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Future Bright Holdings Limited

佳景集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		Change %
	2021 HK\$'000	2020 HK\$'000	
Turnover	475,422	419,433	+13.4%
Gross margin	328,734	284,403	+15.6%
Gross operating profit/(loss)	13,085	(94,546)	N/A
EBITDA	34,964	49,026	-28.6%
Loss attributable to owners of the Company	(72,953)	(120,945)	-39.7%
Net Ordinary Operating Loss	(67,673)	(127,985)	-47.1%
Basic loss per share	HK(10.51) cents	HK(17.42) cents	-39.7%
	As at 31 December		Change %
	2021 HK\$'000	2020 HK\$'000	
Total assets	1,088,091	1,294,551	-16.0%
Net assets	404,835	492,083	-17.7%
Net assets per share	HK\$0.583	HK\$0.709	-17.7%
Gearing ratio	159.6%	149.7%	+9.9%
Total assets/total liabilities ratio	1.59	1.61	-1.2%

* For identification purpose only

ANNUAL RESULTS

The board of directors (“Directors”) of Future Bright Holdings Limited (“Company”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (“Group”) for the year ended 31 December 2021 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Turnover	4	475,422	419,433
Cost of sales		<u>(146,688)</u>	<u>(135,030)</u>
Gross margin		328,734	284,403
Direct operating expenses		<u>(315,649)</u>	<u>(378,949)</u>
Gross operating profit/(loss)		13,085	(94,546)
Other revenue	5	20,985	31,685
Other gains and losses	6	(2,342)	91,375
Administrative expenses		(100,885)	(128,721)
Share of loss of a joint venture		–	(2,688)
Finance costs	8	<u>(18,581)</u>	<u>(31,279)</u>
Loss before income tax	7	(87,738)	(134,174)
Income tax credit	9	<u>11,084</u>	<u>6,694</u>
Loss for the year		(76,654)	(127,480)
Other comprehensive loss, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<u>(10,594)</u>	<u>(22,164)</u>
Total comprehensive loss for the year		<u>(87,248)</u>	<u>(149,644)</u>
Loss attributable to:			
Owners of the Company		(72,953)	(120,945)
Non-controlling interests		<u>(3,701)</u>	<u>(6,535)</u>
		<u>(76,654)</u>	<u>(127,480)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(83,547)	(143,109)
Non-controlling interests		<u>(3,701)</u>	<u>(6,535)</u>
		<u>(87,248)</u>	<u>(149,644)</u>
Loss per share			
– Basic and diluted (HK cents per share)	11	<u>(10.51)</u>	<u>(17.42)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		199,710	248,636
Right-of-use assets		76,250	187,718
Investment properties		562,000	568,000
Goodwill		81,775	81,781
Other intangible assets		15,918	16,550
Prepayments and deposits	<i>12</i>	36,442	38,041
Total non-current assets		972,095	1,140,726
Current assets			
Inventories		27,014	26,025
Trade and other receivables	<i>12</i>	45,790	51,927
Financial assets at fair value through profit or loss		37	55
Restricted bank deposits		6,377	10,023
Cash and cash equivalents		36,778	65,795
Total current assets		115,996	153,825
Total assets		1,088,091	1,294,551
Current liabilities			
Trade and other payables	<i>13</i>	117,389	124,874
Amount due to a related party		17,005	–
Lease liabilities		53,818	87,520
Current tax liabilities		18,960	32,355
Interest bearing borrowings		70,636	98,099
Non-interest bearing borrowings		1,388	1,388
Total current liabilities		279,196	344,236
Net current liabilities		(163,200)	(190,411)
Total assets less current liabilities		808,895	950,315

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued
AS AT 31 DECEMBER 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	47,737	129,995
Interest bearing borrowings	315,113	286,307
Deferred tax liabilities	35,781	36,501
Non-interest bearing borrowings	5,429	5,429
	<u>404,060</u>	<u>458,232</u>
Total non-current liabilities	<u>404,060</u>	<u>458,232</u>
Total liabilities	<u>683,256</u>	<u>802,468</u>
NET ASSETS	<u>404,835</u>	<u>492,083</u>
Capital and reserves attributable to owners of the Company		
Share capital	69,430	69,430
Reserves	362,121	445,668
	<u>431,551</u>	<u>515,098</u>
Equity attributable to owners of the Company	<u>431,551</u>	<u>515,098</u>
Non-controlling interests	(26,716)	(23,015)
	<u>404,835</u>	<u>492,083</u>
TOTAL EQUITY	<u>404,835</u>	<u>492,083</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis except for investment properties and certain financial assets, which are measured at fair values as explained in the accounting policies to be set out in the Company’s 2021 annual report. The outbreak of the COVID-19 pandemic and the lockdown measures imposed by governments in various regions to contain the spreading of COVID-19 pandemic had negatively impacted the results of the Group during the reporting period and the liquidity position. The Group also closed some of the restaurants during the year.

