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**SUCCESS**  
**SUCCESS UNIVERSE GROUP LIMITED**  
**實德環球有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00487)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2010**

**INTERIM RESULTS**

The board of directors (the “Board”) of Success Universe Group Limited (the “Company”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2010 together with comparative figures are as follows:

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2010

		Unaudited	
		For the six months ended	
	Note	30/6/2010	30/6/2009
		HK\$'000	HK\$'000
<b>Turnover</b>	3	<b>782,853</b>	593,595
Cost of sales		<u>(739,060)</u>	<u>(540,331)</u>
<b>Gross profit</b>		<b>43,793</b>	53,264
Other revenue and gains	4	<b>21,339</b>	14,512
Administrative expenses		<b>(66,559)</b>	(75,241)
Other operating expenses	5(c)	<u>(6,300)</u>	<u>(13,255)</u>
<b>Loss from operations</b>		<b>(7,727)</b>	(20,720)
Finance costs	5(a)	<b>(10,600)</b>	(7,228)
Share of results of jointly controlled entities		<b>169</b>	–
Share of results of associates		<u>(18,563)</u>	<u>(59,256)</u>
<b>Loss before taxation</b>	5	<b>(36,721)</b>	(87,204)
Income tax	6	<u>(126)</u>	<u>(29)</u>
<b>Loss for the period</b>		<b><u>(36,847)</u></b>	<b><u>(87,233)</u></b>
<b>Attributable to:</b>			
Owners of the Company		<b>(38,040)</b>	(87,182)
Non-controlling interests		<u><b>1,193</b></u>	<u>(51)</u>
<b>Loss for the period</b>		<b><u>(36,847)</u></b>	<b><u>(87,233)</u></b>
<b>Loss per share (HK cents)</b>			
– Basic	8	<u><b>(1.56)</b></u>	<u>(3.57)</u>
– Diluted	8	<u><b>(1.56)</b></u>	<u>(3.57)</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	Unaudited	
	For the six months ended	
	30/6/2010	30/6/2009
	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b>(36,847)</b>	(87,233)
<b>Other comprehensive income for the period</b>		
Exchange differences on translation of financial statements of overseas subsidiaries	137	1,369
Share of other comprehensive income of associates	–	2,765
	<hr/>	<hr/>
<b>Total comprehensive expense for the period</b>	<b>(36,710)</b>	(83,099)
	<hr/>	<hr/>
<b>Attributable to:</b>		
Owners of the Company	(37,978)	(83,286)
Non-controlling interests	1,268	187
	<hr/>	<hr/>
<b>Total comprehensive expense for the period</b>	<b>(36,710)</b>	(83,099)
	<hr/>	<hr/>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2010

	<i>Note</i>	<b>Unaudited At 30/6/2010 HK\$'000</b>	Audited At 31/12/2009 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		73,482	78,381
Goodwill		6,828	6,828
Intangible assets		36,010	32,526
Interest in associates		1,174,373	1,094,945
Interest in jointly controlled entities		1,531	1,362
Deposit for acquisition of properties		4,423	2,632
Deposit for acquisition of a company		60,384	60,384
Deferred tax assets		855	848
		<b>1,357,886</b>	1,277,906
<b>Current assets</b>			
Inventories		1,115	1,129
Trade and other receivables	9	23,026	15,893
Tax recoverable		75	–
Pledged bank deposits		7,718	8,273
Cash and bank balances		50,742	42,308
		<b>82,676</b>	67,603
<b>Current liabilities</b>			
Trade and other payables	10	27,339	22,097
Deferred income		449	170
Profit guarantee liabilities		9,100	9,100
Bank loan		179	–
Financial guarantee contract		12,600	12,600
Tax payable		294	33
		<b>49,961</b>	44,000
<b>Net current assets</b>		<b>32,715</b>	23,603
<b>Total assets less current liabilities</b>		<b>1,390,601</b>	1,301,509

