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## Future Bright Holdings Limited

佳景集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 703)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

<b>FINANCIAL HIGHLIGHTS</b>			
	<b>For the six months ended 30 June</b>		<i>Change</i>
	<b>2022</b>	<b>2021</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Turnover	<b>135,329</b>	233,827	-42.2%
Gross margin	<b>92,636</b>	162,941	-43.2%
Gross operating (loss)/profit	<b>(25,994)</b>	166	N/A
(Negative)/Positive EBITDA	<b>(60,939)</b>	17,768	N/A
Loss attributable to owners of the Company	<b>(104,652)</b>	(46,935)	+122.9%
Net Ordinary Operating Loss	<b>(95,852)</b>	(46,935)	+104.2%
Basic loss per share	<b>HK(15.07) cents</b>	HK(6.76) cents	+122.9%
	<b>As at</b>	<b>As at</b>	
	<b>30 June</b>	<b>31 December</b>	
	<b>2022</b>	<b>2021</b>	<i>Change</i>
	<b>(Unaudited)</b>	<b>(Audited)</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>%</b>
Total assets	<b>991,449</b>	1,088,091	-8.9%
Net assets	<b>301,062</b>	404,835	-25.6%
Net assets per share	<b>HK\$0.434</b>	HK\$0.583	-25.6%
Gearing ratio	<b>219.8%</b>	159.6%	+60.2%
Total assets/total liabilities ratio	<b>1.44</b>	1.59	-9.4%

\* For identification purpose only

## INTERIM RESULTS

The Directors of Future Bright Holdings Limited are pleased to announce the unaudited consolidated interim results of the Group for the six months ended 30 June 2022 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	Six months ended 30 June	
		2022 (Unaudited) HK\$'000	2021 (Unaudited) HK\$'000
Turnover	6	135,329	233,827
Cost of sales		<u>(42,693)</u>	<u>(70,886)</u>
Gross margin		92,636	162,941
Direct operating expenses		<u>(118,630)</u>	<u>(162,775)</u>
Gross operating (loss)/profit		(25,994)	166
Other revenue		7,502	5,664
Other gains and losses		(44,442)	8,205
Administrative expenses		(39,875)	(52,466)
Finance costs	8	<u>(7,431)</u>	<u>(10,256)</u>
Loss before income tax	7	(110,240)	(48,687)
Income tax credit/(expense)	9	<u>1,200</u>	<u>(1,127)</u>
Loss for the period		(109,040)	(49,814)
Other comprehensive income/(loss), net of tax Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		<u>5,268</u>	<u>(4,610)</u>
Total comprehensive loss for the period		<u>(103,772)</u>	<u>(54,424)</u>
Loss attributable to:			
Owners of the Company		(104,652)	(46,935)
Non-controlling interests		<u>(4,388)</u>	<u>(2,879)</u>
		<u>(109,040)</u>	<u>(49,814)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(99,384)	(51,545)
Non-controlling interests		<u>(4,388)</u>	<u>(2,879)</u>
		<u>(103,772)</u>	<u>(54,424)</u>
Loss per share			
– Basic and diluted (HK cents per share)	11	<u>(15.07)</u>	<u>(6.76)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AS AT 30 JUNE 2022*

		<b>30 June 2022</b>	31 December 2021
		<b>(Unaudited)</b>	(Audited)
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>184,240</b>	199,710
Right-of-use assets		<b>56,226</b>	76,250
Investment properties		<b>552,000</b>	562,000
Goodwill		<b>56,000</b>	81,775
Other intangible assets		<b>10,511</b>	15,918
Deposits	<i>12</i>	<b>24,426</b>	36,442
<b>Total non-current assets</b>		<b>883,403</b>	972,095
<b>Current assets</b>			
Inventories		<b>26,586</b>	27,014
Trade and other receivables	<i>12</i>	<b>46,874</b>	45,790
Financial assets at fair value through profit or loss		<b>37</b>	37
Restricted bank deposits		<b>6,172</b>	6,377
Cash and cash equivalents		<b>28,377</b>	36,778
<b>Total current assets</b>		<b>108,046</b>	115,996
<b>Total assets</b>		<b>991,449</b>	1,088,091
<b>Current liabilities</b>			
Trade and other payables	<i>13</i>	<b>86,692</b>	117,389
Amount due to a related party		<b>86,656</b>	17,005
Lease liabilities		<b>44,377</b>	53,818
Current tax liabilities		<b>18,960</b>	18,960
Interest bearing borrowings		<b>53,890</b>	70,636
Non-interest bearing borrowings		<b>1,388</b>	1,388
<b>Total current liabilities</b>		<b>291,963</b>	279,196
<b>Net current liabilities</b>		<b>(183,917)</b>	(163,200)
<b>Total assets less current liabilities</b>		<b>699,486</b>	808,895

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – Continued**  
*AS AT 30 JUNE 2022*

	<b>30 June 2022</b>	31 December 2021
	<b>(Unaudited)</b>	(Audited)
<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Non-current liabilities		
Lease liabilities	<b>27,219</b>	47,737
Interest bearing borrowings	<b>331,195</b>	315,113
Deferred tax liabilities	<b>34,581</b>	35,781
Non-interest bearing borrowings	<b>5,429</b>	5,429
	<hr/>	<hr/>
Total non-current liabilities	<b>398,424</b>	404,060
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Total liabilities	<b>690,387</b>	683,256
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NET ASSETS	<b>301,062</b>	404,835
	<hr/>	<hr/>
Capital and reserves attributable to owners of the Company		
Share capital	<b>69,430</b>	69,430
Reserves	<b>262,737</b>	362,121
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Equity attributable to owners of the Company	<b>332,167</b>	431,551
Non-controlling interests	<b>(31,105)</b>	(26,716)
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TOTAL EQUITY	<b>301,062</b>	404,835
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# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 JUNE 2022

## 1. GENERAL INFORMATION

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

## 2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”), issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. These condensed consolidated interim financial statements were authorised for issue on 31 August 2022.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2021 annual financial statements.

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

In preparing the Group’s condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group has incurred a loss of approximately Hong Kong Dollar (“HK\$”) 109,040,000 and at the end of reporting period, its current liabilities exceeded its current assets by approximately HK\$183,917,000. However, the Group had cash and cash equivalents of approximately HK\$28,377,000 only as at 30 June 2022.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
*30 JUNE 2022*

**2. BASIS OF PREPARATION – Continued**

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

- (i) The Group has been actively negotiating with banks for 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\$72,325,000, including credit facilities for capital expenditures and working capital of amounts of approximately HK\$22,325,000 and HK\$50,000,000 respectively;
- (iii) Management has been endeavoring to improve the Group's operating results and cash flows through various cost control measures and will continue to slow down the opening of new restaurants or close underperforming restaurants in the future;
- (iv) The 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\$552,000,000 and certain land and buildings of the Group with a carrying amount of approximately HK\$133,978,000 as at 30 June 2022 and using the proceeds to repay certain secured bank loans and strengthen the Group's liquidity, when necessary.

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. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future. Accordingly, the directors of the Company believe it is appropriate to prepare the consolidated financial statements of the Group for the period ended 30 June 2022 on a going concern basis.

