THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Future Bright Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

A VERY SUBSTANTIAL DISPOSAL RELATING TO THE SALE OF THE ENTIRE EQUITY INTERESTS AND SHAREHOLDER LOANS IN BRIGHT SUCCESS – PROPERTY AGENCY COMPANY LIMITED AND NOTICE OF SPECIAL GENERAL MEETING

A letter from the board of directors of Future Bright Holdings Limited is set out on pages 4 to 13 of this circular.

A notice convening the special general meeting of Future Bright Holdings Limited to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 18 December 2019 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Whether or not you are able to attend the special general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of Future Bright Holdings Limited in Hong Kong, Tricor Tengis Limited, on Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

* *For identification purpose only*

29 November 2019

CONTENTS

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

"Bank Loan"	all amounts, including principal and interest, owing by Bright Success to Bank of China Limited, Macau Branch as at the date of completion of the Disposal. The Bank Loan amounted to approximately HK$36.81 million as at 30 September 2019
"Board"	the board of the Directors
"Bright Rich"	Bright Rich Company Limited, a wholly-owned subsidiary of the Company, being one of the Vendors
"Bright Success"	Bright Success – Property Agency Company Limited, a wholly-owned subsidiary of the Company and the existing sole shareholder of HQ Company
"Company"	Future Bright Holdings Limited (Stock Code: 703), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Consideration"	RMB300.00 million (approximately HK$329.31 million), being the total consideration payable by the Purchaser to the Vendors in respect of its purchase of the entire equity interest in Bright Success together with the related shareholder loans
"Deposit"	a deposit of RMB150.00 million (approximately HK$164.66 million) paid by the Purchaser to the Vendors upon signing of the Disposal Agreement
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the entire equity interest in Bright Success together with the related shareholder loans contemplated by the Disposal Agreement
"Disposal Agreement"	the agreement for sale and purchase dated 28 October 2019 entered into by Bright Rich and Gain Success (as vendors), the Company (as vendors' guarantor), the Purchaser (as purchaser), Bright Success and HQ Company (as target companies) in relation to the sale of the entire equity interest in Bright Success together with the related shareholder loans

"Disposal Group"	Bright Success and HQ Company
"Gain Success"	Gain Success Company Limited, a wholly-owned subsidiary of the Company, being one of the Vendors
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HQ Company"	珠海橫琴佳景美食廣場項目發展有限公司, a company wholly owned by Bright Success and incorporated in Mainland China
"HQ Land Authority"	Hengqin Island Land Authority (橫琴新區管理委員會規劃國土局)
"JLL"	Jones Lang Lasalle Corporate Appraisal and Advisory Limited, an independent property valuer appointed by the Group
"Land Contract"	the land acquisition contract of 12 January 2015 entered into by HQ Company for the acquisition of the Property
"Latest Practicable Date"	27 November 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the People's Republic of China
"MOP"	Macau Patacas, the lawful currency of Macau
"Mr. Chan"	Mr. Chan Chak Mo, the managing director and controlling shareholder of the Company

"Non-Resident Income Tax Rule"	Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》(國家稅務總局公告2015年第7號)
"Property"	a parcel of land owned by HQ Company and located at the junction of Ziqi South Road and Xiangjiang Road, Hengqin New District, Zhuhai City, Mainland China
"Purchaser"	Zhou Luohong, a local resident of Macau
"Remaining Group"	the Group without Bright Success and HQ Company after the Disposal
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
"SGM"	the special general meeting of the Company to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 18 December 2019 at 11:00 a.m.
"Share(s)"	ordinary share(s) in the capital of the Company with a nominal value of HK$0.10 each
"Shareholder(s)"	shareholder(s) of the Company
"sq. m."	square metre(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendors"	collectively, Bright Rich and Gain Success

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK$ and HK$ into MOP in this circular is based on the exchange rate of RMB1.00 = HK$1.0977 and HK$1.00 = MOP1.03 respectively. Such conversion should not be constructed as a representation that any amount has been, could have been, or may be, exchanged at such or any other rate.

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

(Incorporated in Bermuda with limited liability)
(Stock Code: 703)

Executive Directors:
Mr. Chan Chak Mo *(Managing Director)*
Mr. Chan See Kit, Johnny *(Chairman)*
Mr. Lai King Hung *(Deputy Chairman)*
Ms. Leong In Ian

Independent non-executive Directors:
Mr. Cheung Hon Kit
Mr. Yu Kam Yuen, Lincoln
Mr. Chan Pak Cheong Afonso

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Room 1409, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

29 November 2019

To the Shareholders

Dear Sir or Madam,

A VERY SUBSTANTIAL DISPOSAL RELATING TO THE SALE OF THE ENTIRE EQUITY INTERESTS AND SHAREHOLDER LOANS IN BRIGHT SUCCESS – PROPERTY AGENCY COMPANY LIMITED AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

The Board announced that on 28 October 2019, the Vendors – Bright Rich and Gain Success (both wholly-owned subsidiaries of the Company as vendors), the Company (as vendors' guarantor), the Purchaser (as purchaser), Bright Success and HQ Company (as target companies) entered into the Disposal Agreement, pursuant to which the Purchaser agreed, subject to obtaining the approval from the Shareholders, to purchase 100% equity interest in Bright Success, the existing sole shareholder of HQ Company, together with the related shareholder loans at the Consideration of RMB300.00 million (approximately HK$329.31 million) in cash. Bright Success holds a wholly-owned subsidiary incorporated in Mainland China – HQ Company which sole asset is the Property.

* *For identification purpose only*

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Mr. Chan and his associates together had an equity interest of approximately 41.31% in the Company as at the Latest Practicable Date, and have indicated that they would vote in favour of the Disposal if and when the Disposal is put forward for the approval by the Shareholders at the SGM.

The purpose of this circular is to give you further information of the Disposal, a valuation report on the Property, other information as required under the Listing Rules and the notice of the SGM at which resolution will be proposed to consider and, if thought fit, approve the Disposal Agreement and the transaction contemplated thereunder.

THE DISPOSAL AGREEMENT

A summary of the principal terms of the Disposal Agreement is as follows:

1. Date

28 October 2019

2. Parties

(a)	Vendors:	Bright Rich and Gain Success
(b)	Vendors' guarantor:	the Company
(c)	Purchaser:	Zhou Luohong
(d)	Target company 1:	Bright Success
(e)	Target company 2:	HQ Company

The Company entered into the Disposal Agreement to guarantee the performance of the obligations of the Vendors thereunder.

3. Assets to be disposed of

Pursuant to the Disposal Agreement, the assets to be disposed of by the Vendors comprise 100% of the equity interest in Bright Success and the related shareholder loans.

Bright Success owns a wholly-owned subsidiary in Mainland China – HQ Company which sole asset is the Property which is located within the Guangdong-Macao Co-operation Industrial Park in Hengqin New Area. The Property spans from Huandao East Road in the east to Ziqi South Road in the west and from Xiangjiang Road in the south to Haojiang Road in the north. The Property has a site area of approximately 19,939.94 sq. m. and a buildable gross floor area of approximately 49,849.85 sq. m.

The Property has been designed to become an international food plaza with an intent that most of the units would on completion of its development be rented out, while a small portion of the units would be retained by the Group for self-use. The piling works and about 80% of the foundation works at the Property have been completed while the remaining 20% of the foundation works, which has to be done in line with some early construction works for the superstructure of the building, was suspended for the reasons set out below and has just following the signing of the Disposal Agreement been resumed.

As previously announced, the development progress of the Property has since its acquisition in January 2015 suffered serious delay for various reasons beyond the Group's control including unexpected soft soil treatment, unexpected long processing time for obtaining the approval of the building development and design plan for the Property which took approximately 10 months and suspension of foundation work caused by improper construction work at the adjacent site. The construction work had only been able to resume in January 2017, then got suspended again in March 2017, and resumed in February 2018, and got suspended again in May 2018 for 40 days, while extension for meeting the various development milestones under the Land Contract was granted in November 2017 after an idle land investigation by HQ Land Authority in May 2017. During that period, the economy of Macau has experienced a substantial downturn since 2015 with gradual improvement in 2016, and the economy of Hengqin Island performed much slower than expected. The Group's business has sustained losses since then and has since May 2016 started to review its resources as well as its benefits (both short and long terms), capital commitment, plan and work schedule for the development of the Property with all options and alternatives open for consideration.

Since then, the Group has looked for joint venture partners and undertaken negotiations with different potential buyers though without success. Many potential joint venture partners and potential buyers have indicated that the Property would have better marketability if part of it could be used for commercial serviced apartments. In view of such indication, HQ Company has pursued to apply for a change of the use of the Property to include commercial serviced apartments and suspended its construction work while keeping its ongoing negotiations with potential joint venture partners and buyers.

As previously disclosed in the announcement of the Company dated 5 June 2019, the Company's 2019 interim report of 26 August 2019 and the announcement of the Company dated 4 September 2019, HQ Land Authority has issued a letter to HQ Company reminding it to progress with its construction work at the Property on a timely basis to meet the next development milestone of completing the foundation and basement work (建設標高±0.00) by 31 July 2019, failing which HQ Company may face a daily penalty of some RMB0.63 million. It is currently estimated that it would take some 6-9 months to meet such milestone given that the construction work has been delayed for various reasons including but not limited to (a) suspension of construction work for over 40 days from May to June 2018 at the request of HQ Land Authority for improving site safety as previously announced, (b) unexpected long processing time for preparing the invitation for tender for the superstructure of the development project, (c) ongoing negotiation for the disposal of the development project to potential buyer, (d) heavy capital commitment involved in building the superstructure of the development project and difficulty in obtaining construction loan to finance the building of such superstructure under the current tight capital environment, and (e) current and anticipated weak demand for commercial shop spaces in Hengqin Island in the next few years and hence the likely resulting operational losses after completion of the development project.

To enhance the marketability of the Property, HQ Company has in mid-June 2019 submitted an application to HQ Land Authority seeking for (a) further extension of the remaining development milestones under the Land Contract, and (b) a change of use of some parts of the Property as serviced apartments and/or residential use. Management has in August 2019 held meetings with representatives of HQ Land Authority to discuss such application, during which it has been given to understand that a partial change of the land use of the Property to include commercial serviced apartments falls within the permitted land use right for commercial use, but not to include residential use. In September 2019, HQ Company received a reply letter from HQ Land Authority informing HQ Company that (a) it did not support such application of 18 June 2019; (b) HQ Company has seemingly stopped its construction works and might possibly be in breach of the Land Contract; and (c) HQ Company may face a daily penalty of some RMB0.63 million for any delay to meet the development milestone without good justifications, where any delay due to force majeure or government actions are considered as good justifications under the Land Contract. As of the Latest Practicable Date, HQ Land Authority has not imposed any penalty for delay to meet the development milestone under the Land Contract or any possible breach thereof. Management has since then been revising its application to HQ Land Authority seeking for its support for a partial change of the land use of the Property to include commercial serviced apartments without any residential use, and its related building milestone extension under the Land Contract. Negotiations with potential joint venture partners and buyers have also been ongoing until the Disposal Agreement was signed.

4. Consideration

It has been agreed under the Disposal Agreement that:

(a) the Vendors will sell 100% equity interest in Bright Success together with the related shareholder loans to the Purchaser at the total consideration of RMB300.00 million (approximately HK$329.31 million) in cash;

(b) the Purchaser has paid a deposit of RMB150.00 million (approximately HK$164.66 million) to the Vendors upon signing of the Disposal Agreement; and

(c) the balance of the Consideration will be paid by the Purchaser on completion which shall take place within 6 business days after the Disposal Agreement is approved by the Shareholders at the SGM to be held in accordance with the requirements of the Chapter 14 of the Listing Rules.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference not just to the prevailing property market value of some HK$450.2 million of the Property as at 30 June 2019 but also all the circumstances surrounding the development of the Property as more particularly described under the paragraph headed "Reasons for, and benefits of, the Disposal" below. The Vendors and the Company shall bear their respective non-resident income tax of 10% under the Non-Resident Income Tax Rule, while the Purchaser will bear all the stamp duty and other taxes arising out of or in connection with the Disposal.

The Property (in its existing state) was valued at HK$450.20 million (equivalent to approximately RMB396.00 million) as at 30 June 2019 and HK$434.70 million (equivalent to approximately RMB396.00 million) as at 30 September 2019 by JLL, an independent property valuer appointed by the Group. In valuing the Property, JLL has assumed that the Property will be developed and completed in accordance with the latest development proposal provided to JLL by the Group which is to build a 7-storey commercial building with 4-level basement, comprising mainly retail shops, restaurants, exhibition centre and car parking facilities. In arriving at its opinion of value, JLL adopted the market approach by making reference to comparable land sales transactions as available in the relevant market and has also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date. JLL has relied on the accrued construction cost and professional fees information provided by the Group according to the stage of construction of the Property as at the valuation date and JLL did not find any material inconsistency from those of other similar developments.

The Purchaser acknowledges that there has been substantial delay in the construction of the Property as mentioned above and agrees to bear any liabilities and penalties (including any delay penalty and idle land penalty) which may be imposed by the relevant authorities in connection with such delay and suspension of construction work pursuant to the terms of the Disposal Agreement. The Vendors shall be responsible for the other liabilities of Bright Success and HQ Company incurred prior to the signing of the Disposal Agreement, which include (i) outstanding professional fees in connection with the construction of the Property, and severance payment to employees of Bright Success and HQ Company all of approximately HK$10 million, and (ii) repayment of the Bank Loan of approximately HK$36.81 million. The Bank Loan shall be fully repaid by the Vendors within 3 days after the Disposal Agreement is approved by the Shareholders at the SGM.