	<b>Unaudited</b> <b>At 30/6/2010</b> <b>HK\$'000</b>	Audited At 31/12/2009 HK\$'000
<b>Non-current liabilities</b>		
Deferred income	3,743	–
Profit guarantee liabilities	23,508	32,608
Bank loan	1,318	–
Loans payables	419,332	313,754
Long-term payables	200,869	193,797
Due to a related company	21,568	20,994
Deferred tax liabilities	–	83
Financial guarantee contract	12,600	18,900
Loan from a director and controlling shareholder	70,500	47,500
	<u>753,438</u>	<u>627,636</u>
<b>Net assets</b>	<u><b>637,163</b></u>	<u>673,873</u>
<b>Capital and reserves</b>		
Share capital	24,390	24,390
Reserves	565,291	603,269
	<u>589,681</u>	<u>627,659</u>
<b>Total equity attributable to owners of the Company</b>	<b>589,681</b>	627,659
<b>Non-controlling interests</b>	<u>47,482</u>	<u>46,214</u>
	<u>637,163</u>	<u>673,873</u>
<b>Total equity</b>	<u><b>637,163</b></u>	<u>673,873</u>

*NOTES:*

**1. BASIS OF PREPARATION**

The condensed consolidated financial statements for the six months ended 30 June 2010 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2009 as contained in the Company’s Annual Report 2009.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements are denominated in Hong Kong Dollar (“HK\$”). Unless otherwise specifically stated, all amounts are presented in thousand.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the annual financial statements of the Group for the year ended 31 December 2009, except for the impact of the adoption of the new and revised Hong Kong Accounting Standards, Hong Kong Financial Reporting Standards (“HKFRSs”) and interpretations described below.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s accounting period beginning on 1 January 2010.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendments)	Group Cash-settled Shared-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

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 or revised standards, amendments and interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010 <sup>1</sup>
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosure for First-time Adopters <sup>3</sup>
HKFRS 9	Financial Instruments <sup>5</sup>
HKAS 24 (Revised)	Related Party Disclosures <sup>4</sup>
HKAS 32 (Amendments)	Classification of Rights Issues <sup>2</sup>
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement <sup>4</sup>
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011 as appropriate

<sup>2</sup> Effective for annual periods beginning on or after 1 February 2010

<sup>3</sup> Effective for annual periods beginning on or after 1 July 2010

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2011

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of the above HKFRSs upon initial application but is not yet in a position to state whether the above HKFRSs would 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 (the "CODM") for the purposes of resource allocation and performance assessment. The Group has identified the following two reportable segments:

- Cruise leasing and management business: the leasing of cruise and the provision of management services to the cruise.
- Travel business: sales of air tickets and provision of travel-related agency services.

#### (a) Segment results and assets

In accordance with HKFRS 8, segment information disclosed in these condensed consolidated financial statements has been prepared in a manner consistent with the information used by the Group's CODM for the purposes of assessing segment performance and allocating resources among segments. In this regard, the Group's CODM monitors the results and assets attributable to each reportable segment on the following bases:

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' salaries, share of result of associates, share of result of 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. In addition, 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 condensed consolidated income statement.

All assets are allocated to reportable segments other than current and deferred tax assets, interest in associates, interest in jointly controlled entities and deposit for acquisition of a company.

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 period is set out below:

	Cruise leasing and management		Travel		Total	
	Unaudited		Unaudited		Unaudited	
	For the six months ended		For the six months ended		For the six months ended	
	30/6/2010	30/6/2009	30/6/2010	30/6/2009	30/6/2010	30/6/2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	34,800	37,000	748,053	556,595	782,853	593,595
Inter-segment revenue	–	–	259	268	259	268
<b>Reportable segment revenue</b>	<b>34,800</b>	<b>37,000</b>	<b>748,312</b>	<b>556,863</b>	<b>783,112</b>	<b>593,863</b>
<b>Reportable segment profit/(loss)</b>	<b>1,131</b>	<b>1,896</b>	<b>2,582</b>	<b>(8,196)</b>	<b>3,713</b>	<b>(6,300)</b>
Interest income	5	1	2	13	7	14
Amortisation of intangible assets	–	–	(155)	(247)	(155)	(247)
Depreciation	(3,457)	(3,528)	(619)	(668)	(4,076)	(4,196)
Reversal of impairment loss on other receivable	3,821	–	–	–	3,821	–
Reversal of impairment loss on intangible assets	–	–	3,366	–	3,366	–
Impairment loss on						
– intangible assets	–	–	–	(4,441)	–	(4,441)
– goodwill	–	–	–	(2,514)	–	(2,514)
Finance costs	–	–	(402)	(347)	(402)	(347)

