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 2013

RESULTS

The board of directors (the "Board") of Success Universe Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013, with the comparative figures for the year ended 31 December 2012, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Turnover	3,4	**1,584,782**	1,634,978
Cost of sales		**(1,501,237)**	(1,547,077)
Gross profit		**83,545**	87,901
Other revenue and gains	5	**117,551**	43,453
Administrative expenses		**(153,868)**	(152,839)
Selling expenses		**(2,579)**	(2,352)
Other operating expenses	6(c)	**(74,872)**	(6,661)
Loss from operations		**(30,223)**	(30,498)
Finance costs	6(a)	**(9,086)**	(16,627)
Share of results of joint ventures		**367**	236
Share of results of associates		**51,014**	9,383
Profit/(loss) before taxation	6	**12,072**	(37,506)
Taxation	7	**173**	(471)
Profit/(loss) for the year		**12,245**	(37,977)
Attributable to:			
Owners of the Company		**18,644**	(33,034)
Non-controlling interests		**(6,399)**	(4,943)
Profit/(loss) for the year		**12,245**	(37,977)
Earnings/(loss) per share	9		
– Basic		**0.42 HK cents**	(0.83) HK cents
– Diluted		**0.42 HK cents**	(0.83) HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013	2012
	HK$'000	*HK$'000*
Profit/(loss) for the year	**12,245**	(37,977)
Other comprehensive (loss)/income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(2,430)**	1,426
Total other comprehensive (loss)/income for the year, net of tax	**(2,430)**	1,426
Total comprehensive income/(loss) for the year	**9,815**	(36,551)
Attributable to:		
Owners of the Company	**16,354**	(31,859)
Non-controlling interests	**(6,539)**	(4,692)
Total comprehensive income/(loss) for the year	**9,815**	(36,551)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

	Note	**At 31 December 2013 *HK$'000***	At 31 December 2012 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**74,885**	83,544
Goodwill		**1,313**	3,862
Intangible assets		**34,527**	37,875
Interest in associates		**947,774**	921,260
Interest in joint ventures		**1,716**	2,029
		1,060,215	1,048,570
CURRENT ASSETS			
Inventories		**1,522**	1,830
Trade and other receivables	*10*	**45,962**	41,264
Amount due from an associate		**–**	748
Tax recoverable		**381**	–
Pledged bank deposits		**10,804**	10,419
Cash and cash equivalents		**80,423**	239,581
		139,092	293,842
Assets classified as held for sale		**–**	1,359
		139,092	295,201
CURRENT LIABILITIES			
Trade and other payables	*11*	**33,265**	26,762
Deferred income		**875**	945
Profit guarantee liabilities		**5,308**	9,100
Bank loans – due within one year		**608**	620
Loans payables – current portion		**–**	187,336
Long-term payables – current portion		**–**	225,464
Financial guarantee contract		**19,995**	19,995
Finance lease liabilities – current portion		**24**	–
Tax payable		**–**	51
		60,075	470,273
NET CURRENT ASSETS/(LIABILITIES)		**79,017**	(175,072)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,139,232**	873,498

	Note	At 31 December 2013 HK$'000	At 31 December 2012 HK$'000
NON-CURRENT LIABILITIES			
Deferred income		**146**	1,102
Profit guarantee liabilities		**–**	5,308
Bank loans – due after one year		**11,148**	12,686
Loans payables		**17,766**	17,933
Deferred tax liabilities		**526**	489
Financial guarantee contract		**49,990**	69,985
Finance lease liabilities		**107**	–
Loan from a director and controlling shareholder		**50,000**	–
		129,683	107,503
NET ASSETS		**1,009,549**	765,995
CAPITAL AND RESERVES			
Share capital		**49,265**	40,649
Reserves		**935,459**	700,985
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**984,724**	741,634
NON-CONTROLLING INTERESTS		**24,825**	24,361
TOTAL EQUITY		**1,009,549**	765,995

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 Hong Kong Limited.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It also issued certain new and revised standards, amendments and interpretation ("New HKFRSs"), which are first effective or available for early adoption for the current accounting period of the Group and 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 consolidated financial statements include the financial statements of the Group and the Group's interest in associates and joint ventures made up to 31 December each year.

The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the same as the functional currency of the Company.

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

In the current year, the Group has applied for the first time, the following New HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2013.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009 to 2011 Cycle
HKFRS 1 (Amendments)	Government Loans
HKFRS 7 (Amendments)	Disclosure – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to HKFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities"

The Group has applied the amendments to HKFRS 7 "Disclosures – Offsetting Financial Assets and Financial Liabilities" for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about:

(a) recognised financial instruments that are set off in accordance with HKAS 32 "Financial Instruments: Presentation"; and

(b) recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated Financial Statements", HKFRS 11 "Joint Arrangements", HKFRS 12 "Disclosure of Interests in Other Entities", HKAS 27 (as revised in 2011) "Separate Financial Statements" and HKAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

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 changes the definition of control such that an investor has control over an investee when (a) it has power over the investee; (b) it is exposed, or has rights, to variable returns from its involvement with the investee; and (c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. Some guidance included in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures", and the guidance contained in a related interpretation, HK(SIC) – Int13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 "Fair Value Measurement"

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply 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 for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income"

The Group has applied the amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income". The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, the "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income" and the "income statement" is renamed as the "statement of profit or loss". 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 do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in June 2012

The "Annual Improvements to HKFRSs 2009 – 2011 Cycle" include a number of amendments to various HKFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to HKFRSs include:

- amendments to HKAS 1 "Presentation of Financial Statements";
- amendments to HKAS 16 "Property, Plant and Equipment"; and
- amendments to HKAS 32 "Financial Instruments: Presentation".