To meet the current development milestone as required under the Land Contract and to avoid any possible further liabilities for delay in meeting such current development milestone, the Vendors and the Purchaser have agreed that, after signing the Disposal Agreement, they will jointly procure HQ Company to continue with the remaining 20% of the foundation work and (if required) the application for the change of use of the Property to include use as serviced apartments, and the Vendors shall make available for use all documents and seals relating to the Property for such purpose. The Purchaser agrees to bear all the costs for the construction work to be carried on at the Property after the signing of the Disposal Agreement. However, if completion of the Disposal Agreement does not take place, the Vendors will have to bear all construction costs incurred after the signing of the Disposal Agreement. The Vendors have deposited with the Purchaser's lawyer at signing of the Disposal Agreement the originals of all land title documents relating to the Property for their safe keeping, and all these documents shall be returned to the Vendors if the Disposal Agreement is terminated.

5. Condition precedent

Completion of the Disposal will be conditional on the Disposal being approved by the Shareholders at the SGM to be held in accordance with the requirements of Chapter 14 of the Listing Rules. If the Shareholders' approval is not obtained within 90 days of signing of the Disposal Agreement (being 28 October 2019), the Disposal Agreement shall be terminated without further liabilities to any parties and the Deposit with interest thereon will be returned to the Purchaser unless the parties agree to extend such 90 days' period. The above condition cannot be waived by either the Vendors or the Purchaser.

6. Completion

Completion of the Disposal will take place within 6 business days after the Disposal is approved by the Shareholders in the manner as mentioned above. If the Company fails to obtain the approval of the Disposal by its Shareholders within 90 days from the date of the Disposal Agreement, the Vendors shall refund the Deposit with interest thereon to the Purchaser and reimburse the Purchaser for expenses paid by him (if any) for the development of the Property, and the parties shall have no further liabilities to each other.

If the Vendors breach or fail to perform their obligations under the Disposal Agreement after signing the Disposal Agreement, the Vendors are required to refund the Deposit with interest thereon and pay a penalty of RMB150.00 million (approximately HK$164.66 million) to the Purchaser, but no penalty shall be payable if the Vendors are unable to perform their obligations under the Disposal Agreement due to (a) the Company failing to obtain the approval of the Shareholders, (b) the occurrence of a force majeure event, (c) a breach of the Disposal Agreement by the Purchaser or (d) government action or requirement of any governmental authority. When the Deposit is required to be refunded, the interest payable thereon shall be calculated from the date on which the Purchaser paid the Deposit until the date of refund, at the rate of 24% per annum. The abovementioned penalty of RMB150.00 million (approximately HK$164.66 million) shall also carry interest at the rate of 24% per annum from the date when it is due and payable to the date of actual payment.

If completion of the Disposal is delayed as a result of the fault or default of the Purchaser, the Purchaser shall pay to the Vendors damages at the rate of 24% per annum on the amount payable to the Vendors under the Disposal Agreement, and if the delay continues for more than 20 days, the Vendors may terminate the Disposal Agreement and the Deposit paid by the Purchaser shall be forfeited by the Vendors without further liabilities on the Vendors.

REASONS FOR, AND BENEFITS OF, THE DISPOSAL

As mentioned above, Macau's economy has since mid 2014 experienced a substantial downward adjustment for over two years with gradual improvement since 2016. The Group has been subject to tough and challenging operating environment recording losses since 2015. The US and China trade dispute and the current civil unrest in Hong Kong have also materially and adversely affected the business performance of the

Group. The continuous development of the Property would require heavy capital commitment of no less than RMB600.00 million (approximately HK$658.62 million) from the Group, and the Group has experienced difficulties in obtaining construction loans from banks to finance its continuous development of the Property due to the tight credit control for property development in Mainland China. In addition, as mentioned above, HQ Company may face a daily penalty of some RMB0.63 million for delay to meet the current development milestone under the Land Contract. In view of such circumstances, with its limited capital resources, and the failure of obtaining any construction loans from banks or finding a joint venture partner soon, the Group would have difficulties with continuing with the development of the Property, and has to look for alternate options. As disclosed above, the Group has since 2016 looked for joint venture partners and undertaken negotiations with different potential buyers but all without success. The offer under the Disposal Agreement is the best and most mature offer (in terms of pricing and timing) available so far with terms readily mutually agreed while the other proposals are still at preliminary negotiation stages and mainly involve joint-development of the Property rather than an outright disposal. Therefore, despite that the Consideration of RMB300.00 million (approximately HK$329.31 million) under the Disposal is some 24.24% discount to the valuation of RMB396.00 million (equivalent to approximately HK$434.70 million) as at 30 September 2019, the Directors are of the view that the terms of the Disposal (including the Consideration) are fair and reasonable as the Disposal would, immediately upon its completion, generate substantial cash inflow to the Group and relieve the Group from further capital commitment on the development of the Property. With substantial cash inflow upon completion of the Disposal, the Group would be able to reduce its bank borrowings, and to use such cash inflow to finance its food and catering business. It is the current intention of the Group that it will continue to focus on its existing markets without any plan to tap on the food and catering market of Hengqin Island as the economic growth of Hengqin Island is much slower than expected. If the Group did not enter into the Disposal Agreement now, it may or may not be able to get a better offer in the future.

As the Purchaser has agreed to bear any liabilities and penalties which may be imposed by the relevant authorities in connection with the delay and suspension of the development of the Property under the Disposal Agreement, and taking into account of the difficult circumstances relating to the Property which the Group is currently facing as mentioned above, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal Agreement are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

On completion of the Disposal, Bright Success and HQ Company will cease to be subsidiaries of the Company and the profit and loss and the assets and liabilities of Bright Success and HQ Company will no longer be consolidated into the Group's consolidated financial statements.

The unaudited consolidated total assets and total liabilities of the Group as at 30 June 2019 were approximately HK$2,070.77 million and HK$1,165.72 million respectively. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, assuming completion of the Disposal had taken place on 30

June 2019, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group would be approximately HK$1,888.99 million and HK$1,085.42 million respectively and the unaudited pro forma consolidated shareholders' fund of the Remaining Group would be approximately HK$803.56 million.

On completion of the Disposal, the Group is expected to record an unaudited estimated gross loss of approximately HK$98.18 million, based on the calculation of the net Consideration of approximately HK$318.79 million (after deducting relevant estimated expenses of approximately HK$10.52 million) minus the followings:

(a) the sale of shareholders' loans of the Vendors of approximately HK$388.42 million as at 30 September 2019;

(b) the Bank Loan of approximately HK$36.81 million as at 30 September 2019; and

(c) the unaudited consolidated net liabilities of Bright Success and HQ Company of approximately HK$8.26 million as at 30 September 2019 (including the accumulated fair value gain after deferred tax of approximately HK$43.26 million from the Property since its acquisition up to 30 September 2019 and the foreign exchange reserve of approximately HK$47.57 million as at 30 September 2019 in relation to Bright Success and HQ Company to be transferred to profit and loss).

However, the above estimated gross loss may be subject to adjustments after completion of the Disposal since the actual amount of the gross gain/loss from the Disposal can only be determined, based on the consolidated financial position of Bright Success and HQ Company as at the completion date of the Disposal.

For the six months ended 30 June 2019, the Group recorded an unaudited consolidated loss of approximately HK$68.77 million. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, assuming completion of the Disposal had taken place on 1 January 2019, the unaudited pro forma consolidated loss of the Remaining Group for the six months ended 30 June 2019 would be approximately HK$204.02 million.

On completion of the Disposal, the Company intends to use the net sale proceeds of some HK$318.79 million from the Disposal as to HK$150.00 million to repay its bank borrowings including the Bank Loan, as to HK$80.00 million to finance opening of new restaurants/shops for its food and catering business and as to the balance of HK$88.79 million for its working capital.

INFORMATION ON THE GROUP, BRIGHT SUCCESS AND THE PURCHASER

Information of the Group and Bright Success

The Company is principally engaged in the businesses of food and catering, sales of food souvenir and property investment. The Vendors are principally engaged in investment holding with their major asset being the Property.

The sole asset of Bright Success is its equity interest in HQ Company. The audited consolidated total asset value of Bright Success as at 31 December 2018 was approximately HK$471.72 million (equivalent to approximately MOP485.87 million) and the audited consolidated total liability value of Bright Success as at 31 December 2018 was approximately HK$465.80 million (equivalent to approximately MOP479.78 million). The audited consolidated net asset value of Bright Success as at 31 December 2018 was approximately HK$5.92 million (equivalent to approximately MOP6.09 million).

The audited consolidated (loss)/profit before and after tax of Bright Success for each of the years ended 31 December 2017 and 2018 are as follows:

	Year ended 31 December	
	2018	**2017**
	HK$'000	*HK$'000*
(Loss)/Profit before income tax	(8,288)	45,548
(Loss)/Profit after income tax	(6,628)	34,138

Note: For the years ended 31 December 2017 and 2018, (loss)/profit before income tax of Bright Success were derived almost entirely from fair value (loss)/gain of the Property.

The unaudited consolidated total asset value of Bright Success as at 30 September 2019 was approximately HK$471.52 million (equivalent to approximately MOP485.67 million) and the unaudited consolidated total liability value of Bright Success as at 30 September 2019 was approximately HK$479.78 million (equivalent to approximately MOP494.17 million). The unaudited consolidated net liability value of Bright Success as at 30 September 2019 was approximately HK$8.26 million (equivalent to approximately MOP8.51 million).

Information of the Purchaser

The Purchaser is at the age of 55 and is a local resident of Macau. He has more than 20 years of experience in property investment and investment holding in Macau and many cities in Mainland China. He is the controlling shareholder and director of 常州市金壇區翔峰房地產開發有限公司, a company established in Changzhou City, Jiangsu which has since 2003 been engaged in property development in Mainland China.

To the best of the Directors' knowledge, information and belief after all reasonable enquiries were made, the Purchaser is a third party independent of the Group and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Mr. Chan and his associates together had an equity interest of approximately 41.31% in the Company as at the Latest Practicable Date, and have indicated that they would vote in favour of the Disposal if and when the Disposal is put forward for the approval by the Shareholders at the SGM.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has any interest in the Disposal and therefore, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM to approve the Disposal contemplated under the Disposal Agreement.

SGM

A notice of the SGM to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168—200 Connaught Road Central, Hong Kong on 18 December 2019 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

In accordance with Rule 13.39(4) of the Listing Rules, the vote of the Shareholders at the SGM will be taken by poll.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited, on Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors consider that the terms of the Disposal (including the Consideration) are fair and reasonable and the Disposal is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Chan Chak Mo
Managing Director

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 December 2016, 2017 and 2018 are disclosed in the annual reports of the Company for the financial years ended 31 December 2016 (pages 72 to 166), 31 December 2017 (pages 74 to 179) and 31 December 2018 (pages 80 to 211) respectively and the unaudited consolidated financial statements of the Group, together with the accompanying notes, for the six months ended 30 June 2019 are disclosed in the interim report of the Company for the six months ended 30 June 2019 (pages 41 to 82), and are incorporated by reference into this circular.

The said annual reports and interim report of the Company are available on the Company's website at www.fb.com.hk and the Stock Exchange's website at www.hkexnews.hk through the links below:

https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0324/ltn20170324325.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0406/ltn20180406715.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0404/ltn20190404986.pdf

https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0903/ltn20190903519.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2019, being the latest practicable date for the purpose of this statement of indebtedness, the Group's indebtedness includes secured bank loans and borrowings amounting to approximately HK$470,522,000 and unpaid contractual lease liabilities amounting to approximately HK$582,173,000.

The Group's bank loans and borrowings were secured by its assets, including investment property, land and buildings and bank deposits.

As at 31 October 2019, the total outstanding bank loans with specific performance covenant that Mr. Chan, being the controlling shareholder of the Company, and his associates have to hold not less than 37% equity interest in the Company, were some HK$449,872,000.

As at 31 October 2019, the Group, as a lessee, had outstanding unpaid contractual lease liabilities amounting to HK$582,173,000 in aggregate (excluding contingent rental arrangement) in relation to the remaining lease terms of certain right-of-use assets, which are unsecured and unguaranteed.

The Directors confirm that save as disclosed above, there have been no material changes in the indebtedness or contingent liabilities of the Group as at the Latest Practicable Date, and as disclosed in the Letter from the Board above, HQ Company may face a daily penalty of some RMB0.63 million for delay to meet the current development milestone under the Land Contract which might, if so eventually be found to be payable, amount to approximately RMB57.96 million from 1 August to 31 October 2019.

The Directors confirm that as of 31 October 2019, being the latest practicable date for the purpose of this indebtedness statement, save as disclosed above, the Group did not have any issued and outstanding, or authorised or otherwise created but unissued debt securities, term loans, other borrowings, indebtedness, mortgages and charges, contingent liabilities and guarantees.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that save as previously announced in (i) the loss alert and business update announcement for the first quarter of 2019 dated 5 June 2019, (ii) the loss alert and business update announcement for the second quarter of 2019 dated 9 August 2019, (iii) the Company's 2019 interim report of 26 August 2019, (iv) the announcement in relation to the Disposal dated 28 October 2019, and (v) the loss alert and business update announcement for the third quarter of 2019 dated 11 November 2019, there was no material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group have been made up) to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the currently available facilities and the net sale proceeds from the Disposal, the Group has sufficient working capital for its normal business for at least the next 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

With the recent trade and currency disputes between United States and China posing threat and uncertainty to the global economy and the current civil unrest in Hong Kong, management expects the operating environment of the Remaining Group in the following few months to be tough and competitive. To cope with such challenging circumstances, the Group's current business strategy remains to be cautious and prudent in opening any new restaurants in the Greater China area, and management is also to tap on overseas distributors to distribute its food souvenir products in the overseas markets.