  

	Cruise leasing and management		Travel		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	At	At	At	At	At	At
	30/6/2010	31/12/2009	30/6/2010	31/12/2009	30/6/2010	31/12/2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Reportable segment assets	98,747	95,954	83,680	68,305	182,427	164,259



(b) Reconciliation of reportable segment revenue, profit or loss and assets

	Unaudited	
	For the six months ended	
	30/6/2010	30/6/2009
	HK\$'000	HK\$'000
<b>Revenue</b>		
Reportable segment revenue	783,112	593,863
Elimination of inter-segment revenue	(259)	(268)
	<u>782,853</u>	<u>593,595</u>
<b>Consolidated turnover</b>		
	<u>782,853</u>	<u>593,595</u>
<b>Profit/(loss)</b>		
Reportable segment profit/(loss)	3,713	(6,300)
Share of results of jointly controlled entities	169	–
Share of results of associates	(18,563)	(59,256)
Unallocated corporate income	10,652	10,575
Depreciation	(1,061)	(1,506)
Finance costs	(10,198)	(6,881)
Unallocated corporate expenses	(21,433)	(23,836)
	<u>(36,721)</u>	<u>(87,204)</u>
<b>Consolidated loss before taxation</b>		
	<u>(36,721)</u>	<u>(87,204)</u>
	<b>Unaudited</b>	<b>Audited</b>
	<b>At 30/6/2010</b>	<b>At 31/12/2009</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Assets</b>		
Reportable segment assets	182,427	164,259
Interest in associates	1,174,373	1,094,945
Interest in jointly controlled entities	1,531	1,362
Unallocated:		
– deferred tax assets	855	848
– corporate assets	81,376	84,095
	<u>1,440,562</u>	<u>1,345,509</u>
<b>Consolidated total assets</b>		
	<u>1,440,562</u>	<u>1,345,509</u>

#### 4. OTHER REVENUE AND GAINS

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2010</b>	<b>30/6/2009</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other Revenue:		
Interest income on bank deposits	13	106
Management fee income	3,414	3,437
Deferred income	2,024	1,666
Others	2,401	2,993
	<u>7,852</u>	<u>8,202</u>
Other Gains:		
Gain on disposal of property, plant and equipment	–	10
Amortisation of financial guarantee contract	6,300	6,300
Reversal of impairment loss on intangible assets	3,366	–
Reversal of impairment loss on other receivable	3,821	–
	<u>13,487</u>	<u>6,310</u>
	<u>21,339</u>	<u>14,512</u>

#### 5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

##### (a) Finance costs

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2010</b>	<b>30/6/2009</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest on other loan	1,855	–
Interest on loan from a related company	402	347
Interest paid to loan from a director and controlling shareholder	1,271	132
Effective interest on long-term payables	7,072	6,749
	<u>10,600</u>	<u>7,228</u>
Total interest expense on financial liabilities not at fair value through profit or loss		

##### (b) Staff costs

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2010</b>	<b>30/6/2009</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Salaries, wages and other benefits (including directors' emoluments)	33,234	30,735
Contributions to defined contribution retirement plan	931	378
	<u>34,165</u>	<u>31,113</u>

(c) Other items

	Unaudited	
	For the six months ended	
	30/6/2010	30/6/2009
	HK\$'000	HK\$'000
Auditors' remuneration		
– audit services	742	551
– other services	250	325
Depreciation	5,137	5,702
Amortisation on intangible assets	155	247
Operating leasing rentals of		
– properties	4,304	4,106
– plant and machinery	281	258
Impairment losses on		
– intangible assets*	–	4,441
– goodwill*	–	2,514
– interest in associates*	6,300	6,300

\* These amounts are included in “other operating expenses” on the face of the condensed consolidated income statement.

