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 2012

RESULTS

The board of directors (the "Board") of Success Universe Group Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2012, with the comparative figures for the year ended 31 December 2011, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Note	2012 HK$'000	2011 HK$'000
Turnover	3,4	**1,634,978**	1,468,531
Cost of sales		**(1,547,077)**	(1,396,965)
Gross profit		**87,901**	71,566
Other revenue and gains	5	**43,453**	37,192
Administrative expenses		**(152,839)**	(163,813)
Selling expenses		**(2,352)**	–
Other operating expenses	6(c)	**(6,661)**	(17,198)
Loss from operations		**(30,498)**	(72,253)
Finance costs	6(a)	**(16,627)**	(23,742)
Share of results of jointly controlled entities		**236**	100
Share of results of associates		**9,383**	3,337
Loss before taxation	6	**(37,506)**	(92,558)
Income tax	7	**(471)**	1,069
Loss for the year		**(37,977)**	(91,489)
Attributable to:			
Owners of the Company		**(33,034)**	(77,666)
Non-controlling interests		**(4,943)**	(13,823)
Loss for the year		**(37,977)**	(91,489)
Loss per share	9		
– Basic		**(0.83) HK cents**	(3.18) HK cents
– Diluted		**(0.83) HK cents**	(3.18) HK cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2012

	2012	2011
	HK$'000	*HK$'000*
Loss for the year	**(37,977)**	(91,489)
Other comprehensive income/(loss)		
Exchange differences on translation of financial statements of overseas subsidiaries	**1,426**	(6)
Total other comprehensive income/(loss) for the year, net of tax	**1,426**	(6)
Total comprehensive loss for the year	**(36,551)**	(91,495)
Attributable to:		
Owners of the Company	**(31,859)**	(77,733)
Non-controlling interests	**(4,692)**	(13,762)
Total comprehensive loss for the year	**(36,551)**	(91,495)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	At 31 December 2012 HK$'000	At 31 December 2011 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**83,544**	89,040
Goodwill		**3,862**	3,862
Intangible assets		**37,875**	35,839
Interest in associates		**921,260**	819,115
Interest in jointly controlled entities		**2,029**	1,793
		1,048,570	949,649
CURRENT ASSETS			
Inventories		**1,830**	1,303
Trade and other receivables	10	**41,264**	31,968
Amount due from an associate		**748**	343,000
Tax recoverable		**–**	1,743
Pledged bank deposits		**10,419**	7,898
Cash and cash equivalents		**239,581**	72,410
		293,842	458,322
Assets classified as held for sale		**1,359**	–
		295,201	458,322
CURRENT LIABILITIES			
Trade and other payables	11	**26,762**	30,015
Deferred income		**945**	924
Profit guarantee liabilities		**9,100**	9,100
Loans payables – current portion		**187,336**	398,738
Long-term payables – current portion		**225,464**	142,035
Financial guarantee contract		**19,995**	6,300
Bank loans – due within one year		**620**	581
Loan from a director and controlling shareholder		**–**	30,332
Loan from a controlling shareholder		**–**	128,336
Tax payable		**51**	–
		470,273	746,361
NET CURRENT LIABILITIES		**(175,072)**	(288,039)
TOTAL ASSETS LESS CURRENT LIABILITIES		**873,498**	661,610

	Note	At 31 December 2012 HK$'000	At 31 December 2011 HK$'000
NON-CURRENT LIABILITIES			
Deferred income		**1,102**	2,002
Profit guarantee liabilities		**5,308**	14,408
Loans payables		**17,933**	57,187
Long-term payables		**–**	72,551
Amount due to a related company		**–**	129
Deferred tax liabilities		**489**	270
Financial guarantee contract		**69,985**	–
Bank loans – due after one year		**12,686**	13,007
		107,503	159,554
NET ASSETS		**765,995**	502,056
CAPITAL AND RESERVES			
Share capital		**40,649**	24,390
Reserves		**700,985**	445,767
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**741,634**	470,157
NON-CONTROLLING INTERESTS		**24,361**	31,899
TOTAL EQUITY		**765,995**	502,056

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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

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

Basis of preparation of the consolidated financial statements

The Group incurred a loss attributable to owners of the Company of approximately HK$33,034,000 (2011: approximately HK$77,666,000) for the year ended 31 December 2012. As at 31 December 2012, the Group's current liabilities exceed its current assets by approximately HK$175,072,000 (2011: net current liabilities of approximately HK$288,039,000).

In the opinion of the directors of the Company, after taking into account of its present available financial resources and the loan facility granted to the Company by Mr. Yeung Hoi Sing, Sonny, being a director and controlling shareholder of the Company, the Group will have sufficient working capital for its current requirements. Accordingly, the directors of the Company consider that it is appropriate to prepare these consolidated financial statements on a going concern basis.