These condensed consolidated interim financial statements are presented in HK\$, unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2021 consolidated financial statements.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
*30 JUNE 2022*

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

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

Annual Improvements to HKFRSs	Annual Improvements to HKFRSs 2018-2020
Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKAS 16	Proceeds before Intended Use

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

**4. USE OF JUDGEMENT AND ESTIMATES**

In preparing this condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2021 annual financial statements.

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2022

**5. SEGMENT REPORTING**

**(a) Business segments**

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

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

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

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

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2022**

**5. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

As at 30 June 2022

	Food and catering (Unaudited) HK\$'000	Food souvenir (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
Reportable segment assets*	366,174	47,409	577,061	990,644
Reportable segment liabilities	366,576	17,135	305,874	689,585
Reportable segment net assets	<u>(402)</u>	<u>30,274</u>	<u>271,187</u>	<u>301,059</u>

\* As at 30 June 2022, food and catering and food souvenir segment assets included cash and bank balances of approximately HK\$25,282,000 (31 December 2021: HK\$31,357,000) and HK\$1,719,000 (31 December 2021: HK\$5,165,000) respectively, while property investment segment assets included cash and bank balances of approximately HK\$1,196,000 (31 December 2021: HK\$72,000), and investment properties of approximately HK\$552,000,000 (31 December 2021: HK\$562,000,000).

*Other information*

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2022**

**5. SEGMENT REPORTING – Continued**

**(a) Business segments – Continued**

The segment revenue and results for the six months ended 30 June 2021 are as follows:

	Food and catering (Unaudited) <i>HK\$'000</i>	Food souvenir (Unaudited) <i>HK\$'000</i>	Property investment (Unaudited) <i>HK\$'000</i>	Inter-segment elimination (Unaudited) <i>HK\$'000</i>	Consolidated (Unaudited) <i>HK\$'000</i>
<b>Revenue</b>					
Turnover from external customers	209,152	14,680	9,995	–	233,827
Revenue from inter-segment	–	–	87	(87)	–
Other revenue	5,529	48	87	–	5,664
	<u>214,681</u>	<u>14,728</u>	<u>10,169</u>	<u>(87)</u>	<u>239,491</u>
<b>Results</b>					
Reportable segment (loss)/profit before tax and non-controlling interests	<u>(40,847)</u>	<u>(7,031)</u>	<u>4,000</u>	<u>–</u>	<u>(43,878)</u>

As at 31 December 2021

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
**30 JUNE 2022**

**5. SEGMENT REPORTING** – Continued

**(a) Business segments** – Continued

*Other information*

	Food and catering (Unaudited) HK\$'000	Food souvenir (Unaudited) HK\$'000	Property investment (Unaudited) HK\$'000	Unallocated (Unaudited) HK\$'000	Consolidated (Unaudited) HK\$'000
For the six months ended 30 June 2021					
Interest income	222	3	–	–	225
Interest expense	6,774	251	3,231	–	10,256
Capital expenditure on property, plant and equipment	45	78	–	–	123
Depreciation of property, plant and equipment	14,641	2,267	415	21	17,344
Depreciation of right-of-use assets	36,481	1,961	–	–	38,442
Amortisation of other intangible assets	310	103	–	–	413
Loss on written off of property, plant and equipment	4,774	–	–	–	4,774
Loss on written off of other intangible assets	289	–	–	–	289
Fair value loss on financial assets at fair value through profit or loss	–	–	–	18	18
Impairment loss on property, plant and equipment	4,716	–	–	–	4,716
Gain on lease modification	811	156	–	–	967
Rent concessions	9,392	1,037	–	–	10,429
Income tax expense	91	–	1,036	–	1,127

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2022**

**5. SEGMENT REPORTING – Continued**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b> <b>HK\$'000</b>	<b>(Unaudited)</b> <b>HK\$'000</b>
<b>Revenue</b>		
Reportable segment revenue	<b>142,831</b>	239,491
Other revenue	<b>(7,502)</b>	(5,664)
	<u>135,329</u>	<u>233,827</u>
<b>Loss before income tax</b>		
Reportable segment loss	<b>(107,564)</b>	(43,878)
Other gains and losses	<b>485</b>	(36)
Fair value loss on financial assets at fair value through profit or loss	–	(18)
Corporate payroll expenses	<b>(1,756)</b>	(2,460)
Unallocated expenses	<b>(1,405)</b>	(2,295)
	<u>(110,240)</u>	<u>(48,687)</u>

**(c) Geographical information**

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

	<b>Revenue from external customers</b>		<b>Non-current assets (other than financial assets)</b>	
	<b>Six months ended 30 June 2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>Six months ended 30 June 2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>As at 30 June 2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>As at 31 December 2021</b> <b>(Audited)</b> <b>HK\$'000</b>
Macau	<b>90,439</b>	153,540	<b>824,999</b>	881,267
Mainland China	<b>15,309</b>	27,780	<b>9,654</b>	25,085
Hong Kong	<b>29,321</b>	48,287	<b>24,324</b>	29,301
Taiwan	<b>260</b>	4,220	–	–
	<u>135,329</u>	<u>233,827</u>	<u>858,977</u>	<u>935,653</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2022

**6. TURNOVER**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>
<b>Revenue from contracts with customers under HKFRS 15</b>		
Sales of food and catering	<b>120,034</b>	209,152
Sales of food souvenir	<b>5,299</b>	14,680
	<b>125,333</b>	223,832
<b>Revenue from other source</b>		
Rental income from investment properties	<b>9,996</b>	9,995
	<b>135,329</b>	233,827
<b>By timing of revenue recognition under HKFRS 15</b>		
At a point in time	<b>125,333</b>	223,832

The Group did not have any contract asset and contract liability as at 31 December 2021 and 30 June 2022.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued**  
**30 JUNE 2022**

**7. LOSS BEFORE INCOME TAX**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Costs of inventories recognised as expenses	<b>42,192</b>	70,415
Direct operating expenses recognised from investment properties during the period	<b>501</b>	471
Cost of sales	<b>42,693</b>	70,886
Employee costs	<b>79,659</b>	96,588
Depreciation of property, plant and equipment	<b>12,770</b>	17,344
Depreciation of right-of-use assets	<b>28,739</b>	38,442
Fair value loss on investment properties	<b>10,000</b>	–
Fair value loss on financial assets at fair value through profit or loss	–	18
Contingent rental expenses	<b>1,680</b>	3,225
Amortisation of other intangible assets	<b>361</b>	413
Auditor's remuneration	–	430
Gain on lease modification	<b>(4,896)</b>	(967)
Interest income	<b>(103)</b>	(225)
Loss on written off of property, plant and equipment	<b>6,516</b>	4,774
Loss on written off of other intangible assets	–	289
Impairment loss on other intangible assets	<b>5,000</b>	–
Impairment loss of property, plant and equipment	<b>1,952</b>	4,716
Impairment loss on goodwill	<b>25,775</b>	–
Rent concessions	<b>(6,874)</b>	(10,429)

**8. FINANCE COSTS**

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Interest on interest bearing borrowings:		
– Repayable within five years	<b>1,741</b>	2,008
– Repayable over five years	<b>3,047</b>	2,671
	<b>4,788</b>	4,679
Imputed interest on lease liabilities	<b>2,643</b>	5,577
	<b>7,431</b>	10,256

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
**30 JUNE 2022**

**9. INCOME TAX (CREDIT)/EXPENSE**

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

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(Unaudited)</b> <b>HK\$'000</b>	<b>(Unaudited)</b> <b>HK\$'000</b>
Current tax:		
– Macau Complementary Income Tax	–	1,127
Deferred tax credit for the reporting period	<u>(1,200)</u>	<u>–</u>
Income tax (credit)/expense	<u><b>(1,200)</b></u>	<u><b>1,127</b></u>

Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits for the reporting period. The maximum tax rate was 12% for the six months ended 30 June 2022 and 2021.

