ANNUAL REPORT 2014

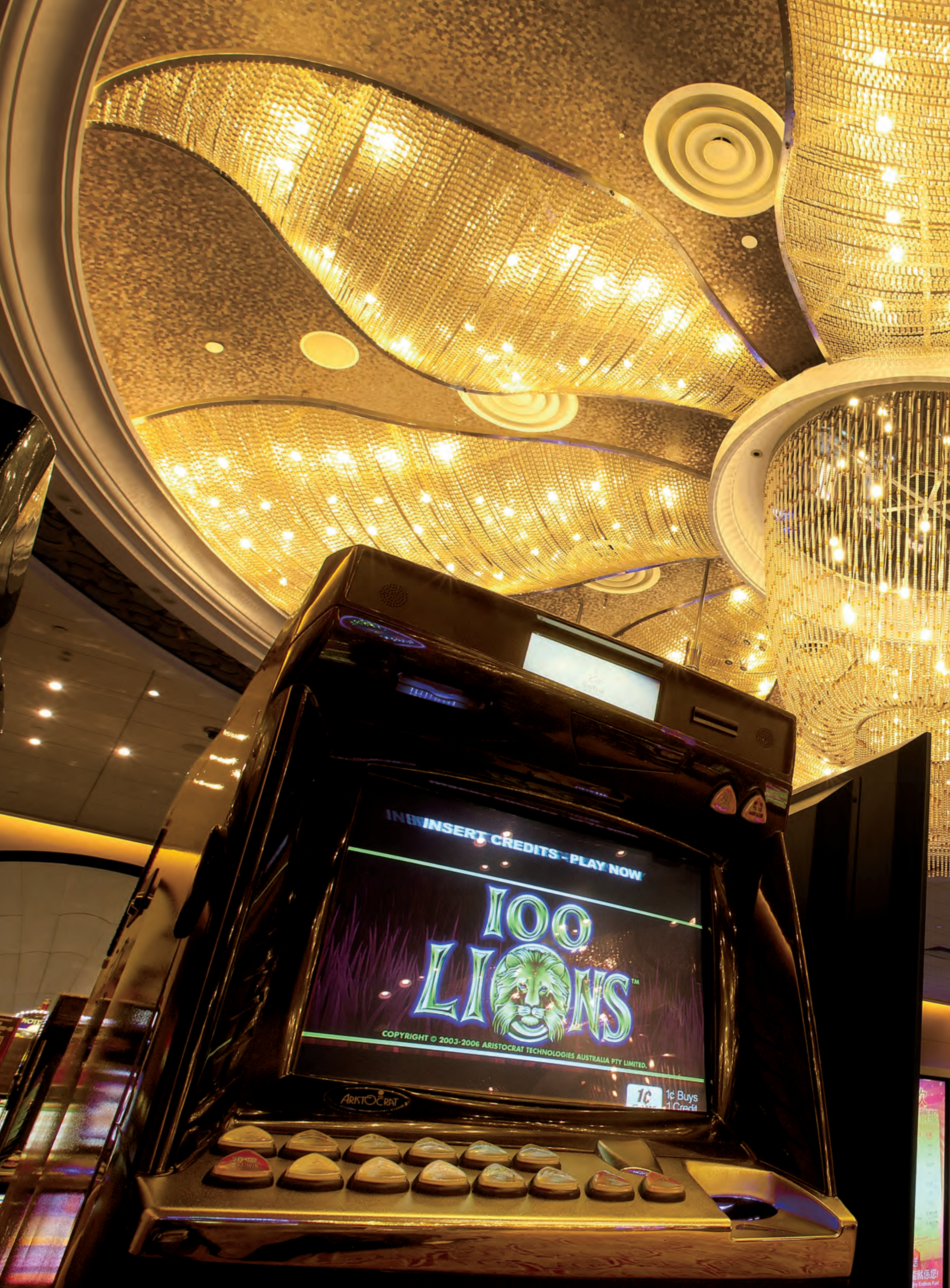
SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

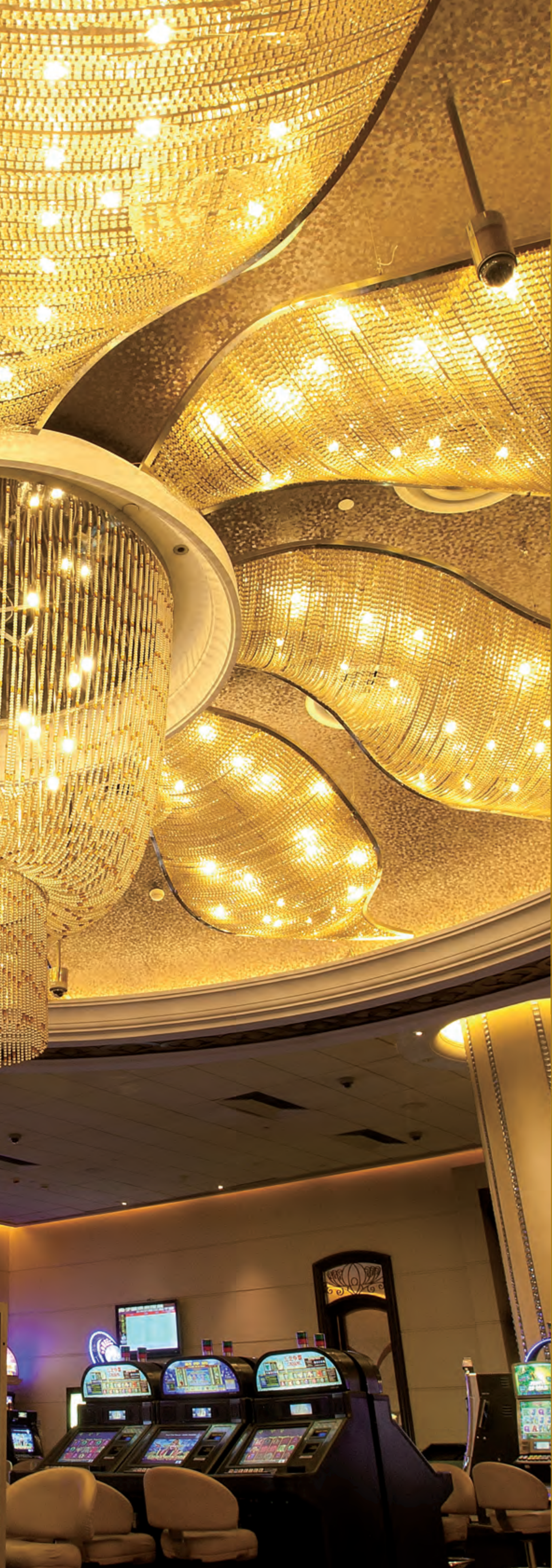
SUCCESS

(Incorporated in Bermuda with limited liability)

Stock Code: 00487

UNLEASHING
GROWTH POTENTIAL

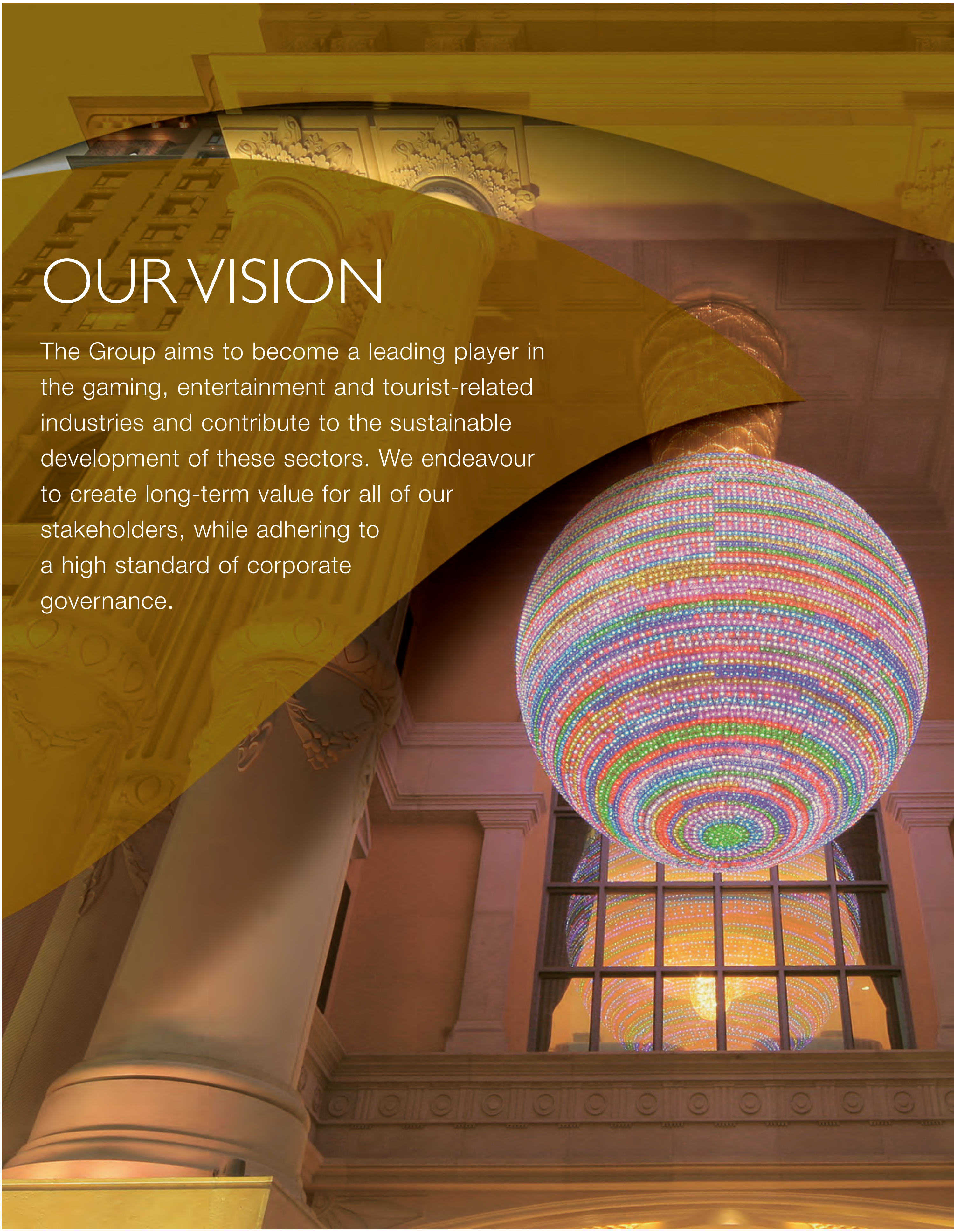

INSERT CREDITS - PLAY NOW
100 LIONS
COPYRIGHT © 2003-2006 ARISTOCRAT TECHNOLOGIES AUSTRALIA PTY LIMITED.
ARISTOCRAT
1¢ Buys
1 Credit



CONTENTS

OUR VISION

The Group aims to become a leading player in the gaming, entertainment and tourist-related industries and contribute to the sustainable development of these sectors. We endeavour to create long-term value for all of our stakeholders, while adhering to a high standard of corporate governance.



CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*

Non-executive Director

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors

Ms. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose
Mr. Chong Ming Yu

Company Secretary

Ms. Chiu Nam Ying, Agnes

Financial Controller

Mr. Wong Chi Keung, Alvin

Authorised Representatives

Dr. Ma Ho Man, Hoffman
Ms. Chiu Nam Ying, Agnes

Audit Committee

Mr. Chin Wing Lok, Ambrose *(Chairman)*
Mr. Choi Kin Pui, Russelle
Ms. Yeung Mo Sheung, Ann
Mr. Chong Ming Yu

Remuneration Committee

Ms. Yeung Mo Sheung, Ann *(Chairman)*
Mr. Yeung Hoi Sing, Sonny
Mr. Choi Kin Pui, Russelle
Mr. Chin Wing Lok, Ambrose
Mr. Chong Ming Yu

Nomination Committee

Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Mr. Choi Kin Pui, Russelle
Ms. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose
Mr. Chong Ming Yu

Executive Committee

Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Dr. Ma Ho Man, Hoffman

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Advisers on Hong Kong Laws

Iu, Lai & Li

Legal Advisers on Bermuda Laws

Conyers Dill & Pearman

Principal Bankers

Chong Hing Bank Limited
Industrial and Commercial Bank of China (Canada)
Royal Bank of Canada
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

Principal Share Registrar and Transfer Agent in Bermuda

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

Suite 1601-2 & 8-10, 16/F.
Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Share Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 00487

Website

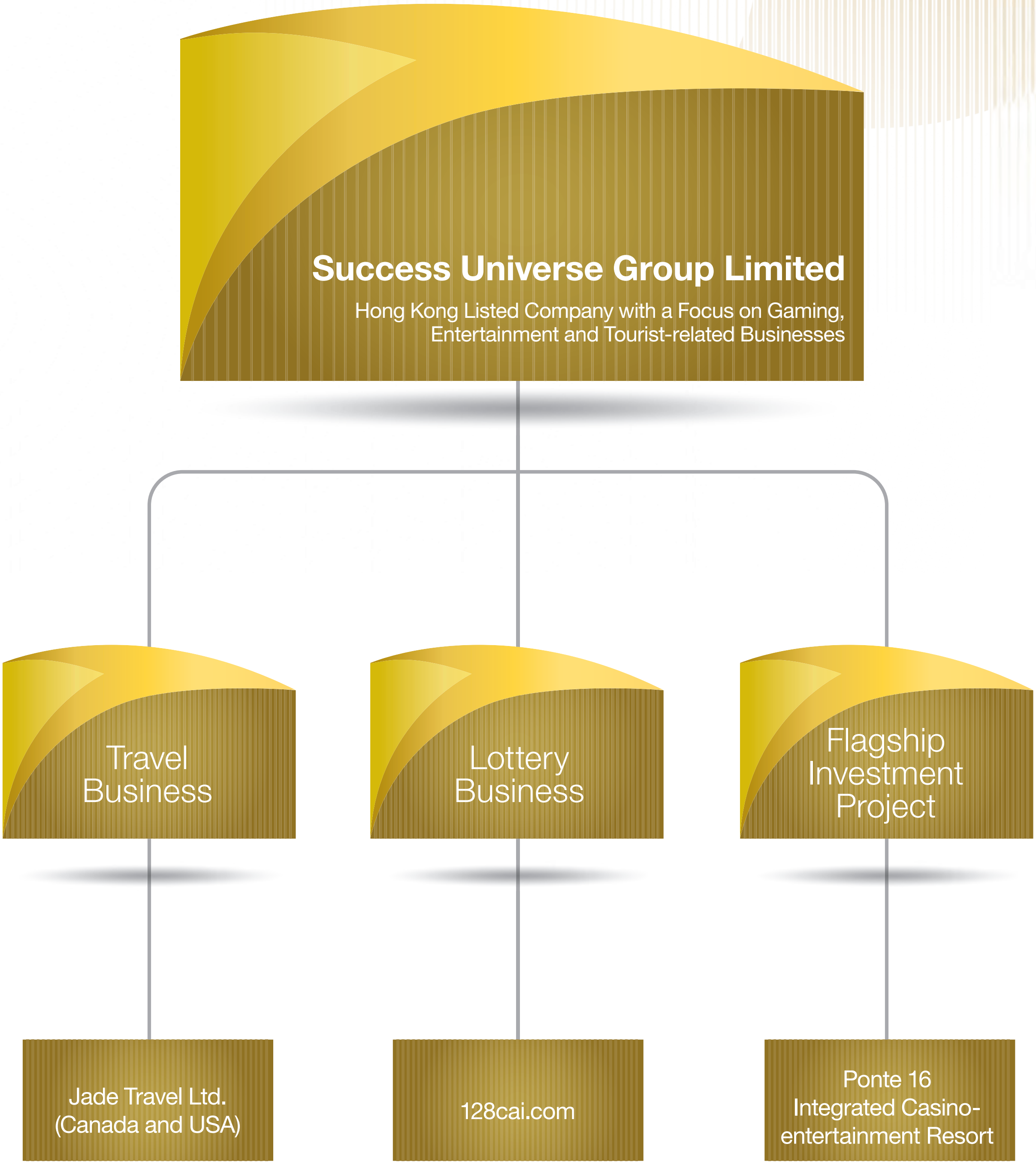
www.successug.com

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2014	2013	2012
	HK$'000	HK$'000	HK$'000
RESULTS			
CONTINUING OPERATIONS:			
Turnover			
Travel	**1,103,544**	1,430,182	1,543,924
Lottery	**201,125**	70,600	10,654
	1,304,669	1,500,782	1,554,578
Loss from operations	**(12,761)**	(30,698)	(30,498)
Share of results of assoicates	**88,047**	51,014	9,383
DISCONTINUED OPERATION:			
Profit after taxation from discontinued operation:			
Cruise ship leasing and management	**44,312**	475	2,872
Profit/(loss) for the year	**117,782**	12,245	(37,977)
Profit/(loss) attributable to owners of the Company	**96,890**	18,644	(33,034)

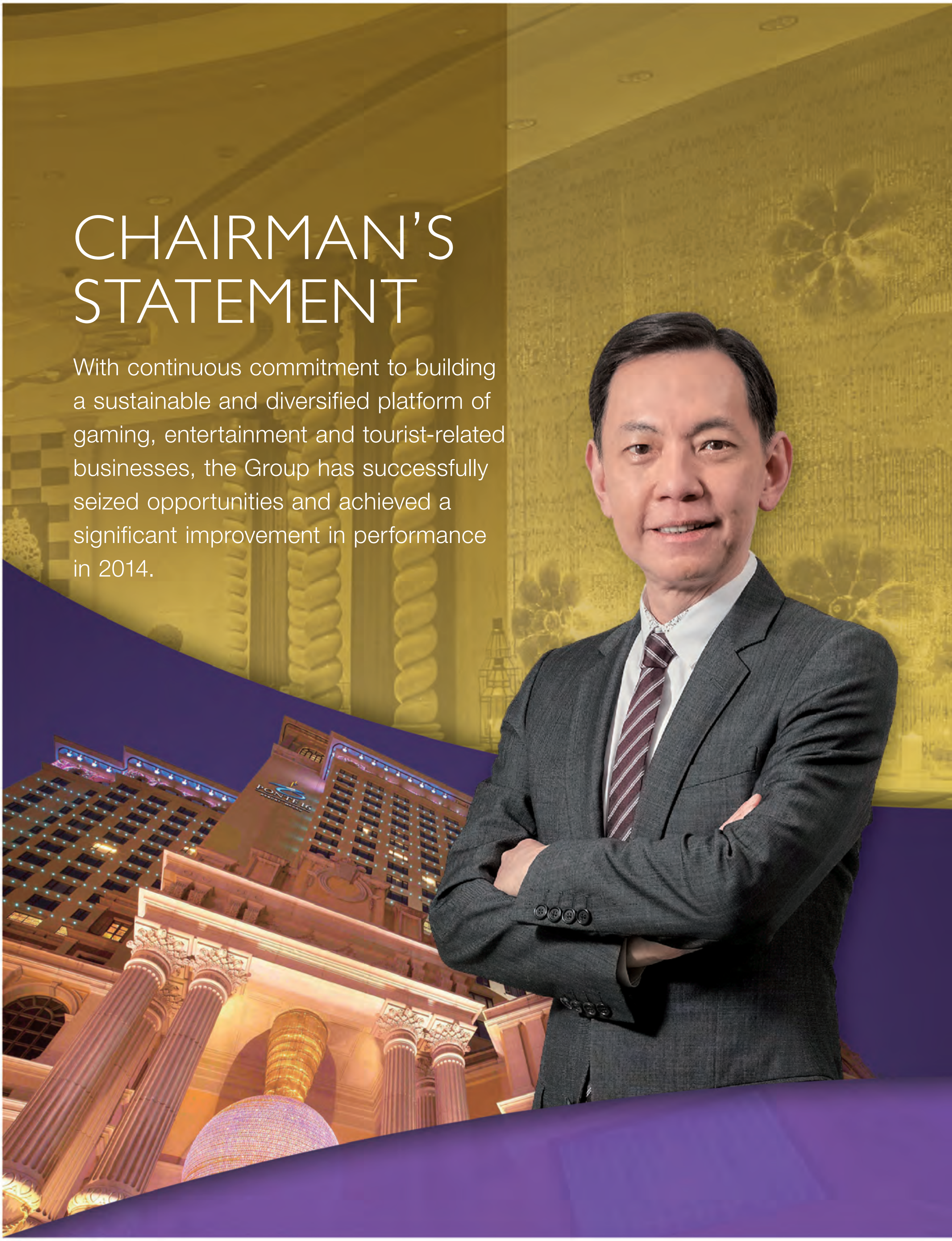
	At 31 December		
	2014	2013	2012
	HK$'000	HK$'000	HK$'000
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Total assets	**1,205,737**	1,199,307	1,343,771
Total liabilities	**116,170**	189,758	577,776
Net assets	**1,089,567**	1,009,549	765,995

GROUP STRUCTURE



CHAIRMAN'S STATEMENT

With continuous commitment to building a sustainable and diversified platform of gaming, entertainment and tourist-related businesses, the Group has successfully seized opportunities and achieved a significant improvement in performance in 2014.



CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the board of directors (the "Board") of Success Universe Group Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014.

ENCOURAGING RESULTS GENERATED BY DUAL GROWTH DRIVERS

The Group witnessed 2014 as a year of both challenges and opportunities. Despite the moderation in its economic growth during the reporting year, China economy is expected to stabilise further with the focus of economic development shifting from speed to quality, which led to a more balanced growth and the continuous development in gaming and tourist-related industries in Greater China in the long run.

Coupled with its pioneering position and solid foundation in the gaming, entertainment and tourist-related industries, the dual growth drivers of the Group, namely the lottery business in China and the flagship investment project – Ponte 16 in Macau were able to capture the opportunities and continued to deliver encouraging performance in 2014.

Recognising the consistent growth and achievements of the lottery business and the flagship investment project, the Group remains confident in their prospects over the medium to long term. With these robust foundations, the Group is well-positioned to materialise the goal of becoming a leading player in the gaming, entertainment and tourist-related industries in the Asia-Pacific region.

STRENGTHENED OUR DIVERSIFIED PLATFORM

2014 was a stellar year for the Group's lottery business in China that reached another milestone. Driven by the FIFA World Cup 2014 and the continuing strong growth momentum of the overall lottery market in China, the Group achieved remarkable results during the reporting year. Our technology service platform for sports lottery has generated impressive revenue while being proven to be reliable and capable of handling massive volume of transactions during the World Cup event. Our specialised online portal – 128cai.com has established itself as a distinguished website for lottery information and game analysis through years of marketing efforts.

On top of the sports lottery business, we have successfully ventured into telephone agency sales services of welfare lottery in Shanghai and Tianjin during the reporting year. The welfare lottery market is a bigger segment amounting to approximately RMB206.0 billion which accounted for approximately 54% of total China lottery sales in 2014. With reference to our previous achievements in sports lottery, we are confident to replicate our success in sports lottery to the newly expanded welfare lottery.

As part of the Group's continuous corporate social responsibility initiative, we made a sponsorship to the ice sports programme of Heilongjiang province. This not only fulfilled our belief in giving back to the communities where we operate our business, but also helped to enhance the Group's brand image.

SOLIDIFIED THE UNIQUE POSITION OF PONTE 16

During the reporting year, a number of policy changes were induced that have expedited the ongoing structural change towards the mass market in gaming and tourism industries of Macau, while such trend was in line with the Group's vision to target the emerging middle class from China and Southeast Asian countries who are in pursuance of deep and all-inclusive travel experience.

While the overall gross gaming revenue recorded its first annual decline, the growth of the mass segment (including slot machines) remained uninterrupted by rising approximately 14% year-on-year in 2014. This reveals a change in travel and spending pattern of visitors, which could also be illustrated by their increasing spending on non-gaming activities. Owing to its unique position as the only integrated resort located in the Inner Harbour of Macau, Ponte 16 has captured the opportunities arisen from the structural change in the market by offering comprehensive entertainment experience and proactive marketing effort, and thus achieved encouraging results amidst all the external uncertainties in 2014.

With its world-class services and facilities, Sofitel Macau At Ponte 16 delivered promising performance with increased room rates and occupancies during the reporting year. With the opening of Pier 16 Macau 3D World in mid-2015, we will continue to enhance its entertainment mix and strive to secure Ponte 16's position as the preferred destination for travellers seeking in-depth travel and entertainment experience in Macau.

