Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00487)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

RESULTS

The board of directors (the "Board") of Success Universe Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014, with the comparative figures for the year ended 31 December 2013, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Notes	2014 HK$'000	2013 HK$'000
Continuing operations			
Turnover	3,4	**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	5	**30,013**	110,000
Administrative expenses		**(95,407)**	(94,124)
Selling expenses		**(13,697)**	(2,579)
Other operating expenses	6(c)	**(16,380)**	(74,872)
Loss from operations		**(12,761)**	(30,698)
Finance costs	6(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	6	**73,470**	11,597
Taxation	7	**–**	173
Profit for the year from continuing operations		**73,470**	11,770
Discontinued operation			
Profit for the year from discontinued operation	9(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	10		
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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 *HK$'000*	2013 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**26,097**	74,885
Goodwill		**–**	1,313
Intangible assets		**15,327**	34,527
Interests in associates		**937,820**	947,774
Interests in joint ventures		**1,562**	1,716
		980,806	1,060,215
CURRENT ASSETS			
Inventories		**–**	1,522
Trade and other receivables	*11*	**142,954**	45,962
Tax recoverable		**7**	381
Pledged bank deposits		**10,396**	10,804
Cash and cash equivalents		**71,574**	80,423
		224,931	139,092
CURRENT LIABILITIES			
Trade and other payables	*12*	**38,317**	33,265
Deferred income		**135**	875
Profit guarantee liabilities		**–**	5,308
Bank loans – due within one year		**598**	608
Financial guarantee contract		**19,995**	19,995
Finance lease liabilities – current portion		**–**	24
		59,045	60,075
NET CURRENT ASSETS		**165,886**	79,017
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,146,692**	1,139,232

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

Notes:

1. 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"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of 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.

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

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

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

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.

- 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.

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.

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.

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.

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.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information are reported to and reviewed by the 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 9.

(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, long-term payables, financial guarantee contracts, loan from a director and controlling shareholder and part of other payables borne by the central administration companies.

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

Continuing operations

	Travel		Lottery		Total	
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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	At 31 December 2013	**At 31 December 2014**	At 31 December 2013	**At 31 December 2014**	At 31 December 2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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

(b) Other segment information

Continuing operations

	Travel		Lottery		Other corporate entities		Total	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'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.

	Revenue from external customers (continuing operations)		Non-current assets	
			At 31 December	At 31 December
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'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 4.

4. 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:

<u>**Continuing operations**</u>	**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

5. 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	**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*	**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 of the Company considered that the amounts due could not be recovered. Therefore, full impairment has been made in the previous years. During the year, the debtor has made repayment in respect of such long-outstanding amount; therefore, the reversal of impairment loss was recognised for the year.

6. PROFIT 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

7. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Current tax – Overseas profits tax		
– Credit for the year	**–**	(248)
	–	(248)
Deferred taxation relating to the origination and reversal of temporary differences	**–**	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 year ended 31 December 2013 and 2014.

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

8. DIVIDENDS

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

9. 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.

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

	2014	2013
	HK$'000	*HK$'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
	44,312	475

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

	2014	2013
	HK$'000	*HK$'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	**–**	(3,864)
Other information:		
Addition to non-current assets	**958**	424

(c) Cash flows from discontinued operation:

	2014	2013
	HK$'000	*HK$'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 activities	**(76,000)**	–
Net increase in cash and cash equivalents	**13,701**	8,837

10. 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	2013
	HK$'000	*HK$'000*
Profit:		
Profit for the year attributable to the owners of the Company	**96,890**	18,644

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

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.

11. TRADE AND OTHER RECEIVABLES

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

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

Aging analysis

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

	At 31 December 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

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: 30 days).

12. TRADE AND OTHER PAYABLES

	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
Financial liabilities measured at amortised cost	**38,317**	33,265

Aging analysis

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

	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

13. COMPARATIVES

The comparative statement of profit or loss has been re-presented as if 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.

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 announcement.

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).

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 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

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, Taxes, 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 Museum ("Pier 16 3D Museum") 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 Museum 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 Museum 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.

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.

CORPORATE GOVERNANCE

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

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2014 have been audited by the Company's auditors, HLB Hodgson Impey Cheng Limited, and reviewed by the audit committee of the Board which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year under review. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

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

Hong Kong, 30 March 2015

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