Mainland China Enterprise Income Tax (“EIT”) is calculated at rate of 25% (2021: 25%). No provision for EIT has been made during the reporting period as the Mainland China subsidiaries have had no assessable profits for EIT for the six months ended 30 June 2022 and 2021.

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for the subsidiary of the Group which is qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2021: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

**10. DIVIDENDS**

The Directors decided not to declare any interim dividend during the six months ended 30 June 2022 and 2021.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS** – Continued  
30 JUNE 2022

**11. LOSS PER SHARE**

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

**(a) Basic loss per share**

	<b>Six months ended 30 June</b>	
	<b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>2021</b> <b>(Unaudited)</b> <b>HK\$'000</b>
Loss for the reporting period attributable to owners of the Company	<u>(104,652)</u>	<u>(46,935)</u>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>694,302,420</u>	<u>694,302,420</u>
Basic loss per share (HK cents)	<u>(15.07)</u>	<u>(6.76)</u>

**(b) Diluted loss per share**

The amounts of diluted loss per share for the six months ended 30 June 2022 and 2021 were the same as basic loss per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2022 and 2021.

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

	<b>30 June</b> <b>2022</b> <b>(Unaudited)</b> <b>HK\$'000</b>	<b>31 December</b> <b>2021</b> <b>(Audited)</b> <b>HK\$'000</b>
<b>Current portion</b>		
Trade receivables	<b>20,629</b>	23,867
Prepayments and deposits	<b>25,210</b>	20,688
Other receivables	<u><b>1,035</b></u>	<u>1,235</u>
Total	<u><b>46,874</b></u>	<u>45,790</u>
<b>Non-current portion</b>		
Deposits	<u><b>24,426</b></u>	<u>36,442</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued

30 JUNE 2022

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

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

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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
0 to 90 days	<b>19,811</b>	22,855
91 days to 365 days	<b>373</b>	1,001
Over 365 days	<b>445</b>	11
Total	<b><u>20,629</u></b>	<u>23,867</u>

### 13. TRADE AND OTHER PAYABLES

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Trade payables	<b>28,634</b>	31,227
Accruals and provision	<b>32,665</b>	34,205
Construction and other payables	<b>25,393</b>	51,957
Total	<b><u>86,692</u></b>	<u>117,389</u>

The Group's trade payable mainly represent the payable for purchase of food and beverages. The credit terms granted from those vendors are generally 30 days to 270 days from the purchases made. The credit terms may vary among different vendors, the ageing based on the credit terms specified by different vendors and the Group's own prior repayment experiences.

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

	<b>30 June 2022 (Unaudited) HK\$'000</b>	31 December 2021 (Audited) HK\$'000
Within 90 days	<b>27,044</b>	28,607
91 days to 180 days	<b>892</b>	1,345
181 days to 365 days	<b>346</b>	525
More than 365 days	<b>352</b>	750
Total	<b><u>28,634</u></b>	<u>31,227</u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS – Continued

30 JUNE 2022

### 14. EVENTS AFTER THE REPORTING PERIOD

Since the outbreak of COVID-19 pandemic in January 2020, a series of precautionary and control measures against the COVID-19 pandemic has been implemented by governments throughout different countries and regions, including restrictions and controls on travellers, traffic arrangements, quarantines, stay-at-home orders, capacity limits, social distancing measures, closures of non-essential businesses, including entertainment and social activities etc.

Visitors inflow to Macau has remained substantially below pre-COVID-19 levels as a result of various government policies limiting or discouraging travel. Other than people from Mainland China who in general may enter Macau without quarantine subject to them holding the appropriate travel documents, a negative COVID-19 nucleic acid test result issued within a specified time period and a green health-code, there remains in place a complete ban on entry or a need to undergo various quarantine requirements depending on the person's residency and recent travel history. The Group's operations will continue to be adversely impacted and subject to changes in the government policies of Macau, Mainland China, Hong Kong and other jurisdictions in Asia addressing travel and public health measures associated with COVID-19 pandemic.

In response to an outbreak of COVID-19 pandemic in Macau from mid-June 2022, the Macau Government announced a series of preventative measures including closure of a range of government, public and social facilities and restrictions on dining-in at restaurants.

Pursuant to the Macau Chief Executive Dispatch No. 115/2022 on 9 July 2022, the Macau Government announced all non-essential businesses to close from 11 July 2022 to 22 July 2022. The Macau Government announced a consolidation period beginning on 23 July 2022 and ending on 30 July 2022 whereby certain business activities were permitted to resume limited operations with a maximum of 50% capacity. Pursuant to the Macau Chief Executive Dispatch No. 139/2022 on 2 August 2022, the Macau Government lifted restrictions on restaurant dining, and other recreational and social facilities including gyms, beauty parlors and bars. On 3 August 2022, quarantine free travel resumed between Macau and Zhuhai, although a negative COVID-19 nucleic acid test certificate issued within 48 hours is required for people entering Zhuhai through the Macau land border. As from 6 August 2022, visitors from Hong Kong, Taiwan and other foreign countries are required to produce a negative COVID-19 nucleic acid test certificate issued within 24 hours, and subject to a quarantine period upon entry which has been decreased from 10 days to 7 days, followed by the self-monitoring period which has been decreased from 7 days to 3 days.

The COVID-19 pandemic continued to have a significant adverse impact on the Group's operations and financial conditions in the Period. While there is uncertainty on the extent and duration of the potential adverse developments or mitigation of COVID-19 pandemic, the management cannot predict at this time when the COVID-19 pandemic and the imposition or relaxation of containment measures and travel restrictions will end. The Group will pay continuous attention to the latest development of COVID-19 pandemic in order to assess and respond proactively to its associated adverse impact on the operating results and financial position of the Group. The Group will pay close attention to the development of COVID-19 pandemic and is continuously assessing its financial impact.

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM DIVIDEND

In view of the loss incurred by the Group for the Period, the Directors have decided that no interim dividend be declared or paid for the Period (For the six months ended 30 June 2021: nil).

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

### FINANCIAL REVIEW

#### Turnover

The turnover of the Group for the Period was approximately HK\$135.3 million, representing a decrease of 42.2% as compared to the same period of 2021 of approximately HK\$233.9 million. The decrease in turnover was mainly attributable to the serious outbreak of Omicron variant of COVID-19 pandemic since early 2022 and closure of restaurants. The Group's restaurants, industrial catering business and food souvenir business recorded a decrease of 32.8% in the same store performance in the Period as compared to the same period of 2021. The Group's restaurant chain business has performed in line with the decreased level of visitor inflow to Macau. Further details on the Group's business performance are set out below and in the section headed "Chairman's Statement" of 2022 interim report.