During the year ended 31 December 2021, the Group has incurred a net loss of approximately HK\$76.7 million and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$163.2 million. However, the Group had cash and cash equivalents of approximately HK\$36.8 million only as at 31 December 2021.

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

- (i) The Group has been actively negotiating with banks for having favourable terms when renewing the banking facilities in order to secure necessary funds to meet the Group’s working capital and financing requirements in the foreseeable future;
- (ii) Up to the date of this announcement, the Group had unused bank and credit facilities of a total amount of approximately HK\$75.2 million, including credit facilities for capital expenditures and working capital of amounts of approximately HK\$25.2 million and approximately HK\$50.0 million respectively;
- (iii) Management has been endeavoring to improve the Group’s operating results and cash flows through various cost control measures, including offering flexible working hours, and will continue to slow down the opening of new restaurants or close underperforming restaurants in the future;
- (iv) The Group has been actively negotiating with the landlords for rent concessions due to the reduced number of customers as overshadowed by the COVID-19 pandemic; and
- (v) The Group will consider to realise the investment properties of the Group with a fair value of approximately HK\$562,000,000 and certain land and buildings of the Group with a carrying amount of approximately HK\$137,152,000 as at 31 December 2021 and using the proceeds to repay certain secured bank loans and strengthen the Group’s liquidity, when necessary.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

1. BASIS OF PREPARATION – Continued

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

They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the Forecast Period. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the year ended 31 December 2021 on a going concern basis. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

(c) Functional and presentation currency

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

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

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

Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions

The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period except for the amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021.

Other than the amendments to HKFRS 16, none of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. Impact on the application of the amendments to HKFRS 16 is summarised below.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

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

Amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

In April 2021, the HKICPA amended HKFRS 16 Leases, extending the practical expedient in order to permit lessees to apply it to rent concessions for which reductions in lease payments affect payments originally due on or before 30 June 2022. This amendment is applicable for annual reporting periods beginning on or after 1 April 2021, with early application permitted, including in financial statements not authorised for issue at 9 April 2021. The Group has early adopted this amendment for its annual reporting period beginning on 1 January 2021. During the year ended 31 December 2020, The Group had elected to apply the practical expedient provided by the amendment to HKFRS 16 issued in June 2020. In accordance with this practical expedient, the rent concessions received affecting payments originally due on or before 30 June 2021 were not accounted as lease modifications. The ineligible rent concessions that affected payments originally due after 30 June 2021 but before 30 June 2022 were accounted for as lease modifications, as they were not eligible for the application of the practical expedient in the financial statements for the year ended 31 December 2020.

The transitional requirements of the extension to the practical expedient require retrospective application, with the cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the entity first applies the amendment. There is no impact on the opening balance of equity of the Group as at 1 January 2021. During the year ended 31 December 2021, the Group has entered into additional rent concessions that satisfy the criteria for the application of the extended practical expedient. The Group has applied the practical expedient to these rent concessions. Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concessions occurs. The effect of applying the practical expedient is disclosed in the Company’s 2021 annual report.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING

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

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

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

	2021	2020
	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue from contracts with customers under HKFRS 15		
Food and catering – sales of food and catering in Macau, Mainland China, Hong Kong and Taiwan	402,212	365,539
Food souvenir – sales of food souvenir, including festival food products	53,219	34,649
	455,431	400,188
Revenue from other source		
Property investment – leasing of property	19,991	19,245
	475,422	419,433

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

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

(a) Business segments

For the year ended 31 December 2021

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

As at 31 December 2021

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

* As at 31 December 2021, food and catering and food souvenir segment assets included cash and cash equivalents of approximately HK\$31,357,000 (2020: HK\$64,437,000) and HK\$5,165,000 (2020: HK\$873,000) respectively, while property investment segment assets included cash and cash equivalents of approximately HK\$72,000 (2020: HK\$166,000), and investment properties of approximately HK\$562,000,000 (2020: HK\$568,000,000).

