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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 2024

FINANCIAL HIGHLIGHTS	For the six months ended 30 June		Change %
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	
Turnover	225,243	232,591	-3.2%
Gross margin	169,112	171,927	-1.6%
Gross operating profit	49,736	64,615	-23.0%
EBITDA	44,884	61,593	-27.1%
Profit attributable to owners of the Company	536	24,341	-97.8%
Net Ordinary Operating Profit	536	24,341	-97.8%
Basic profit per share	HK0.08 cents	HK3.50 cents	-97.8%
	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000	Change %
Total assets	990,512	1,003,720	-1.3%
Net assets	358,766	356,127	+0.7%
Net assets per share	HK\$0.517	HK\$0.513	+0.7%
Gearing ratio	168.4%	170.0%	-1.6%
Total assets/total liabilities ratio	1.57	1.55	+1.3%

* 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 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Turnover	6	225,243	232,591
Cost of sales		(56,131)	(60,664)
Gross margin		169,112	171,927
Direct operating expenses		(119,376)	(107,312)
Gross operating profit		49,736	64,615
Other revenue		3,408	3,032
Other gains and losses		(3,869)	2,497
Administrative expenses		(35,367)	(33,385)
Finance costs	8	(11,265)	(9,210)
Profit before income tax	7	2,643	27,549
Income tax (expenses)/credit	9	(258)	543
Profit for the period		2,385	28,092
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		254	496
Total comprehensive income for the period		2,639	28,588
Profit attributable to:			
Owners of the Company		536	24,341
Non-controlling interests		1,849	3,751
		2,385	28,092
Total comprehensive income attributable to:			
Owners of the Company		790	24,837
Non-controlling interests		1,849	3,751
		2,639	28,588
Profit per share			
– Basic and diluted (HK cents per share)	11	0.08	3.50

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		30 June 2024	31 December 2023
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		164,085	164,755
Right-of-use assets		98,353	90,424
Investment properties		558,000	558,000
Goodwill		56,000	56,000
Other intangible assets		15,214	15,454
Prepayments and deposits	<i>12</i>	11,207	15,165
Total non-current assets		902,859	899,798
Current assets			
Inventories		23,896	23,071
Trade and other receivables	<i>12</i>	33,569	36,517
Financial assets at fair value through profit or loss		37	37
Restricted bank deposits		2,730	2,271
Cash and cash equivalents		27,421	42,026
Total current assets		87,653	103,922
Total assets		990,512	1,003,720
Current liabilities			
Trade and other payables	<i>13</i>	69,221	82,442
Amount due to a related party		61,678	63,984
Lease liabilities		34,558	31,497
Current tax liabilities		7,751	7,259
Interest bearing borrowings		52,284	47,441
Non-interest bearing borrowings		1,388	1,388
Total current liabilities		226,880	234,011
Net current liabilities		(139,227)	(130,089)
Total assets less current liabilities		763,632	769,709

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 30 JUNE 2024

	30 June 2024 (Unaudited) <i>HK\$'000</i>	31 December 2023 (Audited) <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	67,695	60,538
Interest bearing borrowings	296,441	312,314
Deferred tax liabilities	35,301	35,301
Non-interest bearing borrowings	5,429	5,429
	<hr/>	<hr/>
Total non-current liabilities	404,866	413,582
	<hr/>	<hr/>
Total liabilities	631,746	647,593
	<hr/>	<hr/>
NET ASSETS	358,766	356,127
	<hr/>	<hr/>
Capital and reserves attributable to owners of the Company		
Share capital	69,430	69,430
Reserves	304,520	303,730
	<hr/>	<hr/>
Equity attributable to owners of the Company	373,950	373,160
Non-controlling interests	(15,184)	(17,033)
	<hr/>	<hr/>
TOTAL EQUITY	358,766	356,127
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2024

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 26 August 2024.

The condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2023 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\$”) 2,385,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$139,227,000. However, the Group had cash and cash equivalents of approximately HK\$27,421,000 only as at 30 June 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

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) Up to the date of this announcement, the Group had unused bank and credit facilities of a total amount of approximately HK\$72.2 million, including credit facilities for capital expenditures and working capital of amounts of approximately HK\$17.2 million and HK\$55.0 million respectively;
- (ii) Management has been endeavoring to maintain the Group’s operating results and cash flows in the coming year through maintaining various cost control measures;
- (iii) The Group has obtained undertaking from the related party not to request immediate settlement on the outstanding amounts of approximately HK\$61.7 million as at 30 June 2024 until the Company is in a position to repay; and
- (iv) The Group will consider to realise the investment properties of the Group with a fair value of approximately HK\$558.0 million and certain land and buildings of the Group with a carrying amount of approximately HK\$125.6 million as at 30 June 2024 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 2024 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 2023 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 2023 consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

3. CHANGES IN HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of new and amendments to HKFRSs – effective 1 January 2024

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

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
HK Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

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.

(b) Amendments to HKFRSs that have been issued but are not yet effective

The following amendments to HKFRSs, 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 21	Lack of Exchangeability ¹
Amendment to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2025.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

⁴ 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 amendments to HKFRSs upon initial application. Up to now, the directors of the Company consider that these new and amendments to HKFRSs will not have a significant impact on the Group's financial performance and financial position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued

30 JUNE 2024

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 2023 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 note 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.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

(a) **Business segments** – Continued

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue from contracts with customers under HKFRS 15		
Food and catering– sales of food and catering in Macau, Hong Kong and Mainland China	176,163	189,952
Food souvenir– sales of food souvenir, including festival food products	39,035	32,644
	215,198	222,596
Revenue from other source		
Property investment– leasing of property	10,145	9,995
	225,343	232,591

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 2024 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
Revenue					
Revenue from external customers	176,163	39,035	10,145	–	225,343
Revenue from inter-segment	–	–	100	(100)	–
Other revenue	3,086	68	254	–	3,408
Reportable segment revenue	179,249	39,103	10,499	(100)	228,751
Results					
Reportable segment results	(3,643)	4,960	4,058	–	5,375

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

(a) **Business segments** – Continued

As at 30 June 2024

	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>
Assets				
Reportable segment assets*	352,520	56,851	580,404	989,775
Liabilities				
Reportable segment liabilities	319,936	29,405	281,720	631,061
Reportable segment net assets	<u>32,584</u>	<u>27,446</u>	<u>298,684</u>	<u>358,714</u>

Other information

For the six months ended 30 June 2024

	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>
Interest income	80	–	129	209
Interest expense	6,658	369	4,238	11,265
Capital expenditure	8,105	3,187	–	11,292
Depreciation of property, plant and equipment	8,667	726	358	9,751
Depreciation of right-of-use assets	17,702	3,285	–	20,987
Amortisation of other intangible assets	63	175	–	238
Loss on written off of property, plant and equipment	2,212	–	–	2,212
Income tax expenses	<u>258</u>	<u>–</u>	<u>–</u>	<u>258</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

(a) Business segments – Continued

For the six months ended 30 June 2023

	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
Revenue					
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>
Results					
Reportable segment results	<u>19,408</u>	<u>6,141</u>	<u>4,095</u>	<u>–</u>	<u>29,644</u>

As at 31 December 2023

	Food and catering (Audited) HK\$'000	Food souvenir (Audited) HK\$'000	Property investment (Audited) HK\$'000	Consolidated (Audited) HK\$'000
Assets				
Reportable segment assets*	363,308	51,162	588,447	1,002,917
Liabilities				
Reportable segment liabilities	<u>334,168</u>	<u>26,030</u>	<u>285,492</u>	<u>645,690</u>
Reportable segment net assets	<u>29,140</u>	<u>25,132</u>	<u>302,955</u>	<u>357,227</u>

* As at 30 June 2024, food and catering and food souvenir segment assets included cash and cash equivalents of approximately HK\$19,401,000 (31 December 2023: HK\$26,693,000) and HK\$3,110,000 (31 December 2023: HK\$2,954,000) respectively, while property investment segment assets included cash and cash equivalents of approximately HK\$4,235,000 (31 December 2023: HK\$11,657,000), and investment properties of approximately HK\$558,000,000 (31 December 2023: HK\$558,000,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

(a) Business segments – Continued

Other information

For the six months ended 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>
Interest income	76	–	4	80
Interest expense	4,858	111	4,241	9,210
Capital expenditure	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	543	–	–	543
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

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

	Six months ended 30 June	
	2024 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>
Revenue		
Reportable segment revenue	228,751	235,623
Less: other revenue	(3,408)	(3,032)
	<u>225,343</u>	<u>232,591</u>
Profit before income tax		
Reportable segment profit	5,375	29,644
Other revenue and other gains and losses	–	781
Corporate payroll expenses	(1,795)	(1,640)
Unallocated expenses	(937)	(1,236)
	<u>2,643</u>	<u>27,549</u>
	As at	As at
	30 June	31 December
	2024	2023
	(Unaudited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets		
Reportable segment assets	989,775	1,002,917
Financial assets at fair value through profit or loss	37	37
Unallocated corporate assets	700	766
	<u>990,512</u>	<u>1,003,720</u>
Liabilities		
Reportable segment liabilities	631,061	645,690
Unallocated corporate liabilities	685	1,903
	<u>631,746</u>	<u>647,593</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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

5. SEGMENT REPORTING – Continued

(c) **Geographical information**

The Group's operations are located in Macau, Mainland China and Hong Kong, 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)	
	Six months ended 30 June 2024 (Unaudited) HK\$'000	Six months ended 30 June 2023 (Unaudited) HK\$'000	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 (Audited) HK\$'000
Macau	170,387	170,169	872,540	870,505
Hong Kong	54,856	48,548	19,112	14,042
Mainland China	–	13,874	–	86
	<u>225,243</u>	<u>232,591</u>	<u>891,652</u>	<u>884,633</u>

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:

	Six months ended 30 June	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Revenue from contracts with customers under HKFRS 15		
Sales of food and catering	176,163	189,952
Sales of food souvenir	39,035	32,644
	<u>215,198</u>	<u>222,596</u>
Revenue from other source		
Rental income from investment properties	10,045	9,995
	<u>225,243</u>	<u>232,591</u>
By timing of revenue recognition under HKFRS 15		
At a point in time	<u>215,198</u>	<u>222,596</u>

The Group did not have any contract asset and contract liability as at 31 December 2023 and 30 June 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

7. PROFIT BEFORE INCOME TAX

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

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Costs of inventories recognised as expenses	55,501	60,163
Direct operating expenses recognised from investment properties during the period	630	501
	<hr/>	<hr/>
Cost of sales	56,131	60,664
Employee costs	71,103	64,187
Depreciation of property, plant and equipment	9,751	11,390
Depreciation of right-of-use assets	20,987	13,081
Contingent rental expenses	14,257	15,007
Amortisation of other intangible assets	238	363
Auditor's remuneration	–	–
Interest income	(209)	(80)
Loss on written off of property, plant and equipment	2,212	159
Gain on lease modification	–	(1,117)
Gain on disposal of subsidiaries	–	(329)
Rent concessions	–	(9)
	<hr/>	<hr/>

8. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on interest bearing borrowings repayable within five years	7,965	7,501
Interest on an amount due to a related party	–	423
Imputed interest expenses on lease liabilities	3,300	1,286
	<hr/>	<hr/>
	11,265	9,210
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

9. INCOME TAX EXPENSES/(CREDIT)

The amount of income tax expenses/(credit) in the condensed consolidated statement of comprehensive income represents:

	Six months ended 30 June	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax: Macau Complementary Income Tax		
– Tax charge for the period	258	–
– Over-provision in respect of prior years	–	(543)
	<hr/>	<hr/>
Income tax expenses/(credit)	258	(543)
	<hr/>	<hr/>

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 2024 and 2023.

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2023: 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 2024 and 2023.

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 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 (2023: 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%.

10. DIVIDENDS

The Directors decided not to declare any interim dividend during the six months ended 30 June 2024 and 2023.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

11. PROFIT PER SHARE

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

(a) Basic profit per share

	Six months ended 30 June	
	2024 (Unaudited) <i>HK\$'000</i>	2023 (Unaudited) <i>HK\$'000</i>
Profit for the reporting period attributable to owners of the Company	<u>536</u>	<u>24,341</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic profit per share	<u>694,302,420</u>	<u>694,302,420</u>
Basic profit per share (HK cents)	<u>0.08</u>	<u>3.50</u>

(b) Diluted profit per share

The amounts of diluted profit per share for the six months ended 30 June 2024 and 2023 were the same as basic profit per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2024 and 2023.

12. DEPOSITS, 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.

	30 June 2024 (Unaudited) <i>HK\$'000</i>	31 December 2023 (Audited) <i>HK\$'000</i>
Current portion		
Trade receivables	23,774	26,622
Prepayments and deposits (<i>note</i>)	9,270	9,495
Other receivables	<u>525</u>	<u>400</u>
Total	<u>33,569</u>	<u>36,517</u>
Non-current portion		
Prepayments and deposits (<i>note</i>)	<u>11,207</u>	<u>15,165</u>

Note: As at 30 June 2024 and 31 December 2023, these balances mainly represented deposits paid for rental and utilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued
30 JUNE 2024

12. DEPOSITS, TRADE AND OTHER RECEIVABLES – Continued

The Group recognised impairment loss based on the accounting policy stated in the Company's 2023 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 2023 annual report.

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
0 to 90 days	23,580	26,592
91 days to 365 days	194	30
Total	<u>23,774</u>	<u>26,622</u>

13. TRADE AND OTHER PAYABLES

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Trade payables	24,714	32,178
Accruals and provision	27,703	35,789
Construction and other payables	16,804	14,475
Total	<u>69,221</u>	<u>82,442</u>

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

	30 June 2024 (Unaudited) HK\$'000	31 December 2023 (Audited) HK\$'000
Within 90 days	23,153	29,350
91 days to 180 days	701	1,030
181 days to 365 days	300	1,475
More than 365 days	560	323
Total	<u>24,714</u>	<u>32,178</u>

14. EVENTS AFTER THE REPORTING PERIOD

There has been no significant subsequent event after 30 June 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

No interim dividend has been recommended for the Period (For the six months ended 30 June 2023: 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 2024 and 2023 are as follows:

	For the six months ended 30 June		
	2024 <i>HK\$'million</i>	Change %	2023 <i>HK\$'million</i>
Turnover	176.2	-7.3%	190.0
Cost of sales	(45.4)	-11.8%	(51.5)
Gross margin	130.8	-5.6%	138.5
Direct operating expenses	(98.5)	+6.8%	(92.2)
Gross operating profit	32.3	-30.2%	46.3
Gross operating profit margin (%)	18.3%	-6.1%	24.4%
(Loss)/profit attributable to owners of the Company	(4.2)	N/A	18.2

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

During the Period, the Group's food and catering business contributed some HK\$176.2 million turnover representing about 78.2% of turnover of the Group. The decrease in turnover for the Group's food and catering business was mainly attributable to the closure of restaurants in Mainland China in the last year. More details on this business are set out in the section headed "Chairman's Statement" of 2024 interim report.

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

	As at 30 June	
	2024	2023
Number of restaurants		
Japanese restaurants (<i>note a</i>)	3	4
Chinese restaurants (<i>note b</i>)	2	4
Western restaurants	–	1
Food court counters (<i>note c</i>)	9	10
Franchise restaurants (<i>note d</i>)	9	10
	23	29
Industrial catering (<i>note e</i>)	1	1
	24	30
Total area of restaurants (sq.ft.)	28,971	51,977
Turnover per sq.ft. (HK\$)	6,082	3,655

Note a: As at 30 June 2024, Japanese restaurants included 3 Edo Japanese Restaurants.

Note b: As at 30 June 2024, Chinese restaurants included 1 Turtle Essence and 1 Good Fortune Cantonese Kitchen.

Note c: As at 30 June 2024, food court counters included 3 Toei Delights Japanese food court counters, 1 Hundred Taste Kitchen Taiwanese food court counter, 1 Good Fortune Cantonese food court counter, 3 Foodlane food court counters and 1 Bari-Uma & Sinsaeat Kitchen food court counter.

Note d: As at 30 June 2024, franchise restaurants included 2 Pacific Coffee shops, 3 Pepper Lunch, 3 Bari-Uma and 1 Fu-Un-Maru restaurant.

Note e: As at 30 June 2024, 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 Chain – Continued

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

	As at 30 June	
	2024	2023
Number of restaurants		
Macau	11	12
Hong Kong	4	4
Mainland China	–	4
	<hr/>	<hr/>
	15	20
	<hr/>	<hr/>
	As at 30 June	
	2024	2023
Number of food court counters		
Macau	8	3
Hong Kong	1	7
	<hr/>	<hr/>
	9	10
	<hr/>	<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 2024 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\$9.2 million, representing a decrease of some 13.2% as compared to the same period of 2023 of some HK\$10.6 million. The decrease in turnover of industrial catering business was mainly attributable to the decrease in provision of lunch box services to various schools.

Food Wholesale

During the Period, the Group's wholesale business of Japanese food and materials has achieved a turnover of some HK\$5.6 million, representing a decrease of some 5.1% as compared to the same period of 2023 of some HK\$5.9 million. The decrease in turnover of food wholesale business was mainly attributable to an overall decrease of sales to customers in the Period.