Turnover of the Group over the last three interim periods are as follows:

	For the six months ended 30 June		
	2022	2021	2020
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Turnover	<b>135.3</b>	233.9	200.2

Below is a table of comparison of the turnover of the first and second quarters of 2022 and 2021:

	2022	Change	2021
	<i>HK\$'million</i>	%	<i>HK\$'million</i>
<b>TURNOVER</b>			
First quarter	<b>70.6</b>	-36.5%	111.1
Second quarter	<b>64.7</b>	-47.3%	122.8
The Period	<b>135.3</b>	-42.2%	233.9

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued**

**FINANCIAL REVIEW – Continued**

**Turnover – Continued**

Below is a table of comparison of turnover of the first quarter of 2022 and 2021:

	<b>For the three months ended 31 March</b>		
	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
<b>TURNOVER – First quarter</b>			
Restaurants:			
Japanese restaurants	<b>23.1</b>	-23.7%	30.3
Chinese restaurants	<b>9.4</b>	-51.5%	19.4
Western and other restaurants ( <i>note 1</i> )	<b>4.3</b>	-63.2%	11.7
Food court counters	<b>8.0</b>	-33.3%	12.0
Franchise restaurants ( <i>note 2</i> )	<b>9.6</b>	-44.8%	17.4
	<b>54.4</b>	-40.1%	90.8
Industrial catering	<b>3.9</b>	-18.7%	4.8
Food wholesale	<b>3.7</b>	-5.1%	3.9
<b>Food and catering business</b>	<b>62.0</b>	-37.7%	99.5
<b>Food souvenir business</b>	<b>3.6</b>	-46.3%	6.7
<b>Property investment business</b>	<b>5.0</b>	+2.0%	4.9
Total	<b>70.6</b>	-36.5%	111.1

Below is a table of comparison of turnover of the second quarter of 2022 and 2021:

	<b>For the three months ended 30 June</b>		
	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
<b>TURNOVER – Second quarter</b>			
Restaurants:			
Japanese restaurants	<b>15.1</b>	-53.3%	32.3
Chinese restaurants	<b>5.8</b>	-69.8%	19.2
Western and other restaurants ( <i>note 1</i> )	<b>6.4</b>	-55.9%	14.5
Food court counters	<b>10.0</b>	-45.1%	18.2
Franchise restaurants ( <i>note 2</i> )	<b>13.2</b>	-21.9%	16.9
	<b>50.5</b>	-50.0%	101.1
Industrial catering	<b>4.8</b>	+20.0%	4.0
Food wholesale	<b>2.7</b>	-41.3%	4.6
<b>Food and catering business</b>	<b>58.0</b>	-47.1%	109.7
<b>Food souvenir business</b>	<b>1.7</b>	-78.8%	8.0
<b>Property investment business</b>	<b>5.0</b>	-2.0%	5.1
Total	<b>64.7</b>	-47.3%	122.8

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Turnover – Continued**

Below is a table of comparison of the Group’s turnover for the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June		
	2022 <i>HK\$’million</i>	Change %	2021 <i>HK\$’million</i>
<b>TURNOVER – The Period</b>			
Restaurants:			
Japanese restaurants	<b>38.2</b>	-39.0%	62.6
Chinese restaurants	<b>15.2</b>	-60.6%	38.6
Western and other restaurants ( <i>note 1</i> )	<b>10.7</b>	-59.2%	26.2
Food court counters	<b>18.0</b>	-40.4%	30.2
Franchise restaurants ( <i>note 2</i> )	<b>22.8</b>	-33.5%	34.3
	<b>104.9</b>	-45.3%	191.9
Industrial catering	<b>8.7</b>	-1.1%	8.8
Food wholesale	<b>6.4</b>	-24.7%	8.5
<b>Food and catering business</b>	<b>120.0</b>	-42.6%	209.2
<b>Food souvenir business</b>	<b>5.3</b>	-63.9%	14.7
<b>Property investment business</b>	<b>10.0</b>	–	10.0
Total	<b>135.3</b>	-42.2%	233.9

*Note 1:* The turnover of “Western and other restaurants” included turnover from the Group’s Western restaurants and 1 sandwich bar.

*Note 2:* The turnover of “Franchise restaurants” included turnover from the Group’s Pacific Coffee shops, Pepper Lunch, Bari-Uma, Fu-Un-Maru and Mad for Garlic restaurants.

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Turnover – Continued**

Details of the Group's same store performance (note 3) of its restaurants, industrial catering business and food souvenir business in terms of turnover for the first and second quarters of 2022 and 2021 are as follows:

	<b>For the three months ended 31 March</b>		
	<b>2022</b> <i>HK\$'million</i>	<b>Change</b> <b>%</b>	<b>2021</b> <i>HK\$'million</i>
<b>SAME STORE TURNOVER – First quarter</b>			
Restaurants:			
Japanese restaurants	<b>22.8</b>	-24.0%	30.0
Chinese restaurants	<b>9.4</b>	-28.2%	13.1
Western and other restaurants	<b>4.3</b>	-58.2%	10.3
Food court counters	<b>8.0</b>	-27.3%	11.0
Franchise restaurants	<b>9.4</b>	-30.8%	13.6
	<b>53.9</b>	-30.9%	78.0
Industrial catering	<b>3.9</b>	+129.4%	1.7
<b>Restaurants and industrial catering business</b>	<b>57.8</b>	-27.5%	79.7
<b>Food souvenir business</b>	<b>3.6</b>	-44.6%	6.5
	<b>61.4</b>	-28.8%	86.2

	<b>For the three months ended 30 June</b>		
	<b>2022</b> <i>HK\$'million</i>	<b>Change</b> <b>%</b>	<b>2021</b> <i>HK\$'million</i>
<b>SAME STORE TURNOVER – Second quarter</b>			
Restaurants:			
Japanese restaurants	<b>15.1</b>	-52.4%	31.7
Chinese restaurants	<b>5.0</b>	-35.9%	7.8
Western and other restaurants	<b>6.4</b>	-28.9%	9.0
Food court counters	<b>9.9</b>	-38.5%	16.1
Franchise restaurants	<b>13.0</b>	-4.4%	13.6
	<b>49.4</b>	-36.8%	78.2
Industrial catering	<b>4.8</b>	+166.7%	1.8
<b>Restaurants and industrial catering business</b>	<b>54.2</b>	-32.3%	80.0
<b>Food souvenir business</b>	<b>1.7</b>	-78.2%	7.8
	<b>55.9</b>	-36.3%	87.8

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Turnover – Continued**

Details of the Group's same store performance (note 3) of its restaurants, industrial catering business and food souvenir business in terms of turnover for the six months ended 30 June of 2022 and 2021 are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
<b>SAME STORE TURNOVER – The Period</b>			
Restaurants:			
Japanese restaurants	<b>37.9</b>	-38.8%	61.9
Chinese restaurants	<b>11.0</b>	-26.2%	14.9
Western and other restaurants	<b>9.4</b>	-43.0%	16.5
Food court counters	<b>16.8</b>	-37.5%	26.9
Franchise restaurants	<b>21.6</b>	-18.5%	26.5
	<b>96.7</b>	-34.1%	146.7
Industrial catering	<b>8.7</b>	+148.6%	3.5
<b>Restaurants and industrial catering business</b>	<b>105.4</b>	-29.8%	150.2
<b>Food souvenir business</b>	<b>5.3</b>	-63.4%	14.5
	<b>110.7</b>	-32.8%	164.7

*Note 3:* Same store performance is compared on the basis of those restaurants/shops/outlets which were in place in the same periods of 2022 and 2021 only.