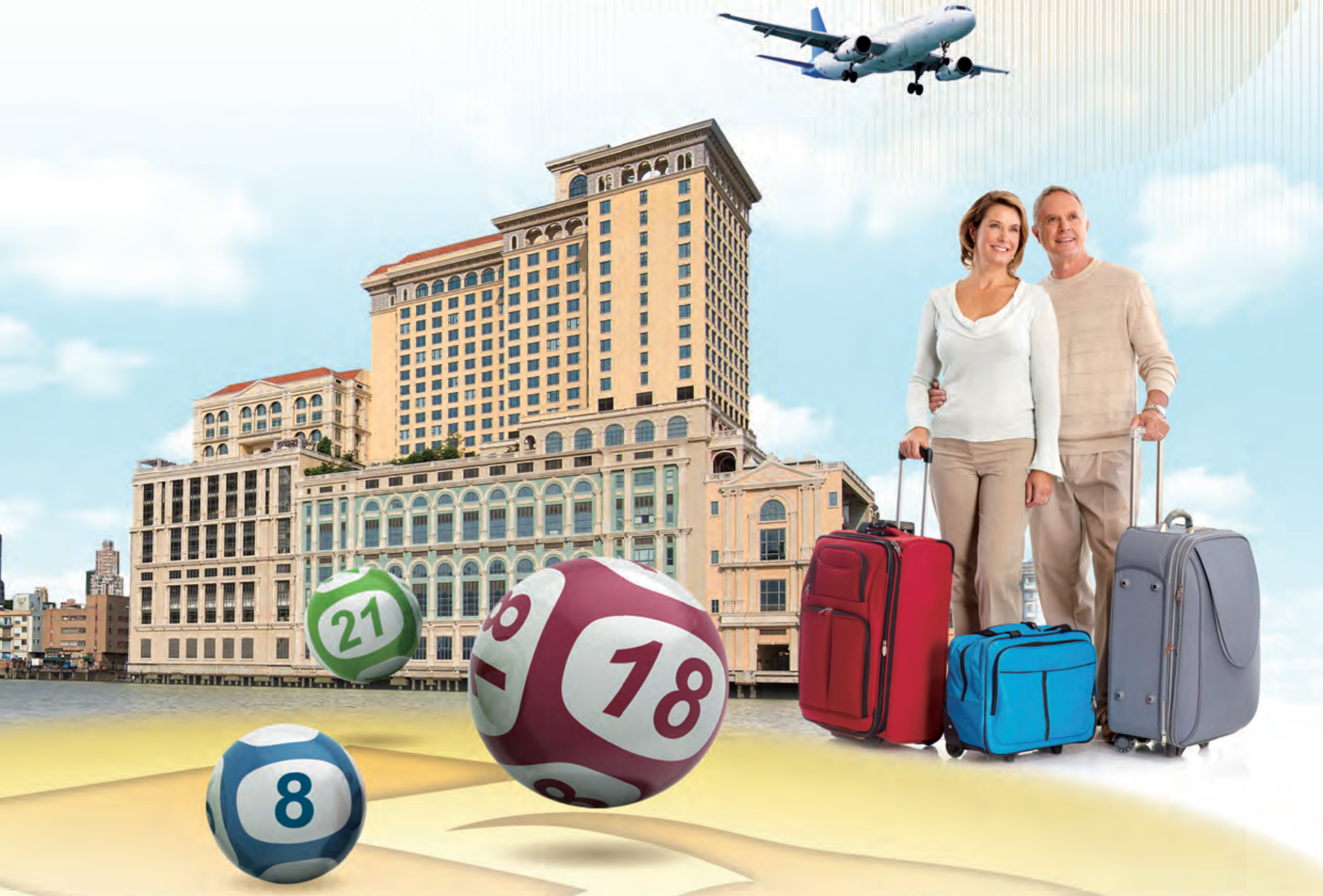
APPRECIATION

I would like to express my sincere gratitude to our shareholders, customers and business partners for their continuous support, and thank my fellow directors for their dedication and insights. May I also extend my sincere thanks to our staff at all levels, as the Group's achievements would not have been possible without their commitment and hard work. We will seek to recruit, reward and retain talents in the Group for both corporate development and employee growth in the long run.

Yeung Hoi Sing, Sonny
Chairman

Hong Kong
30 March 2015

BUSINESS HIGHLIGHTS

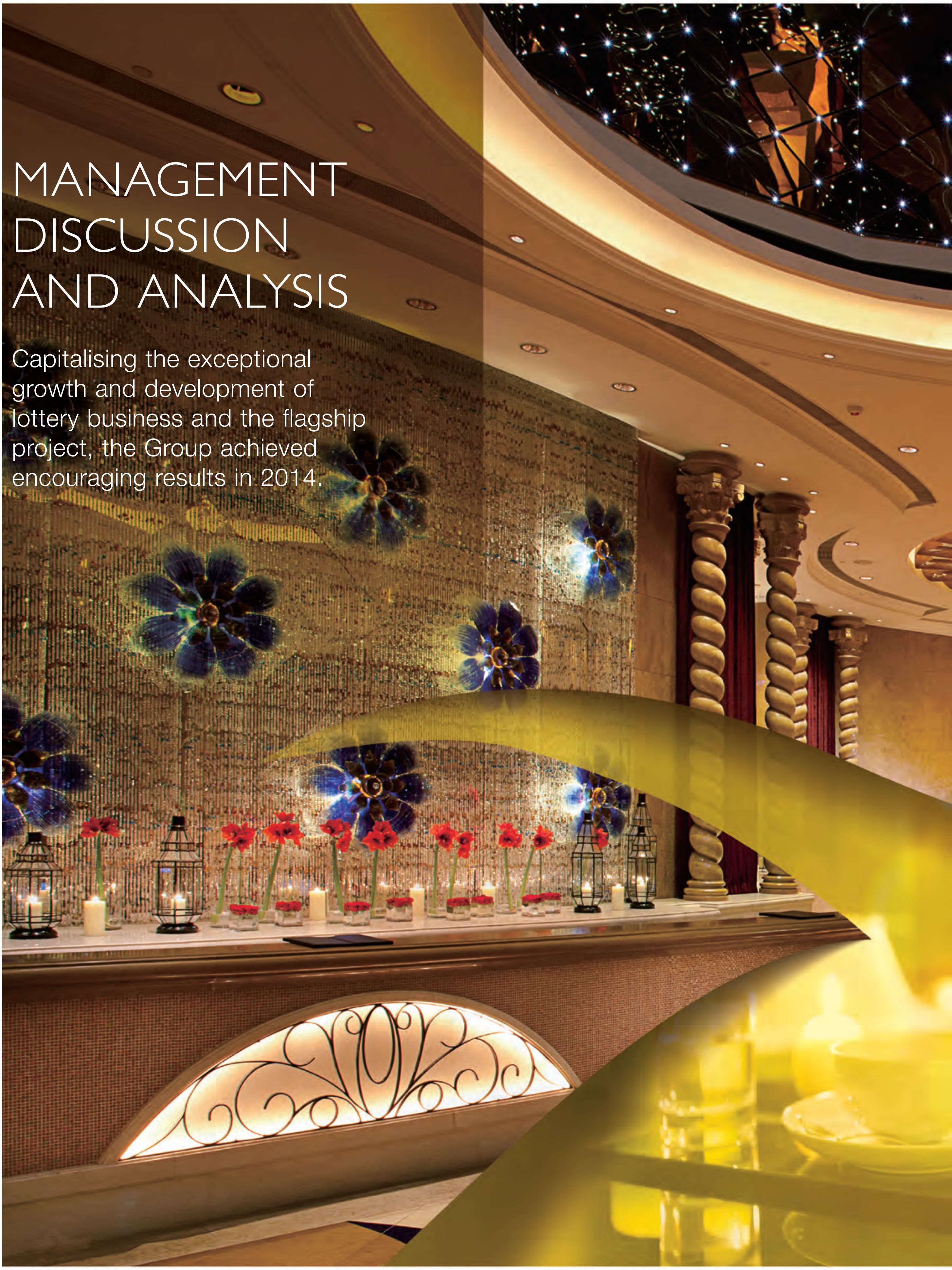


- Turnover from continuing operations achieved approximately HK$1,304.7 million for 2014
- Gross profit from continuing operations increased by approximately 168% to approximately HK$82.7 million for 2014 which was mainly due to the improved performance of the Group's lottery business
- Profit attributable to owners of the Company realised approximately HK$96.9 million, representing a substantial increase of approximately 420% year-on-year
- Earnings per share from continuing operations was 1.48 HK cents for 2014
- Adjusted EBITDA* of the flagship investment project Ponte 16 increased by approximately 19% year-on-year to approximately HK$461.0 million. Shared profit relating to Ponte 16 amounted to approximately HK$88.1 million, representing approximately 73% year-on-year growth
- Stimulated by the FIFA World Cup 2014, the Group's lottery business achieved an encouraging result. Its revenue increased by approximately 185% year-on-year to approximately HK$201.1 million for 2014 and a segment profit of approximately HK$24.5 million for 2014 was recorded, representing a turnaround from a loss in 2013

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

MANAGEMENT DISCUSSION AND ANALYSIS

Capitalising the exceptional growth and development of lottery business and the flagship project, the Group achieved encouraging results in 2014.



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

2014 was a year of encouraging performance and consistent growth for the Group, which continued to strengthen its market position as one of the major players in gaming, entertainment and tourist-related industries in the Asia-Pacific region.

The dual growth drivers of the Group, namely the lottery business in China and Ponte 16, the flagship investment project in Macau, continued to propel forward in their specific industries and made significant contributions to the Group for the year ended 31 December 2014. Driven by the global event FIFA World Cup 2014, the Group's lottery business in China recorded a substantial growth with its loyal client network and extensive business coverage; Ponte 16 also achieved a progressive growth by leveraging its successful branding and unique positioning in the gaming and hospitality market in Macau.

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

RESULTS

Profit attributable to owners of the Company of approximately HK$96.9 million (2013: approximately HK$18.6 million) was recorded for 2014, representing an increase of approximately 420%, which was mainly due to the improved performance of the Group's lottery business and Ponte 16 together with a gain recognised from the Disposal (as defined hereinafter) during the reporting year. Earnings per share for 2014 was 1.97 HK cents (2013: 0.42 HK cents).

Continuing Operations

For the year ended 31 December 2014, the Group recorded a turnover of approximately HK$1,304.7 million, decreased by approximately 13% from approximately HK$1,500.8 million for the same period of 2013. Gross profit amounted to approximately HK$82.7 million, increased by approximately 168% from approximately HK$30.9 million for the same period of 2013. The increase was mainly due to the improved performance of the Group's lottery business. Shared profit of the associates relating to Ponte 16 for the year ended 31 December 2014 was approximately HK$88.1 million, increased by approximately 73% as compared with approximately HK$51.0 million for 2013. Earnings per share for 2014 was 1.48 HK cents (2013: 0.41 HK cents).

Discontinued Operation

Reference was made to the Company's announcement dated 2 July 2014 in relation to the disposal of the cruise ship, "Macau Success" (the "Disposal") at a consideration of HK$93.0 million. The Disposal was completed in August 2014 and a gain of approximately HK$45.2 million was recognised by the Group.

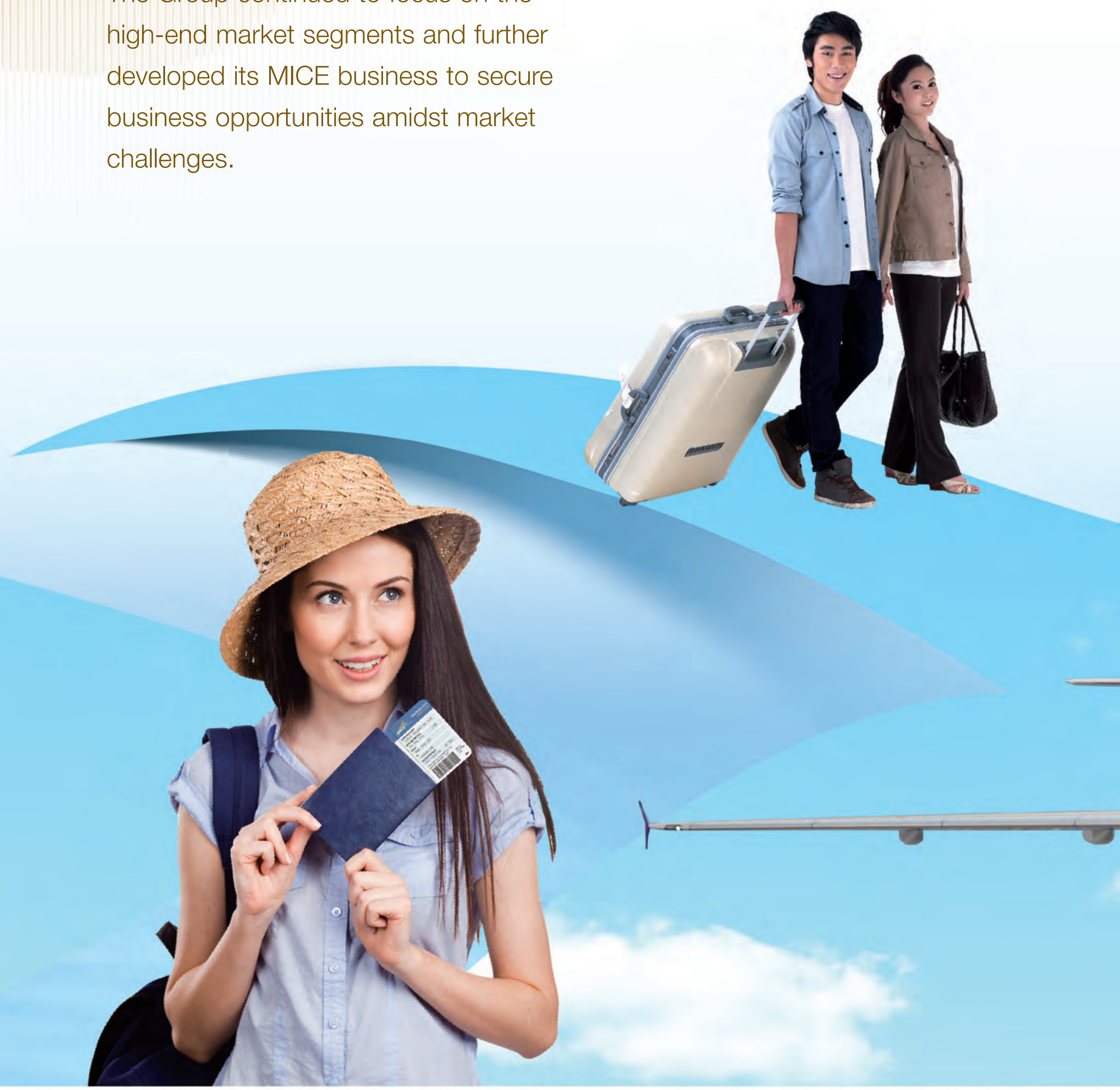
In 2014, turnover from the cruise ship was approximately HK$56.1 million (2013: approximately HK$84.0 million) and the segment profit was approximately HK$44.3 million (2013: approximately HK$0.5 million), including the gain of approximately HK$45.2 million on the Disposal as mentioned above. Profit attributable to the owners of the Company from the discontinued operation of approximately HK$24.4 million (2013: approximately HK$0.3 million) was recorded for the reporting year. The operation of the cruise ship business was discontinued at the end of 2014.

DIVIDENDS

No interim dividend was paid in 2014 (2013: nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the year ended 31 December 2014 (2013: nil).

TRAVEL BUSINESS

The Group continued to focus on the high-end market segments and further developed its MICE business to secure business opportunities amidst market challenges.



REVIEW OF OPERATIONS

Travel Business

The Group operates one of the largest travel agencies in North America through the Company's indirect non-wholly owned subsidiaries incorporated in Canada and New York respectively (collectively "Jade Travel"). The Group targets the high-end MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller) segments to provide services such as travel packages and arrangements.

Even though the economy in the United States of America ("USA") had shown signs of recovery in 2014, the industry competition was intense. This had virtually led to prolonged financial difficulties in a number of downstream travel agencies in the market. Under such circumstance, turnover of the segment recorded approximately HK$1,103.5 million for 2014 (2013: approximately HK$1,430.2 million). Loss in this segment posted approximately HK$27.4 million (2013: approximately HK$16.1 million) including an impairment loss on intangible assets of approximately HK$16.4 million and bad debts written off of approximately HK$2.2 million (2013: impairment loss recognised on certain assets of approximately HK$2.8 million and bad debts written off of approximately HK$0.4 million) which were recognised for the reporting year.

In March 2014, the Company increased its effective beneficial interests in Jade Travel from 80% to approximately 85% following the repurchase of shares by an intermediate holding company of Jade Travel from one of its then non-controlling shareholders.

LOTTERY BUSINESS

The Group's lottery business recorded a turnaround in 2014 by capturing business opportunities with its well-established sports lottery sales agency services network during the FIFA World Cup 2014 event.

Lottery Business

The Group has a well-established sports lottery sales agency services network covering Jiangxi, Qinghai and Heilongjiang provinces in China. In 2014, the Group has successfully expanded into the welfare lottery market to provide the telephone agency sales services in Shanghai and Tianjin in China.

In 2014, the growth pace of the China lottery industry remained buoyant. Lottery sales in China grew by approximately 24% year-on-year to approximately RMB382.4 billion. Amongst which, sports lottery sales surged by approximately 33% to approximately RMB176.4 billion; this strong sales growth was mostly attributable to the FIFA World Cup 2014 that started in June 2014. Welfare lottery sales increased by approximately 17% to approximately RMB206.0 billion.

Seizing the booming market growth, the Group introduced a broadcasting channel during the FIFA World Cup 2014 to provide football commentary on its specialised online portal 128cai.com. In addition, the Group has also organised a variety of football related promotional campaigns via a well-known social media application, WeChat. Through these strategic marketing programmes, the Group has successfully boosted up their revenue from sports lottery sales agency services during the FIFA World Cup 2014 event.

As a result, turnover for the lottery business amounted to approximately HK$201.1 million for the year ended 31 December 2014, representing an increase of approximately 185% as compared with approximately HK$70.6 million for the last corresponding year. Accordingly, an encouraging segment profit of approximately HK$24.5 million was recorded, representing a turnaround from the loss of approximately HK$13.4 million in 2013.

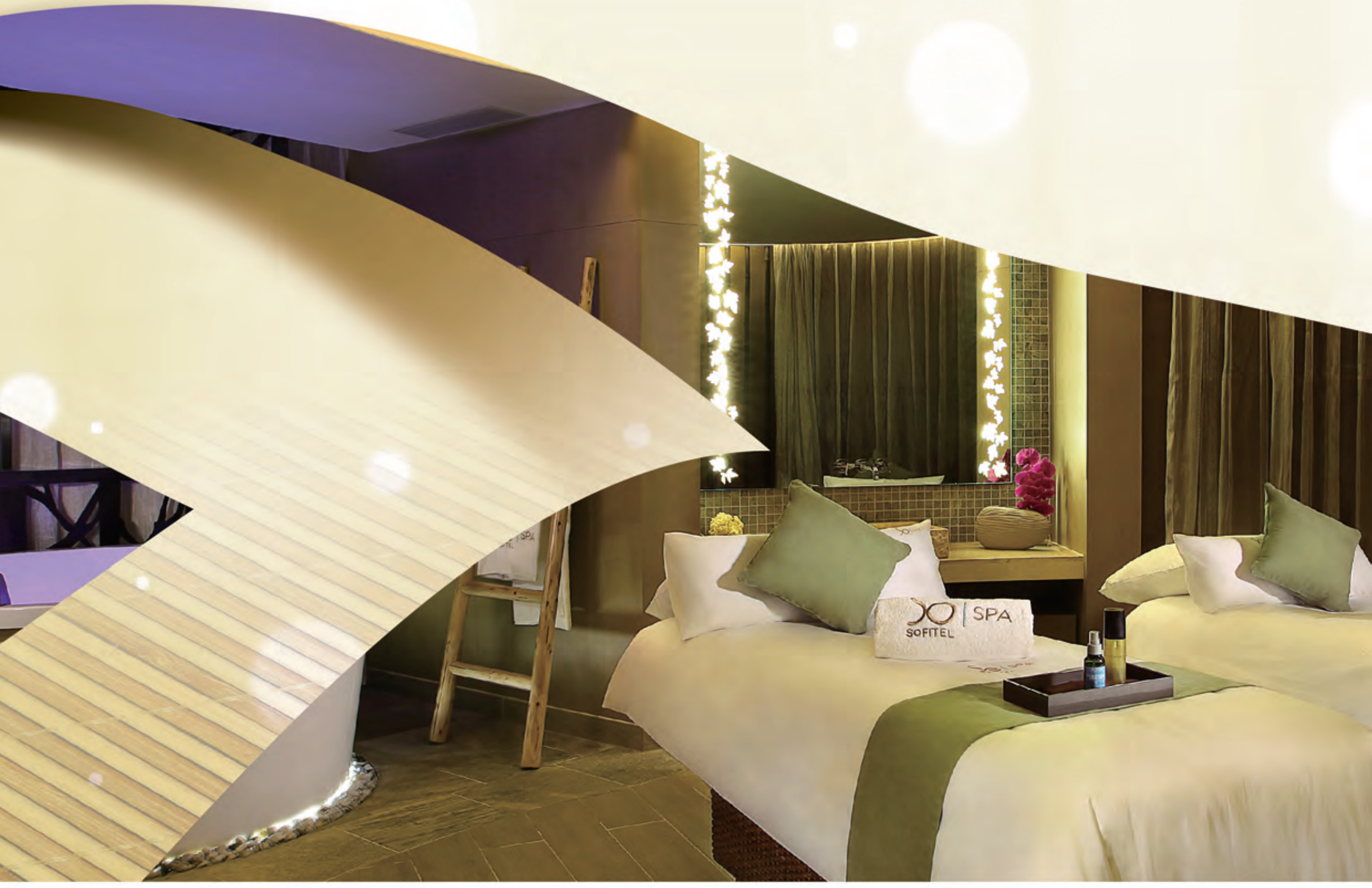
The global event FIFA World Cup 2014 not only brought additional revenue from sports lottery sales agency services to the Group, it also proved the capability of the Group's lottery service system and network in handling massive transaction volume during the event. Since then, the Group has earned and maintained a reputation for being a trusted and reliable lottery sales agent for its business partners and lottery players.

Starting from 2014, the Group has cooperated 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 mobile internet lottery sales agency services of the Group. Leveraging on the extensive customer network and technological expertise of CNLive and Rejoy Culture, this collaboration has reinforced the sales agency services and distribution capability of the Group in the mobile internet industry.

For the new venture in telephone agency sales services in Shanghai and Tianjin, the Group invested in building a brand new technology service platform for the welfare lottery in 2014. The platform is currently under trial run and the final testing stage is expected to be completed in the first half of 2015. The Group is confident that this new business line will soon make positive contributions to its revenue.

INVESTMENT PROJECT — PONTE 16

The Group's flagship investment project – Ponte 16 outperformed the Macau gaming market due to its effective strategies that captured the growing mass market.



Investment Project — Ponte 16

Ponte 16, the flagship investment project of the Group, is a world-class integrated casino-entertainment resort in Macau. The resort is famous in old town which is next to the Macau's World Heritage Site in the exclusive Inner Harbour and is surrounded by prolific culture and history of Macau. Equipped with a wide range of leisure and entertainment facilities, Ponte 16 has become a favourable resort for both tourists and families.

Regardless of the bustling operating environment in previous years, the Macau gaming industry has recorded a noticeable slowdown since the second half of 2014. During the reporting year, Macau gross gaming revenue dropped by approximately 3% year-on-year to approximately MOP351.5 billion, despite the fact that the total number of visitors travelling from China to Macau increased by approximately 14% year-on-year to approximately 21.3 million. The decrease in the gross gaming revenue was mainly due to the drop in the VIP segment, which declined by approximately 11% year-on-year, while that of the mass segment (including slot machines) in fact increased by approximately 14% year-on-year. This reflected a structural change in the composition of the tourists to Macau and the trend was partly speeded up by a number of new policies implemented during the reporting year, including tighter controls on spending with UnionPay cards, restriction on transit visa and so on.

In virtue of the acceleration of the structural change, Ponte 16 timely implemented effective strategies to capture the growing mass market, which comprised China's emerging middle class and the new generation travellers from the Asia-Pacific region. With its vision and efficient execution, Ponte 16 outperformed the market by achieving an Adjusted EBITDA* of approximately HK$461.0 million for the year ended 31 December 2014, representing an increase of approximately 19% year-on-year (2013: approximately HK$387.3 million).

As at 31 December 2014, the casino of Ponte 16 had 109 gaming tables, 88 of which were mass gaming tables, 11 were high-limit tables and 10 were VIP tables. Average occupancy rate of Sofitel Macau At Ponte 16 stayed at over 90% in 2014.

To cater the spending pattern of the new generation travellers, Ponte 16 has been pursuing a more comprehensive entertainment mix by actively seeking new and diverse elements. In the beginning of 2014, Ponte 16 opened a new Cantonese restaurant, Le Chinois, to bring an additional gastronomical experience with countless variety of Guangdong food for guests. An online travel magazine "Macau Hot Spot P16" was also introduced in 2014. A total of 36 episodes of interactive and appealing content took audience to explore the inner beauty and diversity of Macau, including cultural sites, traditional merchants, local snacks and gourmets in the characteristic old town area. Having broadcasted on most of the popular online social media channels such as Facebook, Weibo, WeChat, YouTube, Tudou and Tencent, more than 573,900 times of viewings were recorded. On the New Year Eve of 2014, Ponte 16 organised an annual countdown concert to celebrate the arrival of 2015 with over 5,000 spectators.

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

With the dedication to be a preferred resort with top notch entertainment and upscale culinary experience, Sofitel Macau At Ponte 16 earned a number of reputable industry awards in 2014, which included "2014 China Hotel Awards – Best Leisure Hotel" by China LifeStyle magazine, "2014 Certificate of Excellence" by Daodao.com (the official Chinese website of TripAdvisor), "2014 Annual Travel Award – Best Resort Hotel" by Travel & Leisure China magazine, "2014 China's Top 100 Hotels" by Travel + Leisure China, "2014 Gold Circle Award" by Agoda.com, "2014 Asia's Top Spa Hotel & Resort Award" by NOW Travel Asia, "2014 World Luxury City Hotel Awards" by World Luxury Hotel Awards, "2014 Continental Diamond Award – The Best Resort Hotel" and "Top 10 Outstanding Manager" by World Hotel Association. The fine dining restaurant, Privé was awarded "100 Top Tables 2014" by South China Morning Post, "Best Restaurants (Hong Kong & Macau Edition)" by HK Tatler and "2014 Recommended Hotel's Cuisine Award" by Connect Media Company Limited. All these awards have recognised the superior international standard and quality offered by Sofitel Macau At Ponte 16.

