SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)
（於百慕達註冊成立之有限公司）
Stock Code 股份代號：00487

Annual Report
年報 2009

Contents

Our Vision

To become a major player in the gaming, entertainment and tourist-related industries, and to create high value for our shareholders, customers and employees while committing to attain a high standard of corporate governance.

Corporate Information

DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors

Mr. Luk Ka Yee, Patrick
Mr. Yim Kai Pung
Ms. Yeung Mo Sheung, Ann

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes

FINANCIAL CONTROLLER

Mr. Wong Chi Keung, Alvin

AUTHORISED REPRESENTATIVES

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

AUDIT COMMITTEE

Mr. Yim Kai Pung *(Chairman)*
Mr. Choi Kin Pui, Russelle
Mr. Luk Ka Yee, Patrick
Ms. Yeung Mo Sheung, Ann

REMUNERATION COMMITTEE

Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Mr. Choi Kin Pui, Russelle
Mr. Luk Ka Yee, Patrick
Mr. Yim Kai Pung
Ms. Yeung Mo Sheung, Ann

EXECUTIVE COMMITTEE

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

AUDITORS

CCIF CPA Limited

LEGAL ADVISERS ON HONG KONG LAWS

Iu, Lai & Li

LEGAL ADVISERS ON BERMUDA LAWS

Conyers Dill & Pearman

PRINCIPAL BANKERS

Chong Hing Bank Limited
Fubon Bank (Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN BERMUDA

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke, HM 08
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00487

WEBSITE

www.successug.com

Financial Highlights

	Year ended 31 December 2009 HK$'000	Fifteen months ended 31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000
Result			
Turnover			
Cruise leasing and management	**72,600**	118,000	95,901
Travel	**1,129,639**	509,254	7,853
	1,202,239	627,254	103,754
(Loss)/profit from operations	**(47,935)**	(67,592)	34,069
(Loss)/profit attributable to owners of the Company	**(173,797)**	(238,304)	2,314

	31 December 2009 HK$'000	31 December 2008 HK$'000	30 September 2007 HK$'000
Consolidated statement of financial position			
Total assets	**1,345,509**	1,418,947	1,197,379
Total liabilities	**671,636**	487,788	170,466
Net assets	**673,873**	931,159	1,026,913

Group Structure

Success Universe Group Limited

Hong Kong Listed Company with a Focus on Gaming, Entertainment and Tourist-related Businesses

TRAVEL BUSINESS

Travel Success Limited
Travel Success (Macau) Limited
Jade Travel Ltd.
(Canada & New York)

CRUISE BUSINESS

M.V. Macau Success

FLAGSHIP INVESTMENT PROJECT

Ponte 16
Integrated
Casino-entertainment
Resort

Chairman's Statement

We are committed to building a diversified business platform which creates synergies and ensures a steady growth in revenue for the Group. In 2009, we stepped up our efforts to enhance the revenue stream of each business unit for future growth, in order to become a major player in the gaming, entertainment and tourist-related industries.

Chairman's Statement

Dear Valued Shareholders,

On behalf of the board of directors of Success Universe Group Limited (the "Company"), I would like to present the annual report of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

Over the past few years, the Group has focused its efforts on building a stronger platform to harness synergies among its core businesses. In 2009, we stepped up our efforts to enhance the revenue stