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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

<b>FINANCIAL HIGHLIGHTS</b>			
	<b>For the six months ended 30 June</b>		<i>Change</i>
	<b>2023</b>	<b>2022</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Turnover	<b>232,591</b>	135,329	+71.9%
Gross margin	<b>171,927</b>	92,636	+85.6%
Gross operating profit/(loss)	<b>64,615</b>	(25,994)	N/A
EBITDA/(LBITDA)	<b>61,593</b>	(60,939)	N/A
Profit/(loss) attributable to owners of the Company	<b>24,341</b>	(104,652)	N/A
Net Ordinary Operating Profit/(Loss)	<b>24,341</b>	(95,852)	N/A
Basic earnings/(loss) per share	<b>HK3.50 cents</b>	HK(15.07) cents	N/A
	<b>As at</b>	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>	
	<b>2023</b>	<b>2022</b>	<i>Change</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Total assets	<b>946,872</b>	949,936	-0.3%
Net assets	<b>324,069</b>	295,503	+9.6%
Net assets per share	<b>HK\$0.467</b>	HK\$0.426	+9.6%
Gearing ratio	<b>182.9%</b>	212.6%	-29.7%
Total assets/total liabilities ratio	<b>1.52</b>	1.45	+4.8%

\* For identification purpose only

## INTERIM RESULTS

The Directors of Future Bright Holdings Limited are pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2023 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Turnover	6	<b>232,591</b>	135,329
Cost of sales		<b>(60,664)</b>	(42,693)
Gross margin		<b>171,927</b>	92,636
Direct operating expenses		<b>(107,312)</b>	(118,630)
Gross operating profit/(loss)		<b>64,615</b>	(25,994)
Other revenue		<b>3,032</b>	7,502
Other gains and losses		<b>2,497</b>	(44,442)
Administrative expenses		<b>(33,385)</b>	(39,875)
Finance costs	8	<b>(9,210)</b>	(7,431)
Profit/(Loss) before income tax	7	<b>27,549</b>	(110,240)
Income tax credit	9	<b>543</b>	1,200
Profit/(Loss) for the period		<b>28,092</b>	(109,040)
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<b>496</b>	5,268
Total comprehensive income/(loss) for the period		<b>28,588</b>	(103,772)
Profit/(Loss) attributable to:			
Owners of the Company		<b>24,341</b>	(104,652)
Non-controlling interests		<b>3,751</b>	(4,388)
		<b>28,092</b>	(109,040)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		<b>24,837</b>	(99,384)
Non-controlling interests		<b>3,751</b>	(4,388)
		<b>28,588</b>	(103,772)
Earnings/(Loss) per share			
– Basic and diluted (HK cents per share)	11	<b>3.50</b>	(15.07)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2023*

		<b>30 June 2023</b>	31 December 2022
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>167,156</b>	175,480
Right-of-use assets		<b>38,411</b>	43,290
Investment properties		<b>556,000</b>	556,000
Goodwill		<b>56,000</b>	56,000
Other intangible assets		<b>9,756</b>	10,131
Prepayments and deposits	<i>12</i>	<b>23,146</b>	24,570
<b>Total non-current assets</b>		<b>850,469</b>	865,471
<b>Current assets</b>			
Inventories		<b>27,400</b>	19,966
Trade and other receivables	<i>12</i>	<b>37,294</b>	37,260
Financial assets at fair value through profit or loss		<b>37</b>	37
Restricted bank deposits		<b>1,868</b>	1,170
Cash and cash equivalents		<b>29,804</b>	26,032
<b>Total current assets</b>		<b>96,403</b>	84,465
<b>Total assets</b>		<b>946,872</b>	949,936
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>82,870</b>	81,668
Amounts due to related parties		<b>87,995</b>	95,487
Lease liabilities		<b>20,972</b>	25,954
Current tax liabilities		<b>13,315</b>	13,315
Interest bearing borrowings		<b>26,702</b>	45,145
Non-interest bearing borrowings		<b>1,388</b>	1,388
<b>Total current liabilities</b>		<b>233,242</b>	262,957
<b>Net current liabilities</b>		<b>(136,839)</b>	(178,492)
<b>Total assets less current liabilities</b>		<b>713,630</b>	686,979

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued**  
*AS AT 30 JUNE 2023*