Below is a table of comparison of the turnover of the Group by geographical locations of the first quarter of 2022 and 2021:

	<b>For the three months ended 31 March</b>		
	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
<b>TURNOVER – First quarter</b>			
Macau	<b>52.1</b>	-29.3%	73.7
Mainland China	<b>8.0</b>	-44.8%	14.5
Hong Kong	<b>10.2</b>	-49.3%	20.1
Taiwan	<b>0.3</b>	-89.2%	2.8
Total	<b>70.6</b>	-36.5%	111.1

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Turnover – Continued**

Below is a table of comparison of the turnover of the Group by geographical locations of the second quarter of 2022 and 2021:

	<b>For the three months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>
<b>TURNOVER – Second quarter</b>			
Macau	<b>38.3</b>	-52.1%	79.9
Mainland China	<b>7.3</b>	-45.1%	13.3
Hong Kong	<b>19.1</b>	-32.3%	28.2
Taiwan	<b>–</b>	-100.0%	1.4
	<hr/>		<hr/>
Total	<b>64.7</b>	-47.3%	122.8
	<hr/>		<hr/>

Below is a table of comparison of the turnover of the Group by geographical locations of the six months ended 30 June of 2022 and 2021:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>
<b>TURNOVER – The Period</b>			
Macau	<b>90.4</b>	-41.1%	153.6
Mainland China	<b>15.3</b>	-44.9%	27.8
Hong Kong	<b>29.3</b>	-39.3%	48.3
Taiwan	<b>0.3</b>	-92.9%	4.2
	<hr/>		<hr/>
Total	<b>135.3</b>	-42.2%	233.9
	<hr/>		<hr/>

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Gross Margin (the Group's Turnover less Cost of Sales)**

The gross margin (being the turnover less cost of sales) of the Group for the Period was approximately HK\$92.6 million, representing a decrease of approximately 43.2% as compared to the same period of 2021 of approximately HK\$163.0 million. The gross margin ratio for the Period was about 68.5%, with a decrease of about 1.2% compared to the same period of 2021 of 69.7%. The slight decrease in gross margin was mainly due to the decrease in turnover for the Period. The gross margins and gross margin ratios of the Group over the last three interim periods are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b> <i>HK\$'million</i>	2021 <i>HK\$'million</i>	2020 <i>HK\$'million</i>
Gross margin	<b>92.6</b>	163.0	138.3
Gross margin ratio (Gross margin over turnover)	<b>68.5%</b>	69.7%	69.1%

Below is a table of comparison of the gross margins (as described above) of the Group for the first and second quarters of 2022 and 2021:

	<b>2022</b> <i>HK\$'million</i>	Change %	2021 <i>HK\$'million</i>
<b>GROSS MARGIN</b>			
First quarter	<b>48.0</b>	-37.7%	77.1
Second quarter	<b>44.6</b>	-48.1%	85.9
The Period	<b>92.6</b>	-43.2%	163.0

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Gross Operating (Loss)/Profit (the Group’s Turnover less Cost of Sales and Direct Operating Costs)**

The gross operating loss (being the turnover less cost of sales and direct operating costs) of the Group for the Period was approximately HK\$26.0 million as compared to the same period of gross operating profit of 2021 of approximately HK\$0.2 million. The gross operating loss ratio for the Period was about 19.2% as compared to the same period of a gross operating profit ratio of 2021 of 0.1%. The gross operating loss was mainly due to the decrease in the Group’s turnover in the Period. The gross operating (loss)/profit and gross operating (loss)/profit ratios for the last three interim periods of the Group are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	2020
	<i>HK\$’million</i>	<i>HK\$’million</i>	<i>HK\$’million</i>
Gross operating (loss)/profit	<u>(26.0)</u>	<u>0.2</u>	<u>(58.8)</u>
Gross operating (loss)/profit ratio (Gross operating (loss)/profit over turnover)	<u>(19.2)%</u>	<u>0.1%</u>	<u>(29.4)%</u>

Below is a table of comparison of the gross operating (loss)/profit (as described above) of the Group for the first and second quarters of 2022 and 2021:

	<b>2022</b>	Change	2021
	<i>HK\$’million</i>	%	<i>HK\$’million</i>
<b>GROSS OPERATING (LOSS)/PROFIT</b>			
First quarter	(13.2)	+97.0%	(6.7)
Second quarter	<u>(12.8)</u>	N/A	<u>6.9</u>
The Period	<u>(26.0)</u>	N/A	<u>0.2</u>

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****EBITDA**

The Group's negative EBITDA for the Period was some HK\$60.9 million, as compared to the same period of the EBITDA of 2021 of approximately HK\$17.7 million. The negative EBITDA was mainly attributable to the decrease in the Group's turnover and the Group's gross operating loss. The (Negative EBITDA)/EBITDA and EBITDA ratios for the last three interim periods of the Group are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$'million</b>	<b>HK\$'million</b>	<b>HK\$'million</b>
(Negative EBITDA)/EBITDA	<u>(60.9)</u>	<u>17.7</u>	<u>(21.7)</u>
(Negative EBITDA)/EBITDA against turnover ratio	<u>(45.0)%</u>	<u>7.6%</u>	<u>(10.8)%</u>

**Net Loss**

The loss attributable to owners of the Company for the Period was approximately HK\$104.7 million, representing an increase of some 123.2%, as compared to the same period of 2021 of approximately HK\$46.9 million. The loss for the Period was mainly attributable to (i) a loss attributable to owners of the Group's food souvenir business of some HK\$10.1 million (which included impairment loss on trademark of HK\$5.0 million) and (ii) a loss attributable to owners of the Group's food and catering business of some HK\$87.9 million (which included (a) the loss from written off of/impairment loss on property, plant and equipment of some HK\$8.5 million derived mainly from the closure of the Group's restaurants and (b) impairment loss on goodwill of some HK\$25.8 million).

The loss attributable to owners of the Company and loss attributable to owners of the Company against turnover ratios for the last three interim periods of the Group are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$'million</b>	<b>HK\$'million</b>	<b>HK\$'million</b>
Loss attributable to owners of the Company	<u>(104.7)</u>	<u>(46.9)</u>	<u>(110.3)</u>
Loss attributable to owners of the Company against turnover ratio	<u>(77.4)%</u>	<u>(20.1)%</u>	<u>(55.1)%</u>

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Net Loss – Continued**

The Net Ordinary Operating Loss (being the loss attributable to owners of the Company before taking into account any change in net fair value of its investment properties) for the Period was at a loss of approximately HK\$95.9 million, representing an increase of 104.5%, as compared to the same period of 2021 of approximately HK\$46.9 million. Set out below are the Net Ordinary Operating Loss and Net Ordinary Operating Loss ratios (being Net Ordinary Operating Loss against turnover) for the last three interim periods:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	2020
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Net Ordinary Operating Loss	<u>(95.9)</u>	<u>(46.9)</u>	<u>(104.1)</u>
Net Ordinary Operating Loss against turnover ratio	<u>(70.9)%</u>	<u>(20.1)%</u>	<u>(52.0)%</u>

Below is a table of comparison of the results attributable to owners of the Company for the first and second quarters of 2022 and 2021:

	<b>2022</b>	Change	2021
	<i>HK\$'million</i>	%	<i>HK\$'million</i>
<b>LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
First quarter	(34.9)	+18.7%	(29.4)
Second quarter	<u>(69.8)</u>	+298.9%	<u>(17.5)</u>
The Period	<u>(104.7)</u>	+123.2%	<u>(46.9)</u>

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Net Loss – Continued**

Details of the results attributable to owners of the Company for the first quarter of 2022 and 2021 are as follows:

	<b>For the three months ended 31 March</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<b>HK\$'million</b>	<b>%</b>	<b>HK\$'million</b>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – First quarter</b>			
Food and catering business	<b>(33.9)</b>	+26.0%	(26.9)
Food souvenir business	<b>(2.0)</b>	-20.0%	(2.5)
Property investment business	<b>2.6</b>	–	2.6
Other revenue, corporate payroll and unallocated expenses	<b>(1.6)</b>	-38.4%	(2.6)
Total	<b>(34.9)</b>	+18.7%	(29.4)

Details of the results attributable to owners of the Company for the second quarter of 2022 and 2021 are as follows:

	<b>For the three months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<b>HK\$'million</b>	<b>%</b>	<b>HK\$'million</b>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – Second quarter</b>			
Food and catering business	<b>(54.0)</b>	+309.1%	(13.2)
Food souvenir business	<b>(8.1)</b>	+224.0%	(2.5)
Property investment business	<b>(6.7)</b>	N/A	0.3
Other revenue, corporate payroll and unallocated expenses	<b>(1.0)</b>	-52.4%	(2.1)
Total	<b>(69.8)</b>	+298.9%	(17.5)

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Net Loss – Continued**

Details of the results attributable to owners of the Company for the six months ended 30 June of 2022 and 2021 are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<b>HK\$'million</b>	<b>%</b>	<b>HK\$'million</b>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – The Period</b>			
Food and catering business	<b>(87.9)</b>	+119.2%	(40.1)
Food souvenir business	<b>(10.1)</b>	+102.0%	(5.0)
Property investment business	<b>(4.1)</b>	N/A	2.9
Other revenue, corporate payroll and unallocated expenses	<b>(2.6)</b>	-44.7%	(4.7)
Total	<b>(104.7)</b>	+123.2%	(46.9)

Below is a table of comparison of the results attributable to owners of the Company by geographical locations for the first quarter of 2022 and 2021:

	<b>For the three months ended 31 March</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<b>HK\$'million</b>	<b>%</b>	<b>HK\$'million</b>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – First quarter</b>			
Macau	<b>(18.0)</b>	-19.6%	(22.4)
Mainland China	<b>(4.9)</b>	+157.9%	(1.9)
Hong Kong	<b>(11.5)</b>	+105.4%	(5.6)
Taiwan	<b>(0.5)</b>	N/A	0.5
Total	<b>(34.9)</b>	+18.7%	(29.4)

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Net Loss – Continued**

Below is a table of comparison of the results attributable to owners of the Company by geographical locations for the second quarter of 2022 and 2021:

	<b>For the three months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – Second quarter</b>			
Macau	<b>(57.9)</b>	+291.2%	(14.8)
Mainland China	<b>(12.1)</b>	N/A	0.5
Hong Kong	<b>1.1</b>	N/A	(3.9)
Taiwan	<b>(0.9)</b>	N/A	0.7
	<hr/>		<hr/>
Total	<b>(69.8)</b>	+298.9%	<b>(17.5)</b>

Below is a table of comparison of the results attributable to owners of the Company by geographical locations for the six months ended 30 June of 2022 and 2021:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<i>HK\$'million</i>	<i>%</i>	<i>HK\$'million</i>
<b>(LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY – The Period</b>			
Macau	<b>(75.9)</b>	+104.0%	(37.2)
Mainland China	<b>(17.0)</b>	+1,114.3%	(1.4)
Hong Kong	<b>(10.4)</b>	+9.5%	(9.5)
Taiwan	<b>(1.4)</b>	N/A	1.2
	<hr/>		<hr/>
Total	<b>(104.7)</b>	+123.2%	<b>(46.9)</b>

**MANAGEMENT DISCUSSION AND ANALYSIS – Continued****FINANCIAL REVIEW – Continued****Loss per Share**

Based on the loss attributable to owners of the Company and the number of 694,302,420 shares in issue during the Period, the basic loss per Share of the Company for the Period was some HK15.07 cents, representing an increase of about 122.9% as compared to the same period of 2021 at a basic loss per Share of some HK6.76 cents. The Group's basic loss per Share for the last three interim periods are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	2020
	<b><i>HK cents</i></b>	<i>HK cents</i>	<i>HK cents</i>
Loss per Share – basic	<u>(15.07)</u>	<u>(6.76)</u>	<u>(15.89)</u>

The basic loss per Share of the Company based on the Net Ordinary Operating Loss for the Period was some HK13.81 cents, representing an increase of about 104.3% as compared to the same period of 2021 of some HK6.76 cents. Below are the basic loss per Share based on the Net Ordinary Operating Loss over the last three interim periods:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	2020
	<b><i>HK cents</i></b>	<i>HK cents</i>	<i>HK cents</i>
Net Ordinary Operating Loss per Share – basic	<u>(13.81)</u>	<u>(6.76)</u>	<u>(15.01)</u>

**Cash Flow**

The cash outflow from operating activities of the Group for the Period was approximately HK\$37.2 million, as compared to the same period of 2021 of the cash inflow approximately HK\$29.6 million. Such cash outflow in the Period was mainly due to the Group's negative EBITDA. The Group's cash (outflow)/inflow from operating activities for the last three interim periods are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	2021	2020
	<b><i>HK\$'million</i></b>	<i>HK\$'million</i>	<i>HK\$'million</i>
Cash (outflow)/inflow from operating activities	<u>(37.2)</u>	<u>29.6</u>	<u>(86.9)</u>

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### FINANCIAL REVIEW – Continued

#### Net Current Liabilities

As at 30 June 2022, the Group has recognized on its balance sheet a total right-of-use assets of approximately HK\$56.2 million, and a total lease liabilities of approximately HK\$71.6 million, in which lease liabilities payable within one year were approximately HK\$44.4 million that were recognized as current liabilities with considerable adverse impact on the Group's net current asset level as shown below. The net current liabilities of the Group as at 30 June 2022 were approximately HK\$183.9 million, details of which are set out as follows:

	<b>As at 30 June 2022 HK\$'million</b>	Change %	As at 31 December 2021 HK\$'million
Total current assets	<b>108.0</b>	-6.9%	116.0
Total current liabilities without lease liabilities under HKFRS 16	<b>(247.5)</b>	+9.8%	(225.4)
Net current liabilities without lease liabilities under HKFRS 16	<b>(139.5)</b>	+27.5%	(109.4)
Current portion of lease liabilities under HKFRS 16	<b>(44.4)</b>	-17.5%	(53.8)
Net current liabilities	<b>(183.9)</b>	+12.7%	(163.2)

The net current liabilities of the Group was partly attributable to a change of accounting standard under HKFRS 16 “Right-of-use assets” which has considerable impact on the Group's balance sheet and on the disclosure requirements for the Group under the Listing Rules. HKFRS 16 “Right-of-use assets”, which superseded HKAS 17 “Leases” and related interpretations, has since 1 January 2019 introduced a single lessee accounting model and required a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognize depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. This accounting treatment is significantly different from the lessee accounting for leases that used to be classified as operating leases under the predecessor standard, HKAS 17. The net current liabilities of the Group as at 30 June 2022 would be approximately HK\$139.5 million if the Group's leases were classified as operating leases under the predecessor standard, HKAS 17.