HKAS 1 (Amendments)

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

HKAS 16 (Amendments)

The amendments to HKAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in HKAS 16 and as inventory otherwise.

HKAS 32 (Amendments)

The amendments to HKAS 32 clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with HKAS 12 "Income Taxes".

The application of the above New HKFRSs had no material impact on the Group's consolidated financial performance and positions for the current and prior years. Accordingly, no prior period adjustments had been required.

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

Amendments to HKFRSs	Annual Improvement to HKFRSs 2010-2012 Cycle[3]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011-2013 Cycle[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[5]
HKFRS 9	Financial Instruments[5]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[1]
HKFRS 14	Regulatory Deferral Accounts[4]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contribution[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[1]
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets[1]
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – Int 21	Levies[1]

[1] *Effective for annual periods beginning on or after 1 January 2014*
[2] *Effective for annual periods beginning on or after 1 July 2014*
[3] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions*
[4] *Effective for annual periods beginning on or after 1 January 2016*
[5] *No mandatory effective date yet determined but is available for adoption*

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described below:

- 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.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

The date when entities would be required to apply HKFRS 9 was previously stated at 1 January 2015. This mandatory effective date has been removed to provide sufficient time for preparers of financial statements to make the transition to the new requirements, which will now become effective from a later date yet to be announced.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

Amendments to HKAS 32 "Offsetting Financial Assets and Financial Liabilities"

The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

Amendments to HKAS 36 "Recoverable Amount Disclosures for Non-Financial Assets"

The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements regarding the fair value hierarchy, key assumptions and valuation techniques used when the recoverable amount of an asset or CGU was determined based on its fair value less costs of disposal.

Amendments to HKAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"

The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative hedging instrument arising from the novation should be included in the assessment of hedge effectiveness.

HK (IFRIC) – Int 21 "Levies"

HK (IFRIC) – Int 21 "Levies" addresses the issue of when to recognise a liability to pay a levy. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

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 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.

The Group has presented the following three reportable segments. These segments are managed separately. The travel segment, the cruise ship leasing and management segment and lottery 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. Geographically, management considers the performance of the cruise ship leasing and management business is performed in South China Sea.

The travel reportable operating segment derives their revenue primarily from sales of air tickets and provision of travel-related services. Geographically, management considers the performance of the travel business in North America and Hong Kong separately.

The lottery reportable operating segment provides sports lottery sales agency services to the sports lottery market in the People's Republic of China ("PRC") through the subsidiaries of a joint venture company of the Company.

(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 joint ventures, 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 statement of profit or loss.

All assets are allocated to reportable segments other than current and deferred tax assets, tax recoverable, interests in associates and joint ventures. 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 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		Lottery		Elimination		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**84,000**	80,400	**1,430,182**	1,543,924	**70,600**	10,654	**–**	–	**1,584,782**	1,634,978
Inter-segment revenue	**–**	–	**–**	321	**–**	–	**–**	(321)	**–**	–
Reportable segment revenue	**84,000**	80,400	**1,430,182**	1,544,245	**70,600**	10,654	**–**	(321)	**1,584,782**	1,634,978
Reportable segment profit/(loss)	**475**	2,872	**(16,108)**	1,061	**(13,422)**	(21,910)	**1,135**	1,545	**(27,920)**	(16,432)
Share of results of joint ventures									**367**	236
Share of results of associates									**51,014**	9,383
Gain on derecognition of a long-term payable									**83,429**	–
Loss on derecognition of a long-term payable									**(71,842)**	–
Unallocated corporate income									**21,068**	23,539
Unallocated corporate expenses									**(35,672)**	(38,384)
Finance costs									**(8,372)**	(15,848)
Consolidated profit/(loss) before taxation									**12,072**	(37,506)
Taxation									**173**	(471)
Consolidated profit/(loss) for the year									**12,245**	(37,977)

	Cruise ship leasing and management		Travel		Lottery		Total	
	At 31 December 2013	At 31 December 2012	**At 31 December 2013**	At 31 December 2012	**At 31 December 2013**	At 31 December 2012	**At 31 December 2013**	At 31 December 2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**90,346**	87,260	**69,450**	90,022	**38,577**	24,951	**198,373**	202,233
Unallocated corporate assets								
– Interest in associates							**947,774**	921,260
– Interest in joint ventures							**1,716**	2,029
– Amount due from an associate							**–**	748
– Tax recoverable							**381**	–
– Corporate assets							**51,063**	217,501
							1,199,307	1,343,771
Reportable segment liabilities	**7,948**	5,347	**37,353**	41,487	**15,581**	11,139	**60,882**	57,973
Unallocated corporate liabilities								
– Tax payable							**–**	51
– Deferred tax liabilities							**526**	489
– Corporate liabilities							**128,350**	519,263
							189,758	577,776