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

(a) Business segments – Continued

Other information

For the year ended 31 December 2021

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

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

(a) Business segments – Continued

For the year ended 31 December 2020

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Inter- segment elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue					
Revenue from external customers	365,539	34,649	19,245	–	419,433
Revenue from inter-segment	–	–	198	(198)	–
Other revenue	22,479	8,599	121	–	31,199
	<u>388,018</u>	<u>43,248</u>	<u>19,564</u>	<u>(198)</u>	<u>450,632</u>
Reportable segment revenue	<u>388,018</u>	<u>43,248</u>	<u>19,564</u>	<u>(198)</u>	<u>450,632</u>
Results					
Reportable segment results	<u>(132,089)</u>	<u>(9,354)</u>	<u>17,011</u>	<u>–</u>	<u>(124,432)</u>

As at 31 December 2020

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Assets				
Reportable segment assets*	638,798	62,051	592,403	1,293,252
Liabilities				
Reportable segment liabilities	<u>489,612</u>	<u>26,754</u>	<u>284,619</u>	<u>800,985</u>
Reportable segment net assets	<u>149,186</u>	<u>35,297</u>	<u>307,784</u>	<u>492,267</u>

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

(a) Business segments – Continued

Other information

For the year ended 31 December 2020

	Food and catering <i>HK\$'000</i>	Food souvenir <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Un-allocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Interest income	1,875	2	–	–	1,877
Interest expense	22,274	1,849	7,154	2	31,279
Capital expenditure	7,808	115	996	–	8,919
Addition of right-of-use assets	21,294	–	–	–	21,294
Depreciation of property, plant and equipment	40,871	4,842	729	65	46,507
Depreciation of right-of-use assets	92,630	11,538	–	210	104,378
Amortisation of other intangible assets	676	360	–	–	1,036
Impairment loss on property, plant and equipment	12,157	8,735	–	–	20,892
Impairment loss on right-of-use assets	6,737	123	–	130	6,990
Impairment loss on other intangible assets	814	1,000	–	–	1,814
Loss on written off of other intangible assets	90	495	–	–	585
Loss on written off of property, plant and equipment	8,530	–	–	–	8,530
Gain on disposal of a subsidiary	5,649	–	–	–	5,649
Fair value gain on investment property	–	–	8,000	–	8,000
Fair value loss of financial assets at FVTPL	–	–	–	3	3
Loss on disposal of a joint venture	3,130	–	–	–	3,130
Gain on written off of an amount due to a joint venture	5,653	–	–	–	5,653
Share of loss of a joint venture	2,688	–	–	–	2,688
Rent concessions	45,086	7,361	–	–	52,447
Gain on lease modification	27,461	11,402	–	–	38,863
Income tax credit/(expense), net	7,654	–	(960)	–	6,694

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	496,407	450,632
Less: Other revenue	<u>(20,985)</u>	<u>(31,199)</u>
Consolidated revenue	<u>475,422</u>	<u>419,433</u>
Loss before income tax		
Reportable segment loss	(78,439)	(124,432)
Other revenue and other gains and losses	(286)	2,809
Corporate payroll expenses	(4,537)	(6,809)
Unallocated expenses	<u>(4,476)</u>	<u>(5,742)</u>
Consolidated loss before income tax	<u>(87,738)</u>	<u>(134,174)</u>
Assets		
Reportable segment assets	1,087,203	1,293,252
Financial assets at FVTPL	37	55
Unallocated corporate assets	<u>851</u>	<u>1,244</u>
Consolidated total assets	<u>1,088,091</u>	<u>1,294,551</u>
Liabilities		
Reportable segment liabilities	681,333	800,985
Unallocated corporate liabilities	<u>1,923</u>	<u>1,483</u>
Consolidated total liabilities	<u>683,256</u>	<u>802,468</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

3. SEGMENT REPORTING – Continued

(c) Geographical information

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

	Revenue from external customers		Non-current assets (other than financial assets)	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Hong Kong	110,980	108,284	29,301	91,309
Mainland China	54,929	48,341	25,085	37,169
Macau	301,926	251,924	881,267	974,207
Taiwan	7,587	10,884	–	–
	<u>475,422</u>	<u>419,433</u>	<u>935,653</u>	<u>1,102,685</u>

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

(d) Information about major customers

There was no single customer that contributed to 10% or more of the Group's revenue for the years ended 31 December 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

4. TURNOVER

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue from contracts with customers under HKFRS 15		
Sales of food and catering	402,212	365,539
Sales of food souvenir	53,219	34,649
	<u>455,431</u>	<u>400,188</u>
Revenue from other source		
Rental income from investment properties	19,991	19,245
	<u>475,422</u>	<u>419,433</u>
By timing of revenue recognition under HKFRS 15		
At a point in time	<u>455,431</u>	<u>400,188</u>

The Group did not have any contract asset and contract liability as at 31 December 2021 and 2020.

