SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00487)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

RESULTS

The board of directors (the "Board") of Success Universe Group Limited ("Success Universe" or the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2011, with the comparative figures for the year ended 31 December 2010, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Turnover	*3, 4*	**1,468,444**	1,444,902
Cost of sales		**(1,396,960)**	(1,352,774)
Gross profit		**71,484**	92,128
Other revenue and gains	*5*	**37,255**	44,521
Administrative expenses		**(163,794)**	(138,585)
Other operating expenses	*6(c)*	**(17,198)**	(12,600)
Loss from operations		**(72,253)**	(14,536)
Finance costs	*6(a)*	**(23,742)**	(20,854)
Share of results of jointly controlled entities		**100**	331
Share of results of associates		**3,337**	(44,435)
Loss before taxation	*6*	**(92,558)**	(79,494)
Income tax	*7*	**1,069**	(2,170)
Loss for the year		**(91,489)**	(81,664)
Attributable to:			
Owners of the Company		**(77,666)**	(80,782)
Non-controlling interests		**(13,823)**	(882)
Loss for the year		**(91,489)**	(81,664)
Loss per share	*9*		
– Basic		**(3.18) HK cents**	(3.31) HK cents
– Diluted		**(3.18) HK cents**	(3.31) HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	2011 HK$'000	2010 HK$'000
Loss for the year	**(91,489)**	(81,664)
Other comprehensive (loss)/income		
Exchange differences on translation of financial statements of overseas subsidiaries	**(6)**	1,342
Total other comprehensive (loss)/income for the year, net of tax	**(6)**	1,342
Total comprehensive loss for the year	**(91,495)**	(80,322)
Attributable to:		
Owners of the Company	**(77,733)**	(79,769)
Non-controlling interests	**(13,762)**	(553)
Total comprehensive loss for the year	**(91,495)**	(80,322)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	**At 31 December 2011 HK$'000**	At 31 December 2010 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**89,040**	91,923
Goodwill		**3,862**	6,828
Intangible assets		**35,839**	38,823
Interest in associates		**819,115**	1,171,087
Interest in jointly controlled entities		**1,793**	1,693
		949,649	1,310,354
CURRENT ASSETS			
Inventories		**1,303**	983
Trade and other receivables	*10*	**31,968**	47,707
Amount due from an associate		**343,000**	–
Tax recoverable		**1,743**	184
Pledged bank deposits		**7,898**	8,104
Cash and cash equivalents		**72,410**	108,042
		458,322	165,020
CURRENT LIABILITIES			
Trade and other payables	*11*	**30,015**	22,536
Deferred income		**924**	948
Profit guarantee liabilities		**9,100**	9,100
Loans payables – current portion		**398,738**	–
Long-term payables – current portion		**142,035**	–
Financial guarantee contract		**6,300**	12,600
Bank loans – due within one year		**581**	556
Loan from a director and controlling shareholder		**30,332**	–
Loan from a controlling shareholder		**128,336**	–
Tax payable		**–**	1,347
		746,361	47,087
NET CURRENT (LIABILITIES)/ASSETS		**(288,039)**	117,933
TOTAL ASSETS LESS CURRENT LIABILITIES		**661,610**	1,428,287
NON-CURRENT LIABILITIES			
Deferred income		**2,002**	3,002
Profit guarantee liabilities		**14,408**	23,508
Loans payables		**57,187**	454,640
Long-term payables		**72,551**	205,126
Amount due to a related company		**129**	23,191
Deferred tax liabilities		**270**	29
Financial guarantee contract		**–**	6,300
Bank loans – due after one year		**13,007**	13,940
Loan from a director and controlling shareholder		**–**	105,000
		159,554	834,736
NET ASSETS		**502,056**	593,551

	Note	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
CAPITAL AND RESERVES			
Share capital		**24,390**	24,390
Reserves		**445,767**	523,500
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**470,157**	547,890
NON-CONTROLLING INTERESTS		**31,899**	45,661
TOTAL EQUITY		**502,056**	593,551

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS(s)"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS(s)") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of the Hong Kong Limited.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It also issued certain new and revised HKFRSs, which are first effective or available for early adoption for the current accounting period of the Group and of the Company. Note 2 provides information on initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

Basis of preparation of the consolidated financial statements

The Group incurred a loss attributable to owners of the Company of approximately HK$77,666,000 (2010: approximately HK$80,782,000) for the year ended 31 December 2011. As at 31 December 2011, the Group's current liabilities exceed its current assets by approximately HK$288,039,000 (2010: net current asset of approximately HK$117,933,000).

In the opinion of the directors of the Company, after taking into account of the extension of loan facility and financial undertaking from Mr. Yeung Hoi Sing, Sonny, a director and controlling shareholder of the Company, and an additional funding generated from the Rights Issue (as defined hereinafter, which has been completed on 18 January 2012 and the net proceeds thereof is approximately HK$301.3 million), the Group will have sufficient working capital for its current requirements. Accordingly, the directors of the Company consider that it is appropriate to prepare these consolidated financial statements on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The accounting policies adopted in the consolidated financial statements for the year ended 31 December 2011 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2010 except as described below.

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (the "New HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 January 2011.