(b) Other segment information

	Cruise ship leasing and management		Travel		Lottery		Other corporate entities		Total	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**57**	24	**4**	19	**21**	11	**487**	1,772	**569**	1,826
Amortisation of intangible assets	**–**	–	**(356)**	(418)	**–**	–	**–**	–	**(356)**	(418)
Depreciation	**(6,040)**	(6,039)	**(1,048)**	(1,255)	**(2,112)**	(2,258)	**(269)**	(1,202)	**(9,469)**	(10,754)
Reversal of impairment loss recognised on:										
– other receivable	**3,864**	6,410	**–**	–	**–**	–	**–**	–	**3,864**	6,410
– intangible assets	**–**	–	**–**	2,015	**–**	–	**–**	–	**–**	2,015
Impairment loss recognised on:										
– intangible assets	**–**	–	**(213)**	(361)	**–**	–	**–**	–	**(213)**	(361)
– goodwill	**–**	–	**(2,549)**	–	**–**	–	**–**	–	**(2,549)**	–
– other receivable	**–**	–	**–**	–	**(268)**	–	**–**	–	**(268)**	–
Finance costs	**–**	–	**(714)**	(779)	**–**	–	**(8,372)**	(15,848)	**(9,086)**	(16,627)
Additions to non-current assets *	**424**	1,239	**264**	209	**1,311**	4,622	**108**	35	**2,107**	6,105

* *Additions to non-current assets only include the additions to property, plant and equipment during the year*

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

	2013	2012
	HK$'000	*HK$'000*
Sales of air tickets	**1,358,110**	1,443,858
Travel and related service fee income	**72,072**	100,066
Cruise ship leasing and management fee income	**84,000**	80,400
Lottery commission and services income	**70,600**	10,654
	1,584,782	1,634,978

(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, interest in associates and joint ventures.

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 interest in associates and joint ventures, it is based on the location of operations of such associates and joint ventures.

	Revenue from external customers		Non-current assets	
			At 31 December	At 31 December
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**–**	3,597	**2,110**	2,623
Macau	**–**	–	**947,774**	921,260
North America	**1,430,182**	1,540,327	**52,856**	61,013
South China Sea, other than in Hong Kong	**84,000**	80,400	**50,052**	55,634
PRC	**70,600**	10,654	**7,423**	8,040
	1,584,782	1,634,978	**1,060,215**	1,048,570

(e) Major customer

There is no single external customer amount 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, travel-related business as well as provision of sales agency services of sport lottery.

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

	2013	2012
	HK$'000	*HK$'000*
Cruise ship leasing and management fee income	**84,000**	80,400
Lottery commission and services income	**70,600**	10,654
Travel-related agency service fee income		
– Sales of air tickets	**1,358,110**	1,443,858
– Travel and related service fee income	**72,072**	100,066
	1,430,182	1,543,924
	1,584,782	1,634,978

5. OTHER REVENUE AND GAINS

	2013	2012
	HK$'000	*HK$'000*
Other revenue		
Interest income on bank deposits	**569**	1,588
Loan interest income	**–**	238
Total interest income on financial assets not at fair value through profit or loss	**569**	1,826
Commission income	**2**	13
Management fee income from an associate	**541**	5,354
Write back of long-outstanding trade payables	**152**	269
Gain on disposal of property, plant and equipment	**244**	15
Reimbursement on cost of fuel oil	**3,467**	4,016
Service fee income	**2,692**	2,898
Other income	**2,413**	3,521
	10,080	17,912
Other gains		
Amortisation on financial guarantee contract	**19,995**	16,298
Gain on derecognition of a long-term payable	**83,429**	–
Net exchange gain	**183**	818
Reversal of impairment loss recognised on intangible assets	**–**	2,015
Reversal of impairment loss recognised on other receivable*	**3,864**	6,410
	107,471	25,541
Total	**117,551**	43,453

* *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. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging the following:

	2013	2012
	HK$'000	*HK$'000*
(a) Finance costs		
(i) Not wholly repayable within five years:		
Interest on bank loans	**714**	779
(ii) Wholly repayable within five years:		
Interest on long-term payables	**–**	10,878
Interest on loan from a director and controlling shareholder	**1,288**	1,036
Interest on loan from a controlling shareholder	**–**	183
Interest on other loans	**7,084**	3,751
	8,372	15,848
Total interest expenses on financial liabilities not at fair value through profit or loss	**9,086**	16,627
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	**75,892**	77,714
Contributions to defined contribution retirement plan	**3,020**	3,229
	78,912	80,943
(c) Other operating expenses		
Loss on derecognition of a long-term payable	**71,842**	–
Impairment loss recognised on		
– goodwill	**2,549**	–
– intangible assets	**213**	361
– other receivable	**268**	–
– interest in associates	**–**	6,300
	74,872	6,661
(d) Other items		
Auditors' remuneration		
– audit services	**1,628**	1,645
– other services	**280**	280
Bad debts written off	**354**	16
Depreciation on owned property, plant and equipment	**9,451**	10,754
Depreciation on leased property, plant and equipment	**18**	–
Amortisation on intangible assets	**356**	418
Operating lease rentals		
– properties	**10,044**	9,936
– plant and machinery	**696**	675
Cost of inventories	**31,332**	31,233