	<b>30 June 2023 (Unaudited) HK\$'000</b>	31 December 2022 (Audited) HK\$'000
	<i>Notes</i>	
Non-current liabilities		
Lease liabilities	<b>21,039</b>	24,212
Interest bearing borrowings	<b>328,032</b>	326,774
Deferred tax liabilities	<b>35,061</b>	35,061
Non-interest bearing borrowings	<b>5,429</b>	5,429
	<hr/>	<hr/>
Total non-current liabilities	<b>389,561</b>	391,476
	<hr/>	<hr/>
Total liabilities	<b>622,803</b>	654,433
	<hr/>	<hr/>
NET ASSETS	<b>324,069</b>	295,503
	<hr/>	<hr/>
Capital and reserves attributable to owners of the Company		
Share capital	<b>69,430</b>	69,430
Reserves	<b>279,849</b>	255,034
	<hr/>	<hr/>
Equity attributable to owners of the Company	<b>349,279</b>	324,464
Non-controlling interests	<b>(25,210)</b>	(28,961)
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TOTAL EQUITY	<b>324,069</b>	295,503
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# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2023

## 1. GENERAL INFORMATION

Future Bright Holdings Limited is a public limited company incorporated in Bermuda. Its shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Its head office and principal place of business are at Units 803 and 804 on the 8th Floor, Seaview Commercial Building, Nos.21-24 Connaught Road West, Hong Kong. The Group, comprising the Company and its subsidiaries, is engaged in sales of food and catering, sales of food souvenir and property investment.

## 2. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated interim financial statements were authorised for issue on 28 August 2023.

The condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2022 annual financial statements.

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

In preparing the Group’s condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group has recorded a profit of approximately Hong Kong Dollar (“HK\$”) 28,092,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$136,839,000. However, the Group had cash and cash equivalents of approximately HK\$29,804,000 only as at 30 June 2023.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
*30 JUNE 2023*

**2. BASIS OF PREPARATION – Continued**

The Directors consider that the Group has various measures and will have adequate funds available to enable it to operate as a going concern, taking into account the past operating performance of the Group and the following:

- (i) The Group has been actively negotiating with banks for more favourable terms when renewing the banking facilities 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\$74.1 million, including credit facilities for capital expenditures and working capital of amounts of approximately HK\$19.1 million and HK\$55.0 million respectively;
- (iii) Management has been endeavoring to improve the Group’s operating results and cash flows through various cost control measures and will continue 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\$88.0 million as at 30 June 2023 until the Company is in a position to repay; and
- (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\$127.6 million as at 30 June 2023 and using the proceeds of repay certain secured bank loans and strengthen the Group’s liquidity, when necessary.

The Directors have reviewed the Group’s cash flow forecast covering a period of twelve months from the end of the reporting period. 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 foreseeable future. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the period ended 30 June 2023 on a going concern basis.

The condensed consolidated interim financial statements are presented in HK\$, unless otherwise stated. The condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) and should be read in conjunction with the 2022 consolidated financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
*30 JUNE 2023*

**3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS**

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

HKFRS 17	Insurance contracts
Amendments to HKAS 1	Presentation of financial statements and HKFRs Practice Statement 2, Making materiality judgements
Amendments to HKAS 8	Accounting policies, changes in accounting estimates and errors
Amendments to HKAS 12	Income taxes

The adoption of these new or amended HKFRSs did not have any material impact on the Group's accounting policies and the disclosures or on the amounts recognised in the Group's condensed consolidated interim financial statements.

**4. USE OF JUDGEMENTS AND ESTIMATES**

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2022 annual financial statements.

Assessment of the Group's ability to continue as a going concern. In the light of recovering performance, the Directors do not consider that there are material uncertainties that cast doubt on the Group's going concern status over the course of the next 12 months. This judgment was made with consideration of the Group's liquidity position, given the underlying strength of the consolidated statement of financial position and the maturity dates of existing borrowings, the availability of undrawn finance facilities in place, and based on the assumptions and potential scenarios modelled as described in notes 2, alongside the Directors' proposed responses to each scenario. Under each scenario, mitigating actions are all within management control, can be initiated as they relate to discretionary spend, and do not impact on the ability to meet demand. No significant structural changes to the business are assumed to be required under each scenario. Under each scenario, after taking mitigating actions as needed, the forecasts indicate that it is appropriate for the going concern basis to be adopted in preparing the interim report and financial statements, and that there are no material uncertainties over the assumptions underpinning this judgment that are required to be disclosed.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2023

**5. SEGMENT REPORTING**

**(a) Business segments**

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

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

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

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

The segment revenue and results for the six months ended 30 June 2023 are as follows:

	Food and catering (Unaudited) HK\$'000	Food souvenir (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Inter-segment elimination (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
<b>Revenue</b>					
Revenue from external customers	189,952	32,644	9,995	–	232,591
Revenue from inter-segment	–	–	88	(88)	–
Other revenue	2,884	52	96	–	3,032
	<u>192,836</u>	<u>32,696</u>	<u>10,179</u>	<u>(88)</u>	<u>235,623</u>
Reportable segment revenue					
	<u>192,836</u>	<u>32,696</u>	<u>10,179</u>	<u>(88)</u>	<u>235,623</u>
<b>Results</b>					
Reportable segment results	<u>19,408</u>	<u>6,141</u>	<u>4,095</u>	<u>–</u>	<u>29,644</u>



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2023

**5. SEGMENT REPORTING** – Continued

(a) **Business segments** – Continued

As at 30 June 2023

	Food and catering (Unaudited) <i>HK\$'000</i>	Food souvenir (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
<b>Assets</b>				
Reportable segment assets*	319,677	48,848	576,785	945,310
<b>Liabilities</b>				
Reportable segment liabilities	309,757	25,955	276,072	611,784
Reportable segment net assets	<u>9,920</u>	<u>22,893</u>	<u>300,713</u>	<u>333,526</u>

*Other information*

	Food and catering (Unaudited) <i>HK\$'000</i>	Food souvenir (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
For the six months ended 30 June 2023				
Interest income	76	–	4	80
Interest expense	4,858	111	4,241	9,210
Capital expenditure on property, plant and equipment	3,023	662	–	3,685
Depreciation of property, plant and equipment	9,914	1,061	415	11,390
Depreciation of right-of-use assets	11,642	1,439	–	13,081
Amortisation of other intangible assets	266	97	–	363
Loss on written off of property, plant and equipment	159	–	–	159
Gain on disposal of subsidiaries	329	–	–	329
Gain on lease modification	1,117	–	–	1,117
Rent concessions	9	–	–	9
Income tax credit	<u>543</u>	<u>–</u>	<u>–</u>	<u>543</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2023**

**5. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

For the six months ended 30 June 2022 are as follows:

	Food and catering (Unaudited) HK\$'000	Food souvenir (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Inter-segment elimination (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
<b>Revenue</b>					
Revenue from external customers	120,034	5,299	9,996	–	135,329
Revenue from inter-segment	–	–	87	(87)	–
Other revenue	7,254	48	200	–	7,502
	<u>127,288</u>	<u>5,347</u>	<u>10,283</u>	<u>(87)</u>	<u>142,831</u>
Reportable segment revenue					
	<u>127,288</u>	<u>5,347</u>	<u>10,283</u>	<u>(87)</u>	<u>142,831</u>
<b>Results</b>					
Reportable segment results	(88,672)	(13,732)	(5,160)	–	(107,564)
	<u>(88,672)</u>	<u>(13,732)</u>	<u>(5,160)</u>	<u>–</u>	<u>(107,564)</u>

As at 31 December 2022

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

\* As at 30 June 2023, food and catering and food souvenir segment assets included cash and cash equivalents of approximately HK\$22,616,000 (31 December 2022: HK\$21,866,000) and HK\$3,747,000 (31 December 2022: HK\$2,096,000) respectively, while property investment segment assets included cash and cash equivalents of approximately HK\$1,971,000 (31 December 2022: HK\$1,990,000), and investment properties of approximately HK\$556,000,000 (31 December 2022: HK\$556,000,000).