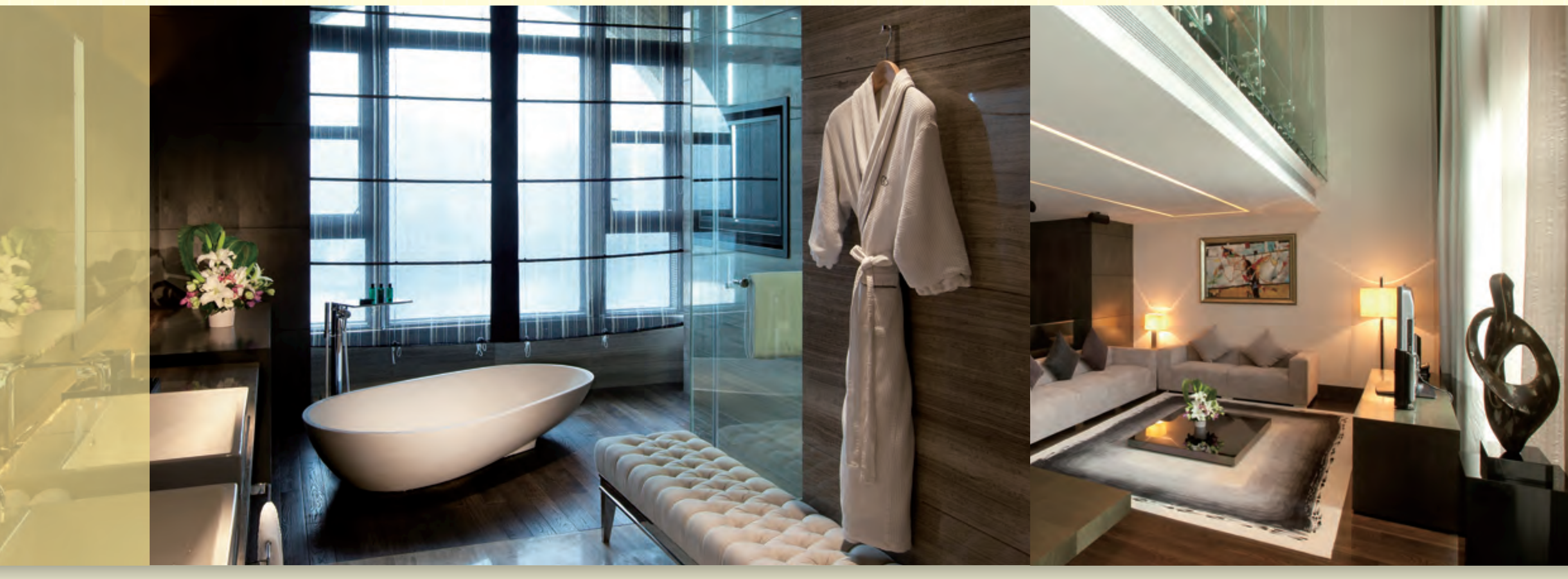
FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 31 December 2014, the Group had net current assets of approximately HK$165.9 million (31 December 2013: approximately HK$79.0 million) and net assets of approximately HK$1,089.6 million (31 December 2013: approximately HK$1,009.6 million).

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by monitoring the trade receivables of its customers on an ongoing basis. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's transactional currency are Hong Kong dollars, Renminbi, Canadian dollars and United States dollars as substantially all the turnover from continuing operations are in Renminbi, Canadian dollars and United States dollars. The Group's and the Company's transactional foreign exchange exposure was insignificant.

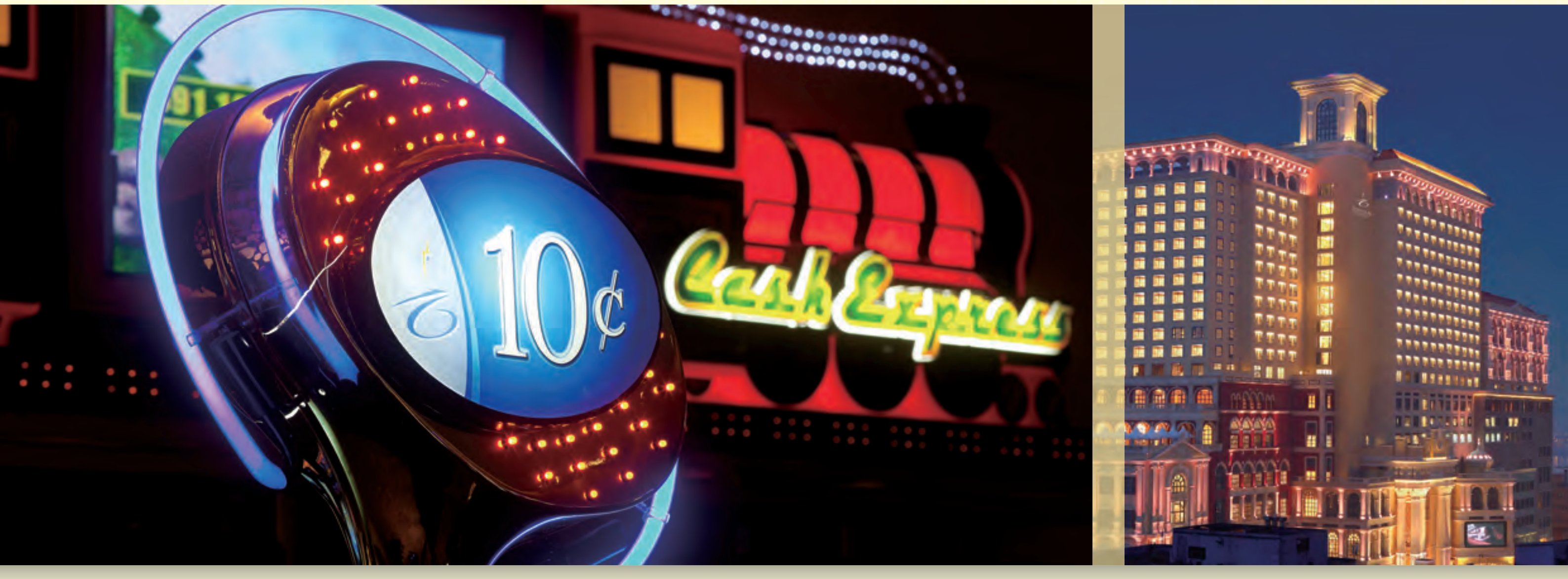


On 1 December 2008, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being a Director and a controlling shareholder of the Company) provided a HK$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and 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. During the reporting year, the Company had fully repaid the outstanding amount owed to Mr. Yeung in the sum of HK$90.0 million (31 December 2013: the outstanding amount owed to Mr. Yeung was HK$50.0 million).

Jade Travel Ltd., being an indirect non-wholly owned subsidiary of the Company which was incorporated in Canada ("Jade Travel, 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, Jade Travel, Canada purchased a certain asset under a finance lease which shall be repayable by consecutive monthly instalments. During the reporting year, Jade Travel, Canada had fully repaid the finance lease liabilities in the sum of approximately CAD16,000 (equivalent to approximately HK$0.1 million) (31 December 2013: the outstanding amount of finance lease liabilities was approximately CAD18,000 (equivalent to approximately HK$0.1 million)). As at 31 December 2014, the outstanding bank loans was approximately CAD1.5 million (equivalent to approximately HK$10.3 million) (31 December 2013: approximately CAD1.6 million (equivalent to approximately HK$11.8 million)).

Apart from the aforesaid loans, as at 31 December 2014, there were loans from non-controlling shareholders of approximately CAD1.4 million and HK$7.3 million, totally equivalent to approximately HK$16.9 million (31 December 2013: approximately CAD1.4 million and HK$7.3 million, totally equivalent to approximately HK$17.8 million). The loans were interest free and unsecured.

As at 31 December 2014, total equity attributable to owners of the Company was approximately HK$1,078.2 million (31 December 2013: approximately HK$984.7 million). 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 1% as at 31 December 2014 (31 December 2013: approximately 6%).



Pledge of Assets

As at 31 December 2014, the Group had secured the following assets:

(a) the Group pledged the time deposits of approximately CAD1.3 million and HK$0.5 million, totally equivalent to approximately HK$9.4 million (31 December 2013: approximately CAD1.2 million and HK$0.7 million, totally equivalent to approximately HK$9.7 million) to certain banks for the issuance of a standby letter of credit and overdraft facility of approximately CAD1.5 million and a bank guarantee of approximately MOP0.5 million, totally equivalent to approximately HK$10.6 million (31 December 2013: a standby letter of credit and overdraft facility of approximately CAD1.5 million, several bank guarantees of approximately HK$0.2 million and MOP0.5 million respectively, totally equivalent to approximately HK$11.6 million) for the operations of the Group;

(b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2013: 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"); and

(c) the Group's self-occupied properties with carrying amount of approximately CAD2.3 million (equivalent to approximately HK$15.8 million) (31 December 2013: approximately CAD2.4 million (equivalent to approximately HK$17.4 million)), together with a time deposit of approximately CAD0.2 million (equivalent to approximately HK$1.0 million) (31 December 2013: approximately CAD0.2 million (equivalent to approximately HK$1.1 million)) were pledged to a bank to secure bank loans 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 2014 was approximately HK$564.8 million (31 December 2013: approximately HK$1,048.8 million).

Human Resources

As at 31 December 2014, the Group had a total of 192 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

Macau gaming industry remains challenging in 2015 arising from the structural change and policies reviewed by the Macau Government. However, with the support of a solid economic development, entertainment and tourist-related industries in China are expected to grow steadily and the Group will actively enhance its business portfolio in the future.

The lottery industry in China is expected to grow at a healthy pace backed by the steady growth of disposable income per capita, which will create a favourable environment for the Group to develop its lottery business. The Group's sports lottery technology service platform has been proven reliable and capable of handling massive traffic and user demand during FIFA World Cup 2014 event. With a track record in generating strong revenues, the Group will strive to penetrate into more provinces and cities in China to broaden its geographical coverage.

The development of the Group's new welfare lottery service platform is expected to be completed in the first half of 2015. With solid foundation and experience in sports lottery, the Group is optimistic that its upcoming welfare lottery business will generate positive contributions in the near future. Also, the Group will carry forward marketing programmes on 128cai.com to accumulate an even larger pool of loyal customers and strengthen its position as the preferred website for lottery players in China.

A recent joint promulgation of the Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet（《關於開展擅自利用互聯網銷售彩票行為自查自糾工作有關問題的通知》, the "Notice"） by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of China was issued in January 2015. In order to co-operate with the related government departments, the Group and its lottery business partners have, similar to most of its peers, temporarily suspended their paperless lottery sales agency services voluntarily while awaiting further notice from the Chinese government authorities. The Group will closely monitor the development and react to further notices to be issued by the Chinese Government. The Group considers that the Notice is to crack down those unauthorised sales of lottery through internet so as to provide a healthier and a more reliable market for further growth of lottery business.

Starting from the second half of 2014, Macau tourism industry has undergone the structural changes that impacted the gaming revenue and the situation remains challenging in 2015. The Group realised that tourists are now looking for a comprehensive cultural and entertainment experience in Macau, the Group therefore believes a combination of gaming and non-gaming elements will be the critical long-term growth drivers. As an integrated casino-entertainment resort located in the culturally rich Inner Harbour of Macau, Ponte 16 is dedicated to offering versatile amenities and programmes to accommodate different needs from travellers around the world.

As part of the efforts to continue enhancing its entertainment mix in 2015, Ponte 16 has co-organised the first and only large-scale 3D museum in Macau with Hong Kong 3D Museum Limited. Spanning over 18,000 square feet, Pier 16 Macau 3D World ("Pier 16 3D World") will feature more than 150 photography points in various theme zones; amongst which, the iconic "MJ in 3D" zone will be a special exhibition incorporating exclusive MJ collectibles with 3D elements. Not only will Pier 16 3D World introduce visitors to a brand new sensory experience, it will also offer visitors a chance to take interesting pictures with various exhibits and 3D paintings. The Group is confident that Pier 16 3D World will become one of Macau's new tourist attractions when it is open to public in mid-2015. In addition, Ponte 16 will open an indoor Taiwanese food hall with a diverse range of mouth-watering delicacies to enrich travellers' culinary experience during their stay in Macau.

For its travel business in North America, the Group plans to put more weight on travel packages and arrangements to the USA and Canada targeting high-end travellers in order to capture the increasing demand for long-haul travelling from the affluent middle class from China and Southeast Asian countries. With an existing network of global customers, the Group will utilise every cross-selling opportunity with Ponte 16 to establish synergies between both business segments.

With an aim to become a leading player in the gaming, entertainment and tourist-related industries, the Group will continue to explore new business opportunities, to further strengthen its business platform, and at the same time to maximise returns for the shareholders of the Company.

CORPORATE GOVERNANCE REPORT

Success Universe Group Limited (the “Company”) is committed to maintain high corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders’ value.

CORPORATE GOVERNANCE

In the opinion of the directors of the Company (“Director(s)”), the Company has complied with all the code provisions as set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the year ended 31 December 2014.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Code of Conduct”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all Directors, each of whom has confirmed his/her compliance with the required standard set out in the Code of Conduct and the Model Code.

BOARD OF DIRECTORS

The board of Directors (the “Board”), led by its chairman (the “Chairman”), Mr. Yeung Hoi Sing, Sonny, is responsible for overseeing the management of the business and affairs, considering and approving strategic plans and major corporate matters, as well as reviewing operational and financial performance. The Board is committed to make decisions in the best interests of both the Company and its shareholders (“Shareholders”).

The Board currently consists of six members, including two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Dr. Ma Ho Man, Hoffman (Deputy Chairman); a non-executive Director, namely Mr. Choi Kin Pui, Russelle (the “NED”); and three independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Chin Wing Lok, Ambrose and Mr. Chong Ming Yu (collectively “INEDs” or each of them “INED”). With a majority of NED and INEDs, the Board has a strong independent element. All Directors, including the NED and all INEDs, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The Board is also characterised by diversity, whether considered in terms of gender, age, educational background, professional experience, skills and knowledge and independence. A list of Directors identifying their role and function is available on the Company’s website and on the website of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Directors’ biographical information is set out in the biographical details of Directors and senior management on pages 44 and 45 of this annual report.

The roles of the Chairman and the Deputy Chairman of the Board (the “Deputy Chairman”) who performs the function of chief executive are segregated and assumed by separate individuals to strike a balance of power and authority so that power and job responsibilities are not concentrated in any one individual of the Board. The Chairman, Mr. Yeung Hoi Sing, Sonny, is responsible for overseeing the function of the Board and formulating overall strategies and policies of the Company, while the Deputy Chairman, Dr. Ma Ho Man, Hoffman, is responsible for implementing the Company’s strategies regarding the business development of the Company and its subsidiaries (collectively the “Group”) as well as managing the Group’s business and operations. The functions and responsibilities between the Chairman and the Deputy Chairman are clearly segregated.

Except that Dr. Ma Ho Man, Hoffman is the nephew of Mr. Yeung Hoi Sing, Sonny, to the best knowledge of the Directors, there is no financial, business, family and/or other material/relevant relationship among members of the Board and between the Chairman and the Deputy Chairman who performs the function of chief executive.

The Board includes three INEDs and one of them, Mr. Chin Wing Lok, Ambrose, is a certified public accountant (practising) and a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants as well as a certified tax adviser and a fellow member of The Taxation Institute of Hong Kong. He has over 28 years of experience in auditing, accounting and taxation.

The NED and all INEDs entered into service contracts with the Company for a term of one year, save that the term of appointment of Mr. Chong Ming Yu under his service contract is for the period from 1 December 2014 to 31 December 2015. All executive Directors also entered into service contracts with the Company without specific term of office. Pursuant to the bye-laws of the Company (the "Bye-laws"), all Directors appointed by the Board shall hold office until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the number of Directors) after their appointment and the retiring Director shall be eligible for re-election. In addition, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation such that all Directors should be subject to retirement by rotation at least once every three years.

The Board meets regularly throughout the year as and when required. Notices of at least 14 days are given to all Directors for all regular Board meetings. The company secretary of the Company (the "Company Secretary") assists the Chairman in preparing the agendas for the meetings and all Directors are consulted to include any matters in the agendas. Agenda and accompanying board papers are given to all Directors in a timely manner and at least 3 days before the appointed date of each meeting.

During the year under review, four regular Board meetings and six non-regular Board meetings were held. Details of attendance of the Directors at the said Board meetings are set out below:

Directors	**Number of Board meetings attended/held**
Executive Directors	
Mr. Yeung Hoi Sing, Sonny *(Chairman)*	9/10
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*	10/10
Non-executive Director	
Mr. Choi Kin Pui, Russelle	9/10
Independent non-executive Directors	
Ms. Yeung Mo Sheung, Ann	9/10
Mr. Chin Wing Lok, Ambrose	10/10
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	1/1
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*	9/9

During the year under review, one general meeting of the Company, namely the annual general meeting, was held on 5 June 2014 ("2014 AGM"). Details of attendance of the Directors at the 2014 AGM are set out below:

Directors	**2014 AGM attendance**
Executive Directors	
Mr. Yeung Hoi Sing, Sonny *(Chairman)*	1/1
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*	1/1
Non-executive Director	
Mr. Choi Kin Pui, Russelle	1/1
Independent non-executive Directors	
Ms. Yeung Mo Sheung, Ann	1/1
Mr. Chin Wing Lok, Ambrose	1/1
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	N/A
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*	1/1

The Board has agreed on a procedure to enable the Directors to seek independent professional advice in appropriate circumstances, at the Company's expense, to assist them in performing their duties. Adequate information, which is accurate, clear, complete and reliable, is provided to the Directors in a timely manner to keep them abreast of the Group's latest developments and any major changes to the relevant rules and regulations and thus can assist them in performing their duties.

During the year, the Board has reviewed and considered that the contribution required from each of the Directors to perform his/her responsibilities to the Company was appropriate and each of the Directors has given sufficient time to perform his/her responsibilities. The Directors have informed the Company, at the time of his appointment/in a timely manner for any change, the number and nature of offices held in public companies or organisations and other significant commitments. Each of the Directors discloses semi-annually to the Company the identity and nature of office he/she holds in the public companies or organisations as well as an indication of the time involved.

Every newly appointed Director will be given a comprehensive formal induction covering the Group's businesses as well as the statutory and regulatory obligations of a director of a listed company. During the year, Mr. Chong Ming Yu, the newly-appointed Director, has received a comprehensive formal induction briefing.

To assist the Directors to participate in continuous professional development, the Company arranges and funds suitable training to the Directors to update and enhance their knowledge and skills for performing the Directors' roles and responsibilities. The Directors are also encouraged to attend training relevant to their duties and responsibilities that they consider appropriate. All Directors are requested to provide their respective records of training to the Company.

A summary of participation by the Directors in the continuous professional development programmes during the year under review is set out below:

Directors	**Type of training**
Executive Directors	
Mr. Yeung Hoi Sing, Sonny *(Chairman)*	A, B
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*	A, B
Non-executive Director	
Mr. Choi Kin Pui, Russelle	A, B
Independent non-executive Directors	
Ms. Yeung Mo Sheung, Ann	A, B
Mr. Chin Wing Lok, Ambrose	A, B
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	A, B
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*	A

Notes:

A: Reading materials regarding applicable rules and regulations updates
B: Attending an in-house seminar on "Connected Transactions and Latest Consultations Updates"

DELEGATION BY THE BOARD

The Board has established four Board committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") and the executive committee (the "Executive Committee") to oversee particular aspects of the Company's affairs and to assist in sharing the Board's responsibilities. The Board has reserved for its decision or consideration on matters covering corporate strategy, annual and interim results, changes of members of the Board and its committees, major acquisitions, disposals and capital transactions, and other significant operational and financial matters. All the Board committees have clear written terms of reference and have to report to the Board regularly on their decisions and recommendations. The day-to-day running of the Group, including implementation of the strategies and plans adopted by the Board and its committees, is delegated to management with divisional heads responsible for different aspects of the business/affairs.

AUDIT COMMITTEE

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules, full text of which is available on the Company's website and the website of the Stock Exchange. The Audit Committee currently consists of the NED and all INEDs and is chaired by Mr. Chin Wing Lok, Ambrose who possesses appropriate professional accounting qualification as required under the Listing Rules.

The Board has delegated to the Audit Committee the responsibility to perform the corporate governance duties set out in the CG Code. The primary duties of the Audit Committee include, inter alia, monitoring integrity of the financial statements of the Company and ensuring objectivity and credibility of financial reporting, reviewing effectiveness of the internal control system of the Group ("Internal Control System"), overseeing the relationship with the external auditors of the Company ("External Auditors") as well as ensuring maintenance of good corporate governance standard and procedures by the Company.

During the year under review, five Audit Committee meetings were held and details of attendance of the Audit Committee members at the said Audit Committee meetings are set out below:

Audit Committee members	Number of Audit Committee meetings attended/held
Mr. Chin Wing Lok, Ambrose *(Chairman of the Audit Committee)*	5/5
Mr. Choi Kin Pui, Russelle	5/5
Ms. Yeung Mo Sheung, Ann	5/5
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	1/1
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*	4/4

The major work performed by the Audit Committee during the year included the following:

– Reviewed the draft annual report and accounts as well as the draft annual results announcement for the year ended 31 December 2013, and the draft interim report and accounts as well as the draft interim results announcement for the six months ended 30 June 2014;

– Discussed with the External Auditors the nature and scope of the audit and reporting obligations;

– Considered the re-appointment of the External Auditors;

– Considered the financial performance of the Group as well as its associates;

– Considered the engagement of an independent professional firm to review the Internal Control System;

– Reviewed the effectiveness of the Internal Control System, including the adequacy of resources, qualifications and experience of staff (the "Accounting Staff") of the Company's accounting and financial reporting function (the "Accounting Function") and their training programmes and budget;

– Reviewed and/or approved the terms of engagement of and the fee proposals provided by the External Auditors;

– Reviewed the arrangements for the employees of the Group ("Employees") to raise concerns about possible improprieties in financial reporting, internal control or other matters;

– Reviewed the Company's compliance with the CG Code and disclosure in the Corporate Governance Report contained in the annual report;

– Reviewed the Company's policies and practices on corporate governance;

– Reviewed the training and continuous professional development of all Directors and senior management of the Company ("Senior Management");

– Reviewed the Company's policies and practices on compliance with legal and regulatory requirements; and

– Reviewed the codes of conduct, policy, guidelines and compliance manuals applicable to the Directors and the Employees.

REMUNERATION COMMITTEE

The Company formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules, full text of which is available on the Company's website and the website of the Stock Exchange. The Remuneration Committee currently consists of the Chairman of the Board, the NED and all INEDs and is chaired by Ms. Yeung Mo Sheung, Ann, who was appointed as the chairman of the Remuneration Committee in replacement of Mr. Luk Ka Yee, Patrick with effect from 1 December 2014.

The major responsibilities of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for remuneration of all Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing remuneration policy, to determine specific remuneration packages of all executive Directors and the Senior Management and also to make recommendations to the Board of the remuneration of the NED and all INEDs. The Remuneration Committee takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and the Senior Management.

During the year under review, one Remuneration Committee meeting was held and details of attendance of the Remuneration Committee members at the said Remuneration Committee meeting are set out below:

Remuneration Committee members	**Number of Remuneration Committee meeting attended/held**
Ms. Yeung Mo Sheung, Ann *(appointed as Chairman of the Remuneration Committee with effect from 1 December 2014)*	1/1
Mr. Yeung Hoi Sing, Sonny	1/1
Mr. Choi Kin Pui, Russelle	1/1
Mr. Chin Wing Lok, Ambrose	1/1
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	1/1
Mr. Luk Ka Yee, Patrick *(resigned and ceased to act as Chairman of the Remuneration Committee with effect from 1 December 2014)*	N/A

The major work performed by the Remuneration Committee during the year included the following:

– Considered the remuneration package of a newly appointed Director;

– Reviewed the Company's remuneration policy and structure for all Directors and the Senior Management;

– Assessed the performance of the executive Directors and reviewed and determined the remuneration packages of the executive Directors and the Senior Management;

– Reviewed the remuneration packages of the NED and all INEDs;

– Reviewed the terms of the service contracts of all executive Directors; and

– Considered the annual performance bonus for the Senior Management.

NOMINATION COMMITTEE

The Company formulated written terms of reference for the Nomination Committee in accordance with the requirements of the Listing Rules, full text of which is available on the Company's website and the website of the Stock Exchange. The Nomination Committee currently consists of the Chairman of the Board, the NED and all INEDs with Mr. Yeung Hoi Sing, Sonny acts as the chairman of the Nomination Committee.

The major responsibilities of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board annually, to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on selection for directorships, to assess the independence of INEDs, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, and to review the Board diversity policy of the Company (the "Board Diversity Policy") as appropriate.