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

The accounting policies adopted in the consolidated financial statements for the year ended 31 December 2012 are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2011 except as described below.

In the current year, the Group has adopted all of the New HKFRSs issued by the HKICPA that are relevant to its operations and effective for annual periods beginning on or after 1 January 2012.

HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets

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

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

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009-2011 Cycle[2]
HKFRS 1 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standard – Government Loans[2]
HKFRS 7 (Amendments)	Disclosures – Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[2]
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities[3]
HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (as revised in 2011)	Employee Benefits[2]
HKAS 27 (as revised in 2011)	Separate Financial Statements[2]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] *Effective for annual periods beginning on or after 1 July 2012*
[2] *Effective for annual periods beginning on or after 1 January 2013*
[3] *Effective for annual periods beginning on or after 1 January 2014*
[4] *Effective for annual periods beginning on or after 1 January 2015*

HKFRS 9 "Financial Instruments"

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

Key requirements of HKFRS 9 are described as follows:

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

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Previously, 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.

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

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

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these standards are described below.

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

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers" will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

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

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these HKFRSs for the first time.

These standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted provided all of these standards are applied at the same time.

The application of these standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013.

HKFRS 13 "Fair Value Measurement"

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

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

HKFRS 7 and HKAS 32 (Amendments) "Offsetting Financial Assets and Financial Liabilities" and the related disclosures

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".

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments to HKFRS 7 are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

HKAS 19 "Employee Benefits"

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net-interest' amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

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

HKAS 1 (Amendments) "Presentation of Items of Other Comprehensive Income"

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income as well as an income statement is renamed as a statement of profit or loss. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

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

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

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

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

HKAS 1 (Amendments)

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

HKAS 16 (Amendments)

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

HKAS 32 (Amendments)

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

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

3. SEGMENT INFORMATION

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

The CODM consider the business from both geographic and service perspective.

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

The cruise ship leasing and management reportable segment provides cruise ship management services and the leasing of cruise ship. Geographically, management considers the performance of the cruise ship leasing and management business is performed in South China Sea.

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

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

(a) Segment results, assets and liabilities

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

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

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

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

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

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

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

	Cruise ship leasing and management		Travel		Lottery		Elimination		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**80,400**	69,600	**1,543,924**	1,398,844	**10,654**	87	**–**	–	**1,634,978**	1,468,531
Inter-segment revenue	**–**	–	**321**	1,066	**–**	–	**(321)**	(1,066)	**–**	–
Reportable segment revenue	**80,400**	69,600	**1,544,245**	1,399,910	**10,654**	87	**(321)**	(1,066)	**1,634,978**	1,468,531
Reportable segment profit/(loss)	**2,872**	(7,761)	**1,061**	(11,238)	**(21,910)**	(31,162)	**1,545**	1,917	**(16,432)**	(48,244)
Share of results of jointly controlled entities									**236**	100
Share of results of associates									**9,383**	3,337
Unallocated corporate income									**23,539**	19,125
Unallocated corporate expenses									**(38,384)**	(44,751)
Finance costs									**(15,848)**	(22,125)
Consolidated loss before taxation									**(37,506)**	(92,558)
Income tax									**(471)**	1,069
Consolidated loss for the year									**(37,977)**	(91,489)

	Cruise ship leasing and management		Travel		Lottery		Total	
	At 31 December 2012	At 31 December 2011	**At 31 December 2012**	At 31 December 2011	**At 31 December 2012**	At 31 December 2011	**At 31 December 2012**	At 31 December 2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**87,260**	93,604	**90,022**	87,101	**24,951**	11,937	**202,233**	192,642
Unallocated corporate assets								
– Interest in associates							**921,260**	819,115
– Interest in jointly controlled entities							**2,029**	1,793
– Amount due from an associate							**748**	343,000
– Tax recoverable							**–**	1,743
– Corporate assets							**217,501**	49,678
							1,343,771	1,407,971
Reportable segment liabilities	**5,347**	8,259	**41,487**	42,839	**11,139**	9,006	**57,973**	60,104
Unallocated corporate liabilities								
– Tax payable							**51**	–
– Deferred tax liabilities							**489**	270
– Corporate liabilities							**519,263**	845,541
							577,776	905,915

(b) Other segment information

	Cruise ship leasing and management		Travel		Lottery		Other corporate entities		Total	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**24**	42	**19**	12	**11**	15	**1,772**	168	**1,826**	237
Amortisation of intangible assets	**–**	–	**(418)**	(405)	**–**	–	**–**	–	**(418)**	(405)
Depreciation	**(6,039)**	(6,057)	**(1,255)**	(1,364)	**(2,258)**	(452)	**(1,202)**	(1,453)	**(10,754)**	(9,326)
Reversal of impairment loss recognised on:										
– other receivable	**6,410**	6,159	**–**	–	**–**	–	**–**	–	**6,410**	6,159
– intangible assets	**–**	–	**2,015**	43	**–**	–	**–**	–	**2,015**	43
Impairment loss recognised on:										
– intangible assets	**–**	–	**(361)**	(1,632)	**–**	–	**–**	–	**(361)**	(1,632)
– goodwill	**–**	–	**–**	(2,966)	**–**	–	**–**	–	**–**	(2,966)
Finance costs	**–**	–	**(779)**	(1,617)	**–**	–	**(15,848)**	(22,125)	**(16,627)**	(23,742)