5. OTHER REVENUE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income	299	1,877
Management fee income	4,073	3,766
Rental income from staff quarter and others	966	2,514
Government grants (<i>note</i>)	3,996	19,321
Others	11,651	4,207
	<u>20,985</u>	<u>31,685</u>

Note: HK\$2,182,000 (2020: HK\$4,073,000) from 10-Billion-Pataca Fund Scheme (“Scheme”) launched by Macau Government supporting the Macau companies. Under the Scheme, the Group had to commit not to lay off employees without justified reason until November 2020.

HK\$1,814,000 (2020: HK\$7,760,000) from Food License Holders Subsidies Scheme (“FLHSS”) launched by Hong Kong Government to subsidize companies with valid food license before February 2021.

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

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

6. OTHER GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Rent concessions	14,056	52,447
Exchange gain, net	13,609	24,046
Fair value (loss)/gain of investment properties	(6,000)	8,000
Impairment loss on property, plant and equipment	(11,448)	(20,892)
Loss on written off of property, plant and equipment	(8,469)	(8,530)
Loss on written off of other intangible assets	–	(585)
Gain on lease modification	1,410	38,863
Loss on disposal of a joint venture (<i>note</i>)	–	(3,130)
Gain on written off of amount due from a joint venture	–	5,653
Gain on disposal of a subsidiary	–	5,649
Impairment loss on right-of-use assets	(5,367)	(6,990)
Impairment loss on other intangible assets	(289)	(1,814)
Impairment loss on goodwill	(6)	–
Fair value loss of financial assets at FVTPL	(18)	(3)
Others	180	(1,339)
	<u> </u>	<u> </u>
	(2,342)	91,375

Note: For the year ended 31 December 2020, the Group has fully disposed its 51% interests in a material former joint venture of the Group namely Studio City Shiki Hotpot Restaurant (“Studio City”), at nil consideration. The revenue, total comprehensive loss, and depreciation and amortisation of Studio City for the year ended 31 December 2020 were approximately HK\$1,478,000, HK\$5,271,000 and HK\$2,644,000 respectively.

7. LOSS BEFORE INCOME TAX

Loss before income tax was arrived at after charging:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Cost of inventories recognised as expenses	145,816	134,835
Direct operating expenses arising from investment properties during the year	872	195
	<u> </u>	<u> </u>
Cost of sales	146,688	135,030
Employee costs	189,249	227,403
Depreciation of property, plant and equipment	33,049	46,507
Depreciation of right-of-use assets	70,294	104,378
Amortisation of other intangible assets	778	1,036
Auditor’s remuneration	1,490	1,583
Operating lease charges on properties		
– Contingent rentals*	4,620	6,362
– Short term lease expenses	4,756	8,308
	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

8. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on interest bearing borrowings:		
– Repayable within five years	6,089	12,649
– Repayable over five years	3,277	–
	<u>9,366</u>	<u>12,649</u>
Imputed interest expenses on lease liabilities	9,215	18,630
	<u>18,581</u>	<u>31,279</u>

9. INCOME TAX CREDIT

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – Macau Complementary Income Tax		
– Over-provision in respect of prior years	(10,364)	(7,654)
Deferred tax		
– (Credit)/Provision for the year	(720)	960
	<u>(11,084)</u>	<u>(6,694)</u>

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the year. The maximum tax rate is 12% for the year ended 31 December 2021 (2020: 12%).

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

9. INCOME TAX CREDIT – Continued

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

	2021 HK\$'000	2020 HK\$'000
Loss before income tax	(87,738)	(134,174)
Tax calculated at the applicable Macau corporate tax rates of 12% (2020:12%)	(10,528)	(16,101)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,594)	(2,520)
Tax effect of expenses not deductible for tax purposes	4,600	16,916
Tax effect of revenue not taxable for tax purposes	(3,386)	(9,744)
Tax effect of tax losses not recognised	10,188	12,409
Over-provision in respect of prior years	(10,364)	(7,654)
Income tax credit	(11,084)	(6,694)

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2020: 25%). No provision for EIT has been made as Mainland China subsidiaries had no assessable profits for EIT for the years ended 31 December 2021 and 2020. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits for Hong Kong Profits Tax for the years ended 31 December 2021 and 2020.

At the end of the reporting period, the Group had unused tax losses of HK\$148,645,000 (2020: HK\$168,862,000) in Mainland China available for offset against future profits which will expire in five years. At the end of the reporting period, the Group had unused tax loss of HK\$68,050,000 (2020: HK\$59,331,000) in Hong Kong available for offset against future profits of the companies in which the losses arose. At the end of the reporting period, the Group had unused tax losses of HK\$203,892,000 (2020: HK\$143,751,000) in Macau available for offset against future taxable profits which will expire in three years. No deferred tax asset in respect of the tax losses has been recognised due to the unpredictability of future profits streams.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

10. DIVIDENDS

No interim dividend was declared during the year (2020: nil) and the board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2021 (2020: nil).