The Board has adopted the Board Diversity Policy which set out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance, and will select candidates for the Board basing on a range of diversity perspectives, including but not limited to gender, age, educational background, professional experience, skills, knowledge and independence (the "Measurable Objectives"). The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the Measurable Objectives set for implementing the Board Diversity Policy by considering the Company's business model and specific needs from time to time and will recommend any revision thereof, if necessary, to the Board for consideration and approval.

The Nomination Committee will review, as appropriate, the Board Diversity Policy to ensure its effectiveness. The Nomination Committee will also discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the year under review, two Nomination Committee meetings were held and details of attendance of the Nomination Committee members at the said Nomination Committee meetings are set out below:

Nomination Committee members	**Number of Nomination Committee meetings attended/held**
Mr. Yeung Hoi Sing, Sonny *(Chairman of the Nomination Committee)*	2/2
Mr. Choi Kin Pui, Russelle	2/2
Ms. Yeung Mo Sheung, Ann	2/2
Mr. Chin Wing Lok, Ambrose	2/2
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*	1/1
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*	1/1

The major work performed by the Nomination Committee during the year included the following:

– Considered the re-election of the Directors at the annual general meeting of the Company;

– Identified and nominated candidate to the Board for its approval for appointment as Director;

– Reviewed the structure, size and composition of the Board;

– Assessed the independence of the INEDs and reviewed the INED's annual confirmations on their independence;

– Reviewed the policy for the nomination of Directors (the "Nomination Policy"); and

– Reviewed the Board Diversity Policy.

The Nomination Committee nominated a candidate, namely Mr. Chong Ming Yu, to the Board for its approval for the appointment as an INED in replacement of Mr. Luk Ka Yee, Patrick during the year. In identifying and evaluating Mr. Chong Ming Yu to be nominated for appointment as an INED by the Board, the Nomination Committee considered the selection criteria set out in the Nomination Policy including, inter alia, the following:

(i) the qualifications, experience and knowledge of Mr. Chong Ming Yu that would bring contributions to the Board;

(ii) maintenance of the Board diversity, having taken into account of the Measurable Objectives;

(iii) the requirement for the Board to have at least three INEDs in accordance with the Listing Rules and whether Mr. Chong Ming Yu would be considered independent with reference to the independence guidelines set out in the Listing Rules; and

(iv) the existing structure, size and composition of the Board.

EXECUTIVE COMMITTEE

The Executive Committee was established by the Board with specific written terms of reference. It currently consists of all executive Directors, namely Mr. Yeung Hoi Sing, Sonny and Dr. Ma Ho Man, Hoffman with Mr. Yeung Hoi Sing, Sonny acts as the chairman of the Executive Committee. The Executive Committee is responsible for reviewing and approving, inter alia, any matters concerning the day-to-day management, business and operations affairs of the Company, and any matters to be delegated to it by the Board from time to time.

During the year under review, five Executive Committee meetings were held and details of attendance of the Executive Committee members at the said Executive Committee meetings are set out below:

Executive Committee members	Number of Executive Committee meetings attended/held
Mr. Yeung Hoi Sing, Sonny *(Chairman of the Executive Committee)*	5/5
Dr. Ma Ho Man, Hoffman	5/5

INTERNAL CONTROLS

The Board is responsible for ensuring that the Group maintains sound and effective Internal Control System so as to safeguard the investment of the Shareholders and the assets of the Group. The Company has annually engaged an independent professional firm (the "Independent Professional Firm") to review the Internal Control System which covers financial, operational and compliance controls as well as risk management functions. During the year, the Independent Professional Firm has conducted a review of the Internal Control System and the relevant review report has been considered by the Audit Committee for assessing the effectiveness of the Internal Control System. The Board, through the reviews made by the Independent Professional Firm and the Audit Committee, concluded that the Internal Control System was effective.

The Audit Committee has also reviewed the adequacy of resources of the Accounting Function, the qualifications and experience of the Accounting Staff, and their training programmes and budget during the year. The Board, through the review made by the Audit Committee, considered that the resources of the Accounting Function as well as the qualifications and experience of the Accounting Staff are adequate and the training programmes and budget for the Accounting Staff are sufficient.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The statement of the External Auditors, HLB Hodgson Impey Cheng Limited ("HLB"), about their reporting responsibilities on the financial statements of the Group is set out under the section headed "Auditors' responsibility" in the independent auditors' report on page 46 of this annual report.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

AUDITORS' REMUNERATION

For the year ended 31 December 2014, the amounts paid to the external auditors of the Group in respect of the following services provided to the Group are as follows:

	HK$'000
Audit services	1,474
Other advisory services *(Note)*	318
	1,792

Note: Other advisory services mainly comprised interim review services and other reporting services.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to provide clear and full information on the Group to the Shareholders through the publication of notices, announcements, circulars and financial reports of the Company. Additional information, such as press releases and other business information are also available on the Company's website at www.successug.com, being updated in a timely manner.

The annual general meeting of the Company ("AGM(s)") provides a useful forum for the Shareholders to exchange views with the Board. The Chairman, also being the chairman of the Nomination Committee and the Executive Committee respectively, as well as the chairmen of the Audit Committee and the Remuneration Committee were present at the 2014 AGM to answer the Shareholders' questions. HLB also attended the 2014 AGM for the purposes of answering questions about the conduct of the audit, the preparation and contents of the auditors' report, the accounting policies and auditors independence.

Separate resolutions are proposed at general meetings on each substantially separate issues, including the election of individual Directors. Notices of at least 20 clear business days and 10 clear business days are given to the Shareholders for all AGMs and special general meetings ("SGM(s)") of the Company respectively. Detailed procedures for conducting a poll are clearly explained at the commencement of the general meetings.

The Board has adopted a Shareholders' communication policy for the purposes of ensuring that the Shareholders are provided with ready, equal and timely access to information about the Company, enabling the Shareholders to exercise their rights in an informed manner and allowing the Shareholders to engage actively with the Company. Details regarding the necessary procedures for the Shareholders to propose a person for election as a Director are set out in the "Procedures for Shareholders to Propose a Person for Election as a Director", which is available on the Company's website.

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes is the Company Secretary. Her biographical information is set out in the section headed "Company Secretary" in the biographical details of Directors and Senior Management on page 45 of this annual report.

During the year under review, in compliance with Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Convening a SGM

Pursuant to bye-law 58 of the Bye-laws, the Board may whenever it thinks fit call SGMs, and Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the Company's head office and principal place of business (the "Head Office") at Suite 1601-2 & 8-10, 16/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong for the attention of the Company Secretary and may consist of several documents in like form each signed by one or more requisitionists.

The request will be verified with the Company's Branch Share Registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to call the SGM and include the resolution in the agenda for such SGM.

If the Board do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

Putting forward proposals at Shareholders' Meetings

To put forward proposals at an AGM or a SGM, the Shareholders should submit a written notice of those proposals with the detail contact information to the Company Secretary at the Head Office at Suite 1601-2 & 8-10, 16/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The request will be verified with the Company's Branch Share Registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at AGM or SGM varies according to the nature of the proposal, as follows:

(a) Not less than 21 clear days' notice or not less than 20 clear business days' notice (whichever is longer) in writing if the proposal constitutes an ordinary resolution of the Company in an AGM and not less than 21 clear days' notice or not less than 10 clear business days' notice (whichever is longer) in writing if the proposal constitutes a special resolution of the Company in any SGM; or

(b) Not less than 14 clear days' notice or not less than 10 clear business days' notice (whichever is longer) in writing if the proposal constitutes an ordinary resolution of the Company in all other SGMs.

Shareholders' enquiries

The Shareholders should direct their questions about their shareholdings to the Company's Branch Share Registrar in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent such information is publicly available. The Shareholders may also make enquiries to the Board in writing with their contact information and deposited at the Head Office at Suite 1601-2 & 8-10, 16/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong for the attention of the Company Secretary.

CONSTITUTIONAL DOCUMENTS

During the year under review, there was no change in the Company's memorandum of association and the Bye-laws.

REPORT OF DIRECTORS

The directors ("Director(s)") of Success Universe Group Limited (the "Company") is pleased to present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the travel-related, lottery as well as cruise ship leasing and management businesses during the year. The operation of the cruise ship leasing and management business was discontinued at the end of 2014.

Particulars of the Company's subsidiaries as at 31 December 2014 are set out in note 20(a) to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss on page 48 of this annual report.

No interim dividend was paid during the year (2013: nil). The Directors do not recommend any payment of a final dividend for the year ended 31 December 2014 (2013: nil).

SEGMENT INFORMATION

An analysis of the Group's performance for the year ended 31 December 2014 by business and geographical segments is set out in note 6 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 128.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 53 of this annual report and other details of the reserves of the Group are set out in note 38 to the consolidated financial statements.

CHARITABLE CONTRIBUTIONS

No charitable and other donations were made by the Group during the year (2013: nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in the share capital of the Company during the year. Details of the share capital of the Company are set out in note 36 to the consolidated financial statements.

LOANS AND BORROWINGS

Details of the loans and borrowings of the Group as at 31 December 2014 are set out in notes 30, 31 and 35 to the consolidated financial statements.

DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Executive Directors:
Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*

Non-executive Director ("NED"):
Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors ("INED(s)"):
Ms. Yeung Mo Sheung, Ann
Mr. Chin Wing Lok, Ambrose
Mr. Chong Ming Yu *(appointed with effect from 1 December 2014)*
Mr. Luk Ka Yee, Patrick *(resigned with effect from 1 December 2014)*

Mr. Chong Ming Yu ("Mr. Chong"), being an INED appointed by the board of Directors (the "Board") with effect from 1 December 2014, shall retire from office in accordance with bye-law 86(2) of the bye-laws of the Company (the "Bye-laws") and, being eligible, will offer himself for re-election at the forthcoming annual general meeting of the Company (the "2015 AGM").

In accordance with bye-law 87 of the Bye-laws, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung") and Mr. Chin Wing Lok, Ambrose ("Mr. Chin") shall retire by rotation and, being eligible, will offer themselves for re-election at the 2015 AGM.

The Company has received from each of Ms. Yeung Mo Sheung, Ann ("Ms. Yeung") and Mr. Chin, INEDs, an annual confirmation of her/his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Besides, another INED, Mr. Chong, has met all the independence guidelines as set out in Rule 3.13 of the Listing Rules and has submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") a written confirmation of his independence pursuant to the said Rule 3.13 with a copy to the Company after his appointment. All of the said existing INEDs were considered to be independent.

CHANGES OF DIRECTORS' INFORMATION

Ms. Yeung, an INED, was appointed as an independent non-executive director of E Lighting Group Holdings Limited, a company whose issued shares are listed on the Growth Enterprise Market of the Stock Exchange with effect from 11 September 2014.

Dr. Ma Ho Man, Hoffman, an executive Director and the Deputy Chaiman of the Company, retired as an executive director and the chairman of See Corporation Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange, with effect from 13 November 2014.

Mr. Yeung, an executive Director and the Chairman of the Company, became the sole beneficial owner of Silver Rich Macau Development Limited ("Silver Rich", being a controlling shareholder of the Company) with effect from 26 January 2015.

Save as disclosed above, there was no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Interim Report 2014 of the Company and up to the date of this report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the 2015 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONNECTED TRANSACTIONS/DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

On 1 December 2008, the Company as borrower and Mr. Yeung, an executive Director and a controlling shareholder of the Company, as lender entered into a letter agreement regarding an unsecured term loan facility of up to HK$200 million ("Loan Facility"). The rate of interest on the entire principal amount drawn and outstanding under the Loan Facility was the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. On 14 April 2009, the Company and Mr. Yeung also entered into a letter agreement to increase the principal amount of the Loan Facility up to HK$290 million. In addition, Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to him under the revised Loan Facility before 30 June 2010 (the "Final Repayment Date"). The Final Repayment Date was extended to (i) 30 June 2011 by a letter agreement dated 25 June 2009; and (ii) 30 October 2012 by another letter agreement dated 23 June 2010.

On 15 March 2012, Mr. Yeung entered into a letter agreement with the Company to further extend the Final Repayment Date to 31 October 2013 and to confirm that any amount repaid under the revised Loan Facility should be available to further advances within the availability period of the revised Loan Facility.

Besides, the Final Repayment Date was further extended to (i) 31 October 2014 by a letter agreement dated 18 March 2013; and (ii) 31 October 2016 by another letter agreement dated 21 March 2014.

The connected transaction mentioned above is fully exempt from shareholders' approval and all disclosure requirements under Chapter 14A of the Listing Rules. Details of other connected transactions of the Company during the year which are fully exempt from shareholders' approval and all disclosure requirements under Chapter 14A of the Listing Rules are set out in notes 39(a) and 42(e) to the consolidated financial statements.

Save as disclosed above, there were no contracts of significance to which the Company or any of its subsidiaries was a party and in which any of the Directors or controlling shareholders or its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2014, none of the Directors and their respective associates was interested in any business, apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with the Group's businesses, other than those businesses where the Directors were appointed as directors to represent the interests of the Group.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisted during the year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2014, the Directors or chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules:

Interest in the shares of the Company ("Share(s)")

Name of Director	Long position/ Short position	Nature of interest	Number of Shares held	Approximate percentage of shareholding %
Mr. Yeung *(Note)*	Long position	Corporate interest	2,466,557,462	50.07

Note: As at 31 December 2014, Mr. Yeung, an executive Director and the Chairman of the Company, was deemed to have corporate interest in 2,466,557,462 Shares by virtue of the interest of the Shares held by Silver Rich, which was wholly-owned by a discretionary trust, the beneficiaries of which were family members of Mr. Yeung.

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At the annual general meeting of the Company held on 5 June 2014, the shareholders of the Company approved the termination of the share option scheme which was adopted by the Company on 20 August 2004 ("2004 Share Option Scheme") and the adoption of a new share option scheme ("2014 Share Option Scheme").

Summaries of the 2004 Share Option Scheme and the 2014 Share Option Scheme are set out below:

(A) 2004 Share Option Scheme

The Company adopted the 2004 Share Option Scheme on 20 August 2004 for the purpose of providing incentives or rewards to participants for their contribution to the Group or any entity in which the Group holds any equity interest. The 2004 Share Option Scheme was terminated with effect from 10 June 2014.

Under the 2004 Share Option Scheme, the Directors are authorised at their absolute discretion to invite participants to take up options to subscribe for Shares. Participants under the 2004 Share Option Scheme include (i) any employee (whether full time or part time and including executive director) of any member(s) of the Group or any entity in which the Group holds any equity interest; (ii) any non-executive director (including independent non-executive director) of any member of the Group or any entity in which the Group holds any equity interest; (iii) any consultant, adviser or agent engaged by any member of the Group or any entity in which the Group holds any equity interest, who is eligible to participate in a share option scheme of the Company; and (iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any entity in which the Group holds any equity interest, who is eligible to participate in a share option scheme of the Company.

There is no provision in the 2004 Share Option Scheme to require a grantee to fulfill any performance target or to hold the option for a certain period before exercising the option, but the Board may at its absolute discretion from time to time provide such requirements in the offer of grant of options.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2004 Share Option Scheme. The Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the 2004 Share Option Scheme save that the total number of Shares which may be issued upon exercise of all options to be granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company under the limit as “refreshed” shall not exceed 10% of the total number of Shares in issue as at the date of approval of the limit. Options previously granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with any other share option scheme(s) or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”.

Notwithstanding aforesaid in above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2004 Share Option Scheme or any other share option scheme(s) adopted by the Company (whether exercised, cancelled or outstanding) to each participant in any 12-month period up to the date of offer shall not exceed 1% of the total number of Shares in issue on the date of offer, unless such grant is approved by the shareholders of the Company in general meeting at which such participant and his or her associates shall abstain from voting.

The exercise price in respect of any option granted under the 2004 Share Option Scheme shall be determined by the Board in its absolute discretion but in any event the exercise price shall not be less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the option is offered; and (iii) the nominal value of a Share.

The offer of a grant of share option must be accepted not later than 28 days after the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of the share option granted is determined by the Board, save that such period shall not exceed a period of 10 years commencing on the date upon which the share option is granted.

No share options had been granted under the 2004 Share Option Scheme since its adoption and up to the date of its termination.

(B) 2014 Share Option Scheme

The 2014 Share Option Scheme became effective on 10 June 2014 and, unless early termination by the Company in general meeting or by the Board, shall be valid and effective for a period of 10 years from the date of its adoption on 5 June 2014.

The purpose of the 2014 Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group or any entity in which any member of the Group holds any equity interest and any subsidiary of such entity (“Invested Entity”).

Under the 2014 Share Option Scheme, the Directors are authorised at their absolute discretion to invite eligible persons to take up options to subscribe for Shares. Eligible persons under the 2014 Share Option Scheme include (i) any employee (whether full time or part time and including executive director) of any member(s) of the Group or any Invested Entity; (ii) any non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity; (iii) any consultant, adviser or agent engaged by any member of the Group or any Invested Entity, who is eligible to participate in a share option scheme of the Company; and (iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any Invested Entity, who is eligible to participate in a share option scheme of the Company.

There is no provision in the 2014 Share Option Scheme to require a grantee to fulfill any performance target or to hold the option for a certain period before exercising the option, but the Board may at its absolute discretion from time to time provide such requirements in the offer of grant of options.

The maximum number of Shares available for issue under options which may be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company is 492,649,119 Shares (being not more than 10% of the total number of Shares in issue as at the date of adoption of the 2014 Share Option Scheme (the "Scheme Limit")), representing approximately 10% of the total number of Shares in issue as at the date of this annual report.

The Company may seek approval of its shareholders in general meeting for refreshing the Scheme Limit save that the total number of Shares which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company under the Scheme Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of such approval (the "New Scheme Limit"). Options previously granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the respective provisions of the scheme(s) of the Company or exercised options) will not be counted for the purpose of calculating the New Scheme Limit.

Notwithstanding aforesaid in above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2014 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2014 Share Option Scheme or any other share option scheme(s) adopted by the Company (whether exercised, cancelled or outstanding) to each eligible person in any 12-month period up to and including the date of offer shall not exceed 1% of the total number of Shares in issue on the date of offer, unless such grant is approved by the shareholders of the Company in general meeting at which such eligible person and his or her associates shall abstain from voting.

The exercise price in respect of any option granted under the 2014 Share Option Scheme shall be a price determined by the Board in its absolute discretion but in any event the exercise price shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the option is offered; and (iii) the nominal value of a Share.

The offer of a grant of share option must be accepted not later than 28 days after the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of the share option granted is determined by the Board, save that such period shall not exceed a period of 10 years commencing on the date upon which the share option is granted.

No share options had been granted under the 2014 Share Option Scheme since its adoption and up to 31 December 2014.

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2014, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in the Shares

Name of substantial shareholder	Long position/ Short position	Capacity	Number of Shares held	Approximate percentage of shareholding %
Silver Rich	Long position	Beneficial owner	2,466,557,462	50.07
Fiducia Suisse SA *(Note 1)*	Long position	Trustee	2,466,557,462	50.07
Mr. David Henry Christopher Hill *(Note 1)*	Long position	Interest of controlled corporation	2,466,557,462	50.07
Mrs. Rebecca Ann Hill *(Note 2)*	Long position	Interest of spouse	2,466,557,462	50.07
Ms. Liu Siu Lam, Marian *(Note 3)*	Long position	Interest of spouse	2,466,557,462	50.07
Maruhan Corporation	Long position	Beneficial owner	956,633,525	19.42

Notes:

1. As at 31 December 2014, the entire issued share capital of Silver Rich was held by Fiducia Suisse SA, which was a trustee of a discretionary trust, the beneficiaries of which were family members of Mr. Yeung. Fiducia Suisse SA was wholly-owned by Mr. David Henry Christopher Hill. Accordingly, each of Fiducia Suisse SA and Mr. David Henry Christopher Hill was deemed to be interested in 2,466,557,462 Shares held by Silver Rich.

2. As at 31 December 2014, Mrs. Rebecca Ann Hill, being the spouse of Mr. David Henry Christopher Hill, was deemed to be interested in 2,466,557,462 Shares in which Mr. David Henry Christopher Hill had a deemed interest.

3. As at 31 December 2014, Ms. Liu Siu Lam, Marian, being the spouse of Mr. Yeung, was deemed to be interested in 2,466,557,462 Shares in which Mr. Yeung had a deemed interest.

Save as disclosed above, as at 31 December 2014, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES

Based on the disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules, the financial assistance, which was made by the Group by way of the shareholder's loans provided by World Fortune Limited ("World Fortune"), an indirect wholly-owned subsidiary of the Company, and a corporate guarantee given by the Company in respect of the payment obligation of Pier 16 – Property Development Limited ("Pier 16 – Property Development", a 49% owned associate of World Fortune) under syndicated loan facilities granted to Pier 16 – Property Development (the "Financial Assistance"), continued to exist as at 31 December 2014. Pier 16 – Property Development is principally engaged in the investment, development and, through its subsidiaries, operating Ponte 16, a world-class integrated casino-entertainment resort located in Macau. The Financial Assistance is mainly used for the development and operations of Ponte 16.

The amounts of the Financial Assistance as at 31 December 2014 were set out below:

Name of associate	Shareholder's loan HK$ million	Corporate guarantee HK$ million	Aggregate Financial Assistance HK$ million
Pier 16 – Property Development	758	1,176	1,934

The shareholder's loans provided by World Fortune are unsecured, interest-free and had no fixed terms of repayment.

Further details are set out in notes 21 and 41 to the consolidated financial statements.

Set out below is a consolidated balance sheet of Pier 16 – Property Development and the Group's attributable interests in this associate according to its audited consolidated financial statements for the year ended 31 December 2014:

	Consolidated balance sheet HK$'000	Group's attributable interests HK$'000
Non-current assets	1,857,287	910,071
Current assets	495,777	242,931
Current liabilities	(422,085)	(206,822)
Non-current liabilities	(2,299,699)	(1,126,853)

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2014.

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

During the year ended 31 December 2014, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the five largest customers of the continuing operations of the Group accounted for approximately 17% of total turnover of the continuing operations of the Group of which the largest customer accounted for approximately 8% and the five largest suppliers of the continuing operations of the Group accounted for approximately 84% of total purchases of the continuing operations of the Group, of which the largest supplier accounted for approximately 72%.

None of the Directors or any of their respective associates or any shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) had any beneficial interest in the above five largest customers or five largest suppliers.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws and there is no restriction against such rights under the laws of Bermuda, which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has maintained a sufficient public float as prescribed under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

EMOLUMENT POLICY

The remuneration committee (the "Remuneration Committee") of the Board is responsible for determining specific remuneration packages of all executive Directors and senior management of the Company ("Senior Management"). Besides, the Remuneration Committee makes recommendations to the Board for its determination on the remuneration of the NED and all INEDs. Factors which include, inter alia, salaries paid by comparable companies, qualifications, experience, time commitment and responsibilities of the Directors and the Senior Management as well as prevailing market condition are considered by the Remuneration Committee for determining/making proposals on remuneration of the relevant Directors and Senior Management.

The remuneration packages of employees of the Group (other than the executive Directors and the Senior Management) are determined and reviewed periodically on the basis of their respective qualifications, experience, responsibilities and performance as well as prevailing market condition. In addition to salaries, the Company offers staff benefits which include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. The Group also operates a share option scheme pursuant to which share options might be granted as a long-term incentive to its directors and employees.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 37(a) to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company has published its Corporate Governance Report, details of which are set out on pages 24 to 33 of this annual report.

AUDITORS

At the annual general meeting of the Company held on 5 June 2012, HLB Hodgson Impey Cheng retired as auditors of the Company (the "Auditors") and HLB Hodgson Impey Cheng Limited were appointed as the Auditors due to the reorganisation of the practice of HLB Hodgson Impey Cheng as HLB Hodgson Impey Cheng Limited in March 2012.

The consolidated financial statements of the Group for the year ended 31 December 2014 have been audited by HLB Hodgson Impey Cheng Limited, who shall retire at the 2015 AGM and, being eligible, will offer themselves for re-appointment.

On behalf of the Board
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 30 March 2015

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Yeung Hoi Sing, Sonny, aged 60, joined the Group in 2003. He is an executive director and the Chairman of the Company as well as a director of the subsidiaries of the Company. He is also the chairman of the nomination committee (the "Nomination Committee") and the executive committee (the "Executive Committee") of the board of directors (the "Board") of the Company, and a member of the remuneration committee (the "Remuneration Committee") of the Board. Mr. Yeung is responsible for the overall corporate planning and business development of the Group. He was a member of the Eighth to Eleventh National Committee of the Chinese People's Political Consultative Conference and has over 31 years of experience in finance industry in Hong Kong. Prior to joining the Group, Mr. Yeung held managerial roles in several financial service sectors such as leveraged foreign exchange trading, and securities and futures brokerage. He is presently the sole beneficial owner of Success Securities Limited ("Success Securities"), which is a licensed corporation under the Securities and Futures Ordinance as well as a participant of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), principally engaged in the provision of securities brokerage services. Mr. Yeung has certain private investments in property development businesses in Hong Kong, Macau and Canada. He is also the sole beneficial owner and a director of Silver Rich Macau Development Limited, being a controlling shareholder of the Company. Mr. Yeung is the uncle of Dr. Ma Ho Man, Hoffman, an executive director and the Deputy Chairman of the Company.

Dr. Ma Ho Man, Hoffman, aged 41, joined the Group in 2005. He is an executive director and the Deputy Chairman of the Company as well as a director of the subsidiaries of the Company. Dr. Ma is also a member of the Executive Committee. He is responsible for implementing the Company's strategies regarding the business development of the Group as well as managing the Group's business and operations. Dr. Ma has over 18 years of experience in the financial industry and years of managerial experience. He joined Success Securities, which is beneficially wholly-owned by Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), being an executive director and the Chairman of the Company, in 2000. He has been a director of Success Securities since November 2008 and is responsible for overseeing its marketing affairs. Dr. Ma is presently a member of the Chongqing Committee of the Chinese People's Political Consultative Conference. He was an executive director and the chairman of See Corporation Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange. Dr. Ma was awarded Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate of Management by Lincoln University in 2009 and 2010 respectively. He is the nephew of Mr. Yeung.

NON-EXECUTIVE DIRECTOR

Mr. Choi Kin Pui, Russelle, aged 60, joined the Group in 2003. He is a non-executive director of the Company as well as a member of the audit committee (the "Audit Committee") of the Board, the Remuneration Committee and the Nomination Committee. Mr. Choi graduated from St. Pius X High School in 1976. He has over 21 years of management experience in the telecommunication industry in Hong Kong, the United States of America (the "US") and the People's Republic of China (the "PRC"). Mr. Choi established Elephant Talk Limited in 1994, a wholly-owned subsidiary of Elephant Talk Communications Inc. ("ETCI"). ETCI was an American corporation whose securities are quoted on the Over-The-Counter Bulletin Board in the US and engaged in the provision of telecommunications services in Hong Kong and the US. Mr. Choi was a director of ETCI from 2002 to 2008 as well as the president and the chief executive officer of ETCI from 2002 to 2006 and was responsible for the planning of the overall strategy of ETCI. He also served as the chairman of ET Network Services Limited, a Hong Kong company engaged in the provision of internet access and outsourcing services in the PRC and Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Yeung Mo Sheung, Ann, aged 50, joined the Group in 2004. She is an independent non-executive director of the Company. She is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Ms. Yeung holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998. Ms. Yeung has over 16 years of experience in legal field and is presently a solicitor of Messrs. Wong & Wong, Lawyers, a legal firm in Hong Kong. She is currently an independent non-executive director of Merdeka Mobile Group Limited (formerly known as Merdeka Resources Holdings Limited) and E Lighting Group Holdings Limited, the issued shares of both companies are listed on the Growth Enterprise Market of the Stock Exchange and is an independent non-executive director of Dejin Resources Group Company Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange. Ms. Yeung was an independent non-executive director of Hao Wen Holdings Limited, a company whose issued shares are listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Chin Wing Lok, Ambrose, aged 50, joined the Group in 2012. He is an independent non-executive director of the Company. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Chin is a certified public accountant (practising) and a fellow member of the Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators as well as a certified tax adviser and a fellow member of The Taxation Institute of Hong Kong. He has over 28 years of experience in auditing, accounting and taxation. Mr. Chin is presently the sole practitioner of CNT & Co., Certified Public Accountants.

Mr. Chong Ming Yu, aged 41, joined the Group in 2014. He is an independent non-executive director of the Company as well as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Chong holds a Bachelor degree of Laws and a Postgraduate Certificate in Laws from City University of Hong Kong. He has been admitted as a practising solicitor since January 1999, with focus on the field of conveyancing, civil litigation and commercial. Mr. Chong has over 18 years of experience in legal field and is presently a consultant to Messrs. Kong & Tang, Solicitors, a legal firm in Hong Kong.

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes, aged 41, joined the Group in 2003. She is the company secretary of the Company and is responsible for overseeing all legal matters of the Group. Ms. Chiu is a qualified solicitor and an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She holds a Master degree of Laws from The University of Sheffield, United Kingdom. Before joining the Group, Ms. Chiu was a practicing solicitor in a local law firm and possessed experience in banking and finance as well as property related matters.

FINANCIAL CONTROLLER

Mr. Wong Chi Keung, Alvin, aged 52, joined the Group in 2008. He is the financial controller of the Group as well as the qualified accountant of the Company, and is responsible for financial and accounting matters of the Group. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants. He is currently an independent non-executive director, the chairman of both the audit committee and the remuneration committee as well as a member of the nomination committee of ITC Properties Group Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange. He has over 27 years of experience in accounting and corporate finance gained in entertainment and travel-related, property development, construction and manufacturing companies.

國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SUCCESS UNIVERSE GROUP LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Success Universe Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 127, which comprise the consolidated and the Company's statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Shek Lui
Practising Certificate Number: P05895

Hong Kong, 30 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Continuing operations			
Turnover	6, 7	**1,304,669**	1,500,782
Cost of sales		**(1,221,959)**	(1,469,905)
Gross profit		**82,710**	30,877
Other revenue and gains	8	**30,013**	110,000
Administrative expenses		**(95,407)**	(94,124)
Selling expenses		**(13,697)**	(2,579)
Other operating expenses	9(c)	**(16,380)**	(74,872)
Loss from operations		**(12,761)**	(30,698)
Finance costs	9(a)	**(2,162)**	(9,086)
Share of results of joint ventures		**346**	367
Share of results of associates		**88,047**	51,014
Profit before taxation	9	**73,470**	11,597
Taxation	10(a)	**–**	173
Profit for the year from continuing operations		**73,470**	11,770
Discontinued operation			
Profit for the year from discontinued operation	15(a)	**44,312**	475
Profit for the year		**117,782**	12,245
Attributable to:			
Owners of the Company		**96,890**	18,644
Non-controlling interests		**20,892**	(6,399)
Profit for the year		**117,782**	12,245
Earnings per share	16		
From continuing and discontinued operations			
– Basic and diluted		**1.97 HK cents**	0.42 HK cents
From continuing operations			
– Basic and diluted		**1.48 HK cents**	0.41 HK cents

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 HK$'000	2013 HK$'000
Profit for the year	**117,782**	12,245
Other comprehensive loss		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	**(3,564)**	(2,430)
Total other comprehensive loss for the year, net of tax	**(3,564)**	(2,430)
Total comprehensive income for the year	**114,218**	9,815
Attributable to:		
Owners of the Company	**93,918**	16,354
Non-controlling interests	**20,300**	(6,539)
Total comprehensive income for the year	**114,218**	9,815

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	**26,097**	74,885
Goodwill	18	**–**	1,313
Intangible assets	19	**15,327**	34,527
Interests in associates	21	**937,820**	947,774
Interests in joint ventures	22	**1,562**	1,716
		980,806	1,060,215
CURRENT ASSETS			
Inventories	23	**–**	1,522
Trade and other receivables	24	**142,954**	45,962
Tax recoverable	34(a)	**7**	381
Pledged bank deposits	25	**10,396**	10,804
Cash and cash equivalents	26	**71,574**	80,423
		224,931	139,092
CURRENT LIABILITIES			
Trade and other payables	27	**38,317**	33,265
Deferred income	28	**135**	875
Profit guarantee liabilities	29	**–**	5,308
Bank loans – due within one year	30	**598**	608
Financial guarantee contract	32	**19,995**	19,995
Finance lease liabilities – current portion	33	**–**	24
		59,045	60,075
NET CURRENT ASSETS		**165,886**	79,017
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,146,692**	1,139,232

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT LIABILITIES			
Deferred income	28	–	146
Bank loans – due after one year	30	**9,746**	11,148
Loans payables	31	**16,896**	17,766
Financial guarantee contract	32	**29,995**	49,990
Finance lease liabilities	33	–	107
Deferred tax liabilities	34(b)	**488**	526
Loan from a director and controlling shareholder	35	–	50,000
		57,125	129,683
NET ASSETS		**1,089,567**	1,009,549
CAPITAL AND RESERVES			
Share capital	36	**49,265**	49,265
Reserves	38	**1,028,937**	935,459
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**1,078,202**	984,724
NON-CONTROLLING INTERESTS	38	**11,365**	24,825
TOTAL EQUITY		**1,089,567**	1,009,549

Approved and authorised for issue by the board of directors on 30 March 2015.

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The accompanying notes form an integral part of these consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	20	**1,300,027**	1,332,979
CURRENT ASSETS			
Deposits, prepayments and other receivables	24	**508**	471
Pledged bank deposits	25	**8,832**	8,960
Cash and cash equivalents	26	**3,954**	32,837
		13,294	42,268
CURRENT LIABILITIES			
Other payables and accruals	27	**90,946**	48,218
Financial guarantee contract	32	**19,995**	19,995
		110,941	68,213
NET CURRENT LIABILITIES		**(97,647)**	(25,945)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,202,380**	1,307,034
NON-CURRENT LIABILITIES			
Financial guarantee contract	32	**29,995**	49,990
Loan from a director and controlling shareholder	35	**–**	50,000
		29,995	99,990
NET ASSETS		**1,172,385**	1,207,044
CAPITAL AND RESERVES			
Share capital	36	**49,265**	49,265
Reserves	38	**1,123,120**	1,157,779
TOTAL EQUITY		**1,172,385**	1,207,044

Approved and authorised for issue by the board of directors on 30 March 2015.

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to owners of the Company									
	Share capital HK$'000	Share premium HK$'000	Distributable reserve HK$'000	Capital redemption reserve HK$'000	Exchange reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2013	40,649	1,193,840	52,333	976	752	–	(546,916)	741,634	24,361	765,995
Profit/(loss) for the year	–	–	–	–	–	–	18,644	18,644	(6,399)	12,245
Other comprehensive loss for the year	–	–	–	–	(2,290)	–	–	(2,290)	(140)	(2,430)
Total comprehensive (loss)/income for the year	–	–	–	–	(2,290)	–	18,644	16,354	(6,539)	9,815
Issue of consideration shares *(note 36)*	8,616	–	–	–	–	–	–	8,616	–	8,616
Issue of consideration shares at premium *(note 36)*	–	225,123	–	–	–	–	–	225,123	–	225,123
Acquisition of additional interests in a subsidiary *(note 39(d))*	–	–	–	–	–	–	(7,003)	(7,003)	7,003	–
At 31 December 2013	49,265	1,418,963	52,333	976	(1,538)	–	(535,275)	984,724	24,825	1,009,549
At 1 January 2014	49,265	1,418,963	52,333	976	(1,538)	–	(535,275)	984,724	24,825	1,009,549
Profit for the year	–	–	–	–	–	–	96,890	96,890	20,892	117,782
Other comprehensive loss for the year	–	–	–	–	(2,972)	–	–	(2,972)	(592)	(3,564)
Total comprehensive (loss)/income for the year	–	–	–	–	(2,972)	–	96,890	93,918	20,300	114,218
Acquisition of additional interests in a subsidiary *(note 39(a))*	–	–	–	–	–	–	(440)	(440)	440	–
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	–	(34,200)	(34,200)
Transfer to other reserve	–	–	–	(976)	–	976	–	–	–	–
At 31 December 2014	**49,265**	**1,418,963**	**52,333**	**–**	**(4,510)**	**976**	**(438,825)**	**1,078,202**	**11,365**	**1,089,567**

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
OPERATING ACTIVITIES			
Profit before taxation from:			
Continuing operations		**73,470**	11,597
Discontinued operation	15(a)	**44,312**	475
Adjustment for:			
Interest income		**(187)**	(569)
Finance costs	9(a)	**2,162**	9,086
Depreciation on property, plant and equipment	17	**6,405**	9,469
Amortisation on intangible assets	19	**328**	356
Amortisation on financial guarantee contract	32	**(19,995)**	(19,995)
Share of results of joint ventures		**(346)**	(367)
Share of results of associates		**(88,047)**	(51,014)
Reversal of impairment loss recognised on other receivable	24(b)	**(264)**	(3,864)
Impairment loss recognised on			
– intangible assets	19	**16,380**	213
– other receivable	24(b)	**–**	268
– goodwill	18	**1,313**	2,549
Write back of long-outstanding trade payables	8	**(263)**	(152)
Exchange alignment		**1,728**	1,391
Gain on derecognition of a long term payable	8	**–**	(83,429)
Loss on derecognition of a long term payable	9(c)	**–**	71,842
Gain on settlement of loans payables	8	**(1,809)**	–
Net gain on disposal of property, plant and equipment		**(45,152)**	(244)
Operating loss before changes in working capital		**(9,965)**	(52,388)
Decrease in inventories		**1,522**	308
Increase in trade and other receivables		**(98,082)**	(1,603)
Increase in trade and other payables		**4,956**	7,424
Decrease in deferred income		**(882)**	(906)
Cash used in operations		**(102,451)**	(47,165)
Income tax refunded/(paid)			
– Overseas tax refunded/(paid)		**343**	(188)
NET CASH USED IN OPERATING ACTIVITIES		**(102,108)**	(47,353)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(5,597)**	(1,962)
Net proceeds from disposal of property, plant and equipment		**91,604**	1,630
Decrease in amounts due from associates		**98,000**	24,500
Decrease in amount due from a joint venture		**500**	680
Increase in pledged bank deposits		**(200)**	(1,094)
Interest income received		**187**	569
NET CASH GENERATED FROM INVESTING ACTIVITIES		**184,494**	24,323
FINANCING ACTIVITIES			
Dividend paid to non-controlling shareholders		**(34,200)**	–
Loan from non-controlling shareholder		**1,613**	613
Repayment of loan and long-term payables		**–**	(174,560)
Repayment of finance lease		**(129)**	(14)
Repayment of bank loans		**(565)**	(573)
Payment for profit guarantee liabilities		**(5,308)**	(9,100)
Loan from a director and controlling shareholder		**40,000**	50,000
Repayment of loan from a director and controlling shareholder		**(90,000)**	–
Finance costs		**(2,162)**	(2,002)
NET CASH USED IN FINANCING ACTIVITIES		**(90,751)**	(135,636)
Net decrease in cash and cash equivalents		**(8,365)**	(158,666)
Cash and cash equivalents at the beginning of the year		**80,423**	239,581
Effect of foreign exchange rate changes		**(484)**	(492)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**71,574**	80,423
Analysis of balances of cash and cash equivalents			
Cash and bank balances	26	**71,574**	80,423

The accompanying notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in Bermuda on 27 May 2004 under the Companies Act 1981 of Bermuda and is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its controlling shareholder is Silver Rich Macau Development Limited, a company incorporated in the British Virgin Islands with limited liability.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 20 to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) 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") and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance"), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to the 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 (the "Listing Rules"). A summary of the significant accounting policies adopted by the Group (as defined hereinafter) is set out below.

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 (as defined hereinafter) and the Company. Note 3 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.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together the "Group") and the Group's interests in associates and joint ventures made up to 31 December each year.

The consolidated financial statements are presented in Hong Kong dollars (HK$), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristic of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the consolidated financial statements (continued)

Basis of measurement (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amount of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

(c) Subsidiaries and non-controlling interests

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more or the three elements of control listed above.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and non-controlling interests (continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- right arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair values of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and non-controlling interests (continued)

Changes in the Group's ownership interests in existing subsidiaries (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(k).

In the Company's statement of financial position, an investment in subsidiaries is stated at cost less impairment losses (see note 2(i)).

(d) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exits only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Associates and joint ventures (continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less cost of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interests in associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interests if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

In the Company's statement of financial position, investments in associate and joint venture are stated at cost less impairment loss (see note 2(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating units ("CGU(s)") or groups of CGUs, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(i)). In respect of associate or joint venture, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or joint venture and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see note 2(i)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or joint venture is recognised immediately in profit or loss.

On disposal of a CGU of an associate or a joint venture, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(i)).

Gain or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds on disposal and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful life at the following rates per annum:

Building	2.5%
Cruise ship	5%
Leasehold improvements	Over lease terms
Plant and machinery	20%
Furniture, fittings and office equipment	18% – 33$^1/_3$%
Motor vehicles	30% – 33$^1/_3$%
Motor yacht	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually. There is no depreciation imposed on the freehold land.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Intangible assets (other than goodwill)

Intangible assets, other than goodwill, identified on business combinations are capitalised on their fair values. They represent mainly trademark and relationship with customers. Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation for intangible assets with finite useful lives is charged to profit or loss on a straight-line basis from the date of acquisition over their estimated useful lives as follows:

Client list	15 years

The asset's useful lives and their amortisation method are reviewed annually.

Intangible assets with indefinite useful lives are not amortised. The intangible asset and its status are reviewed annually to determine whether events and circumstances continue to support indefinite useful life. Should the useful life of an intangible asset change from indefinite to finite, the change would be accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(h) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(i) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities and current receivables that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for current receivables are reversed if in a subsequent period the amount of the impairment loss decreases. Impairment losses for equity securities are not reversed.

– For financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and other receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses in respect of other receivables are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– intangible assets;

– investments in subsidiaries, associates and joint ventures; and

– goodwill

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a CGU).

– *Recognition of impairment losses*

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the CGU to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(j) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out formula and comprises all costs of purchase in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(k) Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at "fair value through profit or loss" ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at FVTPL, "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, amounts due from subsidiaries, associates and a joint venture, pledged bank deposits as well as cash and cash equivalents) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

– significant financial difficulty of the issuer or counterparty; or

– breach of contract, such as a default or delinquency in interest or principal payments; or

– it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

– the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities

Other financial liabilities

Other financial liabilities (including trade and other payables, profit guarantee liabilities, loans payables, finance lease liabilities, bank loans as well as loan from a director and controlling shareholder) are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Financial instruments (continued)

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

– the amount of the obligation under the contract, as determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and

– the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety. The Group allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(n) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Income tax (continued)

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

(o) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) ***Cruise ship leasing and management fee income***

- Cruise ship leasing income is recognised on an accrual basis in accordance with the terms of the leasing agreement.
- Cruise ship management fee income is recognised when the management service is rendered.

(ii) ***Travel-related agency service fee income***

- Revenue from the sale of air tickets is recognised when the tickets are issued.
- Revenue from the sale of tour packages is recognised when travel arrangements have been booked and confirmed with customers. Deposits from customers are reported as liabilities.
- Revenue from the sale of group tours is recognised at the point of group departure. Deposits from customers are reported as liabilities until the tour departs.

(iii) Lottery commission and services income is recognised when the sales agency services are provided, net of business tax.

(iv) Management fee income is recognised when the amounts are measurable and the ultimate collections are reasonably assumed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Revenue recognition (continued)

(v) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

(vi) Interest income is recognised on a time-apportioned basis using the effective interest method.

(vii) Services income is recognised when services are provided.

(viii) Deferred income comprises of a sign-up bonus for an on-line ticket processing system and is recognised as revenue in accordance with the terms of the agreement.

(ix) Other income consists of revenue earned based on volume sales through various on-line ticket processing systems. Other income is recognised when it is measurable and all contractual obligations have been fulfilled.

(q) Foreign currencies

In preparing the consolidated financial statements of each individual entity, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

– exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

– exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

– exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve (attributed to non-controlling interests as appropriate).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currencies (continued)

On the disposal of a foreign operation (i.e. a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of foreign currency translation reserve.

(r) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(s) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over, the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Related parties (continued)

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(t) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker ("CODM") for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical location.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(u) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 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 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

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 consolidated and separate 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 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. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 "Fair Value Measurements".

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 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.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

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[2]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2011-2013 cycle[1]
Amendments to HKFRSs	Annual Improvement to HKFRSs 2012-2014 cycle[3]
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plant[3]
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contribution[1]
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements[3]
HKFRS 9	Financial Instruments[5]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations[3]
HKFRS 14	Regulatory Deferral Accounts[6]
HKFRS 15	Revenue from Contracts with Customers[4]

[1] *Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted*
[2] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted*
[3] *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted*
[4] *Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted*
[5] *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted*
[6] *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier applications permitted*

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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. Debt instruments that are held with a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial assets that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. 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.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 9 "Financial Instruments" (continued)

- 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.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the type of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

HKFRS 15 "Revenue from Contracts with Customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer

- Step 2: Identify the performance obligations in the contract

- Step 3: Determine the transaction price

- Step 4: Allocate the transaction price to the performance obligations in the contract

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKFRS 11 "Accounting for Acquisitions of Interests in Joint Operations"

The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 "Business Combinations". Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (e.g. HKAS 36 "Impairment of Assets" regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business, as defined in HKFRS 3, is contributed to the joint operation on its formation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

Amendments to HKAS 16 and HKAS 38 "Clarification of Acceptable Methods of Depreciation and Amortisation"

The amendments to HKAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to HKAS 16 and HKAS 41 "Agriculture: Bearer Plants"

The amendments to HKAS 16 and HKAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

Amendments to HKAS 19 "Defined Benefit Plans: Employee Contributions"

The amendments to HKAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 27 "Equity Method in Separate Financial Statements"

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:

- At cost;
- In accordance with HKFRS 9 "Financial Instruments" (or HKAS 39 "Financial Instruments: Recognition and Measurement" for entities that have not yet adopted HKFRS 9), or
- Using the equity method as described in HKAS 28 "Investments in Associates and Joint Ventures".

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to HKAS 27, there are consequential amendments to HKAS 28 to avoid a potential conflict with HKFRS 10 "Consolidated Financial Statements" and to HKFRS 1 "First time Adoption of Hong Kong Financial Reporting Standards".

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

Amendments to HKAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to HKFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into HKFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Annual Improvements to HKFRSs 2010-2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) clarify the definitions of 'vesting condition' and 'market condition'; and (ii) separate the definitions of 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker ("CODM").

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 might be perceived as removing the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

Annual Improvements to HKFRSs 2011-2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Annual Improvements to HKFRSs 2011-2013 Cycle (continued)

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

- the property meets the definition of investment property in terms of HKAS 40; and
- the transaction meets the definition of a business combination under HKFRS 3.

Annual Improvements to HKFRSs 2012-2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments shall be applied prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 "Disclosure – Offsetting Financial Assets and Financial Liabilities" issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 "Interim Financial Reporting".

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in opening retained earnings of the earliest comparative period presented.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere in the interim financial report. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

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.

4. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	The Group		The Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Financial assets				
Loans and receivables (including cash and bank balances)	**966,796**	962,169	**1,212,842**	1,268,164
Financial liabilities				
Amortised costs	**65,557**	118,226	**90,946**	98,218

(b) Financial risk management and fair values

The Group has exposure to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and other price risk) from its use of financial instruments. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and the Group's credit risk is primarily attributable to the trade and other receivables and cash and cash equivalents. Management has a credit policy in a place and the exposures to these credit risks are monitored on an ongoing basis.

The management has established a credit policy under which credit evaluations are performed on all customers requiring credit. Trade receivables are due within 3 months from the date of billing. Trade debtors with balances that are more than 3 months are requested to settle all outstanding balance before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a certain concentration of credit risk as approximately 13% and 46% (2013: approximately 1% and 2%) of the total trade and other receivables were due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position after deducting any impairment allowance. Except for a financial guarantee given by the Company as set out in note 32, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the Company's statement of financial position is disclosed in note 32.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 24.

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management and fair values (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its current and expected liquidity requirement and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities, which are based on the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

The Group

	At 31 December 2014				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	38,317	–	–	38,317	38,317
Loans payables	–	16,896	–	16,896	16,896
Bank loans	1,176	1,176	13,209	15,561	10,344
	39,493	18,072	13,209	70,774	65,557

	At 31 December 2013				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	33,265	–	–	33,265	33,265
Profit guarantee liabilities	5,308	–	–	5,308	5,308
Finance lease liabilities	24	24	83	131	131
Loans payables	–	17,766	–	17,766	17,766
Loan from a director and controlling shareholder	–	–	52,500	52,500	50,000
Bank loans	1,268	1,268	15,504	18,040	11,756
	39,865	19,058	68,087	127,010	118,226

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management and fair values (continued)

(ii) Liquidity risk (continued)

The Company

	At 31 December 2014				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Other payables and accruals	**90,946**	**–**	**–**	**90,946**	**90,946**

	At 31 December 2013				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Other payables and accruals	48,218	–	–	48,218	48,218
Loan from a director and controlling shareholder	–	–	52,500	52,500	50,000
	48,218	–	52,500	100,718	98,218

As at 31 December 2014 and 2013, it was not probable that the counter parties to the financial guarantee will claim under the contracts. Consequently, the carrying amount of the financial guarantee contract of approximately HK$50.0 million (2013: approximately HK$70.0 million) has not been presented above.

	At 31 December 2014		At 31 December 2013	
	HK$'000	**Expiry period**	HK$'000	Expiry period
Guarantee given to bank in respect of banking facilities granted to an associate	**1,176,000**	**2017**	1,176,000	2017

(iii) Currency risk

Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's transactional currency are HK$, Renminbi ("RMB"), Canadian dollars and United States dollars as substantially all the turnover from continuing operations are in RMB, Canadian dollars and United States dollars. The Group's and the Company's transactional foreign exchange exposure was insignificant.

(iv) Interest rate risk

The market risk exposure of the Group is the changes in interest rates. The Group has no significant interest-bearing assets and liabilities. Accordingly, the Group's income and operating cash flows are substantially independent of changes in market interest rate.

4. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management and fair values (continued)

(v) Fair value

The fair values of the Group's financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions. The directors of the Company ("Director(s)") consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements are not materially different from their fair values as at 31 December 2014 and 2013.

The Group does not have any financial instrument that is measured subsequent to initial recognition at fair value.