In view of the net current liabilities as at 30 June 2022, the going concern assumption made in relation to the basis of preparation of the Group's financial statements for the Period is stated in the note 2 to the Financial Statements of this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### FINANCIAL REVIEW – Continued

#### Net Assets

The net assets of the Group as at 30 June 2022 was approximately HK\$301.1 million, representing a decrease of approximately 25.6% as compared to those of approximately HK\$404.8 million of 31 December 2021. The decrease in net assets in the Period was mainly attributable to the loss attributable to owners of the Company of some HK\$104.7 million for the Period. The net assets of the Group as at 30 June 2022, 31 December 2021 and 30 June 2021 are as follows:

	<b>As at 30 June 2022</b>	As at 31 December 2021	As at 30 June 2021
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Net assets	<b>301.1</b>	404.8	437.7
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets per Share – basic	<b>0.434</b>	0.583	0.630

#### OPERATION REVIEW

##### Food and Catering Business

###### Restaurant Chain

The Group's operational financials of the Group's food and catering business for the six months ended 30 June of 2022 and 2021 are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	Change	2021
	<i>HK\$'million</i>	%	<i>HK\$'million</i>
Turnover	<b>120.0</b>	-42.6%	209.2
Cost of sales	<b>(39.9)</b>	-40.1%	(66.6)
Gross margin	<b>80.1</b>	-43.8%	142.6
Direct operating expenses	<b>(109.3)</b>	-26.1%	(147.9)
<b>Gross operating loss</b>	<b>(29.2)</b>	+450.9%	(5.3)
Gross operating loss margin (%)	<b>(24.3)%</b>	-21.8%	(2.5)%
<b>Loss attributable to owners of the Company</b>	<b>(87.9)</b>	+119.2%	(40.1)

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

During the Period, the Group’s food and catering business contributed some HK\$120.0 million turnover representing about 88.7% of turnover of the Group. The decrease in turnover for the Group’s food and catering business was mainly attributable to the decrease in turnover from the Group’s restaurants due to the serious outbreak of Omicron variant of COVID-19 pandemic and closure of restaurants. More details on this business are set out in the section headed “Chairman’s Statement” of 2022 interim report.

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

	<b>As at 30 June</b>		
	<b>2022</b>	2021	2020
<b>Number of restaurants</b>			
Japanese restaurants ( <i>note a</i> )	<b>7</b>	8	9
Chinese restaurants ( <i>note b</i> )	<b>3</b>	6	7
Western and other restaurants ( <i>note c</i> )	<b>3</b>	6	6
Food court counters ( <i>note d</i> )	<b>12</b>	20	23
Franchise restaurants ( <i>note e</i> )	<b>10</b>	13	14
	<hr/>	<hr/>	<hr/>
	<b>35</b>	53	59
Industrial catering ( <i>note f</i> )	<b>1</b>	1	2
	<hr/>	<hr/>	<hr/>
	<b>36</b>	54	61
	<hr/>	<hr/>	<hr/>
Total area of restaurants (sq.ft.)	<b>67,186</b>	153,811	175,156
Turnover per sq.ft. (HK\$)	<b>1,786</b>	1,360	1,033

*Note a:* As at 30 June 2022, Japanese restaurants included 5 Edo Japanese Restaurants, 1 Senkizen Japanese Restaurant and 1 Musashi Japanese Restaurant.

*Note b:* As at 30 June 2022, Chinese restaurants included 1 Turtle Essence, 1 Shiki Hot Pot Restaurant and 1 Good Fortune Cantonese Kitchen.

*Note c:* As at 30 June 2022, Western and other restaurants included 3 Azores Restaurants.

*Note d:* As at 30 June 2022, 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 Soupot food court counter, 1 “Canton Roast” food court counter, 1 Bari-Uma & Sinsaeat Kitchen food court counter and 5 “Food Playground” food court counters.

*Note e:* As at 30 June 2022, franchise restaurants included 2 Pacific Coffee shops, 3 Pepper Lunch, 4 Bari-Uma and 1 Fu-Un-Maru.

*Note f:* As at 30 June 2022, industrial catering included 1 student/staff canteen.

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

Analysis of the number of restaurants and food court counters by geographical locations for the last three interim periods (excluding the joint venture's restaurant) are listed as follows:

	<b>2022</b>	<b>As at 30 June 2021</b>	2020
<b>Number of restaurants</b>			
Macau	<b>14</b>	20	24
Mainland China	<b>4</b>	6	6
Hong Kong	<b>6</b>	7	7
Taiwan	<b>–</b>	1	1
	<b>24</b>	34	38
	<b>2022</b>	<b>As at 30 June 2021</b>	2020
<b>Number of food court counters</b>			
Macau	<b>5</b>	8	11
Hong Kong	<b>7</b>	12	12
	<b>12</b>	20	23

Details of the Group's restaurants opened and closed during the Period are set out in the section headed "List of Restaurants/Food Court Counters/Stores" of 2022 interim report.

*Industrial Catering*

During the Period, the Group's industrial catering business was derived from its provision of canteen service for three schools with a turnover of some HK\$8.7 million, representing a decrease of 1.1% as compared to the same period of 2021 of some HK\$8.8 million. The decrease in turnover of industrial catering business was mainly attributable to the decrease in customer visits. More details on the Group's industrial catering business are set out in the section headed "Chairman's Statement" of 2022 interim report.

*Food Wholesale*

During the Period, the Group's wholesale business of Japanese food and materials has achieved a turnover of some HK\$6.4 million, representing a decrease of 24.7% as compared to the same period of 2021 of some HK\$8.5 million. The decrease in turnover of food wholesale business was mainly attributable to a decrease of sales to customers as a result of COVID-19 pandemic in the Period. More details on the Group's food wholesale business are set out in the section headed "Chairman's Statement" of 2022 interim report.

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

The operational financials of the Group’s food souvenir business for the six months ended 30 June of 2022 and 2021 are as follows:

	<b>For the six months ended 30 June</b>		
	<b>2022</b>	<b>Change</b>	<b>2021</b>
	<b>HK\$’million</b>	<b>%</b>	<b>HK\$’million</b>
Turnover	<b>5.3</b>	-63.9%	14.7
Cost of sales	<b>(2.2)</b>	-42.1%	(3.8)
Gross margin	<b>3.1</b>	-71.6%	10.9
Direct operating expenses	<b>(9.4)</b>	-36.9%	(14.9)
<b>Gross operating loss</b>	<b>(6.3)</b>	+57.5%	(4.0)
Gross operating loss margin (%)	<b>(118.9)%</b>	-91.7%	(27.2)%
<b>Loss attributable to owners of the Company</b>	<b>(10.1)</b>	+102.0%	(5.0)

During the Period, the Group’s food souvenir business has contributed some HK\$5.3 million turnover, representing about 3.9% of the Group’s turnover. The substantial drop in turnover of the food souvenir business was mainly due to the negative impact of the COVID-19 pandemic and drop in wholesale business of OEM products. Further details of the Group’s food souvenir business are set out in the section headed “Chairman’s Statement” of 2022 interim report.