6. INCOME TAX

The taxation charge/(credit) comprises:

	Unaudited	
	For the six months ended	
	30/6/2010	30/6/2009
	HK\$'000	HK\$'000
Current tax:		
Hong Kong Profits Tax		
Underprovision in respect of prior years	17	–
Other than Hong Kong		
Charge for the period	192	29
	209	29
Deferred taxation relating to the origination and reversal of temporary differences	(83)	–
	126	29

No Hong Kong Profits Tax, in which the subsidiaries operate, has been provided for the six months ended 30 June 2010 and 2009 as the Group has no estimated assessable profits for the periods.

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

## 7. DIVIDENDS

The directors of the Company do not recommend the declaration of any interim dividend for the six months ended 30 June 2010 (for the six months ended 30 June 2009: Nil).

No dividend payable to owners of the Company attributable to the previous financial year was approved and paid during the period.

## 8. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK\$38,040,000 (for the six months ended 30 June 2009: approximately HK\$87,182,000) and on the weighted average number of approximately 2,438,964,000 ordinary shares (for the six months ended 30 June 2009: approximately 2,438,964,000 ordinary shares) in issue during the period.

### (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 period presented.

## 9. TRADE AND OTHER RECEIVABLES

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

	<b>Unaudited</b> <b>At 30/6/2010</b> <i>HK\$'000</i>	<b>Audited</b> <b>At 31/12/2009</b> <i>HK\$'000</i>
Current	<b>9,709</b>	6,722
31 to 60 days overdue	<b>863</b>	1,280
61 to 90 days overdue	<b>1,358</b>	1,589
Over 90 days overdue	<b>226</b>	81
	<hr/>	<hr/>
Trade receivables	<b>12,156</b>	9,672
Other receivables	<b>2,142</b>	1,618
Prepayment and deposits	<b>8,728</b>	4,603
	<hr/>	<hr/>
	<b>23,026</b>	15,893
	<hr/>	<hr/>

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

The Group normally allows a credit period of 30 to 60 days to customers of cruise leasing and management business (31 December 2009: 30 to 60 days) and 30 days to customers of travel business (31 December 2009: 30 days).

## 10. TRADE AND OTHER PAYABLES

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

	<b>Unaudited</b> <b>At 30/6/2010</b> <b>HK\$'000</b>	Audited At 31/12/2009 HK\$'000
Current	7,275	5,875
31 to 60 days	842	2,490
61 to 90 days	453	311
Over 90 days	460	446
	<hr/>	<hr/>
Trade payables	9,030	9,122
Accrued charges and other payables	18,309	12,975
	<hr/>	<hr/>
Financial liabilities measured at amortised cost	27,339	22,097
	<hr/>	<hr/>

All of the trade and other payables are expected to be settled within one year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Worldwide financial markets rallied in 2009, lending thrust to the global economy in the first half of 2010. The travel and gaming industries also showed a notable recovery on the back of better economic fundamentals, lending support to the Group's performance during the reviewing period. Riding on its synergistic business platform and its three-pronged strategy, the Group's operating performance continued to improve while growth was achieved in its travel business as well as its flagship investment project – Ponte 16 for the six months ended 30 June 2010.

### Results

The Group posted a turnover of approximately HK\$782.9 million for the six months ended 30 June 2010, representing an increase of approximately 32% from approximately HK\$593.6 million in the last corresponding period. Gross profit reached approximately HK\$43.8 million (2009: approximately HK\$53.3 million), while loss attributable to owners of the Company narrowed to approximately HK\$38.0 million (2009: approximately HK\$87.2 million). The reduction in loss attributable to owners of the Company was mainly due to the improved performance of Ponte 16. Loss per share was 1.56 HK cents for the reporting period, compared to loss per share of 3.57 HK cents in the first half of 2009.

Turnover from travel business was up approximately 34% to approximately HK\$748.1 million in the first half of 2010, primarily driven by the rebound in the market together with the contributions from higher-margin services such as MICE (Meeting, Incentive, Convention and Exhibition) business. During the reporting period, the Group's travel business posted a segment profit of approximately HK\$2.6 million as compared with a loss of approximately HK\$8.2 million in the last corresponding period.