7. TAXATION

Taxation in the consolidated statement of profit or loss represents:

	2013	2012
	HK$'000	*HK$'000*
Current tax – Overseas profits tax		
– (Credit)/charge for the year	**(248)**	259
	(248)	259
Deferred taxation relating to the origination and reversal of temporary differences	**75**	212
Tax (credit)/charge	**(173)**	471

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) of the estimated assessable profit for the year.

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

8. DIVIDENDS

No interim dividend was paid during the year under review (2012: Nil). The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

9. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately HK$18,644,000 (2012: loss of approximately HK$33,034,000) and on the weighted average number of approximately 4,476,744,000 ordinary shares (2012: approximately 3,989,417,000 ordinary shares) in issue during the year.

(b) Diluted earnings/(loss) per share

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

10. TRADE AND OTHER RECEIVABLES

	At 31 December 2013 HK$'000	At 31 December 2012 HK$'000
Trade receivables	**19,437**	16,056
Other receivables	**16,682**	18,336
Less: impairment loss recognised on other receivable	**(268)**	(3,864)
	16,414	14,472
Trade and other receivables	**35,851**	30,528
Prepayments and deposits	**10,111**	10,736
	45,962	41,264

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 2013 HK$'000	At 31 December 2012 HK$'000
Current	**13,862**	12,898
31 to 60 days overdue	**2,274**	1,578
61 to 90 days overdue	**2,699**	1,078
Over 90 days overdue	**602**	502
	19,437	16,056

The Group normally allows an average credit period of 30 to 60 days to customers of cruise ship leasing and management as well as lottery businesses (2012: average credit period of 30 to 60 days) and 30 days to customers of travel business (2012: 30 days).

11. TRADE AND OTHER PAYABLES

	At 31 December 2013 *HK$'000*	At 31 December 2012 *HK$'000*
Trade payables	**10,260**	10,736
Accrued charges and other payables	**23,005**	16,026
Financial liabilities measured at amortised cost	**33,265**	26,762

Aging analysis

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

	At 31 December 2013 *HK$'000*	At 31 December 2012 *HK$'000*
Current	**8,796**	7,538
31 to 60 days	**911**	1,763
61 to 90 days	**361**	406
Over 90 days	**192**	1,029
	10,260	10,736

12. EVENTS AFTER THE REPORTING PERIOD

(i) In March 2014, 665127 British Columbia Ltd. ("665127 BC Ltd.", being an indirect non-wholly owned subsidiary of the Company) entered into a share repurchase agreement with one of its non-controlling shareholder to repurchase her entire equity interest in 665127 BC Ltd., namely 600 common shares without par value, at a cash consideration of an amount equivalent to approximately HK$42 from that non-controlling shareholder (the "Share Repurchase"). Besides, the said non-controlling shareholder assigned to 1338 Successful Venture Ltd., being an indirect wholly-owned subsidiary of the Company and the immediate holding company of 665127 BC Ltd., an approximately 85.1% interest in all of her right, title and interest in and to a debt of an amount equivalent to approximately HK$2.2 million owed by a wholly-owned subsidiary of 665127 BC Ltd. at a consideration of an amount equivalent to approximately HK$7. Immediately after the Share Repurchase, the Company increased its effective beneficial interest in 665127 BC Ltd. from 80% to approximately 85.1%.

(ii) With regard to the unsecured term loan facility of up to HK$290 million granted by Mr. Yeung Hoi Sing, Sonny, a director and a controlling shareholder of the Company, to the Company, a letter agreement was entered into between the Company and Mr. Yeung Hoi Sing, Sonny on 21 March 2014 to further extend the final repayment date of the loan under the said loan facility from 31 October 2014 to 31 October 2016.

13. COMPARATIVES

Certain comparative amounts have been reclassified to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

In 2013, the Group further cemented its position in the gaming, entertainment and tourist-related industries in the Asia-Pacific region.

Ponte 16, the flagship investment project of the Group, has been benefiting from the flourishing Macau gaming market driven by the increasing number of travellers from China and other key Asia-Pacific countries. For the year ended 31 December 2013 (the "Year"), Ponte 16 continued to be the major growth driver of the Group and delivered another set of impressive growth. The lottery business in China had made a step forward since the testing of technology service platform was completed and operations were commenced in late 2012, and contributed revenue to the Group in 2013 at its early stage of operations.

On top of the improvement in performance of Ponte 16, the Group recorded a gain recognised on derecognition of a long-term payable as a result of the World Fortune Acquisition (as defined hereinafter), offsetting the loss from the Golden Sun Acquisition (as defined hereinafter). Consequently, the Group realised a set of positive results for the Year.