Set out below are the unaudited financial information of the Disposal Group which comprises the unaudited consolidated statements of financial position of the Disposal Group as at 31 December 2016, 2017 and 2018 and 30 June 2019 and the related unaudited consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2018 and 2019 and certain explanatory notes (altogether referred to as the "Unaudited Financial Information").

The Unaudited Financial Information has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and the basis of preparation and presentation as set out in note 2 to the Unaudited Financial Information.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the proposed disposal of the entire equity interest in Bright Success together with the related shareholders' loans. The Company's auditors, BDO Limited (the "reporting accountants"), were engaged to review the Unaudited Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. The reporting accountants have issued an unmodified review report.

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	297	235	172	141
Investment property under construction	267,440	408,900	441,961	450,153
Restricted bank deposits	17,844	19,191	6,272	6,252
Prepayments and deposits	5,577	5,997	5,701	5,684
	291,158	434,323	454,106	462,230
Current assets				
Prepayments and deposits	90	115	100	100
Amount due from a shareholder	3	3	–	–
Cash and cash equivalents	61,196	52,718	17,510	11,540
	61,289	52,836	17,610	11,640
Current liabilities				
Other payables and accruals	148	12,161	27,567	26,925
Amounts due to fellow subsidiaries	4	514	5,643	9,400
Amounts due to immediate holding companies	375,270	375,268	377,081	377,080
Amount due to ultimate holding company	–	54	32	32
Interest bearing borrowing	–	6,319	6,488	6,575
	375,422	394,316	416,811	420,012
Net current liabilities	(314,133)	(341,480)	(399,201)	(408,372)
Non-current liabilities				
Interest bearing borrowing	–	41,642	35,160	31,860
Deferred tax liabilities	4,087	16,235	13,830	14,934
	4,087	57,877	48,990	46,794
Net (liabilities)/assets	(27,062)	34,966	5,915	7,064

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital and reserve				
Quota capital	24	24	24	24
Reserves	(27,086)	34,942	5,891	7,040
Total (deficits)/equity	(27,062)	34,966	5,915	7,064

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the year ended 31 December			For the six months ended 30 June	
	2016	2017	2018	2018	2019
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	–	–	–	–	–
Other revenue	723	951	546	113	20
Other gain/(losses), net	789	45,642	(6,641)	16,735	4,670
Administrative expenses	(274)	(996)	(994)	(524)	(447)
Finance cost	(839)	(49)	(1,199)	(607)	(551)
Profit/(loss) before income tax	399	45,548	(8,288)	15,717	3,692
Income tax (expense)/credit	(721)	(11,410)	1,660	(4,184)	(1,167)
(Loss)/profit for the year/period	(322)	34,138	(6,628)	11,533	2,525
Other comprehensive (loss)/income, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(16,752)	27,890	(22,423)	(5,747)	(1,376)
(Loss)/profit and total comprehensive (loss)/income for the year/period	(17,074)	62,028	(29,051)	5,786	1,149

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Quota capital	Foreign exchange reserves	Retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2016	24	(22,694)	12,682	(9,988)
Loss for the year	–	–	(322)	(322)
Other comprehensive loss:				
Exchange difference on translating foreign operations	–	(16,752)	–	(16,752)
Total comprehensive loss for the year	–	(16,752)	(322)	(17,074)
At 31 December 2016 and 1 January 2017	24	(39,446)	12,360	(27,062)
Profit for the year	–	–	34,138	34,138
Other comprehensive income:				
Exchange difference on translating foreign operations	–	27,890	–	27,890
Total comprehensive income for the year	–	27,890	34,138	62,028
At 31 December 2017 and 1 January 2018	24	(11,556)	46,498	34,966
Loss for the year	–	–	(6,628)	(6,628)
Other comprehensive loss:				
Exchange difference on translating foreign operations	–	(22,423)	–	(22,423)
Total comprehensive loss for the year	–	(22,423)	(6,628)	(29,051)
At 31 December 2018 and 1 January 2019	24	(33,979)	39,870	5,915
Profit for the period	–	–	2,525	2,525
Other comprehensive loss:				
Exchange difference on translating foreign operations	–	(1,376)	–	(1,376)
Total comprehensive (loss)/income for the period	–	(1,376)	2,525	1,149
At 30 June 2019	24	(35,355)	42,395	7,064

	Quota capital HK$'000	Foreign exchange reserves HK$'000	Retained earnings HK$'000	Total HK$'000
At 1 January 2018	24	(11,556)	46,498	34,966
Profit for the period	–	–	11,533	11,533
Other comprehensive loss:				
Exchange difference on translating foreign operations	–	(5,747)	–	(5,747)
Total comprehensive (loss)/income for the period	–	(5,747)	11,533	5,786
At 30 June 2018	24	(17,303)	58,031	40,752

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended 31 December			For the six months ended 30 June	
	2016	2017	2018	2018	2019
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from operating activities					
Profit/(loss) before income tax	399	45,548	(8,288)	15,717	3,692
Adjustments for:					
Interest income	(723)	(951)	(546)	(113)	(20)
Fair value (gain)/loss on an investment property under construction	(2,887)	(45,642)	6,641	(16,735)	(4,670)
Depreciation	16	62	63	31	31
Interest expense	839	50	1,199	607	551
Operating loss before working capital change	(2,356)	(933)	(931)	(493)	(416)
Decrease/(increase) in prepayments and deposits	2,349	(25)	10	28	–
(Decrease)/increase in other payables and accruals	(3,736)	(3,117)	15,593	16,289	(1,542)
Net cash (used in)/generated from operating activities	(3,743)	(4,075)	14,672	15,824	(1,958)
Cash flows from investing activities					
Interest received	723	951	546	113	20
(Increase)/decrease in restricted bank deposits	(17,844)	(1,348)	11,973	371	–
Purchases of property, plant and equipment	(313)	–	–	–	–
Purchases of investment property under construction	(3,939)	(56,411)	(60,947)	(43,837)	(3,522)
Refund of construction guaranteed deposit	65,632	–	–	–	–
Repayment from a shareholder	–	–	3	–	–
Net cash generated from/(used in) investing activities	44,259	(56,808)	(48,425)	(43,353)	(3,502)

	For the year ended 31 December			For the six months ended 30 June	
	2016	2017	2018	2018	2019
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash flows from financing activities					
(Repayment to)/advance from ultimate holding company	(4)	54	(22)	(55)	–
(Repayment to)/advance from fellow subsidiaries	(314,090)	510	5,129	1,350	3,758
Advance from immediate holding companies	375,290	–	1,812	1,814	–
Repayment of interest bearing borrowing	(64,295)	–	(6,313)	(3,141)	(3,214)
Proceeds from interest bearing borrowing	–	47,961	–	–	–
Interest paid	(839)	(50)	(1,199)	(607)	(551)
Net cash (used in)/generated from financing activities	(3,938)	48,475	(593)	(639)	(7)
Net increase/(decrease) in cash and cash equivalents	36,578	(12,408)	(34,346)	(28,168)	(5,467)
Cash and cash equivalents at beginning of year/period	27,428	61,196	52,718	52,718	17,510
Effect of exchange rate changes on cash and cash equivalents	(2,810)	3,930	(862)	362	(503)
Cash and cash equivalents at end of year/period	61,196	52,718	17,510	24,912	11,540

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Bright Success is a limited liability company incorporated in Macau. The address of its registered office is at 1023 Avenida de Amizade, 2 andar P-V Edf. Nam Fong, Macau. Bright Success is engaged in investment holding.

Bright Success's immediate holding companies are Bright Rich and Gain Success, which are incorporated in Macau, and the directors of Bright Success consider its ultimate holding company is the Company, a company incorporated in Bermuda and listed on the Main Board of the Stock Exchange.

On 28 October 2019, Bright Rich and Gain Success (as vendors), the Company (as vendors' guarantor), Mr. Zhou Luohong (as purchaser), Bright Success and HQ Company, a company wholly owned by Bright Success and incorporated in Mainland China entered into an agreement for sale and purchase, pursuant to which the purchaser agreed, subject to obtaining the approval from the shareholders of the Company, to purchase the entire equity interest in Bright Success together with the related shareholders' loans.

2. BASIS OF PREPARATION AND PRESENTATION

The Unaudited Financial Information of the Disposal Group has been prepared in accordance with Rule 14.68(2)(a)(i) of the Listing Rules and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal. It does not contain sufficient information to constitute a complete set of financial statements as described in Hong Kong Standard 1 (Revised) "Presentation of Financial Statements" nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and should be read in connection with the annual report of the Company for the year ended 31 December 2018 and the interim report of the Company for the six months ended 30 June 2019.

The Unaudited Financial Information of the Disposal Group has been prepared in accordance with the accounting policies adopted by the Company as set out in its annual report for the year ended 31 December 2018 and its interim report for the six months ended 30 June 2019.

The Unaudited Financial Information of the Disposal Group has been prepared under the historical cost basis except for investment property under construction which is measured at fair value. The Unaudited Financial Information is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except where otherwise indicated.

Notwithstanding that the Disposal Group had net current liabilities of approximately HK$408,372,000 as at 30 June 2019, the Company has undertaken to provide continued financial support to enable the Disposal Group to fulfill its financial liabilities when they fall due and accordingly, the Unaudited Financial Information has been prepared by the Directors on the assumption that the Disposal Group can be operated as a going concern.

Should the Disposal Group be unable to continue in business as a going concern, adjustments would have to be made in the Unaudited Financial Information to write down the values of the assets to their recoverable 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 yet been reflected in the Unaudited Financial Information.

Following the Disposal, the Remaining Group will continue to carry out its existing businesses. Set out below is the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019.

For the year ended 31 December 2016

Operations review

During the year ended 31 December 2016, the Remaining Group's principal activities were in the sales of food and catering, food souvenir and property investment.

(a) Food and catering business

During the year ended 31 December 2016, the Remaining Group's food and catering business contributed some HK$781.6 million turnover representing about 91.6% of the total turnover of the Remaining Group. The increase in turnover for the Remaining Group's food and catering business was mainly attributable to the Remaining Group's new restaurants opened during the year of 2016. During the year of 2016, the Remaining Group opened 14 new restaurants (including 6 self-owned restaurants and 8 franchise restaurants) but closed down 1 self-owned restaurant. The Remaining Group also opened 2 food court counters during the year of 2016. As at 31 December 2016, the Remaining Group had 55 restaurants (including 35 self-owned restaurants and 20 franchise restaurants) and 4 food court counters.

In 2016, the Remaining Group's industrial catering business was derived from its operations of providing the canteen services for universities and school with a modest turnover of some HK$45.3 million, representing a decrease of 6.2%, as compared to those of 2015 of HK$48.3 million. The decrease in turnover of industrial catering business was largely attributable to the decrease in turnover of Food Paradises at the University of Macau and the Macau University of Science and Technology.

The Remaining Group's wholesale business of Japanese food and materials in Macau has improved in 2016. This business was profitable in 2016 with some turnover of HK$50.5 million, representing a growth of some 38.7% as compared to those of 2015 of HK$36.4 million.

(b) Food souvenir business

During the year ended 31 December 2016, the food souvenir business has recorded some HK$50.5 million turnover representing about 5.9% of the total turnover of the Remaining Group. The increase in turnover of the food souvenir business was mainly due to the increased sales from the existing Yeng Kee bakery kiosks and the 3 newly opened Yeng Kee bakery kiosks opened in Macau during 2016. The decrease in net loss of this business was mainly due to its increase in turnover, the decrease in its direct operating loss and its reduced impairment losses in 2016. During the year of 2016, the Remaining Group opened 2 new Yeng Kee bakery shops/kiosks in Macau but closed down 3 Yeng Kee bakery shops/ kiosks in Macau and Mainland China.

(c) Property investment business

During the year ended 31 December 2016, the Remaining Group's 6-storey commercial building in Macau has generated a steady rental income of some HK$21.1 million representing about 2.5% of the total turnover of the Remaining Group, with a decrease of approximately 30.4% as compared to those of 2015 of HK$30.3 million. The Remaining Group's net profit attributable to the Remaining Group's property investment business was some HK$10.8 million in 2016, representing a decrease of 48.1%, as compared to the year of 2015 of HK$20.8 million. Such decrease was mainly attributable to (i) the decrease in rental income and (ii) the fair value losses from investment properties.

Liquidity and financial resources

The Remaining Group generally finances its operations with internally generated resources and banking facilities provided by its bankers. As at 31 December 2016, the Remaining Group had net current assets of HK$383.6 million (2015: HK$387.6 million). As at 31 December 2016, the Remaining Group had bank deposits, cash and bank balances totalling HK$192.1 million (2015: HK$220.0 million), while the Remaining Group's pledged bank deposits amounted to HK$33.8 million (2015: HK$28.1 million) in which HK$33.8 million (2015: HK$28.1 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2016, the Remaining Group had interest-bearing bank loans of HK$308.5 million (2015: HK$156.8 million). The Remaining Group had six (2015: two) secured bank loans, including:

(a) a secured mortgage loan of HK$106.0 million (2015: HK$120.0 million) was interest bearing at 1-month Hong Kong Inter-Bank Offered Rate ("HIBOR") plus 2.75% per annum, repayable within 15 years from 2011, which has been secured by the investment properties and freehold land and buildings of the Remaining Group with a covenant that Mr. Chan and his associates have to hold not less than 37% equity interest holding of the Company;

(b) the second secured mortgage loan of HK$12.1 million (2015: HK$12.8 million) was interest bearing at HIBOR plus 1.75% per annum, repayable within 7 years from 2014 which has been secured by the leasehold land and buildings of the Remaining Group;

(c) the third secured mortgage loan of HK$54.9 million (2015: nil) was interest bearing at the prime rate less 2.7% per annum, repayable within 7 years from 2016, which has been secured by the investment properties and freehold land and buildings of the Remaining Group with a covenant that Mr. Chan and his associates have to hold not less than 37% equity interest holding of the Company;

(d) the fourth secured bank loan of HK$65.0 million (2015: nil) was interest bearing at the prime rate less 2.25% per annum, repayable within 8 years from 2018, which has been secured by the construction in progress of the Group with a covenant that Mr. Chan and his associates have to hold not less than 35% equity interest holding of the Company;

(e) the fifth secured bank loan of HK$8.8 million (2015: nil) was interest bearing at HIBOR plus 1.8% per annum, repayable on demand which has been secured by the leasehold land and buildings of the Remaining Group; and

(f) the sixth secured bank loan of HK$10.0 million (2015: nil) was interest bearing at HIBOR plus 1.75% per annum, repayable within 3 years from 2016 which has been secured by the leasehold land and buildings of the Remaining Group.

As at 31 December 2016, the Remaining Group had one unsecured bank loan of HK$51.7 million (2015: HK$24.0 million) which is repayable within 5 years from 2015 with maximum facility of HK$80.0 million. It bears interest at the prime rate less 1.5% per annum and is carried with a covenant that Mr. Chan and his associates have to hold not less than 37% equity interest holding of the Company.

During the year of 2016, the Remaining Group has obtained an overdraft facility with maximum facility of HK$38.8 million (equivalent to MOP40.0 million). It bears interest at the prime rate less 2.5% per annum. Such overdraft facility is secured by the freehold land and buildings and investment properties, with a covenant that Mr. Chan and his associates have to hold not less than 37% equity interest holding of the Company. As at 31 December 2016, the Remaining Group's bank overdraft is zero.

The Remaining Group's borrowings are made in Hong Kong dollars, Macau Patacas and Renminbi.

The Remaining Group's gearing ratio represented by the Remaining Group's net debts (total liabilities less cash and cash equivalents) to the Group's total equity as at 31 December 2016 was 29.7 (2015: 29.8). The decrease in the Remaining Group's gearing ratio as at 31 December 2016 was mainly due to the decrease of net debts. The ratio of the total assets against total liabilities of the Remaining Group as at 31 December 2016 was 5.52 (2015: 9.87).

Charges on the Remaining Group's assets

As at 31 December 2016, the Remaining Group pledged the investment properties and freehold land and building in Macau to a bank in Macau to secure two mortgage loans and a bank overdraft facility. The Remaining Group also pledged the construction in progress in Macau to a bank in Macau to secure a bank loan. The Remaining Group also as at that date pledged the leasehold land and building in Hong Kong to a bank in Hong Kong to secure a mortgage loan and two bank loans. Other than that, the Remaining Group did not have any charges on assets.

Contingent liabilities

As at 31 December 2016, the Remaining Group did not have any contingent liabilities (2015: nil).

Currency exposure

As at 31 December 2016, the Remaining Group did not have any outstanding hedging instrument. The Remaining Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

Employees

The Remaining Group employed, as at 31 December 2016, a total of 1,885 (2015: 1,740) full time staff, in which 1,413 (2015: 1,298) full-time staff in Macau, 382 (2015: 413) full-time staff in Mainland China and 90 (2015: 29) fulltime staff in Hong Kong. The remuneration policy of the employees of the Remaining Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detail 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. Details of the retirement benefits schemes of the Remaining Group are set out in note 4(n) to the audited consolidated financial statements of the Company for the year ended 31 December 2016.

For the year ended 31 December 2017

Operations review

During the year ended 31 December 2017, the Remaining Group's principal activities were in the sales of food and catering, food souvenir and property investment.

(a) Food and catering business

During the year ended 31 December 2017, the Remaining Group's food and catering business contributed some HK$894.6 million turnover representing about 93.5% of turnover of the Remaining Group. The increase in turnover for the Remaining Group's food and catering business was mainly attributable to the increases in sales from the Remaining Group's restaurants opened in late 2016 and during the year of 2017. During the year of 2017, the Remaining Group opened 16 new restaurants (including 6 self-owned restaurants and 10 franchise restaurants) but closed down 4 self-owned restaurants and 1 franchise restaurant. As at 31 December 2017, the Remaining Group had 66 restaurants (including 38 self-owned restaurants and 28 franchise restaurants) and 4 food court counters.

In 2017, the Remaining Group's industrial catering business was derived from its operations of providing the canteen services for universities and school with a modest turnover of some HK$43.1 million, representing a decrease of 4.9%, as compared to those of 2016 of HK$45.3 million. The decrease in turnover of industrial catering business was largely attributable to the decrease in turnover of Food Paradises at the University of Macau.

The Remaining Group's wholesale business of Japanese food and materials was profitable in 2017 with some turnover of HK$31.3 million, representing a decrease of some 38.0% as compared to those of 2016 of HK$50.5 million.

(b) Food souvenir business

During the year ended 31 December 2017, the food souvenir business has recorded some HK$62.5 million turnover representing about 6.5% of the total turnover of the Remaining Group. The increase in turnover of the food souvenir business was mainly due to the increased sales from the Yeng Kee retail outlets opened in Macau during 2017. The decrease in net loss of this business was mainly due to its increase in turnover and the decrease in its direct operating loss. During the year of 2017, the Remaining Group opened 1 shop and 1 kiosk for Yeng Kee bakery in Macau but also closed down 1 Yeng Kee bakery shop in Macau.

(c) Property investment business

During the year ended 31 December 2017, the Remaining Group's 6-storey commercial building in Macau was left unoccupied resulting in no rental income to the Remaining Group, as compared to those of 2016 with a rental income of HK$21.1 million. The said 6-storey commercial building was valued at HK$505.0 million as at 31 December 2017 (2016: HK$513.0 million).

Liquidity and financial resources

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

As at 31 December 2017, the Remaining Group had net current assets of HK$356.2 million (2016: HK$383.6 million). As at 31 December 2017, the Remaining Group had bank deposits, bank overdraft, cash and bank balances totalling HK$117.8 million (2016: HK$192.1 million), while the Remaining Group's pledged bank deposits amounted to HK$33.1 million (2016: HK$33.8 million) in which HK$33.1 million (2016: HK$33.8 million) has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2017, the Remaining Group had interest-bearing bank loans of some HK$395.2 million (2016: HK$308.5 million).

The following loans and banking facilities were in existence during the year ended 31 December 2017 and were granted by Bank of China Limited, Macau Branch to certain wholly-owned subsidiaries of the Company:

(a) a mortgage loan in an initial aggregate amount of approximately HK$236.81 million (equivalent to approximately MOP243.91 million). This mortgage loan is interest bearing at HIBOR plus 2.75% per annum, repayable within 15 years from February 2011 on the terms and conditions therein contained. As at 31 December 2017, the outstanding loan amount was approximately HK$91.6 million;

(b) an unsecured bank loan with a maximum facility of HK$80.0 million. This bank loan is interest bearing at the prime rate less 1.5% per annum, repayable within 5 years from January 2016 on the terms and conditions therein contained. As at 31 December 2017, the outstanding loan amount was approximately HK$59.7 million;

(c) a secured bank loan, with a maximum facility of approximately HK$124.3 million (equivalent to MOP128.0 million). This bank loan is interest bearing at the prime rate less 2.25% per annum, repayable within 8 years from January 2018 on the terms and conditions therein contained. As at 31 December 2017, the outstanding loan amount was approximately HK$116.8 million;

(d) a mortgage loan in an aggregate amount of approximately HK$60.2 million (equivalent to MOP62.0 million). This mortgage loan is interest bearing at the prime rate less 2.7% per annum, repayable within 7 years from May 2016 on the terms and conditions therein contained. As at 31 December 2017, the outstanding loan amount was approximately HK$46.8 million; and

(e) a bank overdraft facility with a maximum facility of approximately HK$38.83 million (equivalent to MOP40.0 million). It bears interest at the prime rate less 2.5% per annum. This bank overdraft has been updated and is repayable in April 2019 on the terms and conditions therein contained. As at 31 December 2017, the outstanding bank overdraft was some HK$38.6 million.

The Remaining Group's borrowings are made in Hong Kong dollars and Macau Patacas.

The Remaining Group's gearing ratio represented by the Remaining Group's net debts (total liabilities less cash and cash equivalents) to the Remaining Group's total equity as at 31 December 2017 was 54.8 (2016: 29.7). The increase in the Remaining Group's gearing ratio as at 31 December 2017 was mainly due to the increase of net debts. The ratio of the total assets against total liabilities of the Remaining Group as at 31 December 2017 was 4.28 (2016: 5.52).

Charges on the Remaining Group's assets

As at 31 December 2017, the Remaining Group pledged its investment properties and freehold land and building in Macau to a bank in Macau to secure two mortgage loans and a bank overdraft facility. The Remaining Group also pledged the construction in progress in Macau to a bank in Macau to secure a bank loan. The Remaining Group has as at that date pledged the leasehold land and building in Macau to a bank in Macau to secure one mortgage loan. The Remaining Group has also as at that date pledged the asset held for sale in Hong Kong to a bank in Hong Kong to secure one mortgage loan and two bank loans. The Remaining Group has also as at that date pledged bank deposits to banks in respect of the guarantee given in lieu of paying rental deposit. Other than that, the Remaining Group did not have any charges on assets.

Contingent liabilities

As at 31 December 2017, the Remaining Group did not have any contingent liabilities (2016: nil).

Currency exposure

As at 31 December 2017, the Remaining Group did not have any outstanding hedging instrument. The Remaining Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

Employees

The Remaining Group employed, as at 31 December 2017, a total of 2,108 (2016: 1,885) full time staff, in which 1,368 (2016: 1,413) full-time staff in Macau, 537 (2016: 382) full-time staff in Mainland China and 203 (2016: 90) fulltime staff in Hong Kong. The remuneration policy of the employees of the Remaining 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. Details of the retirement benefits schemes of the Remaining Group are set out in notes 4(o) and 11 to the audited consolidated financial statements of the Company for the year ended 31 December 2017. The contributions to the retirement schemes charged to the consolidated income statement during the year was approximately HK$12.4 million (2016: HK$10.0 million), after deducting forfeitures of approximately HK$2.4 million (2016: HK$4.1 million). As at 31 December 2017, forfeited contributions available to reduce future contributions amounted to approximately HK$1.1 million.

For the year ended 31 December 2018

Operations review

During the year ended 31 December 2018, the Remaining Group's principal activities were in the sales of food and catering, food souvenir and property investment.

(a) Food and catering business

During the year ended 31 December 2018, the Remaining Group's food and catering business contributed some HK$1,054.9 million turnover representing about 93.1% of turnover of the Remaining Group. The increase in turnover for the Remaining Group's food and catering business was mainly attributable to the increases in sales from the Remaining Group's restaurants in Hong Kong. During the year of 2018, the Remaining Group opened 7 new restaurants (including 4 self-owned restaurants and 3 franchise restaurants), 7 food court counters and 1 food court with multiple cuisines, but closed down 9 self-owned restaurants and 7 franchise restaurants. As at 31 December 2018, the Remaining Group had 57 restaurants (including 33 self-owned restaurants and 24 franchise restaurants) and 12 food court counters.

In the year of 2018, the Remaining Group's industrial catering business derives from its provision of canteen services for universities and school with a modest turnover of some HK$48.7 million, representing an increase of 13.0%, as compared to that of HK$43.1 million for the year of 2017. The increase in turnover of industrial catering business was mainly attributable to the increase in customer visits.

The Remaining Group's wholesale business of Japanese food and materials was profitable in the year of 2018 with some turnover of HK$42.0 million, representing an increase of some 34.2% as compared to that of HK$31.3 million for the year of 2017. The increase in turnover of food wholesale business was mainly attributable to the increase of sales from existing and new customers in the year of 2018.

(b) Food souvenir business

During the year ended 31 December 2018, the food souvenir business has recorded some HK$78.4 million turnover representing about 6.9% of the total turnover of the Remaining Group. The increase in turnover of the food souvenir business was mainly due to the increased sales from the Yeng Kee retail outlets and from overseas distributors. The decrease in net loss of this business was mainly due to its increase in turnover and the decrease in its direct operating loss. During the year of 2018, the Remaining Group opened 2 shops for Yeng Kee Bakery in Macau but also closed down 1 Yeng Kee Bakery shop in Macau.

(c) Property investment business

During the years ended 31 December 2018 and 2017, the Remaining Group's 6-storey commercial building in Macau was left vacant and hence without any rental income to the Remaining Group. The said 6-storey commercial building was valued at HK$505.0 million as at 31 December 2018 (2017: HK$505.0 million).

Liquidity and financial resources

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

As at 31 December 2018, the Remaining Group had net current assets of HK$689.7 million (2017: HK$356.2 million). As at 31 December 2018, the Remaining Group had bank deposits, bank overdraft, cash and cash equivalents totalling HK$83.4 million (2017: HK$117.8 million), while the Remaining Group's restricted bank deposits amounted to HK$24.2 million (2017: HK$33.1 million), all (2017: HK$33.1 million) of which has been pledged to a bank in respect of the guarantee given in lieu of paying rental deposit.

As at 31 December 2018, the Remaining Group had interest-bearing bank loans of some HK$420.9 million (2017: HK$395.2 million).