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 2024 and 2023 are as follows:

	For the six months ended 30 June		
	2024	Change	2023
	<i>HK\$’million</i>	<i>%</i>	<i>HK\$’million</i>
Turnover	39.0	+19.6%	32.6
Cost of sales	(10.1)	+17.4%	(8.6)
Gross margin	28.9	+20.4%	24.0
Direct operating expenses	(20.9)	+37.5%	(15.2)
Gross operating profit	8.0	–9.1%	8.8
Gross operating profit margin (%)	20.5%	–6.5%	27.0%
Profit attributable to owners of the Company	3.4	–17.1%	4.1

During the Period, the Group’s food souvenir business has contributed some HK\$39.0 million turnover, representing about 17.3% of the Group’s turnover. The increase in turnover of the food souvenir business was mainly due to the increase in retail business and total visitor arrivals to Macau and the increase in wholesale and OEM business. Further details of the Group’s food souvenir business are set out in the section headed “Chairman’s Statement” of 2024 interim report.

As at 30 June 2024, the Group had 7 (30 June 2023: 6) Yeng Kee bakery shops/kiosks with total area of 5,823 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 2024 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 2023: HK\$10.0 million). The profit attributable to the Group's property investment business was some HK\$4.0 million in the Period, as compared to the net profit for the same period of 2023 of some HK\$4.0 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\$558.0 million as at 30 June 2024 (31 December 2023: HK\$558.0 million). During the six months ended 30 June 2024, no fair value gain/loss (Six months ended 30 June 2023: nil) from the Key Investment Property was recognised in the condensed consolidated statement of comprehensive income.

More details on this business are set out in the section headed "Chairman's Statement" of 2024 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 also caters 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 2024, the Group had net current liabilities of some HK\$139.2 million (as at 31 December 2023: HK\$130.1 million). As at 30 June 2024, the Group had bank deposits, bank overdraft, cash and cash equivalents totaling of some HK\$11.4 million (as at 31 December 2023: HK\$26.5 million), while the Group's restricted bank deposits amounted to some HK\$2.7 million (as at 31 December 2023: HK\$2.3 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 2024, the Group had interest-bearing bank loans of some HK\$348.7 million (as at 31 December 2023: HK\$359.8 million). The Group's borrowings are made in Hong Kong dollars and Macau Patacas. Details of the borrowings are set out in note of "Interest bearing borrowings" to the Financial Statements of 2024 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 2024 and 31 December 2023 are as follows:

	As at 30 June 2024 %	Change %	As at 31 December 2023 %
Gearing ratio	<u>168.4</u>	-1.6%	<u>170.0</u>

The decrease in the Group's gearing ratio as at 30 June 2024 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 2024 was at 1.57 (31 December 2023: 1.55).

MATERIAL LITIGATION

As at 30 June 2024, the Group was not involved in any material litigation or arbitration (31 December 2023: nil).

CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any contingent liabilities (31 December 2023: nil).

CURRENCY EXPOSURE

As at 30 June 2024, 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 2024, the Group has employed a total of 620 full time staff (30 June 2023: 645), in which 515 (30 June 2023: 444) full time staff in Macau, 96 (30 June 2023: 119) full time staff in Hong Kong and 9 (30 June 2023: 82) full time staff in Mainland China. 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 2024.

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 2024.

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 interim 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 C1 of the Listing Rules, except the following deviation:

Under the code provision C.1.6 of the CG Code, independent non-executive Directors should attend general meetings of the Company. Mr. Yu Kam Yuen, Lincoln, an independent non-executive Director, did not attend the 2024 AGM due to other work commitment.

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 2024, the Environmental, Social and Corporate Governance report for 2023 was issued together with 2023 annual report and presented on the Company's website at www.fb.com.hk and the Stock Exchange's website at www.hkexnews.hk.

OUTLOOK

With an increase in the level of visitor arrivals to Macau and Hong Kong, the Group's food and catering business and food souvenir business has been able to benefit from such tourism recovery. Although the economy has been recovering, the Group still faces different challenges such as decline in consumers spending power, intense competition, rising operating costs and changing consumer preferences in the food and catering industry. Management is constantly monitoring the market condition and consumer behaviour and adjusting its business strategies and operations to improve its food quality and services, and to strengthen its brands competitiveness and market position. By constantly improving our menu and food quality and services, the Group is committed to delivering excellent dining experiences to different customer segments and the Group's business can continue to grow and thrive.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The announcement is published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.fb.com.hk. The 2024 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:

2024 AGM	The Company's annual general meeting held on 6 June 2024
Board	The Board of Directors
CG Code	The Corporate Governance Code set out in Appendix C1 to the Listing Rules
Company	Future Bright Holdings Limited
Director(s)	Director(s) of the Company
EBITDA	Profit 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	Profit 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 2024
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, 26 August 2024