(vi) Other price risk

The Group is exposed to other price risk mainly through the cost of fuel oil. The Group manages this exposure by entering into an agreement with the lessee of the cruise ship for reimbursement of fluctuation of price of fuel oil while its price is over a certain amount. The other price risk is minimal as the Group has disposed of the cruise ship during the year.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimated uncertainty

In the process of applying the Group's accounting policies which are described in note 2, management has made certain key assumptions concerning the future, and other key sources of estimated uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below:

(i) Impairment of property, plant and equipment and freehold land and buildings

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to the level of revenue and the amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying amount of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) Impairment of receivables

The Group maintains impairment allowance for doubtful accounts based upon evaluation of the recoverability of the trade receivables and other receivables, where applicable, at the end of each reporting period. The estimates are based on the aging of the trade receivables and other receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance may be required.

(iii) Impairment of goodwill

The Group performs annual test on whether there has been impairment of goodwill in accordance with the accounting policy stated in note 2(i). The recoverable amounts of CGUs are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Key sources of estimated uncertainty (continued)

(iv) Impairment of intangible assets

The Group performs annual test on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 2(i). The recoverable amounts of CGUs are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations.

(v) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The determination of the useful lives involves management's estimation. The Group reassesses the useful life of the intangible assets and if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

(b) Critical accounting judgements in applying the Group's accounting policies

In determining the carrying amounts of some assets and liabilities, the Group makes assumptions for the effects of uncertain future events on those assets and liabilities at the end of each reporting period. These estimates involve assumptions about such items as cash flows and discount rates used. The Group's estimates and assumptions are based on historical experience and expectations of future events and are reviewed periodically. In addition to assumptions and estimations of future events, judgements are also made during the process of applying the Group's accounting policies.

(i) Impairment test for interests in associates

The Group completed its annual impairment test for interests in associates by comparing the recoverable amount of interests in associates to its carrying amount as at 31 December 2014. The Group has engaged Roma Appraisals Limited ("Roma"), an independent professional valuer, who has among their staff, fellow members of the Hong Kong Institute of Surveyor, to carry out a valuation of the interests in associates as at 31 December 2014 based on the value in use calculations. This valuation uses cash flow projections based on financial estimates covering a five-year period, and a pre-tax discount rate of 14.86% (2013: 17.00%). The cash flows beyond the five-year period are extrapolated using a steady 5.25% (2013: 4.28%) growth rate for the casino and hotel industries in which are operated by associates.

Management has considered the above assumptions and valuation and also taken into account the business plan going forward. The valuation depends upon an estimate of future cash flows from the interests in associates and other key assumptions, which are based on the Directors' best estimates. The valuation is sensitive to these parameters. Changes in these parameters could lead to a material revision of the valuation which may have effects on the net assets and results of the Group.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(ii) Maruhan Put Option

On 1 October 2007, Golden Sun Profits Limited ("Golden Sun"), an indirect subsidiary of the Company, as vendor and the Company as Golden Sun's guarantor entered into a sale and purchase agreement with Maruhan Corporation ("Maruhan"), a then independent third party, as purchaser regarding (i) the disposal of 10.2% interest of the entire issued share capital (the "World Fortune Sale Shares") of World Fortune Limited ("World Fortune"), a subsidiary of Golden Sun; and (ii) the assignment of all rights, title, interests and benefits of and in the shareholder's loan of approximately HK$66,468,000 due by World Fortune to Golden Sun for a total consideration of approximately HK$208,501,000 (the "World Fortune Disposal"). The World Fortune Disposal was completed on 29 October 2007.

On the date of completion of the World Fortune Disposal, Golden Sun, the Company, Maruhan and World Fortune entered into a shareholders' agreement (the "World Fortune Shareholders' Agreement"). Pursuant to the terms of the World Fortune Shareholders' Agreement, (i) Golden Sun, in consideration of HK$1 paid by Maruhan, granted to Maruhan the right to require Golden Sun to purchase or procure the purchase of Maruhan's entire equity interest in World Fortune and the entire amount of shareholder's loan provided by Maruhan to World Fortune (the "Maruhan Put Option"); and (ii) Maruhan shall advance to World Fortune a further sum of approximately HK$116,369,000 by way of shareholder's loan to World Fortune which would on-lend the same to Pier 16 – Property Development Limited ("Pier 16 – Property Development") for the purpose of financing and completing the development of Ponte 16, the integrated casino-entertainment resort.

The Maruhan Put Option shall be exercised at any time on any business day during the period commencing from the fifth anniversary of 29 October 2007, the date of entering into the World Fortune Shareholders' Agreement, and ending on the day falling six months thereafter. The Maruhan Put Option purchase price shall be determined based on Maruhan's effective interest of 4.998% in the properties held by Pier 16 – Property Development (the "Property") and with reference to a 30% discount to the then prevailing market value of the Property to be determined by an independent professional valuer to be agreed by the shareholders of World Fortune. If the value of the Property as determined by the said valuer after taking into account a 30% discount exceeds HK$6,500 million or is below HK$3,900 million, the Maruhan Put Option purchase price shall be calculated with reference to HK$6,500 million or HK$3,900 million (as the case may be) and to be settled as to 50% by cash and 50% by allotment and issue of new shares by the Company.

The Directors considered that after the completion of the World Fortune Disposal, the Group still retains substantially all the risks and rewards of ownership of the World Fortune Sale Shares. Therefore, the Group continues to account for World Fortune as a wholly-owned subsidiary of the Company. The consideration of approximately HK$208,501,000 received has been recognised as liabilities and classified under loans payables and long-term payables in the consolidated statement of financial position. As the Group does not have the unconditional rights to avoid settlement under the Maruhan Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimated future cash outflows when it is required to acquire the World Fortune Sale Shares.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(ii) Maruhan Put Option (continued)

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 completed its acquisition of the legal and beneficial ownership of the entire equity interest of Maruhan in World Fortune together with the entire amount of the shareholder's loans provided by Maruhan to World Fortune pursuant to the exercise of option by Maruhan. The details please refer to note 39(b) of the consolidated financial statements.

(iii) SBI Macau Put Option

On 7 July 2008, Favor Jumbo Limited ("Favor Jumbo"), an indirect wholly-owned subsidiary of the Company, as vendor and the Company as Favor Jumbo's guarantor entered into a sale and purchase agreement with SBI Macau Holdings Limited ("SBI Macau"), an independent third party, as purchaser regarding (i) the disposal of 910 shares (the "Golden Sun Sale Shares") of Golden Sun, being 4.55% of the entire issued share capital of Golden Sun, a subsidiary of Favor Jumbo; and (ii) the assignment of all rights, title, interests and benefits of and in 4.55% of the entire amount of the interest-free shareholder's loan due by Golden Sun to Favor Jumbo at face value which amounting to approximately HK$39,486,000 (collectively the "Golden Sun Disposal"). The total consideration for the Golden Sun Disposal was HK$130.0 million. In addition, Favor Jumbo guaranteed that SBI Macau shall be entitled to a return of not less than HK$9.1 million for each full fiscal year for a period of sixty successive months immediately after the date of completion of the Golden Sun Disposal. The details of the profit guarantee liabilities have been set out in note 29 to the consolidated financial statements.

The Golden Sun Disposal was completed on 8 August 2008. On the date of completion of the Golden Sun Disposal, Favor Jumbo, the Company, SBI Macau, SBI Holdings, Inc. (SBI Macau's holding company) and Golden Sun entered into a shareholders' agreement (the "Golden Sun Shareholders' Agreement"). Pursuant to the terms of the Golden Sun Shareholders' Agreement, Favor Jumbo, in consideration of HK$1 paid by SBI Macau, granted to SBI Macau the right to require Favor Jumbo to purchase or procure the purchase of the entire equity interest in Golden Sun and the entire amount of the shareholder's loan owing by Golden Sun to SBI Macau (the "SBI Macau Put Option").

The SBI Macau Put Option purchase price shall be HK$99,465.77 per ordinary share in the share capital of Golden Sun held by SBI Macau as at completion of the SBI Macau Put Option plus the face value of the entire amount of the shareholder's loan owing by Golden Sun to SBI Macau as at completion of the SBI Macau Put Option, and the reserve as calculated in accordance with the terms of the Golden Sun Shareholders' Agreement.

The SBI Macau Put Option can be exercised at any time on any business day during the period commencing from the fifth anniversary of 8 August 2008, the date of entering into the Golden Sun Shareholders' Agreement, and ending on the day falling two months thereafter.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) Critical accounting judgements in applying the Group's accounting policies (continued)

(iii) SBI Macau Put Option (continued)

The Group may need to settle a sum being HK$130.0 million plus reserves as calculated in accordance with the terms of the Golden Sun Shareholders' Agreement, of which 50% will be settled by cash and the balance by allotment and issue of new shares, provided that the Company would be able to comply with minimum public float requirements under the Listing Rules after the issuance of the new shares, the number of shares to be issued would be reduced and the outstanding balance would be settled in cash accordingly, if the SBI Macau Put Option is exercised.

The Directors considered that after the completion of the Golden Sun Disposal, the Group still retains substantially all the risks and rewards of ownership of the Golden Sun Sale Shares. Therefore, the Group accounts for Golden Sun as a wholly-owned subsidiary of the Company. The consideration of HK$130.0 million received has been recognised as liabilities and classified under profit guarantee liabilities, the loans payables and long-term payables in the consolidated statement of financial position. As the Group does not have the unconditional rights to avoid settlement under the SBI Macau Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimate future cash outflow when it is required to acquire the Golden Sun Sale Shares.

Reference was made to the Company's announcements dated 6 September 2013 and 3 October 2013. In October 2013, Favor Jumbo completed its acquisition of the legal and beneficial ownership of the entire equity interest of SBI Macau in Golden Sun and the entire amount of the shareholder's loan owing by Golden Sun to SBI Macau pursuant to the exercise of option by SBI Macau. The details please refer to note 39(c) of the consolidated financial statements.

6. 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 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 two reportable segments. These segments are managed separately. The travel segment and lottery segment provide different services and require different information technology systems and marketing strategies.

The cruise ship leasing and management segment was discontinued for the year ended 31 December 2014. The segment information reported below does not include any amounts for this discontinued operation, which are described in more detail in note 15 to the consolidated financial statements.

6. SEGMENT INFORMATION (CONTINUED)

(a) Segment results, assets and liabilities

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.

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

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 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.

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 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 deferred tax liabilities and corporate liabilities. Unallocated corporate liabilities mainly include profit guarantee liabilities, loans payables, financial guarantee contracts, loan from a director and controlling shareholder and part of other payables borne by the central administration companies.

6. SEGMENT INFORMATION (CONTINUED)

(a) Segment results, assets and liabilities (continued)

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:

Continuing operations	Travel		Lottery		Total	
	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000
Revenue from external customers and reportable segment revenue	**1,103,544**	1,430,182	**201,125**	70,600	**1,304,669**	1,500,782
Reportable segment (loss)/profit	**(27,400)**	(16,108)	**24,506**	(13,422)	**(2,894)**	(29,530)
Share of results of joint ventures					**346**	367
Share of results of associates					**88,047**	51,014
Gain on derecognition of long-term payable					**–**	83,429
Loss on derecognition of long-term payable					**–**	(71,842)
Unallocated corporate income					**23,717**	22,204
Unallocated corporate expenses					**(34,258)**	(35,673)
Finance costs					**(1,488)**	(8,372)
Consolidated profit before taxation					**73,470**	11,597
Taxation					**–**	173
Consolidated profit for the year					**73,470**	11,770

	Travel		Lottery		Total	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Reportable segment assets	**48,082**	69,450	**138,224**	38,577	**186,306**	108,027
Assets relating to cruise ship leasing and management (now discontinued)					**51,240**	90,346
Unallocated corporate assets						
– Interests in associates					**937,820**	947,774
– Interests in joint ventures					**1,562**	1,716
– Tax recoverable					**7**	381
– Corporate assets					**28,802**	51,063
					1,205,737	1,199,307
Reportable segment liabilities	**30,837**	37,353	**31,889**	15,581	**62,726**	52,934
Liabilities relating to cruise ship leasing and management (now discontinued)					**774**	7,948
Unallocated corporate liabilities						
– Deferred tax liabilities					**488**	526
– Corporate liabilities					**52,182**	128,350
					116,170	189,758

6. SEGMENT INFORMATION (CONTINUED)

(b) Other segment information

Continuing operations	Travel		Lottery		Other corporate entities		Total	
	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000	2014 HK$'000	2013 HK$'000
Interest income	9	4	13	21	65	487	87	512
Amortisation of intangible assets	(328)	(356)	–	–	–	–	(328)	(356)
Depreciation on property, plant and equipment	(897)	(1,048)	(1,833)	(2,112)	(361)	(269)	(3,091)	(3,429)
Reversal of impairment loss recognised on:								
– other receivable	–	–	264	–	–	–	264	–
Impairment loss recognised on:								
– intangible assets	(16,380)	(213)	–	–	–	–	(16,380)	(213)
– goodwill	–	(2,549)	–	–	–	–	–	(2,549)
– other receivable	–	–	–	(268)	–	–	–	(268)
Finance costs	(674)	(714)	–	–	(1,488)	(8,372)	(2,162)	(9,086)
Additions to non-current assets*	646	264	3,042	1,311	951	108	4,639	1,683

* 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:

Continuing operations	2014 HK$'000	2013 HK$'000
Sales of air tickets	1,036,597	1,358,110
Travel and related service fee income	66,947	72,072
Lottery commission and services income	201,125	70,600
	1,304,669	1,500,782

(d) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets. The geographical location of customers refers to the location at which the services were provided. The Group's non-current assets included property, plant and equipment, goodwill, intangible assets, interests in associates and 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 interests in associates and joint ventures, it is based on the location of operations of such associates and joint ventures.

6. SEGMENT INFORMATION (CONTINUED)

(d) Geographical information (continued)

	Revenue from external customers (continuing operations)		Non-current assets	
	2014 HK$'000	2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Hong Kong (place of domicile)	**–**	–	**2,479**	2,110
Macau	**–**	–	**937,820**	947,774
North America	**1,103,544**	1,430,182	**32,015**	52,856
South China Sea, other than in Hong Kong	**–**	–	**–**	50,052
PRC	**201,125**	70,600	**8,492**	7,423
	1,304,669	1,500,782	**980,806**	1,060,215

(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 7 to the consolidated financial statements.

7. TURNOVER

The principal activities of the Group are travel-related business and provision of sales agency services of lottery in PRC.

Turnover represents 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:

Continuing operations	2014 HK$'000	2013 HK$'000
Lottery commission and services income	**201,125**	70,600
Travel-related agency service fee income		
– Sales of air tickets	**1,036,597**	1,358,110
– Travel and related service fee income	**66,947**	72,072
	1,103,544	1,430,182
	1,304,669	1,500,782

8. OTHER REVENUE AND GAINS

Continuing operations	2014 HK$'000	2013 HK$'000
Other revenue		
Interest income on bank deposits	**87**	512
Total interest income on financial assets not at fair value through profit or loss	**87**	512
Commission income	**2**	2
Government grants#	**1,774**	–
Management fee income from an associate	**333**	541
Write back of long-outstanding trade payables	**263**	152
Gain on disposal of property, plant and equipment	**4**	244
Gain on settlement of loans payables *(note 39(a))*	**1,809**	–
Service fee income	**2,420**	2,692
Other income	**2,998**	2,413
	9,690	6,556
Other gains		
Amortisation on financial guarantee contract	**19,995**	19,995
Gain on derecognition of a long-term payable	**–**	83,429
Net exchange gain	**64**	20
Reversal of impairment loss recognised on other receivable* *(note 24(b))*	**264**	–
	20,323	103,444
Total	**30,013**	110,000

It represented cash received from unconditional grants by the local government to encourage the business operations in the PRC. Government grants are recognised in profit or loss when received.

* It represented impairment on debts due by a debtor which has been long-outstanding. The Directors 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 (note 24(b)).

9. PROFIT BEFORE TAXATION

Profit before taxation from continuing operations is arrived at after charging the following:

Continuing operations	2014 HK$'000	2013 HK$'000
(a) Finance costs		
(i) Not wholly repayable within five years:		
Interest on bank loans	641	714
Interest on bank overdraft	33	–
	674	714
(ii) Wholly repayable within five years:		
Interest on loan from a director and controlling shareholder	1,488	1,288
Interest on long-term payables	–	7,084
	1,488	8,372
Total interest expenses on financial liabilities not at fair value through profit or loss	2,162	9,086
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	51,075	52,927
Contributions to defined contribution retirement plan	2,696	2,860
	53,771	55,787
(c) Other operating expenses		
Loss on derecognition of a long-term payable	–	71,842
Impairment loss recognised on		
– goodwill	–	2,549
– intangible assets	16,380	213
– other receivable	–	268
	16,380	74,872
(d) Other items		
Auditors' remuneration		
– audit services	1,374	1,500
– other services	280	280
Amortisation on intangible assets	328	356
Bad debts written off	2,163	354
Depreciation on owned property, plant and equipment	3,076	3,411
Depreciation on leased property, plant and equipment	15	18
Operating lease rentals		
– properties	9,791	9,643
– plant and machinery	674	696
Loss on disposal of property, plant and equipment	2	–

10. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

Continuing operations	2014 HK$'000	2013 HK$'000
Current tax – Overseas profits tax		
– Credit for the year	–	(248)
	–	(248)
Deferred taxation relating to the origination and reversal of temporary differences *(note 34(b))*	–	75
Tax credit	–	(173)

Hong Kong Profits Tax is calculated at 16.5% (2013: 16.5%) of the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made as the Group had no chargeable profit for the years ended 31 December 2014 and 2013.

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

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

Continuing operations	2014 HK$'000	2013 HK$'000
Profit before taxation from continuing operations	73,470	11,597
Notional tax on loss before tax, calculated at the tax rates applicable to loss in the countries concerned	(1,533)	(9,521)
Tax effect of share of results of associates	14,528	8,417
Tax effect of share of results of joint ventures	57	61
Tax effect of non-deductible expenses	2,709	17,054
Tax effect of non-taxable revenue	(3,582)	(17,236)
Tax effect of unrecognised tax losses	(12,004)	807
Unrecognised temporary differences	(175)	245
Tax credit for the year	–	(173)

11. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 of the Companies Ordinance is as follows:

	Directors' fee		Salaries, allowance and other benefits		Retirement benefit scheme contributions		Total	
Name	**2014 HK$'000**	2013 HK$'000	**2014 HK$'000**	2013 HK$'000	**2014 HK$'000**	2013 HK$'000	**2014 HK$'000**	2013 HK$'000
Executive Directors								
Yeung Hoi Sing, Sonny *(Chairman)*	**–**	–	**–**	–	**–**	–	**–**	–
Ma Ho Man, Hoffman *(Deputy Chairman)*	**–**	–	**604**	635	**17**	15	**621**	650
Non-executive Director								
Choi Kin Pui, Russelle	**120**	120	**–**	–	**–**	–	**120**	120
Independent Non-executive Directors								
Yeung Mo Sheung, Ann	**120**	120	**–**	–	**–**	–	**120**	120
Chin Wing Lok, Ambrose	**120**	120	**–**	–	**–**	–	**120**	120
Chong Ming Yu *(appointed on 1 December 2014)*	**10**	–	**–**	–	**–**	–	**10**	–
Luk Ka Yee, Patrick *(resigned on 1 December 2014)*	**110**	120	**–**	–	**–**	–	**110**	120
	480	480	**604**	635	**17**	15	**1,101**	1,130

12. SENIOR MANAGEMENT'S EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS

(a) Five highest paid individuals

The five individuals with the highest emoluments, none (2013: one) is a director whose emoluments is disclosed in note 11. The aggregate of the emoluments in respect of the other five (2013: four) individuals, included one (2013: one) of senior management, are as follows:

	2014 HK$'000	2013 HK$'000
Salaries, allowances and other benefits	**4,952**	4,135
Retirement benefit scheme contributions	**84**	59
	5,036	4,194

The emoluments of the five (2013: four) individuals with the highest emoluments are within the following band:

	Number of individuals	
	2014	2013
Nil – HK$1,000,000	**4**	3
HK$1,000,001 to HK$1,500,000	**–**	1
HK$1,500,001 to HK$2,000,000	**1**	–

12. SENIOR MANAGEMENT'S EMOLUMENTS AND INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

(b) Senior management of the Company

The emoluments of the senior management of the Company are within the following band:

	Number of individuals	
	2014	2013
Nil – HK$1,000,000	**2**	2

13. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The profit attributable to owners of the Company includes a profit of approximately HK$12,648,000 (2013: approximately HK$12,610,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

No interim dividend was paid during the year under review (2013: nil). The Directors do not recommend any payment of a final dividend for the year ended 31 December 2014 (2013: nil).

15. DISCONTINUED OPERATION

On 2 July 2014, Capture Success Limited, an indirect non-wholly owned subsidiary of the Company, entered into an agreement with an independent third party to dispose of its cruise ship at a consideration of HK$93.0 million and the disposal was completed in August 2014. The operation of the cruise ship represented the entire business segment of cruise ship leasing and management of the Group and therefore the cessation of the business was treated as discontinued operation in these consolidated financial statements in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

The comparative consolidated statement of profit or loss, profit before taxation stated in these consolidated financial statements and the relevant disclosure notes for profit or loss items are re-presented for discontinued operation in the current year.

15. DISCONTINUED OPERATION (CONTINUED)

(a) The analysis of the results of the discontinued operation included in the consolidated statement of profit or loss are as follows:

	2014 HK$'000	2013 HK$'000
Revenue	**56,113**	84,000
Cost of sales	**(19,617)**	(31,332)
Gross profit	**36,496**	52,668
Other revenue	**47,141**	7,551
Administrative expenses	**(38,012)**	(59,744)
Impairment loss recognised on goodwill	**(1,313)**	–
Profit before taxation	**44,312**	475
Taxation	**–**	–
Profit for the year from discontinued operation	**44,312**	475
Profit attributable to:		
– Owners of the Company	**24,372**	261
– Non-controlling interests	**19,940**	214
Profit for the year from discontinued operation	**44,312**	475

(b) Profit before taxation from discontinued operation is arrived at after charging/(crediting) the following:

	2014 HK$'000	2013 HK$'000
Auditors' remuneration		
– audit services	**100**	128
Cost of inventories	**19,617**	31,332
Staff costs	**17,524**	23,126
Depreciation on property, plant and equipment	**3,314**	6,040
Gain on disposal of property, plant and equipment	**(45,150)**	–
Interest income	**(100)**	(57)
Net exchange gain	**(106)**	(163)
Operating lease rentals		
– properties	**271**	401
Reimbursement on cost of fuel oil	**(1,785)**	(3,467)
Reversal of impairment loss recognised on other receivable *(note 24(b))*	**–**	(3,864)
Other information:		
Addition to non-current assets	**958**	424

(c) Cash flows from discontinued operation:

	2014 HK$'000	2013 HK$'000
Net cash (outflow)/inflow from operating activities	**(1,239)**	9,205
Net cash inflow/(outflow) from investing activities	**90,940**	(368)
Net cash outflow from financing activity	**(76,000)**	–
Net increase in cash and cash equivalent	**13,701**	8,837

16. EARNINGS PER SHARE

(a) From continuing and discontinued operations:

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

	2014 HK$'000	2013 HK$'000
Profit:		
Profit for the year attributable to the owners of the Company	**96,890**	18,644

	2014 '000	2013 '000
Number of shares:		
Weighted average number of shares for the purpose of basic earnings per share	**4,926,491**	4,476,744

Diluted earnings per share for the years ended 31 December 2014 and 2013 was the same as the basic earnings per share. There were no potential dilutive ordinary shares outstanding for both years presented.

(b) From continuing operations:

The calculation of the basic earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	2014 HK$'000	2013 HK$'000
Profit:		
Profit for the year attributable to the owners of the Company	**96,890**	18,644
Less: profit for the year attributable to the owners of the Company from discontinued operation	**(24,372)**	(261)
	72,518	18,383

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Diluted earnings per share for the years ended 31 December 2014 and 2013 was the same as the basic earnings per share. There were no potential dilutive ordinary shares outstanding for both years presented.

(c) From discontinued operation:

The calculation of the basic earnings per share from discontinued operation attributable to the owners of the Company is based on the following data:

	2014 HK$'000	2013 HK$'000
Profit:		
Profit for the year attributable to the owners of the Company from discontinued operation	**24,372**	261

16. EARNINGS PER SHARE (CONTINUED)

(c) From discontinued operation: (continued)

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Diluted earnings per share for the years ended 31 December 2014 and 2013 was the same as the basic earnings per share. There were no potential dilutive ordinary shares outstanding for both years presented.