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

Results

The Group recorded a turnover of approximately HK$1,584.8 million for the Year, decreased by approximately 3% from approximately HK$1,635.0 million in 2012. Gross profit dropped by approximately 5% to approximately HK$83.6 million (2012: approximately HK$87.9 million). Shared profit of the associates relating to Ponte 16 for the Year amounted to approximately HK$51.0 million (2012: approximately HK$9.4 million). In 2013, a one-off gain of approximately HK$83.4 million was recorded due to the derecognition of a long-term payable as a result of the World Fortune Acquisition (as defined hereinafter), mitigating the impact of the loss of approximately HK$71.8 million from the Golden Sun Acquisition (as defined hereinafter). As a result, profit attributable to owners of the Company amounted to approximately HK$18.6 million, compared with a loss attributable to the owners of the Company of approximately HK$33.0 million in 2012. Earnings per share in 2013 was 0.42 HK cents (2012: loss per share of 0.83 HK cents).

Acquisitions

Acquisition of the interest pursuant to the exercise of option by Maruhan Corporation

Reference was made to the Company's announcements dated 18 February 2013 and 28 March 2013 as well as the Company's circular dated 29 April 2013. In May 2013, Golden Sun Profits Limited ("Golden Sun", a then indirect non-wholly owned subsidiary of the Company) completed its acquisition of the legal and beneficial ownership of the entire equity interest of Maruhan Corporation ("Maruhan") in World Fortune Limited ("World Fortune", a then indirect non-wholly owned subsidiary of the Company) together with the entire amount of the shareholder's loans provided by Maruhan to World Fortune (collectively the "World Fortune Interest") pursuant to the exercise of option by Maruhan (the "World Fortune Acquisition"). The purchase price of the World Fortune Interest of HK$219,117,318 was settled as to HK$109,558,659 by cash and as to HK$109,558,659 by way of allotment and issue of 550,546,025 new ordinary shares of the Company at an issue price of HK$0.199 per share.

Following the completion of the World Fortune Acquisition, the Company increased its effective beneficial interest in World Fortune from approximately 85.71% to 95.45%. The gain, before expenses, on derecognition of a long-term payable of approximately HK$83.4 million was recognised in 2013.

Acquisition of the interest pursuant to the exercise of option by SBI Macau Holdings Limited

Reference was made to the Company's announcements dated 6 September 2013 and 3 October 2013. In October 2013, Favor Jumbo Limited ("Favor Jumbo", an indirect wholly-owned subsidiary of the Company) completed its acquisition of the legal and beneficial ownership of the entire equity interest of SBI Macau Holdings Limited ("SBI Macau") in Golden Sun and the entire amount of the shareholder's loan owing by Golden Sun to SBI Macau (the "Golden Sun Interest"), pursuant to the exercise of option by SBI Macau (the "Golden Sun Acquisition"). The purchase price of the Golden Sun Interest was HK$130,000,000, of which HK$65,000,000 was settled by cash and HK$65,000,000 was settled by way of allotment and issue of 311,004,784 new ordinary shares of the Company at an issue price of HK$0.209 per share.

Subsequent to the completion of the Golden Sun Acquisition, Golden Sun and World Fortune became indirect wholly-owned subsidiaries of the Company. The loss, before expenses, on derecognition of a long-term payable of approximately HK$71.8 million was recognised for the Year.

Acquisition of the interest in Honour Rich China Development Limited

In December 2013, Victory Devotion Limited, a direct wholly-owned subsidiary of the Company, acquired 10% equity interest in Honour Rich China Development Limited (the "JV Company", an indirect non-wholly owned subsidiary of the Company) from Up Fly Limited, being a shareholder of the JV Company, at a consideration of an amount equivalent to HK$7.8 (the "Honour Rich Acquisition"). The Company increased its effective beneficial interest in the JV Company from 70% to 80% after the Honour Rich Acquisition. The Group is optimistic on the prospects of lottery industry in China and believes this is a golden opportunity to increase its interest in the JV Company as well as capture the enormous growth potential in the lottery business subsequently.

Dividends

No interim dividend was paid in 2013 (2012: Nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the Year (2012: Nil).

Review of Operations

Travel Business

The Group runs one of the largest travel agencies in North America with offices located in Canada and the United States of America. The business mainly focuses on the inbound and outbound travel packages and arrangements for high-end market segment, such as MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller).

The unfavourable global economy, especially the unstable economy in North America continued to have negative impact on the performance of the travel business of the Group. In 2013, turnover in this segment decreased by approximately 7% to approximately HK$1,430.2 million (2012: approximately HK$1,543.9 million). Loss in this segment posted approximately HK$16.1 million for the Year (2012: profit of approximately HK$1.1 million), including an impairment loss on certain assets of approximately HK$2.8 million in 2013 (2012: approximately HK$0.4 million).

Cruise Ship Business

M.V. Macau Success (in which the Group has a 55% interest) is a nine-deck cruise ship, operating on a daily basis from Hong Kong to international waters. The cruise ship features a casino and numerous entertainment facilities, with a total capacity of 660 persons and more than 200 passenger rooms.