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

	2012	2011
	HK$'000	*HK$'000*
Sales of air tickets	**1,443,858**	1,315,819
Travel and related service fee income	**100,066**	83,025
Cruise ship leasing and management fee income	**80,400**	69,600
Lottery commission and services income	**10,654**	87
	1,634,978	1,468,531

(d) **Geographical information**

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

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

	Revenue from external customers		**Non-current assets**	
			At 31 December	At 31 December
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**3,597**	7,975	**2,623**	3,635
Macau	**–**	–	**921,260**	819,115
North America	**1,540,327**	1,390,869	**61,013**	60,873
South China Sea, other than in Hong Kong	**80,400**	69,600	**55,634**	60,369
PRC	**10,654**	87	**8,040**	5,657
	1,634,978	1,468,531	**1,048,570**	949,649

(e) **Major customer**

There is no single external customer amount to 10 per cent or more of the Group's revenue.

(f) **Revenue from major services**

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

4. TURNOVER

The principal activities of the Group are leasing of and provision of management services to the cruise ship, travel-related business as well as provision of sales agency services for sports lottery.

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

	2012	2011
	HK$'000	*HK$'000*
Cruise ship leasing and management fee income	**80,400**	69,600
Lottery commission and services income	**10,654**	87
Travel-related agency service fee income		
– Sales of air tickets	**1,443,858**	1,315,819
– Travel and related service fee income	**100,066**	83,025
	1,543,924	1,398,844
	1,634,978	1,468,531

5. OTHER REVENUE AND GAINS

	2012	2011
	HK$'000	*HK$'000*
Other revenue		
Interest income on bank deposits	**1,588**	237
Loan interest income	**238**	–
Total interest income on financial assets not at fair value through profit or loss	**1,826**	237
Commission income	**13**	24
Management fee income from an associate	**5,354**	6,255
Write back of long-outstanding trade payables	**269**	272
Gain on disposal of property, plant and equipment	**15**	–
Reimbursement on cost of fuel oil	**4,016**	4,473
Service fee income	**2,898**	2,997
Other income	**3,521**	4,113
	17,912	18,371
Other gains		
Amortisation on financial guarantee contract	**16,298**	12,600
Net exchange gain	**818**	19
Reversal of impairment loss recognised on intangible assets	**2,015**	43
Reversal of impairment loss recognised on other receivable*	**6,410**	6,159
	25,541	18,821
Total	**43,453**	37,192

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

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging the following:

		2012 *HK$'000*	2011 *HK$'000*
(a)	**Finance costs**		
	(i) Not wholly repayable within five years:		
	Interest on loan from a related company	**–**	790
	Interest on bank loans	**779**	827
		779	1,617
	(ii) Wholly repayable within five years:		
	Interest on long-term payables	**10,878**	9,460
	Interest on loan from a director and controlling shareholder	**1,036**	5,343
	Interest on loan from a controlling shareholder	**183**	282
	Interest on other loans	**3,751**	7,040
		15,848	22,125
	Total interest expenses on financial liabilities not at fair value through profit or loss	**16,627**	23,742
(b)	**Staff costs**		
	Salaries, wages and other benefits (including directors' emoluments)	**77,714**	73,431
	Contributions to defined contribution retirement plan	**3,229**	3,272
		80,943	76,703
(c)	**Other operating expenses**		
	Impairment loss recognised on		
	– goodwill	**–**	2,966
	– intangible assets	**361**	1,632
	– interest in associates	**6,300**	12,600
		6,661	17,198
(d)	**Other items**		
	Auditors' remuneration		
	– audit services	**1,645**	1,658
	– other services	**280**	250
	Depreciation on owned fixed assets	**10,754**	9,326
	Amortisation on intangible assets	**418**	405
	Loss on disposal of property, plant and equipment	**–**	6
	Operating lease rentals		
	– properties	**9,936**	9,932
	– plant and machinery	**675**	644
	Cost of inventories	**31,233**	32,331

7. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2012	2011
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax	**–**	–
Current tax – Overseas profits tax		
– Charge/(credit) for the year	**259**	(1,319)
	259	(1,319)
Deferred taxation relating to the origination and reversal of temporary differences	**212**	250
Tax charge/(credit)	**471**	(1,069)

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profit for the year.