Ponte 16 further strengthened its unique positioning during the reporting period and delivered a positive EBITDA\*. It also achieved a significant growth in gross gaming revenue, and outperformed Macau's industry growth. However, Ponte 16 incurred high depreciation and amortisation charges during the initial stage of its operations. The Group's shared loss of the associates relating to Ponte 16 for the reporting period amounted to approximately HK\$18.6 million (2009: approximately HK\$59.3 million).

## **Interim Dividend**

The directors of the Company ("Director(s)") do not recommend the declaration of any interim dividend for the six months ended 30 June 2010 (2009: Nil).

## **Review of Operations**

### ***Travel Business Achieved Sustainable Growth***

As the global economy gradually recovered, the Group has seen a rebound in demand for leisure and business travels. To capture the opportunities arising from these favourable market dynamics, the Group stepped up its effort in expanding its MICE business in the first half of 2010. The Group's travel business achieved approximately 34% increase in its turnover for the six months ended 30 June 2010 as compared to the corresponding period in 2009, with turnover reaching approximately HK\$748.1 million (2009: approximately HK\$556.6 million). Segment profit reached approximately HK\$2.6 million (2009: loss of approximately HK\$8.2 million, primarily arising from impairment loss of intangible assets and goodwill).

During the reporting period, after the acquisition of an 80% stake in certain travel agency companies located in Canada and the United States of America (the "Jade Travel Group") by the Company in the second half of 2008, the Jade Travel Group continued to deliver strong performance with its popular inbound and outbound tours to and from North America. The travel business also offered cross-selling opportunities to Ponte 16 and the Group's cruise business. To further enhance its competitiveness, the Jade Travel Group began to build its own online booking system to offer one-stop online travel reservation services, providing customers with flexibility and convenience when making bookings with airlines, hotels, car rental companies and travel insurance agents. The online booking system is expected to be launched in mid 2011, enabling the Group to expand its market worldwide.

### ***Stable Contribution from Cruise Business***

The cruise business remained a steady revenue contributor for the Group in the first half of 2010. Turnover from the cruise ship, M.V. Macau Success (in which the Group has a 55% interest), decreased by approximately 6% to HK\$34.8 million (2009: HK\$37.0 million). Segment profit decreased to approximately HK\$1.1 million (2009: approximately HK\$1.9 million). During the reporting period, the surge in fuel costs continued to have a negative impact on the performance in this segment.

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

## ***Investment Project, Ponte 16 – Further Strengthened its Position as a Premier Resort Destination***

Ponte 16, the world-class integrated casino-entertainment resort located in Macau's historic Inner Harbour District, enjoys a unique brand positioning, with its entertainment and cultural elements appealing to tourists around the world.

During the reporting period, Ponte 16 recorded a positive EBITDA\* and approximately 83% growth in gross gaming revenue over the corresponding period in 2009, outpacing the Macau's industry growth rate of approximately 67%. The occupancy rate of Sofitel Macau At Ponte 16 also achieved continuous growth, attributable to successful cross-selling strategies of the Group as well as effective marketing campaigns undertaken by Ponte 16.

In February 2010, Ponte 16 opened Asia's first MJ Gallery at Ponte 16 (the "Gallery") to coincide with its second anniversary. The Gallery houses over 40 rare collectibles of Michael Jackson ("MJ"), including a left hand white rhinestone glove which MJ wore when he premiered his Moonwalk dance. The Gallery is immensely popular among tourists since its opening, and has been officially recommended by the Macau Government Tourist Office as one of the city's "must-see" attractions. The Gallery has not only successfully attracted visitors from all over the world to the resort, it also further strengthened Ponte 16's unique market positioning and differentiates itself from its peers in the enclave. As an extension of the MJ theme, MJ Café at Ponte 16 was grand opened in August 2010 to offer tourists a comfortable environment for their breaks. The opening of the iconic Pier No. 16 clock tower in April 2010 also helped boost the traffic flow of Ponte 16.