The cruise ship business posted a modest growth in revenue during the Year. It was mainly due to the increase in leasing and management fee income. This segment recorded approximately 4% increase in turnover to approximately HK$84.0 million (2012: approximately HK$80.4 million), and posted a profit of approximately HK$0.5 million in 2013 as compared with approximately HK$2.9 million in 2012. The reduction in profit was caused by the increase in operating cost during the Year.

Lottery Business

The Group offers sports lottery sales agency services in China through the subsidiaries of the JV Company. In addition to Jiangxi and Qinghai provinces, the Group expanded its existing sports lottery sales agency services network to Heilongjiang province in 2013.

A technology service platform commenced operation in late 2012, and has since effectively boosted its sports lottery agency sales during the Year. This has significantly contributed to and lifted the lottery commission and service income of the Group. To facilitate information flow to its loyal retail customers, the Group upgraded its specialised online lottery platform 128cai.com to offer diverse lottery game information, exclusive analysis recommendation and round-the-clock online customer services in 2013. Besides, the Group further collaborated with Taobao, Jingdong and Netease, with the aim of expanding its exposure further and wider in the mass market, and that helping to build a stronger, trustworthy brand image amongst lottery players. In September 2013, the Group successfully organised a tour to the sports lottery centre in Beijing for loyal customers to witness the lottery draw of Super Lotto. This marketing campaign not only enabled the Group to establish dynamic interactions with customers, but also demonstrated the solid foundation of the Group in the lottery business.

Turnover of the lottery business for the Year was approximately HK$70.6 million (2012: approximately HK$10.7 million), representing a growth of approximately 563% as compared with the previous year. As a result, loss recorded for the Year was reduced to approximately HK$13.4 million (2012: approximately HK$21.9 million).

Thanks to the continuous growth of GDP and individual disposable income in China, favourable government regulations, as well as the evolving public acceptance of lottery games in China, the industry has been enjoying substantial growth. According to the Ministry of Finance of China, lottery sales reached approximately RMB309.3 billion in 2013, equivalent to a growth of 18.3% year-on-year, of which, sports lottery sales rose by 20.2% year-on-year to approximately RMB132.8 billion.

In view of the enormity of the lottery market in China, the Group has increased its investment in the business in 2013. The paid-up share capital of the subsidiary of the JV Company has been enlarged to RMB50 million. This has supported the Group in strengthening its business network, expanding the customer base, hence capturing greater market share.

Investment Project — Ponte 16

2013 marked the fifth anniversary of Ponte 16, a world-class integrated casino-entertainment resort in Macau. Uniquely situated next to the Macau's World Heritage Site in the exclusive Inner Harbour, Ponte 16 has become a preferred travel and leisure destination for both tourists and families to enjoy the entertainment, culture and the history of Macau.

The gaming sector, being the growth engine of Macau, registered an approximately 18.6% year-on-year growth in 2013, achieved gross gaming revenue of approximately MOP360.7 billion. Fuelled by the record breaking number of Chinese travellers, and their lavish spending in 2013, the casino and the five-star hotel, Sofitel Macau At Ponte 16, achieved another year of solid growth.

Adjusted EBITDA* of Ponte 16 substantially increased by approximately 19% to approximately HK$387.3 million (2012: approximately HK$324.5 million) for the Year. The growth was driven by the rapid increase in gaming revenue arising from the mass market and the greater guest spending at Ponte 16.

Focusing on the huge size of the mass market players, the casino of Ponte 16 had 109 gaming tables, of which 84 were for mass market, 9 for high-limit and 16 for VIP, as at 31 December 2013. Average occupancy rate of the hotel remained high at over 90% for 2013.

In 2013, Ponte 16 celebrated its fifth anniversary for its stellar accomplishment, having established itself as a premier resort destination in such a short space of time since official opening in 2008. Ponte 16 organised various marketing and cultural initiatives in order to enrich its attraction to global travellers. Housing the first and only Michael Jackson ("MJ") Gallery in Asia, Ponte 16 injected new MJ elements to its facilities and entertainment. In 2013, Ponte 16 launched an indoor reality adventure game "Dangerous" to broaden its entertainment mix. Featuring 5D sensation and MJ elements, the room-escape game has gained overwhelming response from the younger generation and helped capture a different type of customers.

* *Adjusted EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation (and excluded interest income from the pledged deposit)*

By putting effort to exceed expectation from customers all over the world, Ponte 16 presented a series of all-rounded events to experience the French elegance in 2013. In April and September 2013, Ponte 16 enlisted a Michelin Star chef and its executive chef from France to present their exquisite, award-winning cuisine at the French restaurant, Privé. In May 2013, Ponte 16 organised a Burgundy-themed gourmet festival to introduce French specialties including escargots and Burgundy cheese platter; it also proudly presented the cultural programme "Musique Littéraire" which combined the best of Chinese and French culture and affection. In October 2013, Ponte 16 hosted an exclusive photo exhibition of Brigitte Bardot, the iconic star of France. This art exhibition featured photos of Brigitte that were never shown before to the public, and the behind-the-scenes of some of her most famous films.