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

8. DIVIDENDS

No interim dividend was paid during the year under review (2011: Nil). The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$33,034,000 (2011: approximately HK$77,666,000) and on the weighted average number of approximately 3,989,417,000 ordinary shares (2011: approximately 2,438,964,000 ordinary shares) in issue during the year.

(b) Diluted loss per share

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

10. TRADE AND OTHER RECEIVABLES

	At 31 December 2012 *HK$'000*	At 31 December 2011 *HK$'000*
Trade receivables	**16,056**	14,543
Other receivables	**4,976**	11,390
Less: impairment loss recognised on other receivable	**(3,864)**	(10,274)
	1,112	1,116
Trade and other receivables	**17,168**	15,659
Prepayments and deposits	**24,096**	16,309
	41,264	31,968

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 2012 *HK$'000*	At 31 December 2011 *HK$'000*
Current	**12,898**	12,488
31 to 60 days overdue	**1,578**	649
61 to 90 days overdue	**1,078**	823
Over 90 days overdue	**502**	583
	16,056	14,543

The Group normally allows an average credit period of 30 to 60 days to customers of cruise ship leasing and management as well as lottery businesses (2011: average credit period of 30 to 60 days) and 30 days to customers of travel business (2011: 30 days).

11. TRADE AND OTHER PAYABLES

	At 31 December 2012 HK$'000	At 31 December 2011 HK$'000
Trade payables	**10,736**	8,600
Accrued charges and other payables	**16,026**	21,415
Financial liabilities measured at amortised cost	**26,762**	30,015

Aging analysis

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

	At 31 December 2012 HK$'000	At 31 December 2011 HK$'000
Current	**7,538**	7,199
31 to 60 days	**1,763**	730
61 to 90 days	**406**	254
Over 90 days	**1,029**	417
	10,736	8,600

12. EVENTS AFTER THE REPORTING PERIOD

(i) With regard to the unsecured term loan facility of up to HK$290 million granted by Mr. Yeung Hoi Sing, Sonny to the Company, a letter agreement was entered into between the Company and Mr. Yeung Hoi Sing, Sonny on 18 March 2013 to further extend the final repayment date of the loan under the said loan facility from 31 October 2013 to 31 October 2014.

(ii) On 14 February 2013, Golden Sun Profits Limited, an indirect subsidiary of the Company, had received a notice from Maruhan Corporation, a substantial shareholder of World Fortune Limited which is an indirect subsidiary of the Company, in respect of the exercise of the right conferred upon Maruhan Corporation to require Golden Sun Profits Limited to purchase or procure the purchase of the entire equity interest of Maruhan Corporation in World Fortune Limited and the entire amount of the shareholder's loans provided by Maruhan Corporation to World Fortune Limited pursuant to the terms of the shareholders' agreement dated 29 October 2007 relating to World Fortune Limited as supplemented by a supplemental agreement dated 10 July 2008. For details of the said proposed acquisition, please refer to the announcement dated 18 February 2013 issued by the Company.

(iii) On 13 December 2012, Jade Travel Ltd. (an indirect subsidiary of the Company which was incorporated in Canada) entered into a sale and purchase agreement with an independent third party regarding the sale of a part of leasehold land and building in Canada. The consideration of the sale of the said property was equivalent to approximately HK$1,695,000 and the transaction has been completed on 28 February 2013.

13. COMPARATIVES

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

SUMMARY OF THE INDEPENDENT AUDITORS' REPORT

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

"**Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 December 2012 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2(b)(i) in the consolidated financial statements which indicates that the Group incurred a net loss of approximately HK$37,977,000 for the year ended 31 December 2012 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$175,072,000. These conditions, along with other matters as set forth in note 2(b)(i), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern."

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group delivered improved performance in 2012, as a result of successful efforts to tap opportunities in different sectors of the fast-growing China market.

Notwithstanding the challenging global economy in the review year, the Group took appropriate marketing strategies for the travel and cruise ship businesses, thereby maintaining a balanced growth for both businesses. Meanwhile, the lottery business which commenced operations in late 2012 was well prepared to capture the potential in China.

In 2012, Macau continued to record healthy growth and reinforced its position as the world's largest gaming hub, attributable to continuous demand from China and other key Asia Pacific markets. The city also further established itself as the leading entertainment and travel destination in Asia, enticing tourists from around the world with its captivating energy. Riding on the back of this burgeoning success, the Group's flagship investment project Ponte 16 benefited from the organic expansion of the gaming industry and reported satisfying performance despite several setbacks in the global economy.

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included in this announcement. As the lottery business has become one of the business segments of the Group, certain comparative figures have been reclassified to conform to current year's presentation and to provide comparative amount.

Results

The Group maintained improved performance and posted a turnover of approximately HK$1,635.0 million for the year ended 31 December 2012, up by approximately 11% as compared with approximately HK$1,468.5 million in 2011. Gross profit grew by approximately 23% to approximately HK$87.9 million (2011: approximately HK$71.6 million), while loss attributable to owners of the Company reduced to approximately HK$33.0 million (2011: approximately HK$77.7 million). Loss per share was 0.83 HK cents in 2012 versus 3.18 HK cents in 2011.

The travel business achieved balanced growth in turnover for the year ended 31 December 2012, which increased to approximately HK$1,543.9 million (2011: approximately HK$1,398.8 million) as a result of effective marketing strategies. Ticketing revenue rose to approximately HK$1,443.9 million, compared with approximately HK$1,315.8 million in 2011. The travel business made notable progress in upgrading its system for long-term cost saving.

For the cruise ship business, it generated substantial revenue growth and marked improvement by approximately 16% to approximately HK$80.4 million in 2012 (2011: approximately HK$69.6 million). Meanwhile, the lottery business completed the testing for its technology service platform and commenced operations in late 2012. It started to deliver turnover amounting to approximately HK$10.7 million for the year ended 31 December 2012.

Ponte 16 benefited from the healthy development of the gaming industry in Macau in 2012, and achieved improved performance in both the mass market and VIP segments. Its EBITDA* increased by approximately 5% to approximately HK$331.5 million (2011: approximately HK$316.8 million). However, its results were affected by the bank charges incurred for the New Loan Facilities (as defined hereinafter). The Group's shared profit of the associates relating to Ponte 16 for the year ended 31 December 2012 amounted to approximately HK$9.4 million (2011: approximately HK$3.3 million).

Rights Issue

In January 2012, the Company completed the issue by way of rights of 1,625,976,154 new ordinary shares of the Company (the "Rights Issue"), raising net cash proceeds of approximately HK$173.2 million. The Rights Issue reinforced the capital base for the Company and provided further financial resources for the future business development of the Group. The Company repaid a part of the third party interest-bearing loan amounting to HK$114.0 million in the review year using the net cash proceeds from the Rights Issue.

Dividends

No interim dividend was paid in 2012 (2011: Nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the year ended 31 December 2012 (2011: Nil).

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

Review of Operations

Travel Business
Focused on high-end market to achieve balanced growth

In 2012, the Group's travel business recorded balanced growth despite the unfavourable global economy. Turnover in this segment increased by approximately 10% to approximately HK$1,543.9 million, compared with approximately HK$1,398.8 million in 2011, as a result of adequate marketing efforts targeting the high-end market segment, such as MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller). The Group also focused on expanding its clientele in China, a major market that is attributing to the growth of global tourism. In 2012, more than 80 million Chinese travelled overseas and they spent a total of approximately US$85 billion globally.

Profit in this segment amounted to approximately HK$1.1 million in 2012, compared with a loss of approximately HK$11.2 million in 2011, because a major operational upgrade was carried out in the review year to enhance long-term cost efficiency and competitiveness of the business. In July 2012, the Group consolidated its global travel business and ceased its unit in Hong Kong.

Cruise Ship Business
Delivered significant growth in revenue

The cruise ship business posted improved performance during the year under review, mainly due to increase in leasing and management fee income. The cruise ship, M.V. Macau Success, (in which the Group has a 55% interest) recorded approximately 16% growth in turnover to approximately HK$80.4 million in 2012, versus a turnover of approximately HK$69.6 million in 2011. The business segment posted a profit of approximately HK$2.9 million in 2012, compared with a segment loss of approximately HK$7.8 million in 2011.

Lottery Business
Strengthened business platform to seize more opportunities

The Group completed the testing of its technology service platform for lottery business and commenced operations in late 2012. It offers sports lottery sales agency services to the sports lottery centers in Jiangxi and Qinghai provinces in China through the subsidiaries of a joint venture company of the Company (the "JV Company"). Meanwhile, the Group upgraded the business website 128cai.com (www.128cai.com) to enrich its content offering to customers. The website provides information and hot tips on the lottery market and round-the-clock online customer services.

Turnover in the lottery business segment for the year ended 31 December 2012 was approximately HK$10.7 million (2011: approximately HK$0.1 million). The segment posted a loss of approximately HK$21.9 million in 2012 (2011: approximately HK$31.2 million).

The booming lottery market in China prompted the Group to reinforce its presence in the lottery business during the review year. Total lottery sales of China surged 18% year-on-year to approximately RMB261.5 billion. Over the same period, sports lottery sales also soared 17.8% year-on-year to approximately RMB110.5 billion. In addition, the Rules for the Implementation of the Regulations on Administration of Lotteries《彩票管理條例實施細則》 in China, effective from 1 March 2012, further strengthened the monitoring and management effort of the lottery industry in China, creating a healthy market environment to support long-term industry growth.

Investment Project – Ponte 16
Posted improved results thanks to the organic growth of gaming industry

Boosted by the positive momentum of Macau, Ponte 16 continued to generate improved results in the review year. Its EBITDA* rose approximately 5% to approximately HK$331.5 million (2011: approximately HK$316.8 million). The performance of both the VIP and mass market segments were also satisfying.

As of 31 December 2012, the casino of Ponte 16 had 109 gaming tables, 82 of which were mass gaming tables, 9 were high-limit tables and 18 were VIP tables.

In 2012, Ponte 16 introduced new elements to enrich the journey of its guests and stepped up its marketing initiatives to expand its clientele. During the year, Ponte 16 opened a boutique French cuisine restaurant "Privé" offering guests an exceptional private dining setting. Guests can indulge themselves with signature dishes and a wide selection of wines while enjoying a spectacular view of the old city and historic sites of Macau.

In addition, Ponte 16 co-organised "Michael Jackson's Wardrobe – Gorgeous 25 Years" exhibition tour with New World Department Store China Limited for the second consecutive year from October to November 2012. The exhibition tour, held in Chongqing, Changsha and Wuhan in China, showcased precious collectibles worth over HK$10 million, including Michael Jackson's famous white rhinestone glove when he premiered his trademark Moonwalk Dance and his autographed jacket. As a tribute to Michael Jackson, a joint promotion with PepsiCo Hong Kong was organised in late 2012 as well. Ponte 16 also selectively held a variety of events, including a wedding fair, a French photography exhibition, a music festival and a concert. All of the above initiatives successfully helped Ponte 16 attract a range of clientele and maintain a high occupancy rate at its five-star hotel, Sofitel Macau At Ponte 16, throughout the year.

The renowned services and facilities of Sofitel Macau At Ponte 16 earned numerous distinguished awards throughout the year, including "2012 Certificate of Excellence" and "the Top 25 Best Hotel in Greater China" in "Travelers' Choice 2012" by Daodao.com (the official Chinese website of TripAdvisor). Further recognitions included "Hotel of the Year 2012" (Asia Pacific) by Sofitel, "Best in Travel Poll 2012" by Smart Travel Asia, "Certificate of Excellence 2012" by TripAdvisor, "China's 100 Best Hotels 2012" and "China Travel - Best City Business Hotels 2012" by China Travel+Leisure Magazine. These awards reflected the utmost commitment of Ponte 16 to providing its guests the best travel and leisure experience.

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

As the Group recognises the importance of sustainable industry growth and is devoted to cultivating talent in the community, it consistently takes different measures to nurture and develop future leaders for society and its business expansion at the same time. During the year, Ponte 16, in partnership with City University of Macau, launched the "Ponte 16 and City University of Macau – Cultivated Scholarship Program". The program provided exciting opportunities for eligible students to widen their perspectives and to accumulate experience and knowledge in the hospitality industry.

During the year, a group of financial institutions granted a 5-year syndicated loan facilities amounted to HK$1,900 million and RMB400 million (the "New Loan Facilities") to Pier 16 – Property Development Limited ("Pier 16 – Property Development", an associate of the Group and is principally engaged in the investment, development and, through its subsidiaries, operation of Ponte 16). The main purposes of the New Loan Facilities are to refinance the syndicated loan facilities of HK$1,600 million granted to Pier 16 – Property Development (the "HK$1,600 Million Syndicated Loan Facilities") that matured on 29 June 2012, repay shareholders' loans and fund the construction of Phase 3 of the Ponte 16 development project (the "Phase 3 Project"). In the review year, the Phase 3 Project was in progress.

Financial Review

Liquidity, Financial Resources and Gearing

As at 31 December 2012, the Group had net current liabilities of approximately HK$175.1 million (31 December 2011: approximately HK$288.0 million) as a portion of loan payable and long-term payable totally in the amount of approximately HK$122.9 million, which would become mature within the coming 12 months, have been reclassified as current liabilities and net assets of approximately HK$766.0 million (31 December 2011: approximately HK$502.1 million).

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being a Director and a controlling shareholder of the Company) provided a HK$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK$290 million on 14 April 2009 and the final repayment date of the loan and all other sums owing to Mr. Yeung under the revised loan facility was further extended from 31 October 2013 to 31 October 2014 by a letter agreement dated 18 March 2013. During the year, the Company had fully repaid the outstanding amount owed to Mr. Yeung in the sum of approximately HK$30.3 million (31 December 2011: the outstanding amount owed to Mr. Yeung was approximately HK$30.3 million).