To further promote Ponte 16 to the world, the resort joined hands with Julien's Auctions in May 2010 to bring to Macau a rich array of collectibles – they were belongings previously of Hollywood superstars, including MJ, "Superman" Christopher Reeve, Marilyn Monroe, Elvis Presley and Madonna. Also brought to Macau in the exhibition were costumes and props from the movie "Star Trek". These exhibits were available for public bidding in an auction held by Julien's Auctions in Las Vegas in June 2010. The cooperation with Julien's Auctions not only adds to the cultural appeal of Ponte 16, but also broadens its customer base and enhances the international image of Ponte 16 and even Macau. During the reporting period, Ponte 16 had seen a more diversified customer mix with tourists from Japan and other neighbouring countries on the rise.

As of 30 June 2010, the casino has 109 gaming tables, 89 of which are mass gaming tables, eight are high-limit tables and 12 are VIP tables.

Leveraging the synergy created by the extensive office network of the Group's travel platform, the Group also stepped up its marketing effort in the Mainland China, as well as forged the cooperation with various airlines and tour operators in China to provide different travel packages to draw visitors to Ponte 16. The initiatives have achieved initial success, as proven by the increased gross gaming revenue and rising hotel occupancy rate.

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

Sofitel Macau At Ponte 16 has continued to attract luxury travel guests with its world-class services and facilities. The VIP mansions of the hotel have been very popular with customers since its opening in the second half of 2009. As a testimony to its excellent services and amenities, Sofitel Macau At Ponte 16 was named one of the “Top 25 Hotels in Hong Kong, Macau and Taiwan” by TripAdvisor “Travelers’ Choice 2010”, and “The Best Macau Presidential Suites” by Hurun Presidential Awards 2009.

## **Financial Review**

### ***Liquidity, Financial Resources and Gearing***

As at 30 June 2010, the Group had net current assets of approximately HK\$32.7 million (31 December 2009: approximately HK\$23.6 million) and net assets of approximately HK\$637.2 million (31 December 2009: approximately HK\$673.9 million).

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny (“Mr. Yeung”), 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 to 30 October 2012 by a letter agreement dated 23 June 2010. During the reporting period, the Company had utilised the loan facility in the amount of HK\$70.5 million (31 December 2009: HK\$47.5 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 cashflow requirements of Pier 16 – Property Development and its subsidiaries. As at 30 June 2010, the Company had utilised the Revolving Credit Facility in the amount of HK\$220 million (31 December 2009: HK\$132 million).

As at 30 June 2010, Jade Travel Ltd. (“Jade Travel, Canada”), an 80% owned subsidiary of the Company which was incorporated in Canada, was granted a secured bank loan which carries a fixed interest rate and the loan shall be repayable by consecutive monthly instalments. The proceed of the loan was to finance the renovation cost for the newly acquired properties of Jade Travel, Canada. As at 30 June 2010, the outstanding loan was approximately HK\$1.5 million (31 December 2009: Nil).

Apart from the aforesaid loans, as at 30 June 2010, the Group had interest-bearing loan from a related company of approximately HK\$21.6 million (31 December 2009: approximately HK\$21.0 million). The loan is unsecured and charged with interest at the rate of 4% per annum and has no fixed terms of repayment. As at 30 June 2010, there were loans from



shareholders of non-controlling interests of approximately HK\$10.1 million (31 December 2009: approximately HK\$10.0 million) and other loans payables of approximately HK\$189.2 million (31 December 2009: approximately HK\$171.7 million). The loans are interest-free, unsecured and will not be repaid within the next twelve months.

Total equity attributable to owners of the Company as at 30 June 2010 was approximately HK\$589.7 million (31 December 2009: approximately HK\$627.7 million). Accordingly, the gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over equity attributable to owners of the Company, was approximately 53% as at 30 June 2010 (31 December 2009: approximately 32%).

### ***Provision of Financial Assistance to Pier 16 – Property Development***

Reference was made to the announcement dated 25 June 2010 issued by the Company, additional shareholder's loans in the total amount of approximately HK\$105.5 million had been provided to Pier 16 – Property Development during the reporting period, which were mainly to finance the construction cost of and the repayment of indebtedness by Pier 16 – Property Development.