All these events were met with huge success in terms of bringing its guests and the Macau tourism with the world-class lifestyle and horizons. This successfully helped differentiate Ponte 16 from peers with its global vision and connections, as well as expand its customer base.

In November 2013, the world famous spa, So SPA with L'Occitane and well-being amenities arrived at Ponte 16. Rejuvenating with the French cosmetology in front of the China across Macau Harbour, the spa has become a must-go place after a long day of excitements in the never-resting Macau for its valuable guests.

Featuring a superb location, world-class facilities and attentive services, Sofitel Macau At Ponte 16 received a number of reputable awards from the tourists in 2013, which included "China Hotel Award 2013" by China LifeStyle magazine, "2013 Certificate of Excellence" by "Daodao.com" (the official Chinese website of TripAdvisor), "2013 Travel Award – China Top 100 Hotels" by Travel & Leisure China magazine, "2013 Continental Diamond Award – Best Cultural Theme Hotel" by World Hotel China and "2013 U Travel Award – U Favorite Travel Hotel & Resort Brand" by HK U Magazine. The fine dining restaurant, Privé was awarded "Best Restaurants (Hong Kong and Macau Edition)" by Hong Kong Tatler magazine and "100 TOP Tables 2013" by South China Morning Post. The Executive Chef of Privé was awarded "Maîtres Cuisiniers de France 2013" by Association des Maîtres Cuisiniers de France. These accolades approved Ponte 16's commitment of being one of the finest five-star resorts in Macau in all aspects.

Ponte 16 has not only made its effort in delivering good business performance, but also been searching for innovative ways to fulfill its corporate social responsibility. In 2013, the resort replaced its traditional festive mooncake boxes with environmentally friendly boxes that were made of paper certified by FSC (Forest Stewardship Council) during the Mid-Autumn Festival to help shape a more sustainable world.

Financial Review

Liquidity, Financial Resources and Gearing

As at 31 December 2013, the Group had net current assets of approximately HK$79.0 million (31 December 2012: net current liabilities of approximately HK$175.1 million) and net assets of approximately HK$1,009.6 million (31 December 2012: approximately HK$766.0 million).

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being a Director and a controlling shareholder of the Company) 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 31 October 2014 to 31 October 2016 by a letter agreement dated 21 March 2014. As at 31 December 2013, the Company had owed to Mr. Yeung in the amount of approximately HK$50.0 million (31 December 2012: nil).

In 2013, Jade Travel Ltd. ("Jade Travel, Canada", being a then 80% indirectly owned subsidiary of the Company which was incorporated in Canada) was granted secured bank loans which carry fixed interest rates and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the properties of Jade Travel, Canada and their renovation costs. In addition, during the Year, Jade Travel, Canada purchased a certain asset under a finance lease which shall be repayable by consecutive monthly instalments. As at 31 December 2013, the outstanding bank loans and finance lease liabilities were equivalent to approximately HK$11.8 million and HK$0.1 million respectively (31 December 2012: equivalent to approximately HK$13.3 million and nil respectively).

Apart from the aforesaid loans, as at 31 December 2013, there were loans from non-controlling shareholders of approximately HK$17.8 million (31 December 2012: approximately HK$17.9 million). During the Year, the Company had fully repaid the outstanding other loans payables of approximately HK$187.3 million (31 December 2012: the outstanding other loans payables were approximately HK$187.3 million). The loans were interest-free and unsecured.

As at 31 December 2013, total equity attributable to owners of the Company was enlarged to approximately HK$984.7 million (31 December 2012: approximately HK$741.6 million), which was mainly due to the completion of the World Fortune Acquisition and the Golden Sun Acquisition. 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 6% as at 31 December 2013 (31 December 2012: approximately 2%).

Pledge of Assets

As at 31 December 2013, the Group had secured the following assets:

(a) the Group pledged the time deposits of approximately HK$9.7 million (31 December 2012: approximately HK$10.4 million) to certain banks for the issuance of several bank guarantees and a standby letter of credit facility of approximately HK$11.6 million (31 December 2012: approximately HK$12.5 million) for the operations of the Group;

(b) World Fortune pledged all (31 December 2012: all) of its shares in Pier 16 – Property Development Limited ("Pier 16 – Property Development", an associate of the Group) to a bank, for and on behalf of the syndicate of lenders, in respect of the syndicated loan facilities of HK$1,900 million and RMB400 million granted to Pier 16 – Property Development (the "Syndicated Loan Facilities");

(c) the Group's self-occupied properties with carrying amount of equivalent to approximately HK$17.4 million (31 December 2012: equivalent to approximately HK$20.7 million), together with a time deposit equivalent to approximately HK$1.1 million (31 December 2012: nil) were pledged to a bank to secure bank loans to Jade Travel, Canada; and

(d) the Group's certain asset with a carrying amount equivalent to approximately HK$0.1 million (31 December 2012: nil) was pledged to secure a finance lease to Jade Travel, Canada.

Contingent Liabilities

The Company gave a corporate guarantee (the "Guarantee") to a bank in respect of the Syndicated Loan Facilities in 2012. The maximum guarantee amount borne by the Company under the Guarantee was HK$1,176 million.

