d) Information about major customers**

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2022 and 2021.

**4. TURNOVER**

Turnover represented sales of food and catering, food souvenir and gross rental income from investment properties. The amounts of each significant category of revenue recognised in turnover during the reporting period were disaggregated as follows:

	2022 HK\$'000	2021 HK\$'000
<b>Revenue from contracts with customers under HKFRS 15</b>		
Sales of food and catering	220,372	402,212
Sales of food souvenir	44,773	53,219
	<b>265,145</b>	<b>455,431</b>
<b>Revenue from other source</b>		
Rental income from investment properties	19,911	19,991
	<b>285,056</b>	<b>475,422</b>
By timing of revenue recognition under HKFRS 15		
At a point in time	<b>265,145</b>	<b>455,431</b>

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**5. OTHER REVENUE**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest income	148	299
Management fee income	4,048	4,073
Rental income from staff quarters and others	450	966
Government grants ( <i>note</i> )	10,150	3,996
Others	3,030	11,651
	<u>17,826</u>	<u>20,985</u>

*Note:* Government grants of approximately HK\$4,500,000 (2021: HK\$2,182,000) was obtained for the year ended 31 December 2022 from the Macau Government supporting the Macau companies that were impacted by COVID-19.

Government grants of approximately HK\$5,650,000 (2021: nil) was obtained for the year ended 31 December 2022 from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong Government supporting the payroll of the Group’s employees. Under the Schemes, the Group had to commit to spend these grants on payroll expenses, and not to reduce employee head count in prescribed period.

For the year ended 31 December 2021, government grants of approximately HK\$1,814,000 was obtained from Food License Holders Subsidies Scheme launched by Hong Kong Government to subsidise companies with valid food license in prescribed period.

The Group does not have other unfulfilled obligations relating to the above programs.

**6. OTHER GAINS AND LOSSES**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Rent concessions	6,874	14,056
Exchange (loss)/gain, net	(16,140)	13,609
Fair value loss of investment properties	(6,000)	(6,000)
Impairment loss on property, plant and equipment	(2,196)	(11,448)
Loss on written off of property, plant and equipment	(11,696)	(8,469)
Gain on lease modification	12,604	1,410
Impairment loss on right-of-use assets	–	(5,367)
Impairment loss on other intangible assets	(5,000)	(289)
Impairment loss on goodwill	(25,775)	(6)
Fair value loss of financial assets at FVTPL	–	(18)
Others	(777)	180
	<u>(48,106)</u>	<u>(2,342)</u>

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**7. LOSS BEFORE INCOME TAX**

Loss before income tax was arrived at after charging:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Cost of inventories recognised as expenses	89,002	145,816
Direct operating expenses arising from investment properties during the year	<u>729</u>	<u>872</u>
Cost of sales	89,731	146,688
Employee costs	136,318	189,249
Depreciation of property, plant and equipment	22,863	33,049
Amortisation of other intangible assets	707	778
Auditor's remuneration	1,100	1,490
Operating lease charges on properties		
– Contingent rentals*	4,794	4,620
– Short term lease expenses	1,670	4,756
Depreciation of right-of-use assets	<u>47,845</u>	<u>70,294</u>

\* Contingent rentals are calculated, based on a percentage of the relevant sales of the restaurants/shops pursuant to the relevant rental agreements.

**8. FINANCE COSTS**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on interest bearing borrowings:		
– Repayable within five years	6,799	6,089
– Repayable over five years	<u>4,521</u>	<u>3,277</u>
	11,320	9,366
Interest on an amount due to a related party	371	–
Imputed interest expenses on lease liabilities	<u>4,597</u>	<u>9,215</u>
	<u>16,288</u>	<u>18,581</u>

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**9. INCOME TAX CREDIT**

The amount of income tax credit in the consolidated statement of comprehensive income represented:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax – Macau Complementary Income Tax		
– Over-provision in respect of prior years	<b>(5,644)</b>	(10,364)
Deferred tax		
– Credit for the year	<b>(720)</b>	(720)
	<u><b>(6,364)</b></u>	<u>(11,084)</u>
Income tax credit	<b>(6,364)</b>	(11,084)

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the year. The maximum tax rate is 12% for the year ended 31 December 2022 (2021: 12%).

The income tax credit for the year can be reconciled to the loss before income tax per the consolidated statement of comprehensive income as follows:

	<b>2022</b> <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before income tax	<b>(134,221)</b>	(87,738)
Tax calculated at the applicable Macau corporate tax rates of 12% (2021:12%)	<b>(16,107)</b>	(10,528)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>(565)</b>	(1,594)
Tax effect of expenses not deductible for tax purposes	<b>10,529</b>	4,600
Tax effect of revenue not taxable for tax purposes	<b>(4,518)</b>	(3,386)
Tax effect of tax losses not recognised	<b>9,941</b>	10,188
Over-provision in respect of prior years	<b>(5,644)</b>	(10,364)
	<u><b>(6,364)</b></u>	<u>(11,084)</u>
Income tax credit	<b>(6,364)</b>	(11,084)

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2021: 25%). No provision for EIT has been made as Mainland China subsidiaries had no assessable profits for EIT for the years ended 31 December 2022 and 2021. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2022 and 2021.

At the end of the reporting period, the Group had unused tax losses of HK\$159,718,000 (2021: HK\$148,645,000) in Mainland China available for offset against future profits which will expire in five years. At the end of the reporting period, the Group had unused tax loss of HK\$79,937,000 (2021: HK\$68,050,000) in Hong Kong available for offset against future profits of the companies in which the losses arose. At the end of the reporting period, the Group had unused tax losses of HK\$132,840,000 (2021: HK\$203,892,000) in Macau available for offset against future taxable profits which will expire in three years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profits streams.



**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**10. DIVIDENDS**

No interim dividend was declared during the year (2021: nil) and the board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2022 (2021: nil).

**11. LOSS PER SHARE**

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

**a. Basic loss per share**

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(125,612)</u>	<u>(72,953)</u>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>694,302,420</u>	<u>694,302,420</u>
Basic loss per share (HK cents)	<u>(18.09)</u>	<u>(10.51)</u>

**b. Diluted loss per share**

The amounts of diluted loss per share for the years ended 31 December 2022 and 2021 were the same as basic loss per share respectively as there were no dilutive potential ordinary shares in existence during the years ended 31 December 2022 and 2021.

**12. TRADE AND OTHER RECEIVABLES**

The Group's sales to customers are mainly on a cash and credit card settlement. Trade receivables mainly represent the revenue collected by the operators on the Group's behalf where the restaurants of the Group are located. The credit terms granted to these operators are 30 days from the sales made.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Current portion</b>		
Trade receivables	23,759	23,867
Prepayments and deposits ( <i>note</i> )	12,370	20,688
Other receivables	<u>1,131</u>	<u>1,235</u>
Total	<u>37,260</u>	<u>45,790</u>
<b>Non-current portion</b>		
Prepayments and deposits ( <i>note</i> )	<u>24,570</u>	<u>36,442</u>

*Note:* As at 31 December 2022 and 2021, these balances mainly represented deposits paid for rental and utilities.

**NOTES TO THE FINANCIAL STATEMENTS – Continued**  
**31 DECEMBER 2022**

**12. TRADE AND OTHER RECEIVABLES – Continued**

The Group recognised impairment loss based on the accounting policy stated in the Company’s 2022 annual report.

Trade debtors are due within 30 days from the date of billing. Further details on the Group’s credit policy and credit risk arising from trade debtors are set out in the Company’s 2022 annual report.

The ageing analysis of the trade receivables based on invoice date (net of impairment losses) is as follows:

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
0 to 90 days	22,253	22,855
91 days to 365 days	1,436	1,001
Over 365 days	70	11
	<u>23,759</u>	<u>23,867</u>
Total	<u>23,759</u>	<u>23,867</u>

**13. TRADE AND OTHER PAYABLES**

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Trade payables	27,237	31,227
Accruals and other provision	32,207	34,205
Construction and other payables	22,224	51,957
	<u>81,668</u>	<u>117,389</u>
Total	<u>81,668</u>	<u>117,389</u>

Included in trade payables are trade creditors with the following ageing analysis, based on invoice dates, as of the end of reporting period:

	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Within 90 days	24,638	28,607
91 to 180 days	1,514	1,345
181 to 365 days	594	525
More than 365 days	491	750
	<u>27,237</u>	<u>31,227</u>
Total	<u>27,237</u>	<u>31,227</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATIONS REVIEW

During the Year, the Group's principal activities were in the sales of food and catering, food souvenir and property investment.

#### Food and Catering Business

The operational financials of the Group's food and catering business for the years ended 31 December 2022 and 2021 are as follows:

	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
Turnover	<b>220.4</b>	-45.2%	402.2
Cost of sales	<b>(70.3)</b>	-44.3%	(126.1)
Gross margin	<b>150.1</b>	-45.6%	276.1
Direct operating expenses	<b>(182.4)</b>	-34.8%	(279.9)
Gross operating loss	<b>(32.3)</b>	+750.0%	(3.8)
Gross operating loss margin (%)	<b>(14.7)%</b>	-13.8%	(0.9)%
Loss attributable to owners of the Company	<b>(115.3)</b>	+100.5%	(57.5)

During the Year, the Group's food and catering business contributed some HK\$220.4 million turnover representing about 77.3% of turnover of the Group. The decrease in turnover for the Group's food and catering business was mainly attributable to the impact of the COVID-19 pandemic and closure of restaurants. More details on this business are set out in the section headed "Chairman's Statement" of the Company's 2022 annual report.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### OPERATIONS REVIEW – Continued

#### Food and Catering Business – Continued

##### *Restaurant Chain*

Analysis of the number of restaurants as at 30 March 2023 (being the date of this announcement), 31 December 2022 and 2021 are listed as follows:

	<b>As at the date of this announcement</b>	<b>As at 31 December 2022</b>	2021
<b>Number of restaurants</b>			
Japanese restaurants ( <i>note a</i> )	5	<b>5</b>	8
Chinese restaurants ( <i>note b</i> )	4	<b>4</b>	4
Western restaurants ( <i>note c</i> )	1	<b>1</b>	4
Food court counters ( <i>note d</i> )	10	<b>10</b>	19
Franchise restaurants ( <i>note e</i> )	10	<b>10</b>	12
	<hr/>	<hr/>	<hr/>
	30	<b>30</b>	47
Industrial catering ( <i>note f</i> )	1	<b>1</b>	1
	<hr/>	<hr/>	<hr/>
	31	<b>31</b>	48
	<hr/>	<hr/>	<hr/>
Total areas of self-owned and franchise restaurants (sq.ft.)	54,135 sq.ft.	<b>54,262</b> sq.ft.	131,108 sq.ft.
Turnover against total areas of restaurants (per sq.ft. per annum)	Not applicable	<b>HK\$4,062</b>	HK\$3,068
	<hr/>	<hr/>	<hr/>

*Note a:* As at 31 December 2022, Japanese restaurants included 3 Edo Japanese Restaurants, 1 Senkizen Japanese Restaurant and 1 Musashi Japanese Restaurant.

*Note b:* As at 31 December 2022, Chinese restaurants included 1 Turtle Essence, 1 Shiki Hot Pot Restaurant and 2 Good Fortune Kitchens.

*Note c:* As at 31 December 2022, Western restaurants included 1 Azores Restaurant.

*Note d:* As at 31 December 2022, food court counters included 2 Toei Delights Japanese food court counters, 1 Hundred Taste Kitchen Taiwanese food court counter, 1 “Canton Roast” food court counter, 1 Bari-Uma & Sinsaeat Kitchen food court counter and 5 food court counters-Food Playground.

*Note e:* As at 31 December 2022, franchise restaurants included 2 Pacific Coffee shops, 3 Pepper Lunch, 4 Bari-Uma ramen and 1 Fu-Un-Maru.

*Note f:* As at 31 December 2022, industrial catering included 1 student/staff canteen.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### OPERATIONS REVIEW – Continued

#### Food and Catering Business – Continued

##### *Restaurant Chain – Continued*

During the Year, the Group opened 1 Chinese restaurant and closed down 7 self-owned restaurants, 2 franchise restaurants and 9 food court counters. As at 31 December 2022, the Group had 21 restaurants (including 11 self-owned restaurants and 10 franchise restaurants) and 10 food court counters.

Analysis of the number of restaurants and food court counters by geographical locations for the years 2022 and 2021 are listed as follows:

	As at 31 December	
	2022	2021
<b>Number of restaurants</b>		
Macau	13	15
Mainland China	4	6
Hong Kong	4	7
Taiwan	–	1
	<hr/>	<hr/>
Total	21	29
	<hr/>	<hr/>

	As at 31 December	
	2022	2021
<b>Number of food court counters</b>		
Macau	3	8
Hong Kong	7	11
	<hr/>	<hr/>
Total	10	19
	<hr/>	<hr/>

Details of the Group's restaurants are set out in the section headed "List of Restaurants/Food Court Counters/Stores" of the Company's 2022 annual report.

##### *Industrial Catering*

The Group's industrial catering business derives from its provision of canteen services and lunch box catering services for universities and school with a modest turnover of some HK\$17.3 million for the Year, representing an increase of 54.5%, as compared to that of HK\$11.2 million for the year of 2021. The increase in turnover of industrial catering business was mainly attributable to the increase in provision of lunch box catering services to various schools. More details on this business are set out in the section headed "Chairman's Statement" of the Company's 2022 annual report.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### OPERATIONS REVIEW – Continued

#### Food and Catering Business – Continued

##### *Food Wholesale*

The Group's wholesale business of Japanese food and materials incurred a loss for the Year with turnover of some HK\$12.7 million, representing a decrease of some 22.6% as compared to that of HK\$16.4 million for the year of 2021. The decrease in turnover of food wholesale business was mainly attributable to the negative impact of the COVID-19 pandemic. More details on this business are set out in the section headed "Chairman's Statement" of the Company's 2022 annual report.

##### **Food Souvenir Business**

The operational financials of the Group's food souvenir business for the years ended 31 December 2022 and 2021 are as follows:

	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
Turnover	<b>44.8</b>	-15.8%	53.2
Cost of sales	<b>(18.7)</b>	-5.1%	(19.7)
Gross margin	<b>26.1</b>	-22.1%	33.5
Direct operating expenses	<b>(25.9)</b>	-27.5%	(35.7)
Gross operating profit/(loss)	<b>0.2</b>	N/A	(2.2)
Gross operating profit/(loss) margin (%)	<b>0.4%</b>	N/A	(4.1)%
Loss attributable to owners of the Company	<b>(8.0)</b>	-10.1%	(8.9)

The Group's food souvenir business has in the Year recorded a total turnover of some HK\$44.8 million with a loss attributable to owners of the Company of some HK\$8.0 million, as against the turnover of some HK\$53.2 million with a loss attributable to owners of the Company of some HK\$8.9 million for the year of 2021. Further details of the Group's food souvenir business are set out in the section headed "Chairman's Statement" of the Company's 2022 annual report.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### OPERATIONS REVIEW – Continued

#### Food Souvenir Business – Continued

During the Year, the Group opened 1 Yeng Kee bakery shop and closed down 1 Yeng Kee bakery shop in Macau. Analysis of the number of Yeng Kee bakery shops/kiosks for the years 2022 and 2021 by geographical location is listed as follows:

	As at 31 December	
	2022	2021
<b>Number of Yeng Kee bakery shops/kiosks</b>		
Macau	<u>6</u>	<u>6</u>

Details of the Group’s food souvenir shops/kiosks are set out in the section headed “List of Food Souvenir Shops/Kiosks” of the Company’s 2022 annual report.

#### Property Investment Business

In the Year, the Key Investment Property has made steady rental income contribution to the Group. The Group’s net profit attributable to the Group’s property investment business was some HK\$4.1 million for the Year, as compared to the profit of HK\$2.6 million for the year of 2021. Such profit was mainly attributable to the rental income contribution and a fair value loss on the Key Investment Property of HK\$6.0 million.

As at 31 December 2022, the Key Investment Property has been valued by an independent professional valuer at some HK\$556.0 million (31 December 2021: HK\$562.0 million). More details on this business are set out in the section headed “Chairman’s Statement” of the Company’s 2022 annual report.

Details of the Group’s properties are set out in the section headed “Group’s Properties” of the Company’s 2022 annual report.

#### Logistic Support and Human Resources

The Group’s central food and logistic processing centre in Macau has become operational since 2018. The Group has also continued to actively enhance its logistic support including food sourcing and food processing facilities.

The management and staff teams have reduced during the Year to some 586 (2021: 917) people in Macau, Mainland China, Hong Kong and Taiwan. Remuneration packages including medical plan have been and will be regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. During the Year, various training activities including operational safety and management skills have been conducted to enhance operation efficiency.

## MATERIAL LITIGATION

As at 31 December 2022, the Group had not been involved in any material litigation or arbitration (2021: nil).

## LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated resources, advance from its related parties and banking facilities provided by its bankers. The Group's operating cash flow was decreased considerably during the Year.

As at 31 December 2022, the Group had net current liabilities of HK\$178.5 million (2021: HK\$163.2 million). As at 31 December 2022, the Group had bank deposits, bank overdraft, cash and cash equivalents totalling HK\$12.9 million (2021: HK\$23.8 million), while the Group's restricted bank deposits amounted to HK\$1.2 million (2021: HK\$6.4 million), of which nil (2021: HK\$5.0 million) has been pledged to a bank to secure one bank loan and the balance of HK\$1.2 million (2021: HK\$1.4 million) has been pledged to a bank for guarantee given in lieu of paying rental deposit.

As at 31 December 2022, the Group had interest-bearing bank loans of some HK\$371.9 million (2021: HK\$385.7 million) and interest-bearing advance from a related party of HK\$13.0 million (2021: nil). The Group's borrowings are made in Hong Kong dollars and Macau Patacas. Details of the borrowings are set out in notes "Interest bearing borrowings" and "Amounts due to related parties" to the financial statements of the Company's 2022 annual report.

The Group's gearing ratio represented by the Group's net debts (total liabilities less cash and cash equivalents) to the Group's total equity as at 31 December 2022 and 2021 was as follows:

	As at 31 December		
	2022	Change	2021
	%	%	%
Gearing ratio	<u>212.6</u>	<u>+53.0%</u>	<u>159.6</u>

The increase in the Group's gearing ratio as at 31 December 2022 was mainly due to the increase of net debts and the decrease of the Group's total equity.

The ratio of the total assets against total liabilities of the Group as at 31 December 2022 was 1.45 (2021: 1.59).



## **EMPLOYEES**

The Group employed, as at 31 December 2022, a total of 586 (2021: 917) full-time staff, in which 410 (2021: 574) full-time staff in Macau, 72 (2021: 183) full-time staff in Mainland China, 104 (2021: 146) full-time staff in Hong Kong and nil (2021: 14) full-time staff in Taiwan. The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detailed remuneration packages for the employees are determined by the management based on their performance.

An employee share option scheme of the Company was adopted on 8 June 2012 and effective for a period of 10 years since the date of adoption. Such scheme was expired during the Year. Details of the retirement benefits schemes of the Group are to be set out in notes to the financial statements of the Company's 2022 annual report. The contributions to the retirement schemes charged to the consolidated income statement during the Year was approximately HK\$3.4 million (2021: HK\$4.5 million), after deducting forfeitures of approximately HK\$1.1 million (2021: HK\$4.4 million). As at 31 December 2022, forfeited contributions available to reduce future contributions amounted to approximately HK\$1.3 million (as at 31 December 2021: HK\$0.8 million).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of shareholders of the Company will be closed from Thursday, 25 May 2023 to Wednesday, 31 May 2023 (both days inclusive), during which period no transfer of Shares will be registered, for the purpose of ascertaining Shareholders' eligibility to attend and vote at the 2023 AGM. The record date for the 2023 AGM shall be 31 May 2023. In order to qualify as shareholders of the Company to attend, act and vote at the 2023 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 24 May 2023.

Even though all mandatory mask-wearing requirements and social distancing measure relating to COVID-19 pandemic were lifted in the first quarter of 2023, the Company still recommends the Shareholders intending to attend the 2023 AGM to vote by filling in and submitting the proxy form, i.e. to indicate their voting intention in the proxy form and designate the chairman of the 2023 AGM as your proxy to vote on your behalf on site. The form of proxy will be despatched to Shareholders and can also be downloaded from the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.fb.com.hk](http://www.fb.com.hk). To be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the 2023 AGM or any adjourned meeting, as the case may be.