The following loans and banking facilities were in existence during the year ended 31 December 2018 and were granted by Bank of China Limited, Macau Branch and Hang Seng Bank Limited, Macau Branch to certain wholly-owned subsidiaries of the Company:

(a) a mortgage loan in an initial aggregate amount of approximately HK$236.81 million (equivalent to approximately MOP243.91 million). This mortgage loan is interest bearing at HIBOR plus 2.75% per annum, repayable within 15 years from February 2011 on the terms and conditions therein contained. As at 31 December 2018, the outstanding loan amount was approximately HK$76.9 million (as at 31 December 2017: HK$91.6 million);

(b) an unsecured bank loan with a maximum facility of HK$80.0 million. This bank loan is interest bearing at the prime rate less 1.5% per annum, repayable within 5 years from January 2016 on the terms and conditions therein contained. As at 31 December 2018, the outstanding loan amount was approximately HK$43.2 million (as at 31 December 2017: HK$59.7 million);

(c) a secured bank loan, with a maximum facility of approximately HK$124.3 million (equivalent to MOP128.0 million). This bank loan is interest bearing at the prime rate less 2.25% per annum, repayable within 8 years from January 2018 on the terms and conditions therein contained. During the year ended 31 December 2018, the Remaining Group fully repaid this loan. As at 31 December 2018, the outstanding loan amount was nil (as at 31 December 2017: HK$116.8 million);

(d) a mortgage loan in an aggregate amount of approximately HK$60.2 million (equivalent to MOP62.0 million). This mortgage loan is interest bearing at the prime rate less 2.7% per annum, repayable within 7 years from May 2016 on the terms and conditions therein contained. As at 31 December 2018, the outstanding loan amount was approximately HK$38.5 million (as at 31 December 2017: HK$46.8 million);

(e) a bank overdraft facility with a maximum facility of approximately HK$38.83 million (equivalent to MOP40.0 million). It bears interest at the prime rate less 2.5% per annum. This bank overdraft has been updated and is repayable in April 2020 on the terms and conditions therein contained. As at 31 December 2018, the outstanding bank overdraft was some HK$25.5 million (as at 31 December 2017: HK$38.6 million);

(f) a mortgage loan, with 3 tranches in an aggregate amount of approximately HK$222.0 million, pursuant to which two formal loan agreements with the same terms have been entered into. This mortgage loan is interest bearing at 1.8% per annum over HIBOR, repayable within 5-7 years after 3 months from the date of drawdown on the terms and conditions contained therein. As at 31 December 2018, the outstanding loan amount was approximately HK$167.0 million (as at 31 December 2017: nil); and

(g) a mortgage loan in an aggregate amount of approximately HK$97.08 million (equivalent to MOP100.0 million). This mortgage loan is interest bearing at the prime rate less 2.55% per annum, repayable within 5 years from December 2018, on the terms and conditions therein contained. As at 31 December 2018, the outstanding loan amount was approximately HK$48.6 million (as at 31 December 2017: nil).

The Remaining Group's borrowings are made in Hong Kong dollars and Macau Patacas.

The Remaining Group's gearing ratio represented by the Remaining Group's net debts (total liabilities less cash and cash equivalents) to the Remaining Group's total equity as at 31 December 2018 was 79.5 (2017: 54.8). The increase in the Remaining Group's gearing ratio as at 31 December 2018 was mainly due to the increase of net debts and the decrease of the Remaining Group's total equity. The ratio of the total assets against total liabilities of the Remaining Group as at 31 December 2018 was 3.76 (2017: 4.28).

Charges on the Remaining Group's assets

As at 31 December 2018, the Remaining Group has pledged its investment properties and freehold land and building in Macau to a bank in Macau to secure three mortgage loans and a bank overdraft facility. The Remaining Group has also pledged two leasehold land and buildings in Macau to another bank in Macau to secure two mortgage loans. The Remaining Group has also as at that date pledged a bank deposit in Hong Kong to a bank in Hong Kong to secure one bank loan. The Remaining Group has also as at that date pledged bank deposits to banks in respect of its bank guarantee given in lieu of paying rental deposit. Other than that, the Remaining Group did not have any charges on assets.

Contingent liabilities

As at 31 December 2018, the Remaining Group did not have any contingent liabilities (2017: nil).

Currency exposure

As at 31 December 2018, the Remaining Group did not have any outstanding hedging instrument. The Remaining Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

Employees

The Remaining Group employed, as at 31 December 2018, a total of 2,283 (2017: 2,108) full-time staff, in which 1,411 (2017: 1,368) full-time staff in Macau, 493 (2017: 537) full-time staff in Mainland China, 315 (2017: 203) full-time staff in Hong Kong and 64 (2017: nil) full-time staff in Taiwan. The remuneration policy of the employees of the Remaining 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. Details of the retirement benefits schemes of the Remaining Group are set out in notes 4(o) and 35 to the audited consolidated financial statements of the Company for the year ended 31 December 2018. The contributions to the retirement schemes charged to the consolidated income statement during the year was approximately HK$11.8 million (2017: HK$12.4 million), after deducting forfeitures of approximately HK$3.6 million (2017: HK$2.4 million). As at 31 December 2018, forfeited contributions available to reduce future contributions amounted to approximately HK$0.8 million (as at 31 December 2017: HK$1.1 million).

For the six months ended 30 June 2019

Operations review

During the six months ended 30 June 2019, the Remaining Group's principal activities were in the sales of food and catering, food souvenir and property investment.

(a) Food and catering business

During the six months ended 30 June 2019, the Remaining Group's food and catering business contributed some HK$525.0 million turnover representing about 93.2% of turnover of the Remaining Group. The increase in turnover for the Remaining Group's food and catering business was mainly attributable to the increases in sales from its restaurants in Hong Kong and Taiwan. As at 30 June 2019, the Remaining Group had 51 restaurants (including 26 self-owned restaurants and 25 franchise restaurants) and 12 food court counters.

During the six months ended 30 June 2019, the Remaining Group's industrial catering business has derived from its operations of providing the 3 canteen services for universities and schools with a turnover of some HK$21.4 million, representing a decrease of 3.1% as compared to the same period of 2018 of HK$22.1 million. The decrease in turnover of industrial catering business was mainly attributable to the decrease in customer visits.

During the six months ended 30 June 2019, the Remaining Group's wholesale business of Japanese food and materials has achieved a turnover of some HK$23.8 million, representing a healthy increase of 21.4% as compared to the same period of 2018 of HK$19.6 million. The increase in turnover of food wholesale business was mainly attributable to an overall increase of sales in the period.

(b) Food souvenir business

During the six months ended 30 June 2019, the Remaining Group's food souvenir business has contributed some HK$38.5 million turnover, representing about 6.8% of the Remaining Group's turnover. The increase in turnover of the food souvenir business was mainly due to the increase of turnover from the recently opened Yeng Kee bakery shop at Macau International Airport. The food souvenir business was still adversely affected by the high rental expenses and staff costs. As at 30 June 2019, the Remaining Group had 12 Yeng Kee bakery shops/kiosks in Macau (30 June 2018: 12).

(c) Property investment business

During the six months ended 30 June 2019 and 2018, the Remaining Group's 6-storey commercial building in Macau was left vacant and hence without any rental income contribution to the Remaining Group. The Remaining Group's net loss attributable to Remaining Group's property investment business was some HK$26.2 million in the period, as compared to the net profit for the same period of 2018 of HK$14.5 million. Such loss for the period was mainly attributable to a net fair value loss of some HK$21.1 million derived from the Remaining Group's 6-storey commercial building in Macau. As announced, the Remaining Group has as landlord entered into a tenancy agreement with an independent third party as tenant, for a period of 8 years from commencement of the tenant's business or end of the rent free period (whichever is earlier) in respect of the Remaining Group's 6-storey commercial building in Macau including the self-use portion. The entering into of this tenancy agreement would generate rental income to the Remaining Group to enhance the revenue base of the Remaining Group.

The Remaining Group's 6-storey commercial building in Macau was valued at HK$481.0 million as at 30 June 2019 (31 December 2018: HK$505.0 million). During the six months ended 30 June 2019, a gross fair value loss of HK$24.0 million (six months ended 30 June 2018: nil) from the Remaining Group's 6-storey commercial building in Macau was recognised in the consolidated statement of comprehensive income.

Liquidity and financial resources

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

As at 30 June 2019, the Remaining Group had net current assets of some HK$537.1 million (31 December 2018: HK$689.7 million). As at 30 June 2019, the Remaining Group had restricted bank deposits, bank overdraft, cash and bank balances totalling some HK$45.6 million (31 December 2018: HK$83.4 million), while the Remaining Group's restricted bank deposits amounted to some HK$24.9 million (31 December 2018: HK$24.2 million), of which HK$5.0 million has been pledge to a bank in Hong Kong to secure a bank loan and HK$19.9 million has been pledged to a bank in respect of bank guarantee given, in lieu of paying rental deposit.

As at 30 June 2019, the Remaining Group had interest-bearing bank loans of some HK$453.7 million (31 December 2018: HK$420.9 million).

The following loans and banking facilities were in existence during the six months ended 30 June 2019 and were granted by Bank of China Limited, Macau Branch and Hang Seng Bank Limited, Macau Branch to certain wholly-owned subsidiaries of the Company:

(a) a mortgage loan in an initial aggregate amount of approximately HK$236.81 million (equivalent to approximately MOP243.91 million). This mortgage loan is interest bearing at HIBOR plus 2.75% per annum, repayable within 15 years from February 2011 on the terms and conditions therein contained. As at 30 June 2019, the outstanding loan amount was approximately HK$69.4 million (31 December 2018: HK$76.9 million);

(b) an unsecured bank loan with a maximum facility of HK$80.0 million. This bank loan is interest bearing at the prime rate less 1.5% per annum, repayable within 5 years from January 2016 on the terms and conditions therein contained. As at 30 June 2019, the outstanding loan amount was approximately HK$34.9 million (31 December 2018: HK$43.2 million);

(c) a mortgage loan in an aggregate amount of approximately HK$60.2 million (equivalent to MOP62.0 million). This mortgage loan is interest bearing at the prime rate less 2.7% per annum, repayable within 7 years from May 2016 on the terms and conditions therein contained. As at 30 June 2019, the outstanding loan amount was approximately HK$34.3 million (31 December 2018: HK$38.5 million);

(d) a bank overdraft facility with a maximum facility of approximately HK$38.83 million (equivalent to MOP40.0 million). It bears interest at the prime rate less 2.5% per annum. This bank overdraft has been updated and is repayable in April 2020 on the terms and conditions therein contained. As at 30 June 2019, the outstanding bank overdraft was some HK$36.9 million (31 December 2018: HK$25.5 million);

(e) a mortgage loan, with 3 tranches in an aggregate amount of approximately HK$222.0 million, pursuant to which two formal loan agreements with the same terms have been entered into. This mortgage loan is interest bearing at 1.8% per annum over HIBOR, repayable within 5-7 years after 3 months from the date of drawdown on the terms and conditions contained therein. As at 30 June 2019, the outstanding loan amount was approximately HK$160.3 million (31 December 2018: HK$167.0 million); and

(f) a mortgage loan in an aggregate amount of approximately HK$97.1 million (equivalent to MOP100.0 million). This mortgage loan is interest bearing at the prime rate less 2.55% per annum, repayable within 5 years from December 2018, on the terms and conditions therein contained. As at 30 June 2019, the outstanding loan amount was approximately HK$97.1 million (31 December 2018: HK$48.6 million).

The Remaining Group's borrowings are made in Hong Kong dollars and Macau Patacas.

The Remaining Group's gearing ratio represented by the Remaining Group's net debts (total liabilities less cash and cash equivalents) to the Remaining Group's total equity as at 30 June 2019 was 127.7 (31 December 2018: 79.5). The increase in the Remaining Group's gearing ratio as at 30 June 2019 was mainly due to the increase in lease liabilities derived under HKFRS 16 and the decrease in the Remaining Group's total equity. The Remaining Group's ratio of the total assets against the total liabilities of the Remaining Group was as at 30 June 2019 at 2.28 (31 December 2018: 3.76).

Charges on the Remaining Group's assets

As at 30 June 2019, the Remaining Group has pledged its investment properties and freehold land and building in Macau to a bank in Macau to secure three mortgage loans and a bank overdraft facility. The Remaining Group has also pledged two leasehold land and buildings in Macau to another bank in Macau to secure two mortgage loans. The Remaining Group has also as at that date pledged a bank deposit in Hong Kong to a bank in Hong Kong to secure one bank loan. The Remaining Group has also as at that date pledged bank deposits to banks in respect of its bank guarantee given, in lieu of paying rental deposit. Other than that, the Remaining Group did not have any charges on assets.

Contingent liabilities

As at 30 June 2019, the Remaining Group did not have any contingent liabilities (31 December 2018: nil).

Currency exposure

As at 30 June 2019, the Remaining Group did not have any outstanding hedging instrument. The Remaining 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 2019, the Remaining Group has employed a total of 2,114 full time staff (30 June 2018: 2,202), in which 1,349 (30 June 2018: 1,365) full time staff in Macau, 392 (30 June 2018: 587) full time staff in Mainland China, 293 (30 June 2018: 250) full time staff in Hong Kong and 80 (30 June 2018: nil) 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 Remaining 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.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The unaudited pro forma financial information of the Remaining Group (the "Unaudited Pro Forma Financial Information") has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules and solely for the purpose of illustrating (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2019; and (b) the financial results and cash flows of the Remaining Group for the six months ended 30 June 2019 as if the Disposal had been completed on 1 January 2019.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2019 which has been extracted from the Group's published interim report for the six months ended 30 June 2019, after taking into account the pro forma adjustment relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 30 June 2019.

The unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the unaudited condensed consolidated statement of comprehensive income and the unaudited condensed consolidated statement of cash flows of the Group for the six months ended 30 June 2019, which have been extracted from the Group's published interim report for the six months ended 30 June 2019, after taking into account the pro forma adjustments relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 1 January 2019.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not purport to predict what the financial position of the Remaining Group would have been if the Disposal had been completed on 30 June 2019 or at any future dates, or what the financial results and cash flows of the Remaining Group for the six months ended 30 June 2019 or for any future periods would have been if the Disposal had been completed on 1 January 2019.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

As at 30 June 2019

	The Group	Pro forma adjustment	The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	
NON-CURRENT ASSETS			
Property, plant and equipment	426,378	–	426,378
Right-of-use assets	331,414	–	331,414
Investment properties	481,000	–	481,000
Goodwill	81,781	–	81,781
Other intangible assets	20,492	–	20,492
Prepayments and deposits	46,105	–	46,105
Interest in a joint venture	6,237	–	6,237
Total non-current assets	1,393,407	–	1,393,407
CURRENT ASSETS			
Inventories	45,850	–	45,850
Trade and other receivables	75,107	–	75,107
Financial assets at fair value through profit or loss	58	–	58
Restricted bank deposits	24,886	–	24,886
Cash and cash equivalents	57,587	292,090	349,677
	203,488	292,090	495,578
Assets of a disposal group classified as held for sale	473,870	(473,870)	–
Total current assets	677,358	(181,780)	495,578
Total assets	2,070,765	(181,780)	1,888,985

	The Group *HK$'000* *(Note 1)*	Pro forma adjustment *HK$'000* *(Note 2)*	The Remaining Group *HK$'000*
CURRENT LIABILITIES			
Amount due to a joint venture	5,085	–	5,085
Trade and other payables	185,632	–	185,632
Lease liabilities	111,206	–	111,206
Current tax liabilities	60,591	–	60,591
Interest bearing borrowings	104,494	–	104,494
Non-interest bearing borrowings	1,388	–	1,388
	468,396	–	468,396
Liabilities of a disposal group classified as held as sale	80,294	(80,294)	–
Total current liabilities	548,690	(80,294)	468,396
NET CURRENT ASSETS	128,668	(101,486)	27,182
TOTAL ASSETS LESS CURRENT LIABILITIES	1,522,075	(101,486)	1,420,589
NON-CURRENT LIABILITIES			
Interest bearing borrowings	349,179	–	349,179
Deferred tax liabilities	34,440	–	34,440
Non-interest bearing borrowings	5,429	–	5,429
Lease liabilities	227,978	–	227,978
Total non-current liabilities	617,026	–	617,026
Total liabilities	1,165,716	(80,294)	1,085,422
NET ASSETS	905,049	(101,486)	803,563
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	69,430	–	69,430
Reserves	852,832	(101,486)	751,346
Equity attributable to owners of the Company	922,262	(101,486)	820,776
Non-controlling interests	(17,213)	–	(17,213)
TOTAL EQUITY	905,049	(101,486)	803,563

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP

For the six months ended 30 June 2019

	The Group	Pro forma adjustments		The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3)*	*(Note 4)*	
Turnover	563,527	–	–	563,527
Cost of sales	(169,035)	–	–	(169,035)
Gross margin	394,492	–	–	394,492
Direct operating expenses	(334,622)	–	–	(334,622)
Gross operating profit	59,870	–	–	59,870
Other revenue	6,636	(20)	–	6,616
Other gains and losses	(20,572)	(4,670)	(132,723)	(157,965)
Administrative expenses	(97,330)	447	–	(96,883)
Share loss of joint venture	(100)	–	–	(100)
Finance costs	(15,183)	551	–	(14,632)
Loss before income tax expense	(66,679)	(3,692)	(132,723)	(203,094)
Income tax expense	(2,088)	1,167	–	(921)
Loss for the period	(68,767)	(2,525)	(132,723)	(204,015)
Other comprehensive (loss)/income, net of tax				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(742)	1,376	33,979	34,613
Total comprehensive loss for the period	(69,509)	(1,149)	(98,744)	(169,402)
(Loss)/profit attributable to:				
Owners of the Company	(69,705)	(2,525)	(132,723)	(204,953)
Non-controlling interest	938	–	–	938
	(68,767)	(2,525)	(132,723)	(204,015)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(70,447)	(1,149)	(98,744)	(170,340)
Non-controlling interest	938	–	–	938
	(69,509)	(1,149)	(98,744)	(169,402)

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

For the six months ended 30 June 2019

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3)*	*(Note 4)*	*(Note 5)*	
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax	(66,679)	(3,692)	(132,723)	–	(203,094)
Depreciation of right-of-use assets	79,174	–	–	–	79,174
Depreciation of property, plant and equipment	35,944	(31)	–	–	35,913
Amortisation of other intangible assets	686	–	–	–	686
Fair value loss on investment properties	24,000	–	–	–	24,000
Fair value loss on an investment property under construction reclassified as assets of a disposal group classified as held for sale	(4,670)	4,670	–	–	–
Loss on disposal of subsidiaries	–	–	132,723	–	132,723
Interest expense	15,183	(551)	–	–	14,632
Interest income	(86)	20	–	–	(66)
Share of losses of joint venture	100	–	–	–	100
Fair value loss of financial assets at fair value through profit or loss	50	–	–	–	50
Impairment loss on trade receivables	57	–	–	–	57
Loss on write off of property, plant and equipment	1,680	–	–	–	1,680
Operating profit before working capital changes	85,439	416	–	–	85,855
Increase in inventories	6,156	–	–	–	6,156
Increase in trade and other receivables	(864)	–	–	–	(864)
Decrease in trade and other payables	(26,980)	1,542	–	–	(25,438)
Net cash generated from operating activities	63,751	1,958	–	–	65,709

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3)*	*(Note 4)*	*(Note 5)*	
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in restricted bank deposits	(686)	–	–	–	(686)
Interest received	86	(20)	–	–	66
Purchase of property, plant and equipment	(29,762)	–	–	–	(29,762)
Proceeds from disposal of subsidiaries	–	–	289,927	–	289,927
Prepayment for acquisition of property, plant and equipment	(246)	–	–	–	(246)
Purchase of investment property under construction	(3,522)	3,522	–	–	–
Purchase of other intangible asset	(893)	–	–	–	(893)
Advances to third party	–	–	–	(3,758)	(3,758)
Net cash (used in)/generated from investing activities	(35,023)	3,502	289,927	(3,758)	254,648
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from interest bearing borrowings	59,844	–	–	–	59,844
Repayment of interest bearing borrowings	(30,198)	3,214	–	–	(26,984)
Advance from a joint venture	2,232	–	–	–	2,232
Advance from related parties	–	(3,758)	–	3,758	–
Dividends paid to owners of the company	(6,943)	–	–	–	(6,943)
Interest paid	(7,730)	551	–	–	(7,179)
Repayment of principal portion of the lease liabilities	(78,857)	–	–	–	(78,857)
Net cash used in financing activities	(61,652)	7	–	3,758	(57,887)

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 3)*	*(Note 4)*	*(Note 5)*	
Net (decrease)/increase in cash and cash equivalents	(32,924)	5,467	289,927	–	262,470
Cash and cash equivalents (including cash and cash equivalents reclassified as assets of a disposal group classified as held for sale) at the beginning of the period	102,314	(17,510)	–	–	84,804
Effect of exchange rate changes on cash and cash equivalents	(263)	503	–	–	240
Cash and cash equivalents at the end of the period	69,127	(11,540)	289,927	–	347,514
Analysis of the balances of cash and cash equivalents					
Bank balances and cash	57,587	–	289,927	–	347,514
Bank balances and cash reclassified as assets of a disposal group classified as held for sale	11,540	(11,540)	–	–	–
	69,127	(11,540)	289,927	–	347,514

Notes:

1. The unadjusted unaudited consolidated statement of financial position of the Group as at 30 June 2019, and the unadjusted unaudited consolidated statement of comprehensive income and the unadjusted unaudited consolidated statement of cash flows of the Group for the six months ended 30 June 2019 are extracted from the published interim report of the Group for the six months ended 30 June 2019.

2. The adjustment represents the impact excluding the assets and liabilities of the Disposal Group as at 30 June 2019, assuming the Disposal was completed and the Group's control over the Disposal Group was lost on 30 June 2019; and the consequential impact on the Remaining Group's equity and the estimated financial position when the Disposal was completed on 30 June 2019.

   The assets and liabilities of the Disposal Group attributable to the Group have been presented as assets and liabilities of a disposal group classified as held for sale presented in the unaudited consolidated statement of financial position of the Group as at 30 June 2019.

   The cash consideration received from the completion of the Disposal amounted to RMB300,000,000 (equivalent to approximately HK$341,025,000). The adjustment reflects the estimated loss on the disposal of the Disposal Group before income tax of approximately HK$136,841,000.

The calculation of the estimated loss on the disposal of the Disposal Group to be recognised in profit or loss, as if the Disposal had been completed on 30 June 2019, is as follows:

	Notes	*HK$'000*
Cash consideration	*(a)*	341,025
Less: net assets of the Disposal Group derecognised	*(b)*	(7,064)
Less: disposal of shareholders' loans due from the Disposal Group	*(c)*	(386,512)
Less: bank loan of the Disposal Group to be repaid by the Remaining Group	*(d)*	(38,435)
Less: cumulative foreign exchange translation difference of the Disposal Group recycled to profit or loss	*(e)*	(35,355)
Less: estimated transaction costs	*(f)*	(10,500)
Loss on the disposal of the Disposal Group before income tax		(136,841)
Impact on reserves and total equity is as follows:		
Increase in foreign exchange reserve		35,355
Decrease in retained profits		(136,841)
Decrease in reserves and total equity		(101,486)
Net cash and cash equivalents received:		
Cash consideration	*(a)*	341,025
Less: repayment of bank loan of the Disposal Group	*(d)*	(38,435)
Less: estimated transaction costs	*(f)*	(10,500)
		292,090

Notes:

(a) The amount represented the total consideration, being an amount of RMB300.00 million (equivalent to approximately HK$341,025,000), which is payable by the Purchaser to the Company on the completion of the Disposal.

(b) The amount represents the net assets of the Disposal Group as at 30 June 2019 as follows

	HK$'000
Assets of the Disposal Group classified as held for sale as at 30 June 2019*	473,870
Liabilities of the Disposal Group classified as held for sale as at 30 June 2019*	(80,294)
Reinstatement of amounts due to the Remaining Group by the Disposal Group being eliminated in the Group's unaudited consolidated statement of financial position as at 30 June 2019	(386,512)
Net assets of the Disposal Group derecognised	7,064

* The amounts represent the balances in the unaudited consolidated statement of financial position of the Group as at 30 June 2019 after elimination.

(c) The amount represents the shareholders' loans due from the Disposal Group disposed in accordance with the Disposal Agreement as if the Disposal had been completed on 30 June 2019. The shareholders' loans due from the Disposal Group consist of amounts due to fellow subsidiaries, immediate holding company and ultimate holding company in the unaudited consolidated statement of financial position as at 30 June 2019 set out in Appendix II to this circular.

(d) The amount represents bank loans of the Disposal Group to be repaid by the Remaining Group three days prior to the date of completion of the Disposal in accordance with the Disposal Agreement as if the Disposal had been completed on 30 June 2019.

(e) The amount represents the cumulative currency translation differences related to foreign operations of the Disposal Group to be released to profit or loss as if the Disposal had been completed on 30 June 2019.

(f) The transaction costs represent professional fee directly attributable to the disposal of the Disposal Group which are estimated to be approximately HK$10,500,000 and it is assumed that the fees would be settled by cash.

Based on the difference between the Consideration and the investment cost of the Disposal Group recorded in the book of the Group, no income tax effect on the Disposal is expected.

3. The adjustment represents the impact excluding the financial performance and cash flows of the Disposal Group for the six months ended 30 June 2019, as extracted from the unaudited consolidated statements of comprehensive income and unaudited consolidated statements of cash flows set out in Appendix II to this circular, as if the Disposal had taken place on 1 January 2019.

4. The adjustment represents the consequential impact on the Remaining Group's financial performance and cash flows assuming the Disposal had been completed on 1 January 2019, including the effect of: i) disposal of the entire equity interests in the Disposal Group; ii) disposal of shareholders' loans amounting to approximately HK$382,756,000; iii) being responsible to repay bank loans of the Disposal Group amounting to approximately HK$41,648,000 in accordance with the Disposal Agreement.

The cash consideration received upon completion of the Disposal amounted to RMB300,000,000 (equivalent to approximately HK$342,075,000). The adjustment reflects the estimated loss on the disposal of the Disposal Group before income tax of approximately HK$132,723,000.

The calculation of the estimated loss on the disposal of the Disposal Group to be recognised in profit or loss, as if the Disposal had been completed on 1 January 2019, is as follows:

	Notes	*HK$'000*
Cash consideration	*(a)*	342,075
Less: net assets of the Disposal Group derecognised	*(b)*	(5,915)
Less: disposal of shareholders' loans due from the Disposal Group	*(c)*	(382,756)
Less: bank loan of the Disposal Group to be repaid by the Remaining Group	*(d)*	(41,648)
Less: cumulative foreign exchange translation difference of the Disposal Group recycled to profit or loss	*(e)*	(33,979)
Less: estimated transaction costs	*(f)*	(10,500)
Loss on the disposal of the Disposal Group before income tax		(132,723)
Impact on reserves and total equity is as follows:		
Increase in foreign exchange reserve		33,979
Decrease in retained profits		(132,723)
Decrease in reserves and total equity		(98,744)
Net cash and cash equivalents received:		
Cash consideration	*(a)*	342,075
Less: repayment of bank loan of the Disposal Group	*(d)*	(41,648)
Less: estimated transaction costs	*(f)*	(10,500)
		289,927

Notes:

(a) The amount represented the total consideration, being an amount of RMB300.00 million (equivalent to approximately HK$342,075,000), which is payable by the Purchaser to the Company on the completion of the Disposal.