### ***Pledge of Assets***

As at 30 June 2010, the Group had secured the following assets:

- (a) the Group pledged the time deposits of approximately HK\$7.7 million (31 December 2009: approximately HK\$8.3 million) to certain banks for the issuance of several bank guarantees and a standby letter of credit facility of approximately HK\$9.7 million (31 December 2009: approximately HK\$10.2 million) for the operations of the Group;
- (b) World Fortune Limited, a subsidiary of the Company, pledged all (31 December 2009: 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 2009: 51%) of the entire issued share capital from time to time of Favor Jumbo Limited, a 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 property with carrying amount of approximately HK\$1.5 million was pledged to a bank to secure a bank loan to Jade Travel, Canada.

### ***Contingent Liabilities***

As at 30 June 2010, 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 2009: HK\$1,600 million). The maximum guarantee amount borne by the Company was HK\$860 million (31 December 2009: HK\$860 million). The total loan outstanding for the syndicated loan facilities of the associate as at 30 June 2010 was HK\$920 million (31 December 2009: HK\$1,040 million).

## **Human Resources**

As at 30 June 2010, the Group had a total of 415 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, global economic growth is expected to take hold amid signs of a global recovery, with US interest rates staying at historic low levels underpinning asset prices worldwide. The Macau Government's recent decision to cap the number of gaming tables will help to create a healthy environment for the long-term development of the gaming and entertainment industry. However, industry competition in Macau remains intense. Therefore, the Group will take a positive yet cautious stance in the second half of 2010.

The Group's travel business is expected to keep an upward trend along with the steady recovery in the market. In the wake of China granting Canada "Approved Destination Status", new business opportunities have been opened up for the Group, and networking efforts are already underway to identify business partners with good creditability in China to channel business to the Jade Travel Group. The Group will also focus on expanding its foothold into the China market and forge cooperation with China's tour operators to enable cross-selling to Ponte 16 and its cruise business.

China is receiving a new round of international attention as an investment and trade destination in the wake of the country's economic resilience to the impact of the global financial meltdown. Due to Macau's proximity to China, it is expected that more business travel to flow through to Macau. More resources will be devoted to expand the Group's MICE business. The Group has been proactively liaised with convention centres around the globe to capture business opportunities. With the improving global economy, management believes that the MICE market will continue to grow and bring in new revenue for the Group.

For the cruise business, the Group will continue to streamline its operations to enhance efficiency and profitability.

With regard to the Group's flagship investment project – Ponte 16, the traffic flow and occupancy rate are expected to improve further along with the growing number of visitors around the globe to visit the Gallery. In view of the successful launch of the Gallery, Ponte 16 will continue to explore new Hollywood elements to further consolidate its unique market positioning as a tourist hot spot in Macau. In October 2010, Julien's Auctions' first ever pop culture auction in Asia will take place at Ponte 16, featuring items from legendary figures including MJ, Madonna, Elvis Presley and Bruce Lee etc. Ponte 16 will continue to partner with Julien's Auctions to organise pop culture auctions regularly to further enhance its brand awareness worldwide.

Ponte 16 will also concentrate on optimising the customer mix to increase the profitability of its operations. In order to broaden the customer base of Ponte 16, the Group is in negotiation with various airlines and tour operators to offer travel packages to customers worldwide including North America and Asia, bringing more visitors to its resort and casino.

With the additional eight gaming tables in the casino's VIP hall since the third quarter of 2010, it is expected that the growth momentum of the gross gaming revenue would be maintained in the second half of 2010. Ponte 16 will also introduce multi-games electronic gaming machine platform to cater to different customers' preferences and to maximise the utilisation of gaming floor space.

With the positive economic outlook and favourable government policies in Macau, as well as the strengthened business platform and strategic business plans of the Group, the management is cautiously optimistic about the prospects of the Group and is confident that the Group is well-positioned to capture opportunities ahead thus delivering favourable returns to the shareholders of the Company.

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

During the six months ended 30 June 2010, 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 six months ended 30 June 2010.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim results for the six months ended 30 June 2010 have been reviewed by the audit committee of the Company and HLB Hodgson Impey Cheng, the auditors of the Company, 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.

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

Hong Kong, 27 August 2010

*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, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann.*