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2023**

**5. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

*Other information*

	Food and catering (Unaudited) <i>HK\$'000</i>	Food souvenir (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
For the six months ended 30 June 2022				
Interest income	103	–	–	103
Interest expense	3,835	119	3,477	7,431
Capital expenditure on property, plant and equipment	3,439	2,432	–	5,871
Depreciation of property, plant and equipment	10,672	1,730	368	12,770
Depreciation of right-of-use assets	27,208	1,531	–	28,739
Amortisation of other intangible assets	125	236	–	361
Impairment loss on other intangible assets	–	5,000	–	5,000
Fair value loss on investment properties	–	–	10,000	10,000
Loss on written off of property, plant and equipment	6,516	–	–	6,516
Impairment loss on property, plant and equipment	1,952	–	–	1,952
Impairment loss on goodwill	25,775	–	–	25,775
Gain on lease modification	4,896	–	–	4,896
Rent concessions	6,207	667	–	6,874
Income tax credit	–	–	1,200	1,200
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
**30 JUNE 2023**

**5. SEGMENT REPORTING** – Continued

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

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>
<b>Revenue</b>		
Reportable segment revenue	<b>235,623</b>	142,831
Less: Other revenue	<b>(3,032)</b>	(7,502)
	<hr/>	<hr/>
Consolidated revenue	<b>232,591</b>	135,329
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<b>Profit/(Loss) before income tax</b>		
Reportable segment profit/(loss)	<b>29,644</b>	(107,564)
Other revenue and other gains and losses	<b>781</b>	485
Corporate payroll expenses	<b>(1,640)</b>	(1,756)
Unallocated expenses	<b>(1,236)</b>	(1,405)
	<hr/>	<hr/>
Consolidated profit/(loss) before income tax	<b>27,549</b>	(110,240)
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**(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).

	<b>Revenue from external customers</b>		<b>Non-current assets (other than financial assets)</b>	
	<b>Six months ended 30 June 2023</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>Six months ended 30 June 2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>As at 30 June 2023</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>As at 31 December 2022</b> <b>(Audited)</b> <b>HK\$'000</b>
Macau	<b>170,169</b>	90,439	<b>812,424</b>	816,971
Mainland China	<b>13,874</b>	15,309	<b>3,461</b>	5,833
Hong Kong	<b>48,548</b>	29,321	<b>11,438</b>	18,097
Taiwan	<b>–</b>	260	<b>–</b>	–
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	<b>232,591</b>	135,329	<b>827,323</b>	840,901
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
*30 JUNE 2023*

**6. TURNOVER**

Turnover represented sales of food and catering, sales of 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:

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>2022</b> <b>(Unaudited)</b> <i>HK\$'000</i>
<b>Revenue from contracts with customers under HKFRS 15</b>		
Sales of food and catering	<b>189,952</b>	120,034
Sales of food souvenir	<b>32,644</b>	5,299
	<b>222,596</b>	125,333
<b>Revenue from other source</b>		
Rental income from investment properties	<b>9,995</b>	9,996
	<b>232,591</b>	135,329
<b>By timing of revenue recognition under HKFRS 15</b>		
At a point in time	<b>222,596</b>	125,333

The Group did not have any contract asset and contract liability as at 31 December 2022 and 30 June 2023.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2023**

**7. PROFIT/(LOSS) BEFORE INCOME TAX**

Profit/(loss) before income tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Costs of inventories recognised as expenses	<b>60,163</b>	42,192
Direct operating expenses recognised from investment properties during the period	<b>501</b>	501
	<hr/>	<hr/>
Cost of sales	<b>60,664</b>	42,693
Employee costs	<b>64,187</b>	79,659
Depreciation of property, plant and equipment	<b>11,390</b>	12,770
Depreciation of right-of-use assets	<b>13,081</b>	28,739
Fair value loss on investment properties	–	10,000
Contingent rental expenses	<b>15,007</b>	1,680
Amortisation of other intangible assets	<b>363</b>	361
Auditor's remuneration	–	–
Gain on lease modification	<b>(1,117)</b>	(4,896)
Interest income	<b>(80)</b>	(103)
Loss on written off of property, plant and equipment	<b>159</b>	6,516
Impairment loss on other intangible assets	–	5,000
Impairment loss on property, plant and equipment	–	1,952
Impairment loss on goodwill	–	25,775
Gain on disposal of subsidiaries	<b>(329)</b>	–
Rent concessions	<b>(9)</b>	(6,874)
	<hr/>	<hr/>

**8. FINANCE COSTS**

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on interest bearing borrowings:		
– Repayable within five years	<b>7,501</b>	1,741
– Repayable over five years	–	3,047
	<hr/>	<hr/>
	<b>7,501</b>	4,788
Interest on an amount due to a related party	<b>423</b>	–
Imputed interest expenses on lease liabilities	<b>1,286</b>	2,643
	<hr/>	<hr/>
	<b>9,210</b>	7,431
	<hr/>	<hr/>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2023

**9. INCOME TAX CREDIT**

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax: Macau Complementary Income Tax		
– Over-provision in respect of prior years	(543)	–
Deferred tax credit for the reporting period	–	(1,200)
	<u>–</u>	<u>(1,200)</u>
Income tax credit	<u><b>(543)</b></u>	<u><b>(1,200)</b></u>

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the reporting period. The maximum tax rate was 12% for the six months ended 30 June 2023 and 2022. No provision for Macau Complementary Income Tax has been made during the reporting period as the Macau subsidiaries have adequate tax losses brought forward.

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2022: 25%). No provision for EIT has been made during the reporting period as the Mainland China subsidiaries have had no assessable profits for EIT for the six months ended 30 June 2023 and 2022.

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for the subsidiary of the Group which is qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for Hong Kong profits tax has been made during the reporting period as the Hong Kong subsidiaries have adequate tax losses brought forward.

**10. DIVIDENDS**

The Directors decided not to declare any interim dividend during the six months ended 30 June 2023 and 2022.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2023

**11. EARNINGS/(LOSS) PER SHARE**

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

**(a) Basic earnings/(loss) per share**

	<b>Six months ended 30 June</b>	
	<b>2023</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>2022</b> <b>(Unaudited)</b> <i>HK\$'000</i>
Profit/(loss) for the reporting period attributable to owners of the Company	<u>24,341</u>	<u>(104,652)</u>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>694,302,420</u>	<u>694,302,420</u>
Basic earnings/(loss) per share (HK cents)	<u>3.50</u>	<u>(15.07)</u>

**(b) Diluted earnings/(loss) per share**

The amounts of diluted earnings/(loss) per share for the six months ended 30 June 2023 and 2022 were the same as basic earnings/(loss) per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2023 and 2022.

**12. DEPOSITS, TRADE AND OTHER RECEIVABLES**

	<b>30 June</b> <b>2023</b> <b>(Unaudited)</b> <i>HK\$'000</i>	<b>31 December</b> <b>2022</b> <b>(Audited)</b> <i>HK\$'000</i>
<b>Current portion</b>		
Trade receivables	25,537	23,759
Prepayments and deposits	11,227	12,370
Other receivables	<u>530</u>	<u>1,131</u>
Total	<u>37,294</u>	<u>37,260</u>
<b>Non-current portion</b>		
Prepayments and deposits	<u>23,146</u>	<u>24,570</u>

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 generally 30 days from the sales made.



**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2023**

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

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

	<b>30 June 2023 (Unaudited) HK\$'000</b>	31 December 2022 (Audited) HK\$'000
0 to 90 days	25,405	22,253
91 days to 365 days	132	1,436
Over 365 days	–	70
	<hr/>	<hr/>
Total	<b>25,537</b>	<b>23,759</b>

**13. TRADE AND OTHER PAYABLES**

	<b>30 June 2023 (Unaudited) HK\$'000</b>	31 December 2022 (Audited) HK\$'000
Trade payables	35,129	27,237
Accruals and provision	30,652	32,207
Construction and other payables	17,089	22,224
	<hr/>	<hr/>
Total	<b>82,870</b>	<b>81,668</b>

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

	<b>30 June 2023 (Unaudited) HK\$'000</b>	31 December 2022 (Audited) HK\$'000
Within 90 days	30,104	24,638
91 days to 180 days	3,676	1,514
181 days to 365 days	1,170	594
More than 365 days	179	491
	<hr/>	<hr/>
Total	<b>35,129</b>	<b>27,237</b>

**14. EVENTS AFTER THE REPORTING PERIOD**

There is no significant subsequent event after the six months ended 30 June 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM DIVIDEND

In view of the huge accumulated losses incurred by the Group for the past three years, the Directors have decided that no interim dividend be declared or paid for the Period (For the six months ended 30 June 2022: nil).

No dividend was declared or paid for the last two interim periods.

### OPERATION REVIEW

#### Food and Catering Business

##### *Restaurant Chain*

The Group's operational financials of the Group's food and catering business for the six months ended 30 June of 2023 and 2022 are as follows:

	For the six months ended 30 June		
	2023 <i>HK\$'million</i>	Change %	2022 <i>HK\$'million</i>
Turnover	<b>190.0</b>	+58.3%	120.0
Cost of sales	<b>(51.5)</b>	+29.1%	(39.9)
Gross margin	<b>138.5</b>	+72.9%	80.1
Direct operating expenses	<b>(92.2)</b>	-15.6%	(109.3)
Gross operating profit/(loss)	<b>46.3</b>	N/A	(29.2)
Gross operating profit/(loss) margin (%)	<b>24.4%</b>	N/A	(24.3)%
Profit/(Loss) attributable to owners of the Company	<b>18.2</b>	N/A	(87.9)

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****OPERATION REVIEW – Continued****Food and Catering Business – Continued***Restaurant Chains – Continued*

During the Period, the Group's food and catering business contributed some HK\$190.0 million turnover representing about 81.7% of turnover of the Group. The increase in turnover for the Group's food and catering business was mainly attributable to the increase in turnover from the Group's Japanese restaurants, Chinese restaurants and food court counters. More details on this business are set out in the section headed "Chairman's Statement" of 2023 interim report.

Analysis of the number of restaurants for the last two interim periods is listed as follows:

	<b>As at 30 June</b>	
	<b>2023</b>	2022
Number of restaurants		
Japanese restaurants ( <i>note a</i> )	<b>4</b>	7
Chinese restaurants ( <i>note b</i> )	<b>4</b>	3
Western restaurants ( <i>note c</i> )	<b>1</b>	3
Food court counters ( <i>note d</i> )	<b>10</b>	12
Franchise restaurants ( <i>note e</i> )	<b>10</b>	10
	<b>29</b>	35
Industrial catering ( <i>note f</i> )	<b>1</b>	1
	<b>30</b>	36
Total area of restaurants (sq.ft.)	<b>51,977</b>	67,186
Turnover per sq.ft. (HK\$)	<b>3,655</b>	1,786

*Note a:* As at 30 June 2023, Japanese restaurants included 3 Edo Japanese Restaurants and 1 Musashi Japanese Restaurant.

*Note b:* As at 30 June 2023, Chinese restaurants included 1 Turtle Essence and 3 Good Fortune Cantonese Kitchens.

*Note c:* As at 30 June 2023, Western restaurant included 1 Azores Restaurant.

*Note d:* As at 30 June 2023, food court counters included 2 Toei Delights Japanese food court counters, 1 Hundred Taste Kitchen Taiwanese food court counter, 1 "Soul Jook" food court counter, 1 Bari-Uma & Sinsaeat Kitchen food court counter and 5 "Food Playground" food court counters.

*Note e:* As at 30 June 2023, franchise restaurants included 2 Pacific Coffee shops, 3 Pepper Lunch, 4 Bari-Uma and 1 Fu-Un-Maru restaurant.

*Note f:* As at 30 June 2023, industrial catering included 1 student/staff canteen and lunch box catering service.

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued**

**OPERATION REVIEW – Continued**

**Food and Catering Business – Continued**

*Restaurant Chains – Continued*

Analysis of the number of restaurants and food court counters by geographical locations for the last two interim periods are listed as follows:

	<b>As at 30 June 2023</b>	2022
Number of restaurants		
Macau	<b>12</b>	14
Mainland China	<b>4</b>	4
Hong Kong	<b>4</b>	6
	<hr/> <b>20</b> <hr/>	<hr/> 24 <hr/>
	<b>As at 30 June 2023</b>	2022
Number of food court counters		
Macau	<b>3</b>	5
Hong Kong	<b>7</b>	7
	<hr/> <b>10</b> <hr/>	<hr/> 12 <hr/>

Details of the Group’s restaurants opened and closed during the Period are set out in the section headed “List of Restaurants/Food Court Counters/Stores” of 2023 interim report.

*Industrial Catering*

During the Period, the Group’s industrial catering business was derived from its provision of canteen service and lunch box catering services for school with a turnover of some HK\$10.6 million, representing an increase of 21.8% as compared to the same period of 2022 of some HK\$8.7 million. The increase in turnover of industrial catering business was mainly attributable to the increase in provision of lunch box services to various schools. More details on the Group’s industrial catering business are set out in the section headed “Chairman’s Statement” of 2023 interim report.

*Food Wholesale*

During the Period, the Group’s wholesale business of Japanese food and materials has achieved a turnover of some HK\$5.9 million, representing a decrease of 7.8% as compared to the same period of 2022 of some HK\$6.4 million. The decrease in turnover of food wholesale business was mainly attributable to an overall decrease of sales to customers in the Period. More details on the Group’s food wholesale business are set out in the section headed “Chairman’s Statement” of 2023 interim report.

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****OPERATION REVIEW – Continued****Food Souvenir Business**

The operational financials of the Group’s food souvenir business for the six months ended 30 June of 2023 and 2022 are as follows:

	For the six months ended 30 June		
	2023 <i>HK\$’million</i>	Change %	2022 <i>HK\$’million</i>
Turnover	<b>32.6</b>	+515.1%	5.3
Cost of sales	<b>(8.6)</b>	+290.9%	(2.2)
Gross margin	<b>24.0</b>	+674.2%	3.1
Direct operating expenses	<b>(15.2)</b>	+61.7%	(9.4)
Gross operating profit/(loss)	<b>8.8</b>	N/A	(6.3)
Gross operating profit/(loss) margin (%)	<b>27.0%</b>	N/A	(118.9)%
Profit/(loss) attributable to owners of the Company	<b>4.1</b>	N/A	(10.1)

During the Period, the Group’s food souvenir business has contributed some HK\$32.6 million turnover, representing about 14.0% of the Group’s turnover. The increase in turnover of the food souvenir business was mainly due to the increase in retail business and visitor arrivals in Macau. Further details of the Group’s food souvenir business are set out in the section headed “Chairman’s Statement” of 2023 interim report.

As at 30 June 2023, the Group had 6 (30 June 2022: 6) Yeng Kee bakery shops/kiosks with total area of 4,756 sq.ft. in Macau. Details of the Group’s food souvenir shops are set out in the section headed “List of Food Souvenir Shops/Kiosks” of 2023 interim report.

## **MANAGEMENT DISCUSSION AND ANALYSIS – Continued**

### **OPERATION REVIEW – Continued**

#### **Property Investment Business**

During the Period, the Key Investment Property has made steady rental income contribution and has recorded a turnover of some HK\$10.0 million (Six months ended 30 June 2022: HK\$10.0 million), representing about 4.3% of the Group's turnover. The profit attributable to the Group's property investment business was some HK\$4.0 million in the Period, as compared to the net loss for the same period of 2022 of some HK\$4.1 million. Such profit for the period was mainly attributable to rental income derived from the Key Investment Property.

The Group's Key Investment Property was valued at HK\$556.0 million as at 30 June 2023 (31 December 2022: HK\$556.0 million). During the six months ended 30 June 2023, no fair value gain/loss (Six months ended 30 June 2022: fair value loss of HK\$10.0 million) from the Key Investment Property was recognised in the consolidated statement of comprehensive income.

More details on this business are set out in the section headed "Chairman's Statement" of 2023 interim report.

#### **Logistic Support**

The Group has a central kitchen in Hong Kong to cater for its restaurants and food court counters in Hong Kong to enhance the operation efficiency of the Group's restaurants in Hong Kong. The Group's central food and logistic processing centre in Macau is also cater for its restaurants and food court counters and food souvenir business. The Group will continue to actively enhance its logistic support including food sourcing and food processing facilities.

### **LIQUIDITY AND FINANCIAL RESOURCES**

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

As at 30 June 2023, the Group had net current liabilities of some HK\$136.8 million (as at 31 December 2022: HK\$178.5 million). As at 30 June 2023, the Group had bank deposits, bank overdraft, cash and bank balances totaling of some HK\$28.8 million (as at 31 December 2022: HK\$12.9 million), while the Group's restricted bank deposits amounted to some HK\$1.9 million (as at 31 December 2022: HK\$1.2 million) has been pledged to a bank for guarantee given in lieu of paying rental deposit.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 30 June 2023, the Group had interest-bearing bank loans of some HK\$354.7 million (as at 31 December 2022: HK\$371.9 million) and interest-bearing advance from a related party of HK\$10.0 million (as at 31 December 2022: HK\$13.0 million). The Group's borrowings are made in Hong Kong dollars and Macau Patacas. Details of the borrowings are set out in notes of "Interest bearing borrowings" and "Amounts due to related parties" to the Financial Statements of 2023 interim 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 30 June 2023 and 31 December 2022 are as follows:

	<b>As at 30 June 2023 %</b>	Change %	As at 31 December 2022 %
Gearing ratio	<b>182.9</b>	-29.7%	<b>212.6</b>

The decrease in the Group's gearing ratio as at 30 June 2023 was mainly due to the increase in the Group's total equity.

The Group's ratio of the total assets against the total liabilities of the Group as at 30 June 2023 was at 1.52 (31 December 2022: 1.45).

### MATERIAL LITIGATION

As at 30 June 2023, the Group was not involved in any material litigation or arbitration (31 December 2022: nil).

### CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any contingent liabilities (31 December 2022: nil).

### CURRENCY EXPOSURE

As at 30 June 2023, the Group did not have any outstanding hedging instrument. The Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

### EMPLOYEES

As at 30 June 2023, the Group has employed a total of 645 full time staff (30 June 2022: 767), in which 444 (30 June 2022: 577) full time staff in Macau, 82 (30 June 2022: 73) full time staff in Mainland China, 119 (30 June 2022: 116) full time staff in Hong Kong and nil (30 June 2022: 1) full time staff in Taiwan. Remuneration packages including medical plan have been and are regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detailed remuneration packages for the employees are determined by management based on their performance.

## **SUBSEQUENT EVENTS**

There has been no significant subsequent event after 30 June 2023.

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

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

## **SUFFICIENCY OF PUBLIC FLOAT**

The Company has maintained a sufficient public float throughout the six months ended 30 June 2023.

## **AUDIT COMMITTEE**

The audit committee of the Company consists of three independent non-executive directors, Mr. Vong Hou Piu (Chairman), Mr. Chek Kuong Fong and Mr. Yu Kam Yuen, Lincoln. The audit committee has reviewed with management the accounting principles as well as critical accounting estimates and assumptions. The condensed consolidated financial statements and the interim results announcement of the Group for the Period have been reviewed by the audit committee before submission to the Board for adoption.

## **CORPORATE GOVERNANCE**

The Company has during the Period complied with the CG Code as set out in Appendix 14 of the Listing Rules, except the following deviation:

Under the code provision A.6.7 of the CG Code, independent non-executive directors should attend general meetings of the Company. Due to personal commitments, Mr. Yu Kam Yuen, Lincoln, an independent non-executive director, did not attend the 2023 AGM.

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 such Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company.

In April 2023, the Environmental, Social and Corporate Governance report for 2022 was issued together with 2022 annual report and presented on the Company's website at [www.fb.com.hk](http://www.fb.com.hk) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).



## **OUTLOOK**

With the recovery in travel and tourism spending, there is an improvement in the retail and restaurants business in Macau and Hong Kong. The Group's business has been able to benefit from such recovery and there has been a substantial improvement in the performance of the Group's restaurants and food souvenir shops for the Period. With the increase in visitor arrivals and improvement in hotel occupancy rate in Macau, management is optimistic on the outlook of the operating environment of the Group. Although the Group faces challenges such as intense competition, rising operating costs, and changing consumer preferences in the food and catering industry, management is constantly reviewing the Group's operational performance. With the right strategies and a focus on delivering excellent dining experiences to customers, the Group can continue to thrive and capitalize on future business opportunities.

## **PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT**

The announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the Company's website at [www.fb.com.hk](http://www.fb.com.hk). The 2023 interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

## **DEFINITIONS**

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

2023 AGM	The Company's annual general meeting 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
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 unaudited condensed consolidated interim financial statements of the Group for the Period
Group	The Company together with its subsidiaries
HKAS(s)	Hong Kong Accounting Standard(s)
HKFRS(s)	Hong Kong Financial Reporting Standard(s)
HKICPA	Hong Kong Institute of Certified Public Accountants

## 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
Period	Six months ended 30 June 2023
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

## 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. Yu Kam Yuen, Lincoln, Mr. Chek Kuong Fong and Mr. Vong Hou Piu, the independent non-executive Directors.

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

Hong Kong, 28 August 2023