(b) The amount represents the net assets of the Disposal Group as at 31 December 2018 as follows

	HK$'000
Assets of the Disposal Group classified as held for sale as at 31 December 2018*	471,716
Liabilities of the Disposal Group classified as held for sale as at 31 December 2018*	(83,045)
Reinstatement of amounts due to the Remaining Group by the Disposal Group being eliminated in the Group's unaudited consolidated statement of financial position as at 31 December 2018	(382,756)
Net assets of the Disposal Group derecognised	5,915

* The amounts represent the balances in the audited consolidated statement of financial position of the Group as at 31 December 2018 after elimination.

(c) The amount represents the shareholders' loans due from the Disposal Group to be sold to the Purchaser in accordance with the Disposal Agreement as if the Disposal had been completed on 1 January 2019. The shareholders' loans due from the Disposal Group consist of amounts due to fellow subsidiaries, immediate holding company and ultimate holding company in the unaudited consolidated statement of financial position as at 31 December 2018 set out in Appendix II to this circular.

(d) The amount represents bank loans of the Disposal Group to be repaid by the Remaining Group three days prior to the date of completion of the Disposal in accordance with the Disposal Agreement as if the Disposal had been completed on 1 January 2019.

(e) The amount represents the cumulative currency translation differences related to foreign operations of the Disposal Group to be released to profit or loss as if the Disposal had been completed on 1 January 2019.

(f) The transaction costs represent professional fee directly attributable to the disposal of the Disposal Group which are estimated to be approximately HK$10,500,000 and it is assumed that the fees would be settled by cash.

Based on the difference between the Consideration and the investment cost of the Disposal Group recorded in the book of the Group, no income tax effect on the Disposal is expected.

5. The adjustment represents the reinstatement of transactions and cash flows with the Remaining Group recognised by the Group and previously being eliminated in the financial performance and cash flows of the Group during the six months ended 30 June 2019.

6. Pro forma adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group.

7. For the purpose of the Unaudited Pro Forma Financial Information of the Remaining Group, where applicable, RMB has been converted into HK$ at the rate of RMB0.8797 to HK$1.00 for balances included in unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2019, and the rate of RMB0.8770 to HK$1.00 for amounts included in the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the six months ended 30 June 2019 respectively. No representation is made that RMB amounts have been, could have been or may be converted to HK$, or vice versa, at these rates.

8. Other than set out above, no other adjustments have been made to reflect any trading result or other transactions that the Group entered into subsequent to 30 June 2019.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Remaining Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Future Bright Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Future Bright Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") excluding Bright Success – Property Agency Company Limited and its subsidiary (the "Disposal Group") (collectively the "Remaining Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2019, the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the six months ended 30 June 2019 and related notes as set out on pages IV-1 to IV-10 of Appendix IV of the circular issued by the Company dated 29 November 2019 (the "Circular"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described in Appendix IV of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the disposal of entire equity interests and shareholders' loans in Bright Success – Property Agency Company Limited pursuant to the agreement for sale and purchase dated 28 October 2019 entered into among the Company, certain subsidiaries of the Company, the Disposal Group and an independent third party (the "Disposal") on the Group's financial position as at 30 June 2019 and the Group's financial performance and cash flows for the six months ended 30 June 2019 as if the Disposal had taken place at 30 June 2019 and 1 January 2019 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors of the Company from the Group's condensed consolidated financial statements for the six ended 30 June 2019, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 30 June 2019 or 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– the related unaudited pro forma adjustments give appropriate effect to those criteria; and

– the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

29 November 2019

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 September 2019 of the property interest to be disposed of by the Group.

JLL 仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

29 November 2019

The Board of Directors
Future Bright Holdings Limited
Room 1409, West Tower,
Shun Tak Centre,
200 Connaught Road Central,
Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interest to be disposed of by Future Bright Holdings Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the PRC, we confirm that we have carried out external inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interest as at 30 September 2019 (the "valuation date").

Our valuation is carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In valuing the property under development, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of value, we have adopted the market approach by making reference to comparable land sales transactions as available in the relevant market and have also make reference to the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the subject property as at the valuation date and we did not find any material inconsistency from those of other similar developments.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and other relevant matters.

We have been shown copies of various title documents including Real Estate Title Certificate, official plans and other documents relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests. We have relied considerably on the advice given by the Company's PRC legal advisers — Wang Jing & Co., concerning the validity of the property interests in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

The site inspection was carried out on 6 November 2019 by Mr. Kevin Chu. Mr. Kevin Chu is a member of RICS and HKIS and has 20 years' experience in the valuation of properties in HK and the PRC. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but, in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

All monetary figures stated in this report are in Renminbi (RMB). The exchange rate adopted in our valuation is approximately RMB1.00 = HK$1.0977 which was approximately the prevailing exchange rate as at the valuation date.

As advised by the Company, there is potential tax liability which would arise if the property interests were to be sold. Under the Disposal Agreement, the Vendors and the Company shall bear their respective non-resident income tax of 10% under the Non-Resident Income Tax Rule, while the Purchaser will bear all the stamp duty and other taxes arising out of or in connection with the Disposal.

Our valuation certificate is attached.

Yours faithfully,
for and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Gilbert C. H. Chan
MRICS MHKIS RPS (GP)
Senior Director

Note: Gilbert C.H. Chan is a Chartered Surveyor who has 26 years' experience in the valuation of properties in Hong Kong and the PRC and 21 years of property valuation experience worldwide. He has been working with Jones Lang LaSalle Corporate Appraisal and Advisory Limited since 2008.

VALUATION CERTIFICATE

Property interest to be disposed by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2019 *RMB*
A parcel of land located at the junction of Ziqinan Road and Xiangjiang Road, Hengqin New District, Zhuhai City, The PRC	The property comprises a parcel of land with a site area of approximately 19,939.94 sq.m. (or 214,634 sq.ft.), which is permitted for commercial and exhibition uses. The proposed development is a 7-storey commercial building with 4-storey basement, mainly include retail shops, restaurants, exhibition centre and car parking facilities. As advised by the Group, the development is scheduled to be completed on or before 31 July 2021. Upon completion, the development will have a total gross floor area (GFA) of approximately 89,251.71 sq.m. (or 960,705 sq.ft.) and the details of the planned gross floor area are set out in note 18. As advised by the Group, the total construction cost is estimated to be approximately RMB854,650,000, of which RMB133,472,763 had been incurred as at the valuation date. The land use rights of the property have been granted for a term of 40 years from 28 November 2014 to 28 November 2054.	As advised by the Group, the property is under preliminary construction stage as at valuation date.	396,000,000 (equivalent to HK$434,700,000)

Notes:

1. Pursuant to a Real Estate Title Certificate (房地產權證) – Yue Fang Di Quan Zheng Zhu Zi Di No. 0100314307 dated 10 September 2015, the registered owner of the property with a site area of approximately 19,939.94 sq.m. is 珠海橫琴佳景美食廣場項目發展有限公司 ("HQ Company"), a wholly-owned subsidiary of the Company. The land use rights of the property have been granted for a term of 40 years from 28 November 2014 to 28 November 2054.

2. Pursuant to the attachment of Land Use approval letter Zhu Hen Xin Gui Tu (Di Zhun) No. [2015] 012, not less than 50% of the Plot Ratio GFA of the property should be sold to Macau enterprises or natural person or other social organization or Macau investment holding companies (China legal entities).

3. Pursuant to a Hengqin New Area State-owned Construction Land Use Rights Grant Contract (橫琴新區國有建設用地使用權出讓合同) – No. 4404401-2014-000033 dated 28 July 2014 ("the Land Grant") between The State Land and Resources Bureau of Zhuhai (珠海市國土資源局) and Bright Success – Property Agency Company Limited (佳勝物業代理有限公司) ("Bright Success"), a wholly-owned subsidiary of the Company), the land use rights of the property was contracted to be granted to Bright Success for commercial and exhibition uses with maximum Plot Ratio GFA of 49,849.85 sq.m. of which commercial

use portion shall be equal to or less than 86% and exhibition use portion shall be equal to or more than 14%. The land tenure is 40 years commencing from the date on or before 28 November 2014.

4. Pursuant to a Hengqin New Area State-owned Construction Land Use Rights Grant Modification Contract (橫琴新區國有建設用地使用權出讓變更合同) – No. 4404401-2014-000033 dated 12 January 2015, the grantee of the land use rights of the property was modified to HQ Company which is a wholly-owned subsidiary of Bright Success. As advised, the land premium of RMB209,369,370 for the Hengqin New Area State-owned Construction Land Use Rights Grant Modification Contract (橫琴新區國有建設用地使用權出讓變更合同) has been fully paid by the Group on 30 June 2015.

5. Pursuant to the Land Grant, the grantee shall on or before 28 November 2015 obtain the Foundation Work Permit (樁基工程施工許可證) and start the construction, and shall on or before 28 November 2016 obtain the Structural Construction Permit (主體工程施工許可證), and shall on or before 28 November 2017 complete the construction work and the whole development shall on or before 28 November 2018 be completed (驗收竣工).

6. Pursuant to a Construction Land Use Planning Permit (建設用地規劃許可證) – Zhu Heng Xin Gui Tu (Di Gui) [2015] No.13 dated 5 March 2015, in favour of HQ Company, the construction of a building with a maximum Plot Ratio GFA of approximately 49,849.85 sq.m. has been approved for construction on the land of the property.

7. Pursuant to a Construction Land Approval (建設用地批准書) – Zhu Heng Xin Gui Tu (Di Zhun) [2015] No. 12 dated 18 May 2015 in favour of HQ Company, permission by the relevant local authority has been given to commence the construction between May 2015 and May 2017.

8. As advised by the Company and according to various letters between the Planning and Land Bureau of the Administrative Committee of Zhuhai Hengqin New Area (珠海市橫琴新區管理委員會規劃國土局) (the "Committee") dated 15 October 2015, 5 July 2016 and 19 July 2016, HQ Company is progressing with the proposed development. The approval for the Building Development and Design Plan (規劃設計方案) has finally been obtained in October 2015 and soft soil foundation treatment work has been completed. In October 2015, HQ Company has, in accordance with Clause No. 18 of the Land Grant, applied for an extension of time on certain development milestones contained in it, based on the reasons beyond its control. In July 2016, the Committee has sent a preliminary reply letter to HQ Company regarding to the extension request alleging of a possible breach by HQ Company, under the Land Grant due to the failure to obtain Foundation Work Permit (樁基工程施工許可證) by its first development milestone by 28 November 2015. The Committee has also requested HQ Company to make a further submission to address such delay. A failure to meet any development milestones contained in the Land Grant may be a breach of the contract with a daily penalty of RMB628,108.11 unless such failure to meet any development milestone is caused by force majeure or government reasons. HQ Company has already made further submission, as so requested, to the Committee to deny any possible breach of the Land Grant since such delay has been due to many reasons beyond its control (force majeure and others). The Foundation Work Drawing Plan (樁基工程施工設工圖) has already been submitted and approved on 17 January 2017.

9. According to Clause No. 34 and 36 of the Land Grant, any violation of Clause No. 18 of the Land Grant would be subject to penalty and the Committee reserves the right to repossess the land for the delay of development milestones over 180 days but return 90% of the land premium to the land use right holder. In our valuation, we have assumed HQ Company will continue to possess the legal title of the Property and no account has been taken for any penalty and associated charges in relation to violation of any terms of the Land Grant.

10. Pursuant to a Construction Work Planning Permit (建設工程規劃許可證) – Zhu Heng Xin Gui Tu (Jian) [2016] No. 073 dated 14 September 2016 in favour of HQ Company, the proposed construction work planning of the proposed development with a total gross floor area of approximately 89,251.71 sq.m. complies with the relevant requirement and has been approved by the Committee.

11. Pursuant to a notice of idle land investigation (閒置土地調查通知書) – Zhu Heng Xin Gui Tu Notice [2016] No. 68 dated 7 December 2016, the Committee would carry out an investigation to ascertain if there is a failure of HQ Company to commence its development construction works for more than one year after the development milestone, the subject site may become an idle land. A defence submission document dated 18 January 2017 was prepared by HQ Company to rebut the idle land allegation.

12. Pursuant to a Construction Work Commencement Permit (建設工程施工許可證) No. 440405201701170101 dated 17 January 2017, permission by the Construction and Environmental Protection Bureau of the Administrative Committee of Zhuhai Hengqin New Area (珠海市橫琴新區管理委員會建設環保局) has been given to commence construction of the foundation work.

13. Pursuant to a confirmation letter of idle land investigation (閒置土地認定書) – Zhu Heng Xin Gui Tu Notice [2017] No. 259 dated 5 May 2017, the Planning and Land Bureau of Hengqin New Area informed HQ Company that (i) failure to commence the foundation construction works at the Land Site within the development milestone under the Land Grant was due to good justifications, (ii) the Land Site has only become an idle land since 28 November 2016, (iii) idle land penalty or re-possession of the Land Site without compensation is not to be imposed, and (iv) HQ Company needs to submit within 10 working days from receipt of such letter of the result finding, an application together with an initial proposal to address the idle land issue under Article 19 of Zhuhai Measures Regarding Idle Land (珠海市閒置土地處置辦法). An application document dated 23 May 2017 was submitted by HQ Company with an initial proposal to seek the signing of a supplemental agreement for an extension of the development milestones of the Land Grant. A partial suspension of the construction works on the subject site has been requested in order to ensure the safety of the foundation of the adjoining development site known as 金源國際廣場項目.