The outstanding loan under the Syndicated Loan Facilities as at 31 December 2013 was approximately HK$1,048.8 million (31 December 2012: approximately HK$1,273.3 million).

Human Resources

As at 31 December 2013, the Group had a total of 494 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

The economy of China has seen robust growth over the last decade, translated into the increase in disposable income and a rapidly growing middle class. This emerging population with great spending power is in search of quality and indulgence in life, which will offer flourishing opportunities to the gaming, entertainment and tourist-related industries. With its well-established business portfolio and sound business strategy, the Group is ready to capitalise this growing market.

In January 2014, 致勝盈彩網絡科技有限公司(Success Lottery Services Limited) ("Success Lottery", an indirect non-wholly owned subsidiary of the Company), previously known as 上海德彩譽富網絡科技有限公司(Shanghai Success Lottery Services Limited), entered into a cooperation agreement with 北京中投視訊文化傳媒有限公司 (Beijing Zhongtoushixun Culture Media Co., Ltd) ("CNLive") and 北京天潤瑞怡文化發展有限公司 (Beijing Rejoy Culture Development Co., Ltd) ("Rejoy Culture") to promote the lottery agency sales of Success Lottery by utilising the mobile internet platform as well as the customer bases of CNLive and Rejoy Culture.

CNLive is an operating arm of the China Internet Information Centre of the State Council Information Office of the People's Republic of China, and it operates a mobile television and internet media platform in China. Rejoy Culture manages sports and culture projects and is authorised by CNLive to operate the internet and mobile internet lottery platform of CNLive. The Group believes that this collaboration will strengthen its distribution capability by leveraging on the enormous customer base and the technology expertise of CNLive and Rejoy Culture in the mobile internet industry.

On top of the existing sports lottery sales agency services network in Jiangxi, Qinghai and Heilongjiang provinces, the Group has been seeking opportunities to expand to other provinces in China and tap into the welfare lottery business. In March 2014, the Group cooperated with Shanghai Welfare Lottery Issuance Centre ("Shanghai Welfare Lottery Centre") to jointly launch the telephone sales of welfare lottery in Shanghai. The Group has become an official business partner of Shanghai Welfare Lottery Centre and has been authorised to provide the telephone agency sales services of welfare lottery through the Group's technology service platform. As compared with the sports lottery, the welfare lottery is an even bigger market that accounts for approximately 57% of the overall lottery sales of 2013 in China. With the comprehensive sports and welfare lottery sales agency services as well as its specialised online lottery platform 128cai.com, the Group believes that the lottery business is going to be another driving force for the Group in the near future.

Other than developing the sales network, the Group plans to upgrade its online lottery platform 128cai.com by introducing multimedia programmes. The first foray is to launch a broadcasting channel to provide football commentary as soon as practical to get prepared for the upcoming FIFA World Cup in June 2014. Live programmes will also be introduced in the near future to provide interactive services to customers.

As the only integrated casino-entertainment resort located in the Inner Harbour of Macau, Ponte 16 infuses with top notch entertainment, upscale culinary experience and the rich culture of Macau, and offers unforgettable travelling experience to families. Adding to the versatile amenities and activities provided, Ponte 16 will be launching a karaoke in 2014, featuring MJ elements to attract the younger generation. Together with the new Chinese restaurant, Le Chinois Cantonese Restaurant that opened in January 2014, Ponte 16 has further strengthened its position as an integrated cultural, leisure and entertainment destination for the affluent middle-class Chinese.

As part of its marketing strategy in 2014, Ponte 16 prepares to launch an online travel magazine guiding travellers to discover the inner beauty of Macau. By showcasing the unique culture, heritage and local attractions that Macau has to offer, the online travel magazine will distribute through various online channels including social networking platforms, which in turn will enhance the brand awareness of Ponte 16.

Occupying gross floor area of approximately 40,000 square meters, the phase 3 of the Ponte 16 development project will consist of a shopping arcade, an entertainment and recreation complex as well as space for gaming expansion. Currently, the construction plan is under reviewing process by the Macau Government. Upon its completion, it will open another revenue source for Ponte 16.

The Group will continue to seek sustainable growth in the travel and cruise ship businesses. Leverage on its business portfolio that encompasses the value chain, the Group will seize every cross-selling opportunity with Ponte 16. The Group will initiate collaborations and business programmes targeting the high-margin MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller) markets. In March 2014, the Group increased its interest in its travel business arm from 80% to approximately 85.1%. With its endeavour, the Group is confident that the travel and cruise ship businesses will remain stable and make contribution to the Group's revenue.

Aiming to be a leading player in the gaming, entertainment and tourist-related industries, the Group will strive to maximise the synergies among its existing businesses and further strengthen its business platform. Venturing through the value chain, the Group is committed to actively exploring business opportunities to generate greater returns for its shareholders, partners and customers.

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

During the year ended 31 December 2013, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code 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 2013.

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2013 have been audited by the Company's auditors, HLB Hodgson Impey Cheng Limited, 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 2013 have been agreed by HLB Hodgson Impey Cheng Limited, 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 Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

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

Hong Kong, 28 March 2014

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.