As at 30 June 2022, the Group had 6 (30 June 2021: 7) Yeng Kee bakery shops/kiosks with total area of 4,157 sq.ft. in Macau. Details of the Group’s food souvenir shops are set out in the section headed “List of Food Souvenir Shops/Kiosks” of 2022 interim report.

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

### **OPERATION REVIEW – Continued**

#### **Property Investment Business**

During the Period, the Key Investment Property has made steady rental income contribution and has recorded a turnover of some HK\$10.0 million (six months ended 30 June 2021: HK\$10.0 million), representing about 7.4% of the Group's turnover. The loss attributable to the Group's property investment business was some HK\$4.1 million in the Period, as compared to the net profit for the same period of 2021 of some HK\$2.9 million. Such loss for the period was mainly attributable to a net fair value loss of HK\$8.8 million derived from the Key Investment Property.

The Group's Key Investment Property was valued at HK\$552.0 million as at 30 June 2022 (31 December 2021: HK\$562.0 million). During the six months ended 30 June 2022, fair value loss of HK\$10.0 million (six months ended 30 June 2021: nil) from the Key Investment Property was recognised in the consolidated statement of comprehensive income.

More details on this business are set out in the section headed "Chairman's Statement" of 2022 interim report.

#### **Logistic Support**

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

### **LIQUIDITY AND FINANCIAL RESOURCES**

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

As at 30 June 2022, the Group had net current liabilities of some HK\$183.9 million (as at 31 December 2021: HK\$163.2 million). As at 30 June 2022, the Group had bank deposits, bank overdraft, cash and bank balances totaling of some HK\$15.6 million (as at 31 December 2021: HK\$23.8 million), while the Group's restricted bank deposits amounted to some HK\$6.2 million (as at 31 December 2021: HK\$6.4 million), of which HK\$5.0 million (as at 31 December 2021: HK\$5.0 million) has been pledged to a bank to secure one bank loan and the balance of some HK\$1.2 million (as at 31 December 2021: HK\$1.4 million) has been pledged to a bank for guarantee given in lieu of paying rental deposit.

## MANAGEMENT DISCUSSION AND ANALYSIS – Continued

### LIQUIDITY AND FINANCIAL RESOURCES – Continued

As at 30 June 2022, the Group had interest-bearing bank loans of some HK\$385.1 million (as at 31 December 2021: HK\$385.7 million). The Group's borrowings are made in Hong Kong dollars and Macau Patacas. Details of the borrowings are set out in "Interest Bearing Borrowings" section to the Financial Statements of 2022 interim report.

The Group's gearing ratio represented by the Group's net debts (total liabilities less cash and cash equivalents) to the Group's total equity as at 30 June 2022, 31 December 2021 and 30 June 2021 are as follows:

	<b>As at 30 June 2022 %</b>	As at 31 December 2021 %	As at 30 June 2021 %
Gearing ratio	<b>219.8</b>	159.6	161.5

The increase in the Group's gearing ratio as at 30 June 2022 was mainly due to the decrease in the Group's total equity.

The Group's ratio of the total assets against the total liabilities of the Group as at 30 June 2022 was at 1.44 (31 December 2021: 1.59).

### MATERIAL LITIGATION

As at 30 June 2022, the Group was not involved in any material litigation or arbitration (31 December 2021: nil).

### CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any contingent liabilities (31 December 2021: nil).

### CURRENCY EXPOSURE

As at 30 June 2022, the Group did not have any outstanding hedging instrument. The Group would continue to monitor closely its foreign currency exposure and requirements and to arrange for hedging facilities when necessary.

### EMPLOYEES

As at 30 June 2022, the Group has employed a total of 767 full time staff (30 June 2021: 1,048), in which 577 (30 June 2021: 697) full time staff in Macau, 73 (30 June 2021: 176) full time staff in Mainland China, 116 (30 June 2021: 151) full time staff in Hong Kong and 1 (30 June 2021: 24) full time staff in Taiwan. Remuneration packages including medical plan have been and are regularly reviewed with reference to market terms, individual qualifications, experience, duties and responsibilities. The remuneration policy of the employees of the Group is set up by the remuneration committee on the basis of their merit, qualifications and competence, while the detailed remuneration packages for the employees are determined by management based on their performance.

## **SUBSEQUENT EVENTS**

Details of the subsequent events are set out in note 14 of “Events after the Reporting Period” section to the Financial Statements of this announcement.

Saved as those announced publicly or disclosed here, there has been no significant subsequent event after 30 June 2022.

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

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

## **SUFFICIENCY OF PUBLIC FLOAT**

The Company has maintained a sufficient public float throughout the six months ended 30 June 2022.

## **AUDIT COMMITTEE**

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

## **CORPORATE GOVERNANCE**

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

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

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

In April 2022, the Environmental, Social and Corporate Governance report for 2021 was issued together with 2021 annual report and presented on the Company’s website at [www.fb.com.hk](http://www.fb.com.hk) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk).

## **OUTLOOK**

The outlook of the operating environment of the Group much depends on the development and control of the COVID-19 pandemic including the Omicron variant and other future variants, relaxation of travel and quarantine restrictions, quarantine and social distancing measures. Being still under the market uncertainty so created by the COVID-19 pandemic, there may be adverse developments in the pandemic situation and lingering economic effects and health concerns caused by COVID-19 pandemic that will affect the Group's business for a longer period, management expects that the operating environment of the Group in the second half of 2022 will still be very challenging, and will continue to be financially cautious and prudent to alleviate and mitigate any negative impact in this uncertain economic environment.

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

The announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the Company's website at [www.fb.com.hk](http://www.fb.com.hk). The 2022 interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

## **DEFINITIONS**

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

Board	The Board of Directors of the Company
CG Code	The Corporate Governance Code and Corporate Governance Report, Appendix 14 to the Listing Rules
Company	Future Bright Holdings Limited
Director(s)	Director(s) of the Company
EBITDA	Profit before interests, tax expense, depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization
Financial Statements	The unaudited condensed consolidated interim financial statements of the Group for the Period
Group	The Company together with its subsidiaries
HKAS(s)	Hong Kong Accounting Standard(s)
HKFRS(s)	Hong Kong Financial Reporting Standard(s)
HKICPA	Hong Kong Institute of Certified Public Accountants
HK\$	Hong Kong Dollars

## **DEFINITIONS – Continued**

Hong Kong	The Hong Kong Special Administrative Region of Mainland China
Key Investment Property	The Group’s investment property which is a 6-storey commercial building located at the Centro Comercial E Turistico “S. Paulo”, No. 2 Largo da Companhia de Jesus, Macau
Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange
Mainland China	People’s Republic of China
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers, 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 change in net fair value from investment properties
Period	Six months ended 30 June 2022
Share(s)	Ordinary share(s) of the Company
Shareholder(s)	Shareholder(s) of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Sq.ft.	Square feet

## **BOARD OF DIRECTORS**

As at the date hereof, the members of the board of directors of the Company comprise (i) Mr. Chan Chak Mo, the Managing Director, (ii) Mr. Chan See Kit, Johnny, the Chairman and executive Director, (iii) Ms. Leong In Ian, the executive Director and (iv) Mr. 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, 31 August 2022