14. Pursuant to a Supplemental Agreement of Hengqin New Area State-owned Construction Land Use Rights Grant Contract (橫琴新區國有建設用地使用權出讓合同補充協議) – No. 440401-2014-000033-2 dated 24 November 2017 between The State Land and Resources Bureau of Zhuhai and HQ Company, The State Land and Resources Bureau of Zhuhai shall exonerate HQ Company from all liabilities arising from its failure to meet the original development milestones of its Land Grant of 12 January 2015, and HQ Company shall agree to meet the extended remaining development milestones thereof with (i) the completion of the foundation and basement works (建設標高±0.00) by 31 July 2018, (ii) the completion of the building works to the top floors by 31 July 2019, and (iii) the completion of the entire building works by 31 July 2020. A failure to meet any development milestones contained in the Supplemental Agreement of Hengqin New Area State-owned Construction Land Use Rights Grant Contract may be a breach of the contract with a daily penalty of 0.3% of the Land premium per day, that is RMB628,108.11.

15. Pursuant to a letter from the Committee dated 28 May 2018, the development milestones as mentioned in Supplemental Agreement of Hengqin New Area State-owned Construction Land Use Rights Grant Contract dated 24 November 2017 has been further extended as (i) the completion of the foundation and basement works (建設標高±0.00) by 31 July 2019, (ii) the completion of the building works to the top floors by 31 July 2020, and (iii) the completion of the entire building works by 31 July 2021.

16. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers "Wang Jing & Co." of 6 November 2019, which contains, inter alia, the following:

    a. If HQ Company's defenses are not entirely accepted by The State Land and Resources Bureau of Zhuhai for the failure to meet the milestones with the completion of the foundation and basement works (建設標高±0.00) by 31 July 2019, the Bureau could as per the "Supplemental Agreement of Hengqin New Area State-owned Construction Land Use Rights Grant Contract" calculate penalty at 0.3% of the land premium for each day of delay starting from 1 August 2019. However, the HQ Company has right to file an objection by applying for a hearing, filing and administrative review and an administrative lawsuit;

    b. If the construction of the property is deemed to be suspended since July 2018, the land may be re-identified as idle land. The construction commencement date of the property has been extended for one year period and application for change of land use and planning conditions has not yet been approved. There is a risk that idle land penalty would be charged by the Planning and Land Bureau of Hengqin New Area;

    c. Pursuant to the Article 31 of Zhuhai Measures Regarding Idle Land, the annual land idle penalty is calculated at 20% of land premium, that is RMB41,873,874 per year. If the Planning and Land Bureau of Hengqin New Area charge idle land penalty to HQ Company instead of taking re-possession of the subject site, the aggregated amount of penalty, calculated by RMB41,873,874 per year from 28 November 2016 to 28 November 2019, is RMB125,621,622;

d. Regarding the suspension of the project, the HQ Company and the contractor, Guangzhou Construction Co., Ltd (廣州建築股份有限公司), agreed that the HQ Company will compensate the contractor for the additional cost in construction due to the governments' new administration, the severance pay for the management and construction staff and project management fee during the suspension period from June 2018 to December 2018, in the sum of RMB4,017,343.46. Both parties agreed the contractor cannot make any claims or supplements to the aforementioned items again;

e. The Company is entitled to occupy, use, receive income or otherwise transfer, lease and mortgage the property. There was no such encumbrances or claims of other projects of HQ Company that would affect the legal title of the property; and

f. As per the information provided by the Company, there were no major arbitration, litigation disputes or other matters that would need to draw attention in relation to the subject site.

17. In our valuation, we have valued the property assuming the property is free from any encumbrance, is with good legal title and can be freely transferrable in the market. Our valuation have not taken into account penalty, if any, for delay of the construction work, Idle land and the contractor's claim of construction work as mentioned in PRC legal opinions.

18. According to the information provided by the Company, the planned gross floor area of the property is set out as below:

Usage	**Planned gross floor area** *(sq.m.)*	**No. of car parking spaces**
Commercial	42,568.01	
Exhibition hall	6,978.98	
Ancillary facilities	1,417.79	
Basement (Commercial)	7,969.55	
Basement (Car parking spaces and ancillary facilities)	30,317.38	550
Total	**89,251.71**	**550**

19. The market value of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB1,549,000,000.

20. Our valuation has been made on the following basis and analysis:

a) In our valuation, we have identified and analysed various relevant sales evidence in the locality which have similar characteristics as the subject land such as nature and use of the land. We selected the comparables with similar characteristics of the subject site in terms of location, usage of land, transaction time and alienation restriction. The comparables under our selection criteria should be vacant site located on the new development zone of Hengqin which are transacted within 2 years of the valuation date and the land is designated for commercial use under land grant document. These selected comparables are general land with commercial use in Hengqin, which were transacted between 2017 and 2019. The unit price of these comparables range from RMB3,800/sq.m. to RMB6,570/sq.m. on Accommodation Value basis. Appropriate adjustments and analysis are considered to the differences in location, size, time and other characteristics between the comparable properties and the subject land to arrive at the assumed average unit rate of RMB5,000/sq.m. on Accommodation Value basis for the subject land with maximum plot ratio GFA of 49,849.85 sq.m. Accommodation value is defined as the land value divided by the GFA which is allowed to be built on the land. The general basis of adjustment is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered.

Comparable No.	1	2	3
Transaction Date	Feb-2019	Feb-2018	Dec-2017
Location	A parcel of land for commercial use in Hengqin New Area, Zhuhai	A parcel of land for commercial use in Hengqin New Area, Zhuhai	A parcel of land for commercial use in Hengqin New Area, Zhuhai
Site Area (sq.m.)	68,664.70	19,586.1	78,064.97
Max. Plot Ratio GFA (sq.m.)	96,130.58	119,103	140,400
Sale Price (RMB)	631,577,911	752,016,342	533,520,000
Accommodation Value (RMB)	6,570	6,314	3,800

b) Comparable 1 was transacted in February 2019 with maximum Plot Ratio GFA of approximately 96,130.58 sq.m. The site is for commercial use with portion less than 6% for cultural exhibition facilities. The remaining land use right terms of this comparable is 40 years for commercial use portion and 50 years for cultural exhibition use. As compared to the subject site, an upward adjustment was made on time factor as land price level on valuation date is higher than transaction date of the comparable. Downward adjustment was made for usage factor in considering that the subject site has relatively larger area for exhibition purpose which is consider less desirable. Plot Ratio GFA of the comparable is greater than that of the subject site and upward adjustment on this Plot Ratio GFA factor in reflecting the smaller size usually could achieve higher unit rate. For assignment restriction, the subject site (certain portion must be assigned to eligible purchaser only as requested by Land Grant) is considered with less restriction than the comparable site (with certain holding period) and therefore upward adjustment was made to this factor. The remaining land use period of the subject site is shorter than the comparable and therefore downward adjustment was made to this factor. To conclude, a total downward adjustment of approximately 7% was made for this comparable, the adjusted accommodation value is RMB6,090/sq.m.

c) Comparable 2 was transacted in February 2018 with maximum Plot Ratio GFA of approximately 119,103 sq.m. The site is for commercial use (mainly office use). The remaining land use right terms of this comparable is 40 years for commercial use. As compared to the subject site, an upward adjustment was made on time factor as land price level on valuation date is higher than transaction date of the comparable. Downward adjustment was made to usage factor in considering that the subject site has certain area for exhibition purpose whilst this comparable has no such designated area. Plot Ratio GFA of the comparable is greater than that of the subject site and upward adjustment on this Plot Ratio GFA factor in reflecting the smaller size usually could achieve higher unit rate. For assignment restriction, the subject site (certain portion must be assigned to eligible purchaser only as requested by Land Grant) is considered with less restriction than the comparable site (with certain holding period) and therefore upward adjustment was made to this factor. The remaining land use period of the subject site is shorter than the comparable and therefore downward adjustment was made to this factor. To conclude, a total downward adjustment of approximately 19% was made for this comparable, the adjusted accommodation value is RMB5,140/sq.m.

d) Comparable 3 was transacted in December 2017 with maximum Plot Ratio GFA of approximately 140,400 sq.m. The site is for commercial use. The remaining land use right terms of this comparable is 40 years for commercial use. As compared to the subject site, an upward adjustment was made on time factor as land price level on valuation date is higher than transaction date of the comparable. Plot Ratio GFA of the comparable is greater than that of the subject site and upward adjustment on this Plot Ratio GFA factor was made in reflecting the smaller size usually could achieve higher unit rate. For assignment restriction, as compared to the comparable site, the subject site (certain portion must be assigned to eligible purchaser only as requested by Land Grant) is considered more restrictive than the comparable site with no restriction on alienation and therefore downward adjustment was made on this factor. The remaining land use period of the subject site is shorter than the comparable and therefore downward adjustment was made to this factor. To conclude, a total downward adjustment of approximately 1% was made for this comparable, the adjusted accommodation value is RMB3,770/sq.m.

e) The unit rate of the land is in line with the unit rate of these comparables within a reasonable range.

f) The valuation is derived from the land value of RMB249,000,000 and incurred construction cost of RMB133,472,763 plus professional fees of RMB10,677,821 and interest cost of RMB3,187,706 relevant to the stage of construction as at the valuation date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares of the Company

Name of Director	Capacity	Number of Shares held (Long positions)	Approximate percentage of shareholdings
Mr. Chan	Beneficial owner	249,438,422	35.93%
	Interest of controlled corporations *(Note)*	37,396,200	5.39%
Mr. Yu Kam Yuen, Lincoln	Beneficial owner	280,200	0.04%

Note: Among these Shares, 30,796,200 are held by Puregain Assets Limited, a company beneficially wholly-owned by Mr. Chan and 6,600,000 are held by Cash Smart Enterprises Limited, a company which is 50% beneficially owned by Mr. Chan.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Save for a shop premises located in Macau which was let by Mr. Chan to the Group for the purpose of operating a food souvenir shop at HK$300,000.00 per month and a LED advertising board located in Macau which was let by Mr. Chan to the Group for the purpose of advertisement at HK$262,000 per annum, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had, since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(c) None of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group as a whole.

(d) As at the Latest Practicable Date, none of the Directors had any service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

(e) As at the Latest Practicable Date, none of the Directors nor any of their respective close associates had any interest in a business apart from the business of the Group, which competed or was likely to compete, either directly or indirectly, with that of the Group.

3. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

4. MATERIAL CONTRACTS

Save for the Disposal Agreement, no member of the Group has entered into any contracts (not being contracts entered into in the ordinary course of business of the Group) within the 2 years immediately preceding the date of this circular which are or may be material.

5. EXPERTS AND CONSENTS

The qualification of the experts who have given their opinions in this circular is as follows:

Name	Qualifications
BDO Limited	Certified Public Accountants
JLL	Professional valuer

Each of BDO Limited and JLL has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of BDO Limited and JLL had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets which have, since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. GENERAL

(a) The secretary of the Company is Mr. Leung Hon Fai, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.

(b) The head office and principal place of business of the Company in Hong Kong is at Room 1409, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited on Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any weekday (public holidays excepted) at the principal place of business of the Company in Hong Kong at Room 1409, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong for a period of 14 days from the date of this circular:

(a) the bye-laws of the Company;

(b) the annual reports of the Company for the three years ended 31 December 2016, 2017 and 2018 and the interim report of the Company for the six months ended 30 June 2019;

(c) the unaudited consolidated financial statements of Bright Success for the three years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019;

(d) the report from BDO Limited on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix IV to this circular;

(e) the valuation report prepared by JLL in relation to the Property, the text of which is set out in Appendix V to this circular;

(f) a copy of the Disposal Agreement;

(g) the written consents referred to in the paragraph headed "5. Experts and Consents" in this Appendix; and

(h) this circular.

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

(Incorporated in Bermuda with limited liability)
(Stock Code: 703)

NOTICE IS HEREBY GIVEN that a special general meeting (the "SGM") of Future Bright Holdings Limited (the "Company") will be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on 18 December 2019 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution:

ORDINARY RESOLUTION

"THAT

(a) the conditional sale and purchase agreement dated 28 October 2019 (the "Agreement") entered into between Bright Rich Company Limited and Gain Success Company Limited as vendors, the Company as vendors' guarantor, Mr. Zhou Luohong as purchaser, and Bright Success – Property Agency Company Limited ("Bright Success") and 珠海横琴佳景美食廣場項目發展有限公司 as target companies (a copy of which has been produced to the meeting marked "A" and initialed by the chairman of the meeting for the purpose of identification) in relation to the sale and purchase of the entire issued share capital of Bright Success, and all the related shareholder loans owing by Bright Success at completion at an aggregate consideration of RMB300 million and the transaction contemplated thereunder be and are hereby approved, ratified and confirmed; and

(b) any one director of the Company be and is hereby authorised to execute all other documents and to do all other acts and things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the Agreement, and take such action as he/she may in his/her opinion consider to be necessary, desirable or expedient to implement and give effect to the Agreement and any other transactions contemplated

* *For identification purpose only*

under the Agreement, and to agree to such variation, amendment or waiver or matter relating thereto (including any variation, amendment or wavier of such documents or any terms thereof) as is/are in his/her opinion in the interest of the Company and its shareholders as a whole."

By order of the Board
Leung Hon Fai
Company Secretary

Hong Kong, 29 November 2019

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Room 1409, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the SGM is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.

2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

3. Completion and return of the form of proxy will not preclude a member from attending and voting at the SGM or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.

4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the branch share registrar of the Company, Tricor Tengis Limited, on Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.

5. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from 13 to 18 December 2019, both days inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the SGM, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited on Level 54, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on 12 December 2019.

6. As at the date hereof, the board of directors of the Company comprises (i) Mr. Chan Chak Mo, the Managing Director and an executive director, (ii) Mr. Chan See Kit, Johnny, the Chairman and an executive director, (iii) Mr. Lai King Hung, the Deputy Chairman and an executive director, (iv) Ms. Leong In Ian, an executive director and (v) Mr. Cheung Hon Kit, Mr. Yu Kam Yuen, Lincoln and Mr. Chan Pak Cheong Afonso, the independent non-executive directors.