The New HKFRSs adopted by the Group in the consolidated financial statements are set out as follows:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendments)	Classification of Rights Issues
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 – Disclosure for First-time Adopters
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirements
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above New HKFRSs had no material effect on the results and financial positions of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective:

HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters[1]
HKFRS 1 (Amendments)	Government Loans[4]
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets[1]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[4]
HKFRS 11	Joint Arrangements[4]
HKFRS 12	Disclosure of Interests in Other Entities[4]
HKFRS 13	Fair Value Measurement[4]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
HKAS 12 (Amendments)	Deferred Tax – Recovery of Underlying Assets[2]
HKAS 19 (as revised in 2011)	Employee Benefits[4]
HKAS 27 (as revised in 2011)	Separate Financial Statements[4]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[4]
HKAS 32 (Amendments)	Presentation – Offsetting Financial Assets and Financial Liabilities[5]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[4]

[1] *Effective for annual periods beginning on or after 1 July 2011*

[2] *Effective for annual periods beginning on or after 1 January 2012*

[3] *Effective for annual periods beginning on or after 1 July 2012*

[4] *Effective for annual periods beginning on or after 1 January 2013*

[5] *Effective for annual periods beginning on or after 1 January 2014*

[6] *Effective for annual periods beginning on or after 1 January 2015*

The amendments to HKFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The revised disclosure requirements contained in the amendments to HKFRS 7 are intended to help investors and other financial statements users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The amendments also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. Companies and other entities are required to apply the amendments for annual periods beginning on or after 1 January 2013, and also interim periods within those annual periods. The required disclosures should be provided retrospectively.

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent reporting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and HK (SIC)-Int 12 "Consolidation – Special Purpose Entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK (SIC)-Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a standard for disclosure and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment Property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012.

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments to HKAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions.

The amendments to HKAS 32 address inconsistencies in current practice when applying the offsetting criteria and clarify:

- the meaning of 'currently has a legally enforceable right of set-off'; and

- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

The Group is in the process of assessing the potential impact of the above New HKFRSs upon initial application but is not yet in a position to state whether the above New HKFRSs will have a significant impact on the Group's and the Company's results of operations and financial position.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information are reported to and reviewed by the chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment.

The CODM consider the business from both geographic and service perspective. Geographically, management considers the performance of the travel business in North America and Hong Kong separately.

The Group has presented the following two reportable segments. These segments are managed separately. The travel segment and the cruise ship leasing and management segment provide different services and require different information technology systems and marketing strategies.

The cruise ship leasing and management reportable segment provides cruise ship management services and the leasing of cruise ship.

The travel reportable operating segment derives their revenue primarily from sales of air tickets and provision of travel-related services.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' salaries, share of results of associates and jointly controlled entities, investment income and corporate finance costs. To arrive at reportable segment profit, the management additionally provide segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments. Unallocated corporate income mainly comprises amortisation on financial guarantee contract, management fee income from an associate and other sundry income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation charge/(credit) is not allocated to reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

Inter-segment sales are priced with reference to prices charged to external parties for similar orders. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated income statement.

All assets are allocated to reportable segments other than current and deferred tax assets, tax recoverable, interests in associates and jointly controlled entities. Unallocated corporate assets mainly include part of the property, plant and equipment, cash and cash equivalents of the central administration companies.

All liabilities are allocated to reportable segments other than current, deferred tax liabilities and corporate liabilities. Unallocated corporate liabilities mainly include profit guarantee liabilities, loans payables, long-term payables, financial guarantee contracts, loan from a director and controlling shareholder, loan from a controlling shareholder, and part of other payables borne by the central administration companies.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below:

	Cruise ship leasing and management		**Travel**		**Total**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Revenue from external customers	**69,600**	69,600	**1,398,844**	1,375,302	**1,468,444**	1,444,902
Inter-company revenue	**–**	–	**1,066**	946	**1,066**	946
Reportable segment revenue	**69,600**	69,600	**1,399,910**	1,376,248	**1,469,510**	1,445,848
Reportable segment (loss)/profit	**(7,761)**	(1,938)	**(11,238)**	8,175	**(18,999)**	6,237
Interest income	**42**	14	**12**	10	**54**	24
Amortisation on intangible assets	**–**	–	**(405)**	(339)	**(405)**	(339)
Depreciation	**(6,057)**	(7,052)	**(1,364)**	(1,391)	**(7,421)**	(8,443)
Reversal of impairment loss recognised on other receivable	**6,159**	4,943	**–**	–	**6,159**	4,943
Reversal of impairment loss recognised on intangible assets	**–**	–	**43**	4,542	**43**	4,542
Impairment loss recognised on						
– intangible assets	**–**	–	**(1,632)**	–	**(1,632)**	–
– goodwill	**–**	–	**(2,966)**	–	**(2,966)**	–
Finance costs	**–**	–	**(1,617)**	(921)	**(1,617)**	(921)
Reportable segment assets	**93,604**	96,183	**87,101**	102,192	**180,705**	198,375
Additions to non-current segment assets	**35**	2,339	**373**	21,135	**408**	23,474
Reportable segment liabilities	**8,259**	3,235	**42,839**	68,729	**51,098**	71,964

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

	2011 HK$'000	2010 HK$'000
Revenue		
Reportable segment revenue	**1,469,510**	1,445,848
Elimination of inter-company revenue	**(1,066)**	(946)
Consolidated turnover	**1,468,444**	1,444,902
Profit/(loss)		
Reportable segment (loss)/profit	**(18,999)**	6,237
Share of results of jointly controlled entities	**100**	331
Share of results of associates	**3,337**	(44,435)
Unallocated corporate income	**20,855**	28,354
Depreciation	**(1,905)**	(1,870)
Interest income	**183**	25
Finance costs	**(22,125)**	(19,933)
Unallocated corporate expenses	**(74,004)**	(48,203)
Consolidated loss before taxation	**(92,558)**	(79,494)

	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
Assets		
Reportable segment assets	**180,705**	198,375
Interest in associates	**819,115**	1,171,087
Amount due from an associate	**343,000**	–
Interest in jointly controlled entities	**1,793**	1,693
Unallocated		
– Tax recoverable	**1,743**	184
– Corporate assets	**61,615**	104,035
Consolidated total assets	**1,407,971**	1,475,374
Liabilities		
Reportable segment liabilities	**51,098**	71,964
Unallocated		
– Tax payable	**–**	1,347
– Deferred tax liabilities	**270**	29
– Corporate liabilities	**854,547**	808,483
Consolidated total liabilities	**905,915**	881,823

Other items

	Cruise ship leasing and management		Travel		Unallocated		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Amortisation on intangible assets	**–**	–	**405**	339	**–**	–	**405**	339
Impairment loss recognised on								
– goodwill	**–**	–	**2,966**	–	**–**	–	**2,966**	–
– intangible assets	**–**	–	**1,632**	–	**–**	–	**1,632**	–
Depreciation	**6,057**	7,052	**1,364**	1,391	**1,905**	1,870	**9,326**	10,313
Reversal of impairment loss recognised on intangible assets	**–**	–	**(43)**	(4,542)	**–**	–	**(43)**	(4,542)
Reversal of impairment loss recognised on other receivable	**(6,159)**	(4,943)	**–**	–	**–**	–	**(6,159)**	(4,943)
Interest income	**(42)**	(14)	**(12)**	(10)	**(183)**	(25)	**(237)**	(49)
Finance costs	**–**	–	**1,617**	921	**22,125**	19,933	**23,742**	20,854
Additions to non-current assets	**35**	2,339	**373**	21,135	**6,740**	128	**7,148**	23,602

Included in the unallocated corporate assets, there are assets and liabilities amounted to approximately HK$11,937,000 and HK$9,006,000 respectively contributed by subsidiaries engaging in provision of technical support and technology service platform as well as sports lottery sales agency services to China's mobile sports lottery market. The subsidiaries also contributed administrative expenses of approximately HK$31,266,000 to the unallocated corporate results during the year.

Since the subsidiaries were preparing for operation, the Group's CODM consider the business is not a reportable segment for the year.

(c) An analysis of the Group's revenue from all services is as follows:

	2011	2010
	HK$'000	HK$'000
Sales of air tickets	**1,315,819**	1,281,477
Travel and related service fee income	**83,025**	93,825
Cruise ship leasing and management fee income	**69,600**	69,600
	1,468,444	1,444,902

(d) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets. The geographical location of customers refers to the location at which the services were provided. The Group's non-current assets included property, plant and equipment, goodwill, intangible assets, interests in associates and jointly controlled entities.

The geographical location of property, plant and equipment is based on the physical location of the asset under consideration. In the case of intangible assets and goodwill, it is based on the location of operations to which these intangibles are allocated. In the case of interests in associates and jointly controlled entities, it is based on the location of operations of such associates and jointly controlled entities.

	Revenue from external customers		Non-current assets	
			At 31 December	At 31 December
	2011	2010	**2011**	2010
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (place of domicile)	**7,975**	6,414	**3,635**	4,500
Macau	**–**	–	**819,115**	1,171,087
North America	**1,390,869**	1,368,888	**60,873**	68,418
South China Sea, other than in Hong Kong	**69,600**	69,600	**60,369**	66,349
People's Republic of China ("PRC")	**–**	–	**5,657**	–
	1,468,444	1,444,902	**949,649**	1,310,354

(e) Major customer

There is no single external customer amounting to 10% or more of the Group's revenue.

(f) Revenue from major services

The Group's revenue from its major services was listed in note 4 below.

4. TURNOVER

The principal activities of the Group are leasing of and provision of management services to the cruise ship and travel-related business.

Turnover represents cruise ship leasing and management fee income and travel-related agency service fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2011	2010
	HK$'000	HK$'000
Cruise ship leasing and management fee income	**69,600**	69,600
Travel-related agency service fee income		
– Sales of air tickets	**1,315,819**	1,281,477
– Travel and related service fee income	**83,025**	93,825
	1,398,844	1,375,302
	1,468,444	1,444,902

5. OTHER REVENUE AND GAINS

	2011 HK$'000	2010 HK$'000
Other revenue		
Interest income on bank deposits	**237**	49
Total interest income on financial assets not at fair value through profit or loss	**237**	49
Commission income	**24**	46
Management fee income from an associate	**6,255**	6,840
Write back of long-outstanding trade payables	**272**	346
Compensation for termination of contract	**–**	7,026
Reimbursement of cost of fuel oil	**4,473**	–
Service fee income	**2,997**	3,290
Other income	**4,195**	4,839
	18,453	22,436
Other gains		
Amortisation on financial guarantee contract	**12,600**	12,600
Reversal of impairment loss recognised on intangible assets	**43**	4,542
Reversal of impairment loss recognised on other receivable*	**6,159**	4,943
	18,802	22,085
Total	**37,255**	44,521

* *This represents impairment on debts due by a debtor which has been long-outstanding. The directors of the Company considered that the amounts due could not be recovered. Therefore, full impairment has been made in the previous years. During the year, the debtor has made repayment in respect of such long-outstanding amount, therefore, the reversal of impairment loss was recognised for the year.*

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

		2011 HK$'000	2010 HK$'000
(a)	**Finance costs**		
	(i) Not wholly repayable within five years:		
	Interest on loan from a related company	**790**	816
	Interest on bank loans	**827**	105
		1,617	921
	(ii) Wholly repayable within five years:		
	Interest on long-term payables	**9,460**	11,329
	Interest on loan from a director and controlling shareholder	**5,343**	3,412
	Interest on loan from a controlling shareholder	**282**	–
	Interest on other loans	**7,040**	5,192
		22,125	19,933
	Total interest expenses on financial liabilities not at fair value through profit or loss	**23,742**	20,854
(b)	**Staff costs**		
	Salaries, wages and other benefits (including directors' emoluments)	**73,431**	64,549
	Contributions to defined contribution retirement plan	**3,272**	2,311
		76,703	66,860
(c)	**Other operating expenses**		
	Impairment loss recognised on		
	– goodwill	**2,966**	–
	– intangible assets	**1,632**	–
	– interest in associates	**12,600**	12,600
		17,198	12,600
(d)	**Other items**		
	Auditors' remuneration		
	– audit services	**1,658**	1,449
	– other services	**250**	250
	Depreciation on owned fixed assets	**9,326**	10,313
	Amortisation on intangible assets	**405**	339
	Loss on disposal of property, plant and equipment	**6**	2
	Operating lease rentals		
	– properties	**9,932**	8,963
	– plant and machinery	**644**	571
	Net exchange gain	**(19)**	(687)
	Cost of inventories	**32,331**	23,079

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

	2011	2010
	HK$'000	HK$'000
Current tax – Hong Kong Profits Tax		
– Charge for the year	**–**	14
– Under provision in respect of prior years	**–**	17
	–	31
Current tax – Overseas profits tax		
– (Credit)/charge for the year	**(1,319)**	1,324
	(1,319)	1,355
Deferred taxation relating to the origination and reversal of temporary differences	**250**	815
	(1,069)	2,170

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

No interim dividend was paid during the year under review (2010: Nil). The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owner of the Company of approximately HK$77,666,000 (2010: approximately HK$80,782,000) and on the weighted average number of approximately 2,438,964,000 ordinary shares (2010: approximately 2,438,964,000 ordinary shares) in issue during the year.

In respect of the issuance of rights shares pursuant to the Rights Issue (as defined hereinafter), there is no effect on the weighted average number of ordinary shares for the calculation of basic loss per share for the year.

(b) Diluted loss per share

Diluted loss per share equals to the basic loss per share as there were no potential dilutive ordinary shares outstanding for the year presented.

10. TRADE AND OTHER RECEIVABLES

	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
Trade receivables	**14,518**	16,976
Other receivables	**11,390**	17,576
Less: impairment loss recognised on other receivable	**(10,274)**	(16,433)
	1,116	1,143
Trade and other receivables	**15,634**	18,119
Prepayments and deposits	**16,334**	29,588
	31,968	47,707

All of the trade and other receivables are expected to be recovered within one year.

Aging analysis

Included in trade and other receivables, the aging analysis for trade receivables is as follows:

	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
Current	**12,463**	14,810
31 to 60 days overdue	**649**	902
61 to 90 days overdue	**823**	969
Over 90 days overdue	**583**	295
	14,518	16,976

The Group normally allows an average credit period of 30 to 60 days to customers of cruise ship leasing and management business (2010: average credit period of 30 to 60 days) and 30 days to customers of travel business (2010: 30 days).

11. TRADE AND OTHER PAYABLES

	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
Trade payables	**8,600**	9,536
Accrued charges and other payables	**21,415**	13,000
Financial liabilities measured at amortised cost	**30,015**	22,536

The amount due to subsidiaries are interest-free, unsecured and without fixed term of repayment.

Aging analysis

Included in trade and other payables, the aging analysis of trade payables is as follows:

	At 31 December 2011 HK$'000	At 31 December 2010 HK$'000
Current	**7,199**	8,276
31 to 60 days	**730**	787
61 to 90 days	**254**	187
Over 90 days	**417**	286
	8,600	9,536

SUMMARY OF THE INDEPENDENT AUDITORS' REPORT

A summary of the independent auditors' report to the shareholders of the Company is set out below:

"**Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2011 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2(b)(i) in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK$91,489,000 for the year ended 31 December 2011 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$288,039,000. These conditions, along with other matters as set forth in note 2(b)(i), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern."

MANAGEMENT DISCUSSION AND ANALYSIS

The Group attained an improved performance for the year ended 31 December 2011, attributable to effective execution of its synergetic three-pronged business strategy.

As the economic climate of the United States of America (the "USA") and Europe remained sluggish throughout the year, the Group continued to step up its efforts in focusing on business opportunities in the fast-growing China market. During the year, the Group continued to develop a new business to provide a technology service platform and technical support as well as sports lottery sales agency services to China's burgeoning mobile sports lottery market (the "Lottery Business"). On the other hand, the Group's flagship investment project, Ponte 16, benefited from the continued growth of Macau's gaming industry and started contributing net profit to Ponte 16.

With continuous commitment to building a sustainable and diversified platform of gaming, entertainment and tourist-related businesses, the Group is well-placed to seize opportunities and achieve further results improvement when the global market recovers.

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included in this announcement.

Results

The Group attained an improved performance in 2011 and posted a turnover of approximately HK$1,468.4 million for the year ended 31 December 2011, representing an increase of approximately 2% from approximately HK$1,444.9 million in 2010. Gross profit reached approximately HK$71.5 million (2010: approximately HK$92.1 million). Loss attributable to owners of the Company narrowed to approximately HK$77.7 million, compared to approximately HK$80.8 million in 2010. Loss per share also reduced from 3.31 HK cents in 2010 to 3.18 HK cents in 2011.

Turnover from the Group's travel business increased from approximately HK$1,375.3 million in 2010 to approximately HK$1,398.8 million in 2011, with its growth being affected by the continuing economic turmoil in its core market of North America. Ticketing revenue rose to approximately HK$1,315.8 million, compared to approximately HK$1,281.5 million in the last corresponding year. The travel business posted a segment loss of approximately HK$11.2 million, compared with a segment profit of approximately HK$8.2 million in 2010.

Possessing a unique combination of cultural and entertainment elements for visitors worldwide, Ponte 16 achieved continuous operating improvement in 2011 and recorded a net profit for the first time since the commencement of its operation. During the year under review, Ponte 16 continued to attain growth in gross gaming revenue which outpaced Macau's overall industry growth, and its EBITDA* increased by approximately 53.4% to approximately HK$316.8 million (2010: approximately HK$206.6 million). The Group's shared profit of the associates relating to Ponte 16 for the year ended 31 December 2011 amounted to approximately HK$3.3 million, while it posted a shared loss of approximately HK$44.4 million in 2010.

Rights Issue

With reference to the announcement dated 25 October 2011 issued by the Company, the Company proposed to raise approximately HK$308.9 million, before expenses, by issuing 1,625,976,154 rights shares to the qualifying shareholders by way of the rights issue at the subscription price of HK$0.19 per rights share on the basis of two rights shares for every three shares held on the record date ("Rights Issue").

* *EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*

The circular of the Company dated 22 November 2011 in relation to, among other things, the Rights Issue and the whitewash waiver was despatched to the Company's shareholders on the same date. The Rights Issue and the whitewash waiver were approved by the independent shareholders at the special general meeting of the Company held on 9 December 2011 and the prospectus of the Company dated 21 December 2011 containing the details of the Rights Issue (the "Prospectus") together with the provisional allotment letter for the rights shares and the application form for excess rights shares were despatched to the qualifying shareholders on 21 December 2011.

The Rights Issue was conditional upon the obligation of Silver Rich Macau Development Limited ("Silver Rich", a controlling shareholder of the Company and wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being a director and a controlling shareholder of the Company)) under the underwriting agreement entered into between the Company and Silver Rich, as underwriter regarding the underwriting and certain other arrangements in respect of the Rights Issue (the "Underwriting Agreement") becoming unconditional. As all the conditions set out in the Underwriting Agreement have been fulfilled, the Rights Issue has become unconditional on 12 January 2012. 1,625,976,154 shares have been allotted and issued by the Company under the Rights Issue on 18 January 2012 and the Rights Issue has been completed on the same date.

The net cash proceeds of the Rights Issue, after the setting off by the Assigned Loans (as defined hereinafter) from Silver Rich, is approximately HK$173.2 million, which will be applied as follows: (i) up to HK$100.0 million for settlement of part of the third party interest-bearing loans when they fall due on 22 October 2012; (ii) approximately HK$29.0 million for fulfillment of the Group's commitment to provide financial assistance to the joint venture company in relation to the Lottery Business; and (iii) the remaining balance of approximately HK$44.2 million for general working capital of the Group.

Based on the reduced interest-bearing borrowings as a result of the said setting off, repayment of certain interest-bearing loans and the enlarged total equity attributable to owners of the Company, the Group's gearing ratio would be reduced accordingly.

Dividends

No interim dividend was paid in 2011 (2010: Nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the year ended 31 December 2011 (2010: Nil).

Review of Operations

Travel Business
Continued to focus on the high-margin market segment

The travel industry faced a considerable challenge in the context of gloomy global economic prospects during the year, and the sluggish economy in the USA has affected the growth of the Group's travel business units in Hong Kong, Macau and its travel agency companies located in Canada and the USA (the "Jade Travel Group") which operate their core business in North America. Turnover in this segment increased by approximately 2% to approximately HK$1,398.8 million, compared to approximately HK$1,375.3 million in 2010. Loss in this segment amounted to approximately HK$11.2 million, compared with a profit of approximately HK$8.2 million in 2010, and an impairment loss on certain assets of approximately HK$4.6 million was recognised during the year.

During the year, the Group continued to focus on the high-end market segment and further developed its MICE (Meeting, Incentive, Convention and Exhibition) business, tapping into the high growth potential of the market. The granting of "Approved Destination Status" to Canada by China's authorities has further opened up opportunities for inbound tours. As part of its three-pronged business strategy, the Group has also expanded its presence in the China market and seized further cross-selling opportunities with Ponte 16 and the Group's cruise ship business through cooperation with travel operators in Mainland China.

Cruise Ship Business
Steady revenue contributor for the Group

The cruise ship business continued to provide stable revenue for the Group during the year. Turnover from the cruise ship, M.V. Macau Success, (in which the Group has a 55% interest) was approximately HK$69.6 million (2010: approximately HK$69.6 million). The cruise ship business posted a segment loss of approximately HK$7.8 million, as compared to a segment loss of approximately HK$1.9 million in 2010, mainly due to surging fuel costs.

Investment Project – Ponte 16
Substantial improvement driven by strong momentum of the Macau gaming market

Capitalising on the strong growth momentum of the Macau gaming industry and the strengthened unique brand positioning, Ponte 16 continued to outperform the overall Macau gaming industry during 2011, with gross gaming revenue achieving a growth of approximately 54%.

As of 31 December 2011, the casino of Ponte 16 has a total of 109 gaming tables, 82 of which are mass gaming tables, nine are high-limit tables and 18 are VIP tables.

To further elevate its global image and raise its brand awareness worldwide, Ponte 16 joined hands with New World Department Store China Limited to bring to China the first-ever "Super Stars' Memorable Collections Exhibition" in September and October 2011. The exhibition toured five cities across China, including Beijing, Shanghai, Tianjin, Shenyang and Harbin, at which over 100 rare collections from the world's most famed super stars were showcased. A highlight of the exhibits was the white rhinestone glove of Michael Jackson ("MJ") – an iconic piece from the MJ Gallery at Ponte 16 (the "Gallery"), the first and only MJ gallery in Asia. Following the series of highly successful exhibitions, Ponte 16 proudly staged the grand finale of the China tour in Macau.

In addition, Ponte 16 sponsored the venue for the "Legends" Auction held by renowned auction house, Julien's Auctions, in October 2011. As one of the most "star-studded" international auctions in Asia, it attracted numerous enthusiastic buyers and collectors from around the world. A total of 517 stage costumes and celebrity collectables were sold during the 11-hour auction. The items included personal belongings of Bruce Lee, Elvis Presley, Madonna, Marilyn Monroe, MJ and The Beatles, as well as an assortment of artifacts from Hollywood movies. Among them, the dress worn by Marilyn Monroe in "River of No Return" was sold for US$504,000 including buyer's premium, while Madonna's "Who's That Girl" tour bustier received overwhelming responses from international bidders and sold at a record price of US$72,000 including buyer's premium.

In November 2011, Ponte 16 opened a luxury MJ-themed VIP mansion – the MJ Mansion – in order to replicate the remarkable success of the Gallery by injecting additional MJ elements into the highly-regarded hotel resort. This initiative further enhanced Ponte 16's unique positioning and enriched its appeal to potential visitors from near and far.

The award-winning Sofitel Macau At Ponte 16 continued to be one of the preferred accommodation choices for visitors from Mainland China and overseas. Throughout the year under review, the five-star hotel attained not only a high occupancy rate, but also a more diverse customer mix.

With its splendid world-class services and facilities, Sofitel Macau At Ponte 16 received various industry awards in 2011. The magnificent resort hotel was named "China's Best Hotel Manager" by LifeStyle Magazine in its "2010 China's Best Hotels Awards", "Customer Satisfaction Award (Macau)" by Rakuten Travel, "The Best Theme Hotel in Chinese Hospitality Award" by "The 3rd China Hotel Gold Champion Award", "China's Top 10 Most Popular Resort Hotels of 2011" by "The 8th Golden-Pillow Award of China Hotels", "2011 Best Business Hotel" by National Geographic Traveler (China edition) in its "Gold List Award of China Tourism", "Best Leisure Hotel" by Travel & Leisure website, "China's 100 Best Hotel in 2011" by China Travel + Leisure Magazine and "Best Club Floor" by China Voyage Magazine in its "2011 Hotel & Resorts Best Value Awards". All these accolades have demonstrated Ponte 16's commitment to achieving and exceeding customers' expectations.

Steady progress has been made during the year on the expansion plan of Ponte 16, which aims to further enrich the gaming and entertainment offerings of the resort. The plan of phase 3 of the Ponte 16 development project (the "Phase 3 Project") is expected to proceed in 2012. The Phase 3 Project will feature an entertainment and recreation complex housing a wide variety of retail shops and entertainment facilities with a provision for expansion of the casino. The Phase 3 Project is targeted to be completed by 2014. In addition, a group of banks led by Industrial and Commercial Bank of China (Macau) Limited has begun a syndication of 5-year loan facilities for Ponte 16 in the amounts of HK$1,900 million and RMB400 million. The funds will be used mainly to refinance existing syndicated loan facilities, to repay shareholders' loans and to fund the construction of the Phase 3 Project. The new syndicated loan facilities is to be secured, amongst others, a several guarantee to be provided by the Company. The financing is expected to be completed by the first half of 2012.

Lottery Business
Strategically planned to harness the growth potential of China's lottery industry

With reference to the announcement dated 25 August 2011 issued by the Company, the Group continued to develop the Lottery Business in 2011 in order to grasp the rapidly growing opportunities in China's flourishing lottery industry. The Group provides a technology service platform and technical support as well as sports lottery sales agency services to China's mobile sports lottery market through the subsidiaries of a joint venture company (the "JV Company"). The Group has been authorised to provide sports lottery sales agency services via mobile in the Jiangxi and Qinghai provinces in Mainland China. A dedicated website for the Lottery Business, 128cai.com (www.128cai.com), has also been launched to offer information and hot tips on the lottery market as well as round-the-clock online customer services.

China's burgeoning lottery industry has an enormous growth potential, with a CAGR[#] of lottery sales revenue of approximately 23% in the last ten years and year-on-year growth of approximately 33% in 2011 to approximately RMB221.6 billion. This will offer generous prospects for players, including the Group, who possess well-connected networks and a sound business strategy. The Group is confident that the Lottery Business in China will contribute a significant proportion of revenue for the Group in the long-run.

[#] *CAGR: Compound Annual Growth Rate*

Financial Review

Liquidity, Financial Resources and Gearing

As at 31 December 2011, the Group had net current liabilities of approximately HK$288.0 million (31 December 2010: net current assets of approximately HK$117.9 million) and net assets of approximately HK$502.1 million (31 December 2010: approximately HK$593.6 million). Various loans and payables which will become mature within the coming 12 months were reclassified as current liabilities.

On 1 December 2008, Mr. Yeung provided a HK$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK$290 million on 14 April 2009 and the final repayment date of the loan and all other sums owing to Mr. Yeung under the revised loan facility was further extended from 30 October 2012 to 31 October 2013 by a letter agreement dated 15 March 2012 ("Yeung Loan Facility"). Reference was made to the Prospectus, a portion of the loan under the Yeung Loan Facility in the amount of approximately HK$104.7 million was assigned to Silver Rich ("Assigned Yeung Loan"). As at 31 December 2011, the Company had owed to Mr. Yeung in the amount of approximately HK$30.3 million (31 December 2010: HK$105.0 million).

On 22 October 2009, the Company as borrower and New Shepherd Assets Limited ("New Shepherd"), a wholly-owned subsidiary of the Company, as security provider entered into an agreement in relation to a HK$250 million revolving credit facility (the "Revolving Credit Facility") with a financial institution (the "Lender") as lender, which is a third party independent of the Company. The Revolving Credit Facility carries a floating interest rate and the loan under such facility shall be repayable on or before 36 months after 22 October 2009. The proceeds of the Revolving Credit Facility should be applied for on-lending to Pier 16 – Property Development Limited ("Pier 16 – Property Development") in connection with the cash flow requirements of Pier 16 – Property Development and its subsidiaries. As at 31 December 2011, the Company had utilised the Revolving Credit Facility in the amount of HK$246.0 million (31 December 2010: HK$246.0 million) and the said amount was reclassified as current liabilities in 2011.

Jade Travel Ltd. ("Jade Travel, Canada", an 80% indirectly owned subsidiary of the Company which was incorporated in Canada) was granted secured bank loans which carry a fixed interest rate and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the new properties of Jade Travel, Canada and their renovation costs. As at 31 December 2011, the outstanding loans were equivalent to approximately HK$13.6 million (31 December 2010: equivalent to approximately HK$14.5 million).

Reference was made to the Prospectus, the loan from a related company to a subsidiary of the Company in the amount of approximately HK$23.4 million was assigned to Silver Rich while the said subsidiary has novated and the Company has assumed the related liabilities ("Assigned SS Loan"). As at 31 December 2011, the Group had owed a non-interest-bearing loan to that related company of approximately HK$0.1 million (31 December 2010: interest-bearing loan equivalent to approximately HK$23.2 million). The loan is unsecured and charged with interest at the rate of 4% per annum in 2010 and has no fixed terms of repayment.

As at 31 December 2011, the outstanding loan from Silver Rich was approximately HK$128.3 million (31 December 2010: Nil), being the aggregate amount of the Assigned Yeung Loan and Assigned SS Loan in the amount of approximately HK$128.1 million ("Assigned Loans") and subsequent interest accrued thereon. The Assigned Yeung Loan is charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited and the Assigned SS Loan is charged with interest at the rate of 4% per annum. Subsequent to the year-end date, on 12 January 2012, the Assigned Loans had been used to set off against the aggregate subscription price of the 673,968,954 rights shares provisionally allotted to Silver Rich pursuant to the Rights Issue.

Apart from the aforesaid loans, as at 31 December 2011, there were loans from shareholders of non-controlling interests of approximately HK$17.7 million (31 December 2010: approximately HK$16.4 million) and other loans payable of approximately HK$192.2 million (31 December 2010: approximately HK$192.2 million). The loans are interest-free and unsecured. These included approximately HK$152.7 million which was reclassified as current liabilities in 2011, and the remaining amount of approximately HK$39.5 million which will not be repaid within the next 12 months.

Taking into account the loan facility and financial undertaking by Mr. Yeung and an additional funding generated from the Rights Issue, the Group will have sufficient working capital for its current requirements. Accordingly, the Directors consider that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Total equity attributable to owners of the Company as at 31 December 2011 was approximately HK$470.2 million (31 December 2010: approximately HK$547.9 million). Accordingly, the gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over total equity attributable to owners of the Company, was approximately 89% as at 31 December 2011 (31 December 2010: approximately 71%).

Provision of Further Financial Assistance to Pier 16 – Property Development

With reference to the announcement dated 25 June 2010 issued by the Company, there was no further additional shareholders' loans provided to Pier 16 – Property Development during the year (31 December 2010: approximately HK$134.9 million, which were mainly to finance the construction cost and the repayment of indebtedness by Pier 16 – Property Development).

Pledge of Assets

As at 31 December 2011, the Group had secured the following assets:

(a) the Group pledged the time deposits of approximately HK$7.9 million (31 December 2010: approximately HK$8.1 million) to certain banks for the issuance of several bank guarantees and a standby letter of credit facility of approximately HK$9.9 million (31 December 2010: approximately HK$10.2 million) for the operations of the Group;

(b) World Fortune Limited, an indirect subsidiary of the Company, pledged all (31 December 2010: 100%) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of syndicated loan facilities granted to Pier 16 – Property Development;

(c) New Shepherd pledged 51% (31 December 2010: 51%) of the entire issued share capital from time to time of Favor Jumbo Limited, an indirect wholly-owned subsidiary of the Company, to the Lender in respect of the Revolving Credit Facility granted to the Company; and

(d) the Group's self-occupied properties with carrying amount of equivalent to approximately HK$20.6 million (31 December 2010: equivalent to approximately HK$21.6 million) were pledged to a bank to secure bank loans to Jade Travel, Canada.

Contingent Liabilities

As at 31 December 2011, the Company gave a corporate guarantee for the syndicated loan facilities of HK$1,600 million granted to an associate of the Group (31 December 2010: HK$1,600 million). The maximum guarantee amount borne by the Company was HK$860 million (31 December 2010: HK$860 million). The total loan outstanding and bank guarantee facility from the syndicated loan facilities for the associate as at 31 December 2011 were HK$560 million and HK$240 million respectively (31 December 2010: HK$800 million and HK$240 million respectively).

Human Resources

As at 31 December 2011, the Group had a total of 470 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. Apart from the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options might also be granted to eligible employees of the Group as a long-term incentive.

Prospects

Looking ahead, despite the volatile worldwide economy, robust economic fundamentals of China are still the strong growth drivers for the Group's businesses.

For the Group's travel business, its operations in North America may continue to encounter challenges given the uncertain economic prospects for the USA and the prolonged Eurozone crisis. However, outbound tours from the region are expected to see an improved performance owing to the gradual recovery of the business environment in the USA, while the sustained growth of the Chinese affluent class will continue to lead to opportunities in inbound tours from China. To channel businesses to the Jade Travel Group, the Group is actively continuing to solicit business partners with sound credibility in China and identify opportunities to expand its corporate and group tour businesses.

The growth momentum in China is expected to continue as the driving force for both visitation and spending in the Macau gaming industry, from which Ponte 16 stands to benefit. In addition, the opening of new resorts has enriched the entertainment scene of Macau as a whole and boosted overall tourist arrivals for the entire market. Leveraging on the growing momentum of Macau's gaming industry, the Group believes the combination of Ponte 16's unique positioning and superior services will sustain its leading role in the market.

Building on its rising international reputation, Ponte 16 will join hands again with Julien's Auctions to stage an MJ-themed exhibition tour in Greater China in 2012. This will bring Ponte 16 under the spotlight of the world once again and further broaden its customer base.

To bring new entertainment offerings to Macau, Ponte 16 is in the process of rolling out the Phase 3 Project. This new phase is set to further diversify the shopping, dining and entertainment experiences, and expand the scale of the world-class casino in Ponte 16. The Phase 3 Project, upon its completion, is poised to bring another stable stream of revenue for the Group.

The Ministry of Finance, Ministry of Civil Affairs and General Administration of Sport of China jointly announced the Implementation Details of the Regulations on the Administration of Lottery (the "Implementation Details") in January 2012, with approval from the State Council. The Implementation Details, effective from 1 March 2012, will strengthen the monitoring and management of China's lottery industry. The measures are expected to create a healthy market environment to support the long-term growth of the industry. With a well-established technology service platform and network, the Group will actively seek out opportunities to expand the business to other provinces in Mainland China via the subsidiaries of the JV Company.

The Group remains optimistic on the outlook for Macau and China. To take advantage of the ample growth opportunities in China, the Group will continue to strengthen its business platforms by implementing its three-pronged strategy. Over the long-term, the Group is well-positioned to further enrich its extensive portfolio of assets for maximising value for its shareholders, partners and customers.

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

During the year ended 31 December 2011, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2011.

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2011 have been audited by the Company's auditors, HLB Hodgson Impey Cheng and reviewed by the audit committee of the Board which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2011 have been agreed by HLB Hodgson Impey Cheng, to the amounts set out in the Group's consolidated financial statements for the year under review. The work performed by HLB Hodgson Impey Cheng 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 HLB Hodgson Impey Cheng on the preliminary announcement.

On behalf of the Board of
SUCCESS UNIVERSE GROUP LIMITED
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 29 March 2012

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Dr. Ma Ho Man, Hoffman (Deputy Chairman); one non-executive Director, namely Mr. Choi Kin Pui, Russelle; and three independent non-executive Directors, namely Mr. Luk Ka Yee, Patrick, Ms. Yeung Mo Sheung, Ann and Mr. Chin Wing Lok, Ambrose.