17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Freehold land and building HK$'000	Cruise ship HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fittings and office equipment HK$'000	Motor vehicles HK$'000	Motor yacht HK$'000	Total HK$'000
Cost								
At 1 January 2013	20,402	93,600	6,258	16,515	10,620	1,959	4,700	154,054
Additions	–	–	479	396	1,080	152	–	2,107
Disposals	–	–	(10)	–	(36)	–	–	(46)
Exchange alignment	(1,503)	–	(221)	–	(285)	(33)	–	(2,042)
At 31 December 2013 and 1 January 2014	18,899	93,600	6,506	16,911	11,379	2,078	4,700	154,073
Additions	–	–	437	950	3,403	807	–	5,597
Disposals	–	(93,600)	(1,121)	(17,861)	(2,704)	(170)	–	(115,456)
Exchange alignment	(1,371)	–	(350)	–	(652)	(42)	–	(2,415)
At 31 December 2014	**17,528**	**–**	**5,472**	**–**	**11,426**	**2,673**	**4,700**	**41,799**
Accumulated depreciation								
At 1 January 2013	1,109	42,120	3,626	13,580	3,723	1,652	4,700	70,510
Charge for the year	444	4,680	1,287	1,339	1,533	186	–	9,469
Written back on disposals	–	–	(10)	–	(36)	–	–	(46)
Exchange alignment	(100)	–	(153)	–	(458)	(34)	–	(745)
At 31 December 2013 and 1 January 2014	1,453	46,800	4,750	14,919	4,762	1,804	4,700	79,188
Charge for the year	419	2,730	661	566	1,753	276	–	6,405
Written back on disposals	–	(49,530)	(1,121)	(15,485)	(2,703)	(59)	–	(68,898)
Exchange alignment	(130)	–	(285)	–	(545)	(33)	–	(993)
At 31 December 2014	**1,742**	**–**	**4,005**	**–**	**3,267**	**1,988**	**4,700**	**15,702**
Carrying amount								
At 31 December 2014	**15,786**	**–**	**1,467**	**–**	**8,159**	**685**	**–**	**26,097**
At 31 December 2013	17,446	46,800	1,756	1,992	6,617	274	–	74,885

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Freehold land and building held outside Hong Kong	**15,786**	17,446

18. GOODWILL

	The Group HK$'000
Cost	
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014	**8,332**
Accumulated impairment losses	
At 1 January 2013	(4,470)
Impairment loss	(2,549)
At 31 December 2013 and 1 January 2014	(7,019)
Impairment loss	(1,313)
At 31 December 2014	**(8,332)**
Carrying amount	
At 31 December 2014	**–**
At 31 December 2013	1,313

Goodwill is allocated to the Group's CGUs identified according to business segment as follows:

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Cruise ship management CGU	**–**	1,313

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
South China Sea, other than in Hong Kong	**–**	1,313

The recoverable amount of the CGU is determined on value in use calculations. These calculations use cash flow projections based on the financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The goodwill in the cruise ship management CGU had been fully impaired for the year ended 31 December 2014 as the Group has disposed of the cruise ship during the year (note 15). Growth rate of zero and pre-tax discount rate of 5% were used in the value in use calculation of cruise ship management CGU as at 31 December 2013. An impairment loss of approximately HK$1,313,000 was recognised for the year ended 31 December 2014 (2013: nil).

The travel CGU had been fully impaired in 2013 as its recoverable amount was lower than its carrying amount based on value in use calculation. Growth rate of 2% and pre-tax discount rate of 14.17% were used in the value in use calculation of travel CGU as at 31 December 2013.

19. INTANGIBLE ASSETS

	Trademark HK$'000	Client list HK$'000	Total HK$'000
Cost			
At 1 January 2013	33,814	9,452	43,266
Exchange alignment	(2,480)	(694)	(3,174)
At 31 December 2013 and 1 January 2014	31,334	8,758	40,092
Exchange alignment	(2,262)	(632)	(2,894)
At 31 December 2014	**29,072**	**8,126**	**37,198**
Accumulated amortisation and impairment losses			
At 1 January 2013	–	(5,391)	(5,391)
Charge for the year	–	(356)	(356)
Impairment loss	(190)	(23)	(213)
Exchange alignment	–	395	395
At 31 December 2013 and 1 January 2014	(190)	(5,375)	(5,565)
Charge for the year	–	(328)	(328)
Impairment loss	(13,567)	(2,813)	(16,380)
Exchange alignment	12	390	402
At 31 December 2014	**(13,745)**	**(8,126)**	**(21,871)**
Carrying amount			
At 31 December 2014	**15,327**	**–**	**15,327**
At 31 December 2013	31,144	3,383	34,527

Trademark

In accordance with HKAS 36 "Impairment of Assets" ("HKAS 36"), the Group completed its annual impairment test for the trademark by comparing its recoverable amount to its carrying amount as at 31 December 2014. The Group has conducted a valuation of the trademark based on the value in use calculations. With reference to the valuations carried out by Roma, the recoverable amount of the trademark is lower than its carrying amount. The recoverable amount of trademark was reduced equivalent to approximately HK$15,327,000 (31 December 2013: equivalent to approximately HK$31,144,000). Therefore, an impairment loss equivalent to approximately HK$13,567,000 has been recognised for the year ended 31 December 2014 (2013: equivalent to approximately HK$190,000). The recognition of impairment loss is mainly contributed by the decrease in revenue as previously expected due to a more competitive environment of the travel industry. Any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

The valuation of the trademark is based on the relief-from-royalty method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the trademark in the travel CGU and a pre-tax discount of 15.62% (2013: 18.01%). The cash flows beyond the five-year period are extrapolated using a steady 1.64% (2013: 2%) growth rate. This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

19. INTANGIBLE ASSETS (CONTINUED)

Client list

The Directors assessed that the client list having 15 years of useful lives from the date of acquisition. The Group has completed its annual impairment test for the client list by comparing the recoverable amount of the client list to its carrying amount as at 31 December 2014. The Group has conducted a valuation of the client list based on the value in use calculations. With reference to the valuations carried out by Roma, the recoverable amount of the client list is lower than its carrying amount. The recoverable amount of client list was reduced to zero (31 December 2013: equivalent to approximately HK$3,383,000).Therefore, an impairment loss equivalent to approximately HK$2,813,000 was recognised for the year ended 31 December 2014 (2013: equivalent to approximately HK$23,000). The recognition of impairment loss is mainly contributed by the increase in contributory charge of fixed assets.

The valuation of the client list is based on the contributory charge method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the client list in the travel CGU and a pre-tax discount rate of 22.08% (2013: 21.41%), The cash flows beyond the five-year period are extrapolated using a steady 1.64% (2013: 2%) growth rate. This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

20. INVESTMENTS IN SUBSIDIARIES

	The Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Unlisted shares, at cost	**40,655**	40,655
Deemed capital contribution	**99,978**	99,978
Amounts due from subsidiaries	**1,540,335**	1,525,980
	1,680,968	1,666,613
Less: impairment loss#	**(380,941)**	(333,634)
	1,300,027	1,332,979

After considering the accumulated losses and net liabilities positions of the relevant subsidiaries, the Directors are of the opinion that an additional impairment loss of approximately HK$47.3 million (2013: approximately HK$83.3 million) has been recognised for the year ended 31 December 2014.

As stated in note 21(e) to the consolidated financial statements, the Group has engaged Roma to carry out a valuation on the interests in associates based on value in use calculations. The recoverable amount of the interests in associates is higher than its carrying amount, therefore, the Directors considered that there is no impairment loss on interests in associates except for the reduction in the carrying amount of the deemed capital contribution for the year. On this basis, the Directors considered that no impairment should be made for the investments in those subsidiaries which held the interests in associates. The valuation depends upon an estimate of future cash flows from the interests in associates and other key assumptions on the growth of the business, which is based on the Directors' best estimates. The valuation is sensitive to these parameters. Changes in these parameters could lead to a material revision of the valuation which may have effects on the Directors' impairment assessment on investments in those subsidiaries which held the interests in associates.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

All of these are controlled subsidiaries as defined under note 2(c) and have been consolidated into the financial statements of the Group.

			Proportion of ownership interest			
Name of subsidiary	Place of incorporation/ operations	Particulars of issued shares and paid up share capital	Group's effective interest %	Held by the Company %	Held by subsidiaries %	Principal activities
Macau Success (Hong Kong) Limited *(note (i))*	Hong Kong	10,000,000 shares/ HK$1,076,000	100	100	–	Investment holding
Favor Jumbo	British Virgin Islands	100 shares of US$1 each	100	–	100	Investment holding
Golden Sun	British Virgin Islands	20,000 shares of US$1 each	100	–	100	Investment holding
Macau Success Management Services Limited	Hong Kong	100 shares/HK$100	100	–	100	Provision of administration services
World Fortune	Hong Kong	1,000 shares/HK$1,000	100	–	100	Investment holding
665127 British Columbia Ltd. ("665127 BC Ltd.")	Canada	9,400 common shares without par value	Approx. 85	–	Approx. 85	Investment holding
Jade Travel Ltd. ("Jade Travel (Canada)")	Canada	15,000 class "A" non-voting special shares of CAD 1,500,000 and 7 common shares without par value	Approx. 85	–	Approx. 85	Wholesale and retail business of selling airline tickets and tour packages
Jade Travel Ltd.	United States of America	100 common shares without par value	Approx. 85	–	Approx. 85	Wholesale and retail business of selling airline tickets and tour packages
上海德彩置佳科技服務有限公司 ("德彩置佳") *(note (ii))*	PRC	HK$25,000,000 paid up capital	80	–	80	Provision of technical support
致勝盈彩網絡科技有限公司 ("致勝盈彩") *(note (iii))*	PRC	RMB50,000,000 paid up capital	80	–	80	Provision of technology service platform and sales agency services of lottery
Capture Success Limited	British Virgin Islands/ South China Sea, other than in Hong Kong	100 shares of US$1 each	55	–	55	Cruise ship leasing
Hover Management Limited	Hong Kong/South China Sea, other than in Hong Kong	100 shares/HK$100	55	–	55	Provision of cruise ship management services

Notes:

(i) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Companies Ordinance, on 3 March 2014, any amount standing to the credit of the capital redemption reserve account has become part of the company's share capital.

(ii) 德彩置佳 is a wholly foreign owned enterprise established in the PRC, the Group had 80% of controlling interest for this company.

(iii) 致勝盈彩 is formerly known as 上海德彩譽富網絡科技有限公司. 致勝盈彩 is a limited liability company established in the PRC, the Group had 80% of controlling interest for this company.

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation/ operations	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		2014 %	2013 %	2014 HK$'000	2013 HK'000	2014 HK'000	2013 HK'000
665127 BC Ltd.	Canada	Approx. 15	20	(4,170)	(2,661)	(1,492)	2,451

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

665127 BC Ltd.

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Current assets	15,478	16,383
Non-current assets	32,015	52,856
Current liabilities	(11,492)	(15,484)
Non-current liabilities	(68,869)	(59,730)

	2014 HK$'000	2013 HK$'000
Revenue	1,108,630	1,435,641
Expenses	(1,124,285)	(1,448,948)
Loss for the year	(15,655)	(13,307)
Other comprehensive expenses	(455)	(1,663)
Loss and total comprehensive loss for the year	(16,110)	(14,970)
Net cash outflow from operating activities	(14,777)	(5,562)
Net cash (outflow)/inflow from investing activities	(69)	1,272
Net cash outflow from financing activities	14,312	3,519
Net cash outflow	(534)	(771)

20. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Name of subsidiary	Place of incorporation/ operations	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		2014	2013	**2014**	2013	**2014**	2013
		%	%	**HK$'000**	HK'000	**HK'000**	HK'000
Capture Success Limited	British Virgin Islands/ South China Sea, other than in Hong Kong	**45**	45	**19,940**	214	**22,119**	36,379

Summarised financial information in respect of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra-group eliminations.

Capture Success Limited

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Current assets	**51,196**	40,184
Non-current assets	**45**	50,912
Current liabilities	**773**	8,191

	2014 HK$'000	2013 HK$'000
Revenue	**103,254**	91,551
Expenses	**(58,942)**	(91,076)
Profit and total comprehensive income for the year	**44,312**	475
Dividend paid to non-controlling shareholders	**34,200**	–
Net cash (outflow)/inflow from operating activities	**(1,239)**	9,205
Net cash inflow/(outflow) from investing activities	**90,940**	(368)
Net cash outflow from financing activity	**(76,000)**	–
Net cash inflow	**13,701**	8,837

21. INTERESTS IN ASSOCIATES

	Note	The Group At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Deemed capital contribution	(b)	**99,978**	99,978
Goodwill	(c)	**19,409**	19,409
Share of results of associates	(d)	**60,014**	–
		179,401	119,387
Amounts due from associates *(note 42(b))*	(d)	**758,419**	828,387
Amount shown under non-current assets		**937,820**	947,774

Reconciliation of the above summarised financial information to the carrying amount of the interests in associates recognised in the consolidated financial statements:

	The Group At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Net liabilities of the associates	**(368,720)**	(548,407)
Proportion of the Group's ownership interest	**49%**	49%
Share of net liabilities of the associates	**(180,673)**	(268,719)
Goodwill	**19,409**	19,409
Effect of fair value adjustments at acquisition	**240,687**	240,687
Deemed capital contribution	**99,978**	99,978
Amounts due from associates *(note 42(b))*	**758,419**	856,419
	937,820	947,774

21. INTERESTS IN ASSOCIATES (CONTINUED)

(a) The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group:

Name of associate	Place of incorporation/ operations	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest %	Held by the Company %	Held by a subsidiary %	Principal activity
Pier 16 – Property Development *(note)*	Macau	100,000 shares of MOP100 each	49	–	49	Property holding

Note: As at 31 December 2014 and 2013, Pier 16 – Property Development held the equity interests of the following companies with the details as below:

Name of associate	Place of incorporation/ operations	Particulars of issued and paid up share capital	Proportion of effective interest held by Pier 16 – Property Development %	Principal activity
Pier 16 – Entertainment Group Corporation Limited	Macau	2 shares of MOP24,000 and MOP1,000 respectively	100	Provision of management services for casino operations
Pier 16 – Gaming Promotion, Limited	Macau	1 share of MOP50,000	100	Provision of gaming promotion services
Pier 16 – Management Limited	Macau/Hong Kong and Macau	2 shares of MOP24,000 and MOP1,000 respectively	100	Hotel management

(b) The deemed capital contribution is referenced to the financial guarantee contract (note 32) granted by the Group to the associates.

(c) **Goodwill**

Because goodwill is included in the carrying amount of the interests in associates and is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing in HKAS 36. Instead, the entire carrying amount of the interests in associates is tested for impairment as set out in note 21(d) below.

21. INTERESTS IN ASSOCIATES (CONTINUED)

(d) The amounts due from associates are unsecured, interest-free and have no fixed terms of repayment. Their carrying amounts are not materially different from their fair value. For the year ended 31 December 2013, the amount was represented by the amounts due from associates of approximately HK$856,419,000 after set-off with the share of accumulated losses of associates of approximately HK$28,032,000.

The share of results of associates was approximately HK$88,047,000 for the year ended 31 December 2014 and the amount was recognised after set-off with the share of accumulated losses of associates of approximately HK$28,032,000 which was set-off in the amounts due from associates in the prior year.

The Group completed its annual impairment test for interests in associates by comparing the recoverable amount of interests in associates to its carrying amount as at 31 December 2014. The Group has engaged Roma to carry out a valuation of the interests in associates as at 31 December 2014 based on the value in use calculations. This valuation uses cash flow projections based on financial estimates covering a five-year period, and a pre-tax discount rate of 14.86% (2013: 17.00%). The cash flows beyond the five-year period are extrapolated using a steady 5.25% (2013: 4.28%) growth rate for the casino and hotel industries in which are operated by associates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

(e) The following is summary of aggregate amounts of assets, liabilities, revenue, and results of the Group's associates:

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Non-current assets	**1,857,287**	2,168,606
Current assets	**495,777**	721,447
Current liabilities	**(422,085)**	(502,678)
Non-current liabilities	**(2,299,699)**	(2,935,782)
Net liabilities	**(368,720)**	(548,407)

	2014 HK$'000	2013 HK$'000
Revenue	**1,119,254**	1,075,280
Other revenue and gains	**25,925**	23,559
Profit	**179,687**	104,110

22. INTERESTS IN JOINT VENTURES

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Share of net assets	**1,392**	1,046
Amount due from a joint venture *(note 42(b))*	**10,870**	11,370
	12,262	12,416
Impairment loss#	**(10,700)**	(10,700)
	1,562	1,716

The Group has advanced HK$12 million to the joint venture to finance the acquisition of certain assets. The advance was unsecured and interest-free. In the opinion of the Directors, the Group will not demand for repayment within twelve months from the end of the reporting period and is therefore classified as non-current assets. As at 31 December 2014, the accumulated impairment loss of interests in joint venture was approximately HK$10.7 million (2013: approximately HK$10.7 million) and is considered to be adequate as there are no indication for further impairment. The recoverable amount of this advance is determined based on the net cash flows from operations estimated by management for the coming five years.

Reconciliation of the above summarised financial information to the carrying amount of the interests in joint ventures recognised in the consolidated financial statements:

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Net assets of the joint venture	**8,325**	7,459
Less: Non-controlling interests	**(5,541)**	(5,367)
Net assets attributable to owners of joint venture	**2,784**	2,092
Proportion of the Group's ownership interest	**50%**	50%
Share of net assets of the joint venture	**1,392**	1,046
Amount due from a joint venture *(note 42(b))*	**10,870**	11,370
Impairment loss	**(10,700)**	(10,700)
	1,562	1,716

(a) Details of the Group's interests in the joint ventures are as follows:

Name of joint venture	Form of business structure	Place of incorporation	Particulars of issued and paid up share capital	Group's effective interest	Principal activity
Surplus Win Enterprises Limited *(note)*	Incorporated	British Virgin Islands	2 shares of US$1 each	50%	Investment holding

Note: As at 31 December 2014 and 2013, Surplus Win Enterprises Limited held 80% effective interests in Double Diamond International Limited ("Double Diamond"), a company incorporated in the British Virgin Islands with limited liability. The principal activity of Double Diamond is operation of pier.

The amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

22. INTERESTS IN JOINT VENTURES (CONTINUED)

(b) Aggregate financial information of joint ventures that are not individually material:

	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Non-current assets	**29,293**	29,293
Current assets	**972**	1,085
Current liabilities	**(21,940)**	(22,919)
Net assets	**8,325**	7,459

	2014 HK$'000	2013 HK$'000
Income	**1,366**	1,232
Expenses	**(500)**	(312)
Profit before taxation	**866**	920
Taxation	**–**	–
Profit for the year	**866**	920

23. INVENTORIES

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Fuel oil	**–**	1,522

The analysis of the amount of inventories recognised as an expense and included in consolidated statement of profit or loss under discontinued operation is as follows:

	2014 HK$'000	2013 HK$'000
Carrying amount of inventories used *(note 15(b))*	**19,617**	31,332

24. TRADE AND OTHER RECEIVABLES

	Note	The Group		The Company	
		At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Trade receivables	(a)	**86,131**	19,437	**–**	–
Other receivables		**32,917**	16,682	**7**	18
Less: impairment loss recognised on other receivable	(b)	**–**	(268)	**–**	–
		32,917	16,414	**7**	18
Trade and other receivables		**119,048**	35,851	**–**	–
Prepayments and deposits		**23,906**	10,111	**501**	453
		142,954	45,962	**508**	471

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

(a) Trade receivables

(i) Aging analysis

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

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Current	**30,334**	13,862
31 to 60 days overdue	**12,827**	2,274
61 to 90 days overdue	**9,872**	2,699
Over 90 days overdue	**33,098**	602
	86,131	19,437

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

(ii) Impairment of trade receivables

The Group normally allows an average credit period of 30 to 90 days to customers of lottery business (2013: average credit period of 30 to 60 days) and 30 days to customers of travel business (2013: average credit period of 30 days). Further details on the Group's credit policy are set out in note 4(b)(i).

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(i)). At the end of the reporting period, there has no impairment losses recognised on the trade receivables (2013: nil).

Movement in the impairment loss of trade receivables, is as follows:

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Balance at the beginning of the year	**–**	–
Impairment loss recognised on trade receivables	**2,163**	354
Amount written off as uncollectible	**(2,163)**	(354)
Balance at the end of the year	**–**	–

(iii) Trade receivables that are not impaired

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Neither past due nor impaired	**30,334**	13,862
Past due but not impaired		
– Less than 1 month past due	**12,827**	2,274
– 1 to 3 months past due	**42,970**	3,301
	55,797	5,575
	86,131	19,437

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables

Movement in the impairment loss recognised on other receivables:

	Note	The Group HK$'000
At 1 January 2013		3,864
Impairment loss recognised		268
Reversal of impairment loss*	15(b)	(3,864)
At 31 December 2013 and 1 January 2014		268
Reversal of impairment loss*	8	(264)
Exchange alignment		(4)
At 31 December 2014		**–**

* This represents impairment on debts due by a debtor which has been long-outstanding. The Directors 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 the long-outstanding amount, therefore, the reversal of impairment loss was recognised for the year.

25. PLEDGED BANK DEPOSITS

The amounts are pledged to secure certain banking facilities granted to the Group (note 44). The pledged bank deposits carry fixed interest rate of approximately 0.05% to 0.4% per annum (2013: approximately 0.5% to 0.8% per annum).

26. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Cash and bank balances	**65,574**	55,908	**3,954**	8,322
Non-pledged bank deposits	**6,000**	24,515	**–**	24,515
Cash and cash equivalents in the consolidated statements of financial position and cash flows	**71,574**	80,423	**3,954**	32,837

Deposits with banks carry interest at market rates which is approximately 0.6% per annum for current year (2013: approximately 0.5% to 1.0% per annum).

Included in cash and bank balances as at 31 December 2014 is an amount denominated in RMB of approximately RMB2,050,000 (equivalent to approximately HK$2,589,000) (2013: approximately RMB1,888,000, equivalent to approximately HK$2,433,000). Remittance of RMB out of the PRC is subject to exchange restrictions imposed by the PRC government.

27. TRADE AND OTHER PAYABLES

	The Group		The Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Trade payables	**10,993**	10,260	**–**	–
Accrued charges and other payables	**27,324**	23,005	**1,873**	1,430
Amounts due to subsidiaries	**–**	–	**89,073**	46,788
Financial liabilities measured at amortised cost	**38,317**	33,265	**90,946**	48,218

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

Aging analysis

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

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Current	**9,776**	8,796
31 to 60 days	**550**	911
61 to 90 days	**228**	361
Over 90 days	**439**	192
	10,993	10,260

28. DEFERRED INCOME

Deferred income is comprised of a sign-up bonus for an on-line ticket processing system and is recognised as revenue in accordance with the terms of the agreements.

29. PROFIT GUARANTEE LIABILITIES

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Carrying amount		
At the beginning of the year	**5,308**	14,408
Payment to SBI Macau under the profit guarantee	**(5,308)**	(9,100)
At the end of the year	**–**	5,308
Current liabilities	**–**	5,308
Non-current liabilities	**–**	–
	–	5,308

As mentioned in note 5(b)(iii), Favor Jumbo guaranteed that SBI Macau shall be entitled to a return of not less than HK$9.1 million ("Guaranteed Amount") for each full fiscal year for a period of sixty successive months immediately after the date of completion of the Golden Sun Disposal (the "Relevant Period"). The profit guarantee liabilities are carried at amortised cost.

In the event the amounts received by SBI Macau from the distribution of the profits of Golden Sun for any fiscal year during the Relevant Period falls short ("Shortfall") of the higher of the return (the "Return") as stipulated in the Golden Sun Shareholders' Agreement or the Guaranteed Amount (pro-rated, if necessary), Favor Jumbo shall pay to SBI Macau such Shortfall within six months from the end of the relevant fiscal year during the Relevant Period.

If the aggregate of the Return and the Shortfall payments received by SBI Macau from Golden Sun and/or Favor Jumbo in respect of the Relevant Period exceeds the total Guaranteed Amount (pro-rated, if necessary) for the Relevant Period (the "Excess"), SBI Macau shall refund and pay to Favor Jumbo the lesser of (a) the aggregate amount of the Shortfall paid by Favor Jumbo to SBI Macau during the Relevant Period; and (b) the Excess, within three months upon notice from Favor Jumbo the amount payable by SBI Macau after the expiry of the Relevant Period.

In October 2013, the Group has entered into a sale and purchase agreement with SBI Macau to acknowledge the total amount of Return for the Relevant Period and the balance of Return to be settled within six months from 31 December 2013.

30. BANK LOANS

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Bank loans, secured	**10,344**	11,756
Carrying amount repayable:		
Within one year	**598**	608
More than one year, but no exceeding two years	**632**	643
More than two years, but not more than five years	**1,500**	1,773
More than five years	**7,614**	8,732
	10,344	11,756
Less: Amounts shown under current liabilities	**(598)**	(608)
Amounts shown under non-current liabilities	**9,746**	11,148

The Group's self-occupied properties with carrying amount equivalent to approximately HK$15.8 million (2013: equivalent to approximately HK$17.4 million) together with a time deposit equivalent to approximately HK$1.0 million (2013: equivalent to approximately HK$1.1 million) were pledged to bank to secure the bank loans.

31. LOANS PAYABLES

		The Group	
	Note	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Loans from non-controlling shareholders			
– Mrs. Yung Yuen Ping Kwok	(i)	**–**	2,538
– SABC Holdings Ltd.	(ii)	**9,590**	7,922
– Up Fly Limited ("Up Fly")	(iii)	**7,306**	7,306
Amounts shown under non-current liabilities		**16,896**	17,766

Notes:

(i) Mrs. Yung Yuen Ping Kwok ("Mrs. Yung") was a non-controlling shareholder of 665127 BC Ltd.. In March 2014, Mrs. Yung assigned to (1) 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% interest in all of her right, title and interest in and to a debt of CAD300,000 (equivalent to approximately HK$2.2 million) owed by a wholly-owned subsidiary of 665127 BC Ltd. at a consideration of CAD1 (equivalent to approximately HK$7); (2) SABC Holdings Ltd., being another non-controlling shareholder of 665127 BC Ltd., an approximately 15% interest in all of her right, title and interest in and to a debt of CAD300,000 (equivalent to approximately HK$2.2 million) together with a debt of CAD48,000 (equivalent to approximately HK$0.3 million) owed by a wholly-owned subsidiary of 665127 BC Ltd. at a total consideration of CAD2 (equivalent to approximately HK$14). The loan was unsecured and interest-free. For details, please refer to note 39(a) to the consolidated financial statements.