11. LOSS PER SHARE

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

a. Basic loss per share

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the year attributable to owners of the Company	<u>(72,953)</u>	<u>(120,945)</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>694,302,420</u>	<u>694,302,420</u>
Basic loss per share (HK cents)	<u>(10.51)</u>	<u>(17.42)</u>

b. Diluted loss per share

The amounts of diluted loss and loss per share for the years ended 31 December 2021 and 2020 were the same as basic loss per share respectively as there were no dilutive potential ordinary shares in existence during the years ended 31 December 2021 and 2020.

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

12. TRADE AND OTHER RECEIVABLES

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

	2021	2020
	HK\$'000	HK\$'000
Current portion		
Trade receivables	23,867	23,713
Prepayments and deposits (<i>note</i>)	20,688	27,146
Other receivables	1,235	1,068
	<hr/>	<hr/>
Total	45,790	51,927
	<hr/>	<hr/>
Non-current portion		
Prepayments and deposits (<i>note</i>)	36,442	38,041
	<hr/>	<hr/>

Note: As at 31 December 2021 and 2020, these balances mainly represented deposits paid for rental and utilities.

The Group and the Company recognised impairment loss based on the accounting policy stated in the Company's 2021 annual report.

Trade debtors are due within 30 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade debtors are to be set out in the Company's 2021 annual report.

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

	2021	2020
	HK\$'000	HK\$'000
0 to 90 days	22,855	20,075
91 days to 365 days	1,001	3,610
Over 365 days	11	28
	<hr/>	<hr/>
Total	23,867	23,713
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS – Continued
31 DECEMBER 2021

13. TRADE AND OTHER PAYABLES

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	31,227	42,626
Accruals and other provision	34,205	37,545
Construction and other payables	51,957	44,703
	<hr/>	<hr/>
Total	117,389	124,874
	<hr/>	<hr/>

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

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 90 days	28,607	40,601
91 to 180 days	1,345	1,366
181 to 365 days	525	602
More than 365 days	750	57
	<hr/>	<hr/>
Total	31,227	42,626
	<hr/>	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONS REVIEW

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

Food and Catering Business

The operational financials of the Group's food and catering business for the years ended 31 December 2021 and 2020 are as follows:

	2021 <i>HK\$'million</i>	Change %	2020 <i>HK\$'million</i>
Turnover	402.2	+10.0%	365.5
Cost of sales	(126.1)	+5.3%	(119.8)
Gross margin	276.1	+12.4%	245.7
Direct operating expenses	(279.9)	-18.0%	(341.5)
Gross operating loss	(3.8)	-96.0%	(95.8)
Gross operating loss margin (%)	(0.9)%	+25.3%	(26.2)%
Loss attributable to owners of the Company	(57.5)	-50.0%	(115.0)

During the Year, the Group's food and catering business contributed some HK\$402.2 million turnover representing about 84.6% of turnover of the Group. The increase in turnover for the Group's food and catering business was mainly attributable to the slightly improved operating environment despite of the continuing COVID-19 pandemic. More details on this business are to be set out in the section headed "Chairman's Statement" of the Company's 2021 annual report.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Restaurant Chain

During the Year, the Group closed down 6 self-owned restaurants, 2 franchise restaurants and 4 food court counters. As at 31 December 2021, the Group had 29 restaurants (including 17 self-owned restaurants and 12 franchise restaurants) and 19 food court counters. Analysis of the number of restaurants as at 29 March 2022 (being the date of this announcement), 31 December 2021 and 2020 are listed as follows:

	As at the date of this announcement	As at 31 December 2021	2020
Number of restaurants			
Japanese restaurants (<i>note a</i>)	8	8	8
Chinese restaurants (<i>note b</i>)	4	4	7
Western and other restaurants (<i>note c</i>)	4	4	6
Food court counters (<i>note d</i>)	15	19	23
Franchise restaurants (<i>note e</i>)	11	12	14
	<hr/>	<hr/>	<hr/>
	42	47	58
Industrial catering (<i>note f</i>)	1	1	2
	<hr/>	<hr/>	<hr/>
	43	48	60
	<hr/>	<hr/>	<hr/>
Total areas of self-owned and franchise restaurants (sq.ft.)	123,083 sq.ft.	131,108 sq.ft.	166,266 sq.ft.
Turnover against total areas of restaurants (per sq.ft. per annum)	Not applicable	HK\$3,068	HK\$2,198
	<hr/>	<hr/>	<hr/>

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Restaurant Chain – Continued

Note a: As at 31 December 2021, Japanese restaurants included 6 Edo Japanese Restaurants, 1 Senkizen Japanese Restaurant and 1 Musashi Japanese Restaurant.