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

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

## **SUFFICIENCY OF PUBLIC FLOAT**

The Company has maintained a sufficient public float throughout the Year.

## **AUDIT COMMITTEE**

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

## **CORPORATE GOVERNANCE**

The Company has complied with the CG Code for the Year as set out in Appendix 14 to the Listing Rules except the following deviation:

The Company disclosed in the circular dated 20 April 2022 (“Circular”) that Mr. Yu Kam Yuen, Lincoln (“Mr. Yu”), an independent non-executive Director, will retire by rotation in the forthcoming annual general meeting and will offer himself for re-election, and that, if re-elected, Mr. Yu would have served the Board for more than 9 years. The Company, however, did not disclose the length of tenure of the other two existing independent non-executive Directors who have served the Board for more than 9 years on a named basis in the Circular in accordance with paragraph B.2.4(a) of Appendix 14 of the Listing Rules due to its inadvertent oversight of the paragraph. The Company issued a supplemental announcement on 22 April 2022 and disclosed the length of tenure of all the independent non-executive Directors who have served the Board for more than 9 years on a named basis.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with them, all Directors have confirmed that they have complied with the standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company has considered all of the independent non-executive Directors to be independent.

## **EVENTS AFTER THE REPORTING DATE**

There is no significant subsequent events after the year end date of 31 December 2022.

## **OUTLOOK**

With the lifting of social distancing measures and travel restrictions in early January 2023, it is expected that there will be improvement of the level of visitors and retail and restaurants business in Macau and Hong Kong, which may lead to an improvement in the Group’s business. While quarantine-free travel has resumed, the total visitors arrival to Macau have significantly increased in January and February 2023. Although it may still be early to get a true measure of the pace of recovery, management has seen improvement in visitation and business volume of our Group’s restaurants. Management will continue to pay close attention to the business development and the operations of the Group and will take various measures to explore and improve the brand value and market position of the Group in the fast changing market environment.

## SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

2023 AGM	The Company's annual general meeting to be held on 31 May 2023
Board	The board of Directors
CG Code	The Corporate Governance Code set out in Appendix 14 to the Listing Rules
CGU	A cash-generating unit
Company	Future Bright Holdings Limited
Director(s)	Director(s) of the Company
EBITDA/(LBITDA)	Profit/(Loss) before interests, tax expense, depreciation and amortisation
Financial Statements	The audited consolidated financial statements of the Group for the Year
Group	The Company together with its subsidiaries
HKAS(s)	Hong Kong Accounting Standard(s)
HKFRS(s)	Hong Kong Financial Reporting Standard(s)

## DEFINITIONS – Continued

HK\$	Hong Kong Dollars
Hong Kong	Hong Kong Special Administrative Region of Mainland China
Key Investment Property	The Group’s investment property which is a 6-storey commercial building located at the Centro Comercial E Turistico “S. Paulo”, No. 2 Largo da Companhia de Jesus, Macau
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange
Mainland China	People’s Republic of China
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
MOP	Macau Patacas
Net Ordinary Operating Profit/ (Loss)	Profit/(Loss) attributable to owners of the Company before taking into account any net fair value gain/loss of the investment properties
Share(s)	Ordinary share(s) of the Company
Shareholder(s)	Shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Sq.ft.	Square feet
Year	Year ended 31 December 2022

## **ANNUAL GENERAL MEETING AND ANNUAL REPORT**

The 2023 AGM of the Company will be held on Wednesday, 31 May 2023. The notice of 2023 AGM together with the Company's 2022 annual report and all other relevant documents (the "Documents") will be despatched to the Shareholders on or about 28 April 2023. The Documents and this announcement shall also be published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.fb.com.hk](http://www.fb.com.hk).

## **BOARD OF DIRECTORS**

As at the date hereof, the members of the board of directors of the Company comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman and executive Director, (iii) Ms. Leong In Ian, the executive Director and (iv) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso, the independent non-executive Directors.

On behalf of the Board  
**Chan Chak Mo**  
*Managing Director*

Hong Kong, 30 March 2023