(ii) SABC Holdings Ltd. is a non-controlling shareholder of 665127 BC Ltd.. The loan is unsecured, interest-free and not expected to be settled within one year.

(iii) Up Fly is a non-controlling shareholder of an 80% indirectly owned subsidiary of the Company, namely Honour Rich China Development Limited ("Honour Rich"). The loan is unsecured, interest-free and not expected to be settled within one year.

The carrying amounts of the loans payables are approximately to their fair value.

32. FINANCIAL GUARANTEE CONTRACT

	The Group and the Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Carrying amount		
At the beginning of the year	**69,985**	89,980
Amortisation for the year	**(19,995)**	(19,995)
At the end of the year	**49,990**	69,985
Current liabilities	**19,995**	19,995
Non-current liabilities	**29,995**	49,990
	49,990	69,985

In 2012, the Company gave a corporate guarantee (the "Guarantee") to a bank 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"). The maximum guarantee amount borne by the Company under the Guarantee was HK$1,176 million (note 41).

The outstanding loan under the Syndicated Loan Facilities as at 31 December 2014 was approximately HK$564.8 million (2013: approximately HK$1,048.8 million). The contingent liabilities were disclosed in note 41.

Based on the valuation performed by Roma, the Directors considered that the fair value of the financial guarantee contract was approximately HK$100.0 million at the date of issuance of the financial guarantee contract with corresponding increase in its interests in associates as deemed capital contribution.

The carrying amount of the financial guarantee contract recognised in the Group's consolidated statement of financial position was in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement" and is carries at amortised cost.

No provision for financial guarantee contracts have been made at 31 December 2014 and 2013 as the default risk is low.

33. FINANCE LEASE LIABILITIES

The Group leases plant and machinery under finance lease. The terms are 6 years with no interest underlying. The future minimum lease payment is as follows:

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Within one year	**–**	24
In the second to fifth years inclusive	**–**	96
Over five years	**–**	11
	–	131
Less: Amount shown under current liabilities	**–**	(24)
Amount shown under non-current liabilities	**–**	107

In July 2014, the Group has fully repaid the outstanding finance lease and recognised a loss on disposal of property, plant and equipment of approximately HK$2,000.

34. TAXATION IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Refundable for overseas profit tax for the year	**(7)**	(381)
Tax recoverable	**(7)**	(381)

(b) Recognised deferred tax liabilities

The movements of deferred tax liabilities during the year are as follows:

	Note	The Group Accelerated depreciation HK$'000
At 1 January 2013		489
Debited to the consolidated statement of profit or loss	10(a)	75
Exchange alignment		(38)
At 31 December 2013 and 1 January 2014		526
Debited to the consolidated statement of profit or loss	10(a)	–
Exchange alignment		(38)
At 31 December 2014		**488**

	The Group	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Net deferred tax liabilities recognised on the consolidated statement of financial position	**488**	526

(c) Unrecognised deferred tax assets

Deferred tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through utilisation against future taxable profits is probable. At 31 December 2014, the Group had tax losses of approximately HK$174.7 million (2013: approximately HK$170.0 million) that are available to carry forward indefinitely for offsetting against future taxable profits. Estimated tax losses of approximately HK$35.5 million and HK$25.7 million (2013: approximately HK$50.1 million and HK$5.2 million) will expire within 1 to 5 years and over 5 years respectively.

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future tax profit streams.

35. LOAN FROM A DIRECTOR AND CONTROLLING SHAREHOLDER

	The Group and the Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000
Loan from Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung")	**–**	50,000

On 1 December 2008, 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 (the "Yeung Loan Facility") and the final repayment date of the loan and all other sums owing to Mr. Yeung under the Yeung Loan Facility was further extended from 31 October 2014 to 31 October 2016 by a letter agreement dated 21 March 2014. Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to him under the Yeung Loan Facility.

In the opinion of the Directors, the borrowing of the said loan from Mr. Yeung was for the benefit of the Company and on normal commercial terms where no security over the assets of the Company was granted.

The Company has fully repaid the loan during the year.

36. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value HK$'000
Authorised:			
Ordinary shares of HK$0.01 each			
At 1 January 2013, 31 December 2013, 1 January 2014 and 31 December 2014		**160,000,000**	**1,600,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each			
At 1 January 2013		4,064,940	40,649
Allotment and issue of consideration shares	(a, b)	861,551	8,616
At 31 December 2013, 1 January 2014 and 31 December 2014		**4,926,491**	**49,265**

Notes:

(a) The Company issued consideration shares of 550,546,025 new ordinary shares in relation to the World Fortune Acquisition (as defined in note 39(b)) in May 2013.

(b) The Company issued consideration shares of 311,004,784 new ordinary shares in relation to the Golden Sun Acquisition (as defined in note 39(c)) in October 2013.

The owners of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

37. EMPLOYEE RETIREMENT BENEFITS

(a) Defined contribution retirement plan

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income increased from HK$25,000 to HK$30,000 effective from 1 June 2014 (before 1 June 2014: HK$25,000). Contributions to the plan vest immediately.

Pursuant to the regulations of the relevant authorities in the PRC, the Group participates in the relevant social retirement benefit schemes (the "PRC Schemes") whereby the Group is required to contribute to the PRC Schemes to fund the retirement benefits of the eligible employees. Contributions made to the PRC Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the PRC Schemes is to pay the ongoing required contributions under the PRC Schemes.

The retirement benefit schemes contribution represents gross contributions by the Group to the PRC Schemes operated by the relevant authorities of the PRC.

(b) Share Option Schemes

During the year, the share option scheme which was adopted by the Company on 20 August 2004 ("2004 Share Option Scheme") was terminated and a new share option scheme ("2014 Share Option Scheme") was adopted by the Company. Summaries of the 2004 Share Option Scheme and the 2014 Share Option Scheme are set out below:

(i) 2004 Share Option Scheme

The Company adopted the 2004 Share Option Scheme on 20 August 2004 for the purpose of providing incentives or rewards to participants for their contribution to the Group or any entity in which the Group holds any equity interest. The 2004 Share Option Scheme was terminated with effect from 10 June 2014.

Under the 2004 Share Option Scheme, the Directors are authorised at their absolute discretion to invite participants to take up options to subscribe for Shares. Participants under the 2004 Share Option Scheme include (i) any employee (whether full time or part time and including executive director) of any member(s) of the Group or any entity in which the Group holds any equity interest; (ii) any non-executive director (including independent non-executive director) of any member of the Group or any entity in which the Group holds any equity interest; (iii) any consultant, adviser or agent engaged by any member of the Group or any entity in which the Group holds any equity interest, who is eligible to participate in a share option scheme of the Company; and (iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any entity in which the Group holds any equity interest, who is eligible to participate in a share option scheme of the Company.

There is no provision in the 2004 Share Option Scheme to require a grantee to fulfill any performance target or to hold the option for a certain period before exercising the option, but the board of Directors (the "Board") may at its absolute discretion from time to time provide such requirements in the offer of grant of options.

37. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

(b) Share Option Schemes (continued)

(i) 2004 Share Option Scheme (continued)

The maximum number of Shares which may be issued upon exercise of all options to be granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the 2004 Share Option Scheme. The Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the 2004 Share Option Scheme save that the total number of Shares which may be issued upon exercise of all options to be granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company under the limit as "refreshed" shall not exceed 10% of the total number of Shares in issue as at the date of approval of the limit. Options previously granted under the 2004 Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with any other share option scheme(s) or exercised options) will not be counted for the purpose of calculating the limit as "refreshed".

Notwithstanding aforesaid in above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2004 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2004 Share Option Scheme or any other share option scheme(s) adopted by the Company (whether exercised, cancelled or outstanding) to each participant in any 12-month period up to the date of offer shall not exceed 1% of the total number of Shares in issue on the date of offer, unless such grant is approved by the shareholders of the Company in general meeting at which such participant and his or her associates shall abstain from voting.

The exercise price in respect of any option granted under the 2004 Share Option Scheme shall be determined by the Board in its absolute discretion but in any event the exercise price shall not be less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the option is offered; and (iii) the nominal value of a Share.

The offer of a grant of share option must be accepted not later than 28 days after the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of the share option granted is determined by the Board, save that such period shall not exceed a period of 10 years commencing on the date upon which the share option is granted.

No share options had been granted under the 2004 Share Option Scheme since its adoption and up to the date of its termination.

(ii) 2014 Share Option Scheme

The 2014 Share Option Scheme was adopted by the Company on 5 June 2014 and became effective on 10 June 2014. Unless early termination by the Company in general meeting or by the Board, the 2014 Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

The purpose of the 2014 Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution to the Group or any entity in which any member of the Group holds any equity interest and any subsidiary of such entity ("Invested Entity").

37. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

(b) Share Option Schemes (continued)

(ii) 2014 Share Option Scheme (continued)

Under the 2014 Share Option Scheme, the Directors are authorised at their absolute discretion to invite eligible persons to take up options to subscribe for Shares. Eligible persons under the 2014 Share Option Scheme include (i) any employee (whether full time or part time and including executive director) of any member(s) of the Group or any Invested Entity; (ii) any non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity; (iii) any consultant, adviser or agent engaged by any member of the Group or any Invested Entity, who is eligible to participate in a share option scheme of the Company; and (iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any Invested Entity, who is eligible to participate in a share option scheme of the Company.

There is no provision in the 2014 Share Option Scheme to require a grantee to fulfill any performance target or to hold the option for a certain period before exercising the option, but the Board may at its absolute discretion from time to time provide such requirements in the offer of grant of options.

The maximum number of Shares available for issue under options which may be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company is 492,649,119 Shares (being not more than 10% of the total number of Shares in issue as at the date of adoption of the 2014 Share Option Scheme (the "Scheme Limit")), representing approximately 10% of the total number of Shares in issue as at the date of this annual report.

The Company may seek approval of its shareholders in general meeting for refreshing the Scheme Limit save that the total number of Shares which may be issued upon exercise of all options to be granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company under the Scheme Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of such approval (the "New Scheme Limit"). Options previously granted under the 2014 Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the respective provisions of the scheme(s) of the Company or exercised options) will not be counted for the purpose of calculating the New Scheme Limit.

Notwithstanding aforesaid in above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2014 Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted and to be granted under the 2014 Share Option Scheme or any other share option scheme(s) adopted by the Company (whether exercised, cancelled or outstanding) to each eligible person in any 12-month period up to and including the date of offer shall not exceed 1% of the total number of Shares in issue on the date of offer, unless such grant is approved by the shareholders of the Company in general meeting at which such eligible person and his or her associates shall abstain from voting.

The exercise price in respect of any option granted under the 2014 Share Option Scheme shall be a price determined by the Board in its absolute discretion but in any event the exercise price shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the option is offered; and (iii) the nominal value of a Share.

The offer of a grant of share option must be accepted not later than 28 days after the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of the share option granted is determined by the Board, save that such period shall not exceed a period of 10 years commencing on the date upon which the share option is granted.

No share options had been granted under the 2014 Share Option Scheme since its adoption and up to 31 December 2014.

38. RESERVES AND NON-CONTROLLING INTERESTS

The Group

	Attributable to owners of the Company								
	Share premium HK$'000	Distributable reserve HK$'000	Capital redemption reserve HK$'000	Exchange reserve HK$'000	Other reserve HK$'000	Accumulated losses HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2013	1,193,840	52,333	976	752	–	(546,916)	700,985	24,361	725,346
Profit/(loss) for the year	–	–	–	–	–	18,644	18,644	(6,399)	12,245
Other comprehensive loss for the year	–	–	–	(2,290)	–	–	(2,290)	(140)	(2,430)
Total comprehensive (loss)/income for the year	–	–	–	(2,290)	–	18,644	16,354	(6,539)	9,815
Issue of consideration shares at premium *(note 36)*	225,123	–	–	–	–	–	225,123	–	225,123
Acquisition of additional interests in a subsidiary *(note 39(d))*	–	–	–	–	–	(7,003)	(7,003)	7,003	–
At 31 December 2013	1,418,963	52,333	976	(1,538)	–	(535,275)	935,459	24,825	960,284
At 1 January 2014	1,418,963	52,333	976	(1,538)	–	(535,275)	935,459	24,825	960,284
Profit for the year	–	–	–	–	–	96,890	96,890	20,892	117,782
Other comprehensive loss for the year	–	–	–	(2,972)	–	–	(2,972)	(592)	(3,564)
Total comprehensive (loss)/income for the year	–	–	–	(2,972)	–	96,890	93,918	20,300	114,218
Acquisition of additional interests in a subsidiary *(note 39(a))*	–	–	–	–	–	(440)	(440)	440	–
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	(34,200)	(34,200)
Transfer to other reserve	–	–	(976)	–	976	–	–	–	–
At 31 December 2014	**1,418,963**	**52,333**	**–**	**(4,510)**	**976**	**(438,825)**	**1,028,937**	**11,365**	**1,040,302**

Nature and purpose of reserves

(a) *Share premium*

The application of the share premium account is governed by section 40 of the Companies Act 1981 of Bermuda.

(b) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(q).

38. RESERVES AND NON-CONTROLLING INTERESTS (CONTINUED)

The Company

	Share premium HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2013	1,193,840	(190,513)	1,003,327
Issue of consideration shares at premium *(note 36)*	225,123	–	225,123
Total comprehensive loss for the year	–	(70,671)	(70,671)
At 31 December 2013 and 1 January 2014	1,418,963	(261,184)	1,157,779
Total comprehensive loss for the year	–	(34,659)	(34,659)
At 31 December 2014	**1,418,963**	**(295,843)**	**1,123,120**

Distribution of reserves

At 31 December 2014, the Company has no reserves available for distribution to owners of the Company (2013: nil).

39. ACQUISITIONS OF THE INTERESTS IN SUBSIDIARIES

(a) In March 2014, 665127 BC Ltd. entered into a share repurchase agreement with one of its non-controlling shareholders to repurchase her entire equity interest in 665127 BC Ltd., namely 600 common shares without par value, at a cash consideration of CAD6 (equivalent to approximately HK$42) from that non-controlling shareholder (the "Share Repurchase"). The Group recognised a decrease in equity attributable to the owners of the Company of approximately CAD62,000 (equivalent to approximately HK$440,000) and a corresponding increase in non-controlling interests at approximately CAD62,000 (equivalent to approximately HK$440,000).

Besides, the said non-controlling shareholder assigned to 1338 Successful Venture Ltd., an indirect wholly-owned subsidiary of the Company and the immediate holding company of 665127 BC Ltd., an approximately 85% interest in all of her right, title and interest in and to a debt of approximately CAD300,000 (equivalent to approximately HK$2.2 million) owed by a wholly-owned subsidiary of 665127 BC Ltd. as of the date of the Share Repurchase at a consideration of CAD1 (equivalent to approximately HK$7). The Group recognised a gain on settlement of loans payables of approximately CAD255,000 (equivalent to approximately HK$1.8 million) (note 8).

Immediately after the Share Repurchase, the Company increased its effective beneficial interests in 665127 BC Ltd. from 80% to approximately 85%.

The Share Repurchase constituted a connected transaction under Chapter 14A of the Listing Rules which was in force in March 2014, but was fully exempt from shareholders' approval and all disclosure requirements under the said Chapter 14A of the Listing Rules.

(b) In February 2013, Golden Sun received a notice from Maruhan in respect of the exercise of the option by Maruhan to require Golden Sun to purchase or procure the purchase of the legal and beneficial ownership of the entire equity interest (being 10.2% equity interest) in World Fortune owned by Maruhan together with the entire amount of the shareholder's loans provided by Maruhan to World Fortune (collectively the "World Fortune Interest") pursuant to the terms of the World Fortune Shareholders' Agreement (as defined in note 5(b)(ii)) (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. The World Fortune Acquisition was completed in May 2013.

For details of the World Fortune Acquisition, please refer to the Company's announcement dated 18 February 2013 and 28 March 2013 as well as the Company's circular dated 29 April 2013.

39. ACQUISITIONS OF THE INTERESTS IN SUBSIDIARIES (CONTINUED)

(b) (continued)

The fair value of the purchase price of the World Fortune Interest at the date of completion of the World Fortune Acquisition was approximately HK$206.5 million. The Group recognised a gain, before expenses, on derecognition of a long-term payable of approximately HK$83.4 million in its consolidated statement of profit or loss which was derived from the difference between the fair value of the purchase price of the World Fortune Interest and the aggregate of the carrying amount of the outstanding shareholder's loans from Maruhan to World Fortune of approximately HK$147.9 million together with the present value of the Maruhan Put Option of approximately HK$142.0 million.

(c) In September 2013, Favor Jumbo received a notice from SBI Macau in respect of the exercise of the option by SBI Macau to require Favor Jumbo to purchase or procure the purchase of the legal and beneficial ownership of the entire equity interest (being 4.55% equity interest) in Golden Sun owned by SBI Macau together with the entire amount of the shareholder's loans provided by SBI Macau to Golden Sun (collectively the "Golden Sun Interest") pursuant to the terms of the Golden Sun Shareholders' Agreement (as defined in note 5(b)(iii)) (the "Golden Sun Acquisition"). The purchase price of the Golden Sun Interest of HK$130,000,000 was settled as to HK$65,000,000 by cash and as to HK$65,000,000 by way of allotment and issue of 311,004,784 new ordinary shares of the Company. The Golden Sun Acquisition was completed in October 2013.

For details of the Golden Sun Acquisition, please refer to the Company's announcement dated 6 September 2013 and 3 October 2013.

The fair value of the purchase price of the Golden Sun Interest at the date of completion of the Golden Sun Acquisition was approximately HK$201.8 million. The Group recognised a loss, before expenses, on derecognition of a long-term payable of approximately HK$71.8 million in its consolidated statement of profit or loss which was derived from the difference between the fair value of the purchase price of the Golden Sun Interest and the aggregate of the carrying amount of the outstanding shareholder's loans from SBI Macau to Favor Jumbo of approximately HK$39.5 million together with the present value of the SBI Macau Put Option of approximately HK$90.5 million.

(d) In December 2013, Victory Devotion Limited, a direct wholly-owned subsidiary of the Company, acquired 10% equity interest in Honour Rich from Up Fly, at a consideration of an amount equivalent to HK$7.8 (the "Honour Rich Acquisition"). The Company increased its effective beneficial interest in Honour Rich from 70% to 80% after the Honour Rich Acquisition.

40. COMMITMENTS

(a) There is no capital commitments outstanding at 31 December 2014 not provide for in the consolidated financial statements (2013: nil).

(b) At 31 December 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Company	
	At 31 December 2014 HK$'000	At 31 December 2013 HK$'000	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Within one year	**6,255**	6,144	**–**	–
In the second to fifth years, inclusive	**6,246**	903	**–**	–
	12,501	7,047	**–**	–

The Group lease certain office premises under operating leases. The leases typically run for period ranging from two to five years. None of leases includes contingent rentals.

41. CONTINGENT LIABILITIES

In 2012, the Company gave the Guarantee to a bank in respect of the Syndicated Loan Facilities. The maximum guarantee amount borne by the Company under the Guarantee was HK$1,176 million (note 32). The outstanding loan under the Syndicated Loan Facilities at the end of the reporting period was approximately HK$564.8 million (2013: approximately HK$1,048.8 million).

42. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with the related parties during the year:

		The Group	
	Note	**2014 HK$'000**	2013 HK$'000
Management fee income received and receivable from an associate	(i)	**333**	541
Interest expenses paid to a director and controlling shareholder	35	**1,488**	1,288

Note:

(i) The management fee was charged on actual cost incurred by the Group for provision of management and technical services.

(b) The outstanding balances with related parties at the end of the reporting period are as follows:

		The Group	
	Note	**At 31 December 2014 HK$'000**	At 31 December 2013 HK$'000
Amounts due from associates	21	**758,419**	828,387
Amount due from a joint venture	22	**10,870**	11,370
Other receivable from a related party	(i)	**5,867**	5,867
Other payable to a director of a subsidiary of the Company	(ii)	**–**	1,459
Loan from a director and controlling shareholder	35	**–**	50,000

42. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The outstanding balances with related parties at the end of the reporting period are as follows: (continued)

Notes:

(i) The amount of receivable is from the ultimate beneficial owner of Up Fly (the "JV Partner") for his on-lending to a joint venture company of which the Company and the JV Partner held 80% and 20% interests respectively (the "JV Company"). The amount is secured by 20% equity interest of the JV Company, interest-free and has no fixed repayment terms.

(ii) A short-term loan agreement was entered into between a director of a subsidiary of the Company ("Director of the Subsidiary") and a subsidiary of the Company. The Director of the Subsidiary provided a short-term loan to one of subsidiary of the Company for its general working capital. The loan was unsecured, interest-free and has been repaid in January 2014.

(c) Key management personnel compensation

Compensation for key management personnel, including amounts paid to the Directors as disclosed in note 11, senior management of the Company and certain of the highest paid employees as disclosed in note 12, is as follows:

	The Group	
	2014	2013
	HK$'000	HK$'000
Salaries and other short-term employee benefits	**5,556**	5,406
Retirement scheme contributions	**84**	74
Total emoluments are included in "staff costs"	**5,640**	5,480

(d) On 1 December 2008, 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. The said loan from Mr. Yeung constitutes a connected transaction under Chapter 14A of the Listing Rules, but is fully exempt from shareholders' approval and all disclosure requirements under Chapter 14A of the Listing Rules. For further details please refer to note 35 to the consolidated financial statements.

(e) A management and services contract entered into between Jade Travel (Canada) and a company controlled by a director of Jade Travel (Canada) in an amount of equivalent to approximately HK$1,730,000 (2013: equivalent to approximately HK$1,833,000) also constitutes a connected transaction under Chapter 14A of the Listing Rules, but is fully exempt from shareholders' approval and all disclosure requirements under Chapter 14A of the Listing Rules.

43. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of debt-to-capital ratio. For this purpose the Group defines debt as total borrowings which are bearing a fixed interest rates such as bank loans (note 30) and loan from a director and controlling shareholder (note 35). Capital represents total equity attributable to owners of the Company in the consolidated statement of financial position.

The Group's strategy was to maintain the debt-to-capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. As at 31 December 2014, the debt-to-capital ratio was approximately 1% (2013: approximately 6%).

44. PLEDGE OF ASSETS

As at 31 December 2014, the Group has pledged the following assets:

(a) The Group pledged the time deposits of approximately HK$9.4 million (2013: approximately HK$9.7 million) to certain banks for the issuance of several bank guarantees as well as a standby letter of credit and overdraft facility of approximately HK$10.6 million (2013: approximately HK$11.6 million) for the operations of the Group;

(b) World Fortune pledged all (2013: all) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the Syndicated Loan Facilities; and

(c) The Group's self-occupied properties with carrying amount equivalent to approximately HK$15.8 million (2013: equivalent to approximately HK$17.4 million) together with a time deposit equivalent to approximately HK$1.0 million (2013: equivalent to approximately HK$1.1 million) were pledged to bank to secure bank loans to Jade Travel (Canada).

45. COMPARATIVES

The comparative statement of profit or loss has been re-presented as the cruise ship leasing and management segment discontinued during the current year. Certain comparative amounts have been reclassified to conform to the current year's presentation. In the opinion of the Company's directors, such reclassification provide a more appropriate presentation on the Group's business segments.

FIVE-YEAR FINANCIAL SUMMARY

RESULTS

	Year ended 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
Continuing operations					
Turnover	**1,304,669**	1,500,782	1,554,578	1,398,931	1,375,302
Profit/(loss) before taxation from continuing operations	**73,470**	11,597	(40,378)	(84,797)	(77,552)
Taxation	**–**	173	(471)	1,069	(2,226)
Profit/(loss) after taxation from continuing operations	**73,470**	11,770	(40,849)	(83,728)	(79,778)
Discontinued operation					
Profit/(loss) after taxation from discontinued operations	**44,312**	475	2,872	(7,761)	(1,886)
Profit/(loss) for the year	**117,782**	12,245	(37,977)	(91,489)	(81,664)
Attributable to:					
Owners of the Company	**96,890**	18,644	(33,034)	(77,666)	(80,782)
Non-controlling interest	**20,892**	(6,399)	(4,943)	(13,823)	(882)
Profit/(loss) for the year	**117,782**	12,245	(37,977)	(91,489)	(81,664)
Earnings/(loss) per share attributable to owners of the Company:					
From continuing and discontinued operations – Basic and diluted	**1.97 HK cents**	0.42 HK cents	(0.83) HK cents	(3.18) HK cents	(3.31) HK cents

ASSETS AND LIABILITIES

	As at 31 December				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
Total assets	**1,205,737**	1,199,307	1,343,771	1,407,971	1,475,374
Total liabilities	**(116,170)**	(189,758)	(577,776)	(905,915)	(881,823)
Net assets	**1,089,567**	1,009,549	765,995	502,056	593,551
Total equity attributable to owners of the Company	**1,078,202**	984,724	741,634	470,157	547,890
Non-controlling interests	**11,365**	24,825	24,361	31,899	45,661
Total equity	**1,089,567**	1,009,549	765,995	502,056	593,551