Note b: As at 31 December 2021, Chinese restaurants included 1 Turtle Essence, 1 Shiki Hot Pot Restaurant, 1 Seasons Bright Restaurant and 1 Good Fortune Cantonese Kitchen.

Note c: As at 31 December 2021, Western and other restaurants included 4 Azores Restaurants.

Note d: As at 31 December 2021, food court counters included 2 Toei Delights Japanese food court counters, 1 Hundred Taste Kitchen Taiwanese food court counter, 1 Hua Xia Chinese food court counter, 1 Soup pot food court counter, 3 “Foodland” food court counters, 1 “Canton Roast” food court counter, 1 Bari-Uma & Sinsaeat Kitchen food court counter and 9 food court counters-Food Playground.

Note e: As at 31 December 2021, franchise restaurants included 2 Pacific Coffee shops, 4 Pepper Lunch, 4 Bari-Uma Ramen, 1 Fu-Un-Maru and 1 Mad for Garlic Restaurant.

Note f: As at 31 December 2021, industrial catering included 1 student/staff canteen.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Restaurant Chain – Continued

Analysis of the number of restaurants and food court counters by geographical locations as at 31 December 2021 and 2020 are listed as follows:

	As at 31 December	
	2021	2020
Number of restaurants		
Macau	15	23
Mainland China	6	6
Hong Kong	7	7
Taiwan	1	1
	<hr/>	<hr/>
Total	29	37
	<hr/>	<hr/>
	As at 31 December	
	2021	2020
Number of food court counters		
Macau	8	11
Hong Kong	11	12
	<hr/>	<hr/>
Total	19	23
	<hr/>	<hr/>

Details of the Group's restaurants are to be set out in the section headed "List of Restaurants/Food Court Counters/Stores" of the Company's 2021 annual report.

Industrial Catering

The Group's industrial catering business derives from its provision of canteen services for universities and school with a modest turnover of some HK\$11.2 million for the Year, representing a decrease of 8.9%, as compared to that of HK\$12.3 million for the year of 2020. The decrease in turnover of industrial catering business was mainly attributable to the closure of a student canteen during the Year. More details on this business are to be set out in the section headed "Chairman's Statement" of the Company's 2021 annual report.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Food and Catering Business – Continued

Food Wholesale

The Group's wholesale business of Japanese food and materials incurred a loss for the Year with turnover of some HK\$16.4 million, representing an increase of some 4.5% as compared to that of HK\$15.7 million for the year of 2020. The increase in turnover of food wholesale business was mainly attributable to the slightly improved operating environment despite of the continuing COVID-19 pandemic. More details on this business are to be set out in the section headed "Chairman's Statement" of the Company's 2021 annual report.

Food Souvenir Business

The operational financials of the Group's food souvenir business for the years ended 31 December 2021 and 2020 are as follows:

	2021 <i>HK\$'million</i>	Change %	2020 <i>HK\$'million</i>
Turnover	53.2	+53.3%	34.7
Cost of sales	(19.7)	+35.9%	(14.5)
Gross margin	33.5	+65.8%	20.2
Direct operating expenses	(35.7)	-4.8%	(37.5)
Gross operating loss	(2.2)	-87.3%	(17.3)
Gross operating loss margin (%)	(4.1)%	+45.8%	(49.9)%
Loss attributable to owners of the Company	(8.9)	-27.6%	(12.3)

The Group's food souvenir business has shown some good improvement in the Year and recorded a total turnover of some HK\$53.2 million with a loss attributable to owners of the Company of some HK\$8.9 million (comprising of gross operating loss of some HK\$2.2 million and an impairment loss on property, plant and equipment of some HK\$3.4 million), as against the turnover of some HK\$34.7 million with a loss attributable to owners of the Company of some HK\$12.3 million for the year of 2020. Further details of the Group's food souvenir business are to be set out in the section headed "Chairman's Statement" of the Company's 2021 annual report.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Food Souvenir Business – Continued

During the Year, the Group closed down 2 Yeng Kee bakery shops and 1 Yeng Kee kiosk in Macau. Analysis of the number of Yeng Kee bakery shops/kiosks as at 31 December 2021 and 2020 by geographical location is listed as follows:

	As at 31 December	
	2021	2020
Number of Yeng Kee bakery shops/kiosks		
Macau	<u>6</u>	<u>9</u>

Details of the Group’s food souvenir shops/kiosks are to be set out in the section headed “List of Food Souvenir Shops/Kiosks” of the Company’s 2021 annual report.

Property Investment Business

In the Year, the Key Investment Property has made steady rental income contribution to the Group. The Group’s net profit attributable to the Group’s property investment business was some HK\$2.6 million for the Year, as compared to that of HK\$15.9 million for the year of 2020. Such profit was mainly attributable to the rental income contribution and a fair value loss on the Key Investment Property of HK\$6.0 million.

As at 31 December 2021, the Key Investment Property has been valued by an independent professional valuer at some HK\$562.0 million (31 December 2020: HK\$568.0 million). More details on this business are to be set out in the section headed “Chairman’s Statement” of the Company’s 2021 annual report.

Details of the Group’s properties are to be set out in the section headed “Group’s Properties” of the Company’s 2021 annual report.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

OPERATIONS REVIEW – Continued

Logistic Support and Human Resources

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

The management and staff teams have reduced during the Year to some 917 (2020: 1,160) people in Macau, Mainland China, Hong Kong and Taiwan. Remuneration packages including medical plan have been and will be regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. During the Year, various training activities including operational safety and management skills have been conducted to enhance operation efficiency.

MATERIAL LITIGATION

As at 31 December 2021, the Group had not been involved in any material litigation or arbitration (2020: nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 31 December 2021, the Group had net current liabilities of HK\$163.2 million (2020: net current liabilities of HK\$190.4 million). As at 31 December 2021, the Group had bank deposits, bank overdraft, cash and cash equivalents totalling HK\$23.8 million (2020: HK\$43.7 million), while the Group's restricted bank deposits amounted to HK\$6.4 million (2020: HK\$10.0 million), of which HK\$5.0 million (2020: HK\$5.0 million) has been pledged to a bank to secure one bank loan and the balance of HK\$1.4 million (2020: HK\$5.0 million) has been pledged to a bank for guarantee given in lieu of paying rental deposit.

As at 31 December 2021, the Group had interest-bearing bank loans of some HK\$385.7 million (2020: HK\$384.4 million). The Group's borrowings are made in Hong Kong dollars and Macau Patacas. Details of the borrowings are to be set out in note 28 "Interest Bearing Borrowings" to the financial statements of the Company's 2021 annual report.

MANAGEMENT DISCUSSION AND ANALYSIS – Continued

LIQUIDITY AND FINANCIAL RESOURCES – Continued

The Group's gearing ratio represented by the Group's net debts (total liabilities less cash and cash equivalents) to the Group's total equity as at 31 December 2021 and 2020 was as follows:

	As at 31 December		
	2021	Change	2020
	%	%	%
Gearing ratio	<u>159.6</u>	<u>+9.9%</u>	<u>149.7</u>

The increase in the Group's gearing ratio as at 31 December 2021 was mainly due to the decrease of the Group's total equity.

The ratio of the total assets against total liabilities of the Group as at 31 December 2021 was 1.59 (2020: 1.61).

EMPLOYEES

The Group employed, as at 31 December 2021, a total of 917 (2020: 1,160) full-time staff, in which 574 (2020: 797) full-time staff in Macau, 183 (2020: 176) full-time staff in Mainland China, 146 (2020: 163) full-time staff in Hong Kong and 14 (2020: 24) full-time staff in Taiwan. The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detailed remuneration packages for the employees are determined by the management based on their performance.

An employee share option scheme of the Company was adopted on 8 June 2012 and effective for a period of 10 years since the date of adoption. Details of the retirement benefits schemes of the Group are to be set out in notes to the financial statements of the Company's 2021 annual report. The contributions to the retirement schemes charged to the consolidated income statement during the Year was approximately HK\$4.5 million (2020: HK\$4.4 million), after deducting forfeitures of approximately HK\$4.4 million (2020: HK\$9.0 million). As at 31 December 2021, forfeited contributions available to reduce future contributions amounted to approximately HK\$0.8 million (as at 31 December 2020: HK\$2.8 million).

CLOSURE OF REGISTER OF MEMBERS

The register of shareholders of the Company will be closed from Tuesday, 24 May 2022 to Friday, 27 May 2022 (both days inclusive), during which period no transfer of Shares will be registered, for the purpose of ascertaining Shareholders' eligibility to attend and vote at the 2022 AGM. The record date for the 2022 AGM shall be 27 May 2022. In order to qualify as shareholders of the Company to attend, act and vote at the 2022 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2022.

In view of the recent developments relating to COVID-19 pandemic, the Company strongly recommends the Shareholders intending to attend the 2022 AGM to vote by filling in and submitting the proxy form, i.e. to indicate their voting intention in the proxy form and designate the chairman of the 2022 AGM as your proxy to vote on your behalf on site. The form of proxy will be despatched to Shareholders and can also be downloaded from the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.fb.com.hk. To be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, on Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the 2022 AGM or any adjourned meeting, as the case may be.