On 22 October 2009, the Company as borrower and New Shepherd Assets Limited ("New Shepherd"), a wholly-owned subsidiary of the Company, as security provider entered into an agreement in relation to a HK$250 million revolving credit facility (the "Revolving Credit Facility") with a financial institution (the "Lender") as lender, which is a third party independent of the Company. The Revolving Credit Facility carried floating interest rates and the loan under such facility should be repayable on or before 36 months after 22 October 2009. The proceeds of the Revolving Credit Facility should be applied for on-lending to

Pier 16 – Property Development in connection with the cash flow requirements of Pier 16 – Property Development and its subsidiaries. During the year, the Company had fully repaid the outstanding loan under the Revolving Credit Facility in the amount of HK$246.0 million and the Revolving Credit Facility was lapsed (31 December 2011: the outstanding loan was HK$246.0 million).

Jade Travel Ltd. (“Jade Travel, Canada”, being an 80% indirectly owned subsidiary of the Company which was incorporated in Canada) was granted secured bank loans which carry fixed interest rates and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the new properties of Jade Travel, Canada and their renovation costs. As at 31 December 2012, the outstanding loans were equivalent to approximately HK$13.3 million (31 December 2011: equivalent to approximately HK$13.6 million).

During the year, the Group had fully repaid a non-interest bearing loan from a related company in the amount of approximately HK$0.1 million (31 December 2011: the outstanding loan was approximately HK$0.1 million). The loan was unsecured and had no fixed terms of repayment.

On 12 January 2012, the loan owed by the Company to Silver Rich Macau Development Limited (“Silver Rich”, being a controlling shareholder of the Company and wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung), in the amount of approximately HK$128.1 million, had been used to set off against the aggregate subscription price of the 673,968,954 rights shares provisionally allotted to Silver Rich pursuant to the underwriting agreement entered into between Silver Rich and the Company regarding the Rights Issue. During the year, the Company had fully repaid the remaining outstanding loan due to Silver Rich in the amount of approximately HK$0.5 million (31 December 2011: the outstanding loan was approximately HK$128.3 million, being the aggregate of approximately HK$104.7 million which was charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited, approximately HK$23.4 million which was charged with interest at the rate of 4% per annum and interest of approximately HK$0.2 million). The loan was unsecured and non-interest bearing and had no fixed terms of repayment.

Apart from the aforesaid loans, as at 31 December 2012, there were loans from shareholders of non-controlling interests of approximately HK$17.9 million (31 December 2011: approximately HK$17.7 million) and other loans payables, which were shown under current liabilities, of approximately HK$187.3 million (31 December 2011: approximately HK$192.2 million, being the aggregate of approximately HK$152.7 million which was shown under current liabilities, approximately HK$39.5 million which was shown under non-current liabilities). The loans are interest-free and unsecured.

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

As at 31 December 2012, total equity attributable to owners of the Company was approximately HK$741.6 million (31 December 2011: approximately HK$470.2 million).

During the year, the Company had fully repaid the outstanding interest-bearing loans under the Revolving Credit Facility amounting to HK$246.0 million and the loans from Mr. Yeung and his related companies in the amount of HK$30.9 million. As a result, 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 narrowed to approximately 2% as at 31 December 2012 (31 December 2011: approximately 89%).

Provision of the 2012 Financial Assistance to Pier 16 – Property Development

Reference was made to the announcement (the "Announcement") and the circular (the "Circular") issued by the Company dated 26 April 2012 and 18 May 2012 respectively in relation to the provision of financial assistance to Pier 16 – Property Development as one of the conditions precedent for the utilisation of the New Loan Facilities under the facility agreement dated 17 April 2012 entered into by Pier 16 – Property Development with, among others, the lenders (being a group of financial institutions) (the "2012 Financial Assistance"). The estimated total exposure of the Company under the provision of the 2012 Financial Assistance was approximately HK$1,756 million.

The provision of the 2012 Financial Assistance constituted a very substantial acquisition for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and has been approved by the shareholders at the special general meeting of the Company held on 5 June 2012.

For further details of the 2012 Financial Assistance, please refer to the Announcement and the Circular.

Based on the valuation performed by an independent professional valuer, the Group has recognised approximately HK$100.0 million of financial guarantee contract liability at the date of issuance of financial guarantee contract with a corresponding increase in its interest in associates as deemed capital contribution.

Pledge of Assets

As at 31 December 2012, the Group had secured the following assets:

(a) the Group pledged the time deposits of approximately HK$10.4 million (31 December 2011: approximately HK$7.9 million) to certain banks for the issuance of several bank guarantees and a standby letter of credit facility of approximately HK$12.5 million (31 December 2011: approximately HK$9.9 million) for the operations of the Group;

(b) World Fortune Limited ("World Fortune", an indirect subsidiary of the Company) pledged 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 New Loan Facilities (31 December 2011: pledged 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 HK$1,600 Million Syndicated Loan Facilities); and

(c) the Group's self-occupied properties with carrying amount of equivalent to approximately HK$20.7 million (31 December 2011: equivalent to approximately HK$20.6 million) were pledged to a bank to secure bank loans to Jade Travel, Canada.