The Company will also take the following precautions and control measures at the 2022 AGM to protect the Shareholders from the risk of infection:

- a. Compulsory body temperature check will be taken for every Shareholder or proxy at the entrance of the venue and anyone with a body temperature of more than 37.3 degrees Celsius will not be given access to the venue;
- b. Every Shareholder or proxy is required to wear facial surgical mask before entering into the venue and during their attendance of the 2022 AGM; and
- c. No refreshment will be served.

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

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDIT COMMITTEE

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

CORPORATE GOVERNANCE

The Company has complied with the CG Code for the Year as set out in Appendix 14 to the Listing Rules.

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

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

EVENTS AFTER THE REPORTING DATE

After the fifth wave of outbreak of COVID-19 pandemic in early 2022, a series of precautionary and control measures have been and continued to be implemented across many countries/regions. The Group will pay close attention to the development of COVID-19 pandemic and evaluate its impact on the financial position and operating results of the Group. Pending development of such subsequent non-adjusting event, the Group's financial and operating performance may be affected, the extent to which cannot be estimated as at the date of this announcement.

Save as disclosed above, there is no significant subsequent events after the year end date of 31 December 2021.

OUTLOOK

The COVID-19 pandemic has adversely affected the retail and restaurants businesses in Hong Kong, Macau and Mainland China, and will continue to adversely affect our Group's operations and financial results in the foreseeable future. The continuing negative impact of the COVID-19 pandemic in Hong Kong especially with the fifth wave of serious outbreak of Omicron variant of COVID-19 pandemic has led to the imposition of stricter social distancing measures by the Hong Kong Government since early 2022 up to now. Such measures include restricting the number of customers per table and prohibiting dine-in services during certain timeslots, leading to a significant drop in customers and adversely affecting the Group's food and catering business in Hong Kong. The degree of impact of the COVID-19 pandemic will depend on the duration of the pandemic, the prevention and control measures taken by the Hong Kong Government in terms of increasing the vaccination rate, availability of compulsory testing and designated quarantine facilities, the food and catering business in Hong Kong will still be facing a lot of uncertainties in the coming future. The Group hopes that after the COVID-19 pandemic is under control, it will lead to further relaxation of the related social distancing measures, and hence improvement of the retail and restaurants business in Hong Kong including improvement of the Group's business too.

The retail and restaurants business in Macau continued to be adversely impacted by the COVID-19 pandemic despite a modest relaxation of travel restrictions resulting in increased level of visitors between Mainland China and Macau during the Year. The outlook of the Group's business depends on the development and control of the COVID-19 pandemic including the Omicron variant and other future variants and also subject to changes in the government policies of Macau, Mainland China, Hong Kong and Asia addressing travel and public health measures associated with the COVID-19 pandemic.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, BDO Limited to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

DEFINITIONS

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

2022 AGM	The Company's annual general meeting to be held on 27 May 2022
Board	The board of Directors
CG Code	The Corporate Governance Code set out in Appendix 14 to the Listing Rules
CGU	A cash-generating unit
Company	Future Bright Holdings Limited
Director(s)	Director(s) of the Company
EBITDA	Profit before interests, tax expense, depreciation and amortization
Financial Statements	The audited consolidated financial statements of the Group for the Year
Group	The Company together with its subsidiaries
HKICPA	Hong Kong Institute of Certified Public Accountants
HK\$	Hong Kong Dollars
Hong Kong	Hong Kong Special Administrative Region of Mainland China
Key Investment Property	The Group's investment property which is a 6-storey commercial building located at the Centro Comercial E Turistico "S. Paulo", No. 2 Largo da Companhia de Jesus, Macau
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange
Mainland China	People's Republic of China

DEFINITIONS – Continued

Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
MOP	Macau Patacas
Net Ordinary Operating Profit/(Loss)	Profit/(Loss) attributable to owners of the Company before taking into account any net fair value gain/loss of the investment properties
RMB	Renminbi
Share(s)	Ordinary share(s) of the Company
Shareholder(s)	Shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Sq.ft.	Square feet
Year	Year ended 31 December 2021

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The 2022 AGM of the Company will be held on Friday, 27 May 2022. The notice of 2022 AGM together with the Company's 2021 annual report and all other relevant documents (the "Documents") will be despatched to the Shareholders on or about 20 April 2022. The Documents and this announcement shall also be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.fb.com.hk.

BOARD OF DIRECTORS

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

On behalf of the Board
Chan Chak Mo
Managing Director

Hong Kong, 29 March 2022