Contingent Liabilities

During the year, the Company gave a new corporate guarantee (the "New SUG Guarantee") to a bank in respect of the New Loan Facilities under the 2012 Financial Assistance. The maximum guarantee amount borne by the Company under the New SUG Guarantee was HK$1,176 million. The guarantee previously issued by the Company in the amount of HK$860 million for the HK$1,600 Million Syndicated Loan Facilities, which had been fully repaid on 29 June 2012, was released during the year.

The outstanding loan under the New Loan Facilities as at 31 December 2012 was approximately HK$1,273.3 million (31 December 2011: total loan outstanding and bank guarantee facility under the HK$1,600 Million Syndicated Loan Facilities were HK$560 million and HK$240 million respectively).

Human Resources

As at 31 December 2012, the Group had a total of 483 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 under the Mandatory Provident Fund Scheme. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

The global economy remains challenging but looks slightly more promising than 2012. The growth rate of developed economies is deemed weak, primarily because of the deepening recession in Europe and poor recovery in the United States of America. Growth in emerging and developing economies should be strengthened modestly with Asia sustaining its position as the fastest-growing region in the world. The market widely forecasts that China will bottom out and slowly gain momentum.

Despite the volatile worldwide economy, the Group is cautiously optimistic towards the entertainment industry and its business operations. With the possible relaxation of visa rules and the introduction of more high-quality mass market-oriented gaming facilities and non-gaming amenities, gross gaming revenue in Macau is likely to grow moderately in 2013 with the gaming VIP segment to pick up and the mass market to remain robust. Adding to this prospect is the opening of the last four stations of the Guangzhou-Zhuhai Intercity Railway in late December 2012, which can attract more tourists visiting Macau from China.

Leveraging its successful niche market track record, Ponte 16 is set to introduce more elements to offer guests ultimate relaxation and comfort whether they are visiting the city for cultural or leisure purposes. Ponte 16 is going to open a new Chinese restaurant to offer authentic Cantonese cuisine complemented with traditional dim sum and a wide selection of Chinese wine and tea. It is also preparing for the introduction of a "French Provence" themed spa to provide guests with a tranquil haven away from the bustle of the city of Macau. The spa is planned to officially open in 2013.

To celebrate its fifth anniversary, Ponte 16 is going to introduce various lucky draws throughout 2013 to recognise the loyalty and support of its customers. It is planning to organise its exhibition tour in different cities in China, as a means to further broaden its customer base in China. In addition, it will jointly develop a series of promotional campaigns with travel-related partners that highlight the history and culture of Macau. These marketing efforts will certainly reinforce the unique positioning of Ponte 16 as the sole integrated casino-entertainment resort situated in the exclusive Inner Harbour and better capture the growing number of worldwide tourists who seek a cultural journey in Macau.

The Phase 3 Project will consist of an entertainment and recreation complex that houses a brand new shopping arcade, dining destinations and space for gaming expansion. The new phase is set to be another revenue contributor for Ponte 16 in the future.

On 14 February 2013, Golden Sun Profits Limited ("Golden Sun", an indirect subsidiary of the Company) received a notice from Maruhan Corporation ("Maruhan", a substantial shareholder of World Fortune) in respect of the exercise of the right conferred upon Maruhan to require Golden Sun to purchase or procure the purchase of the entire equity interest of Maruhan in World Fortune and the entire amount of the shareholder's loans provided by Maruhan to World Fortune pursuant to the terms of the shareholders' agreement dated 29 October 2007 relating to World Fortune as supplemented by a supplemental agreement dated 10 July 2008 (the "Proposed Acquisition"). For details of the Proposed Acquisition, please refer to the announcement dated 18 February 2013 issued by the Company.

Regarding the lottery business, new regulations created and enforced by the Chinese authorities will allow the Group to better capture opportunities in the market. Implemented in China since January 2013, the new rule for lottery distribution and sales management methods《彩票發行銷售管理辦法》has further defined the framework for lottery marketing and distribution channels. Such a move has created a fair and favourable environment for the Group to develop its lottery business in China. The Group is in the process of increasing the share capital of its subsidiary of the JV Company to further expand its lottery business in China. Apart from this, the Group is planning to kick off its marketing initiatives to create the profile and visibility of 128cai.com amongst corporate and retail customers. The lottery business will become a new driving force for the Group.

With respect to the travel business, the Group aims to extend its reach to capture more high-end customers with the marketing strategy focusing on MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller). The Group is confident that the business will pick up with the reviving economic sentiment in the upcoming year.

Looking ahead, the Group is committed to actively seeking opportunities for business expansion. It is also well prepared to further enrich its extensive portfolio of assets to maximise value for its shareholders, partners and customers.

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

During the year ended 31 December 2012, 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 Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) contained in Appendix 14 of the Listing Rules during the year ended 31 December 2012.

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2012 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 2012 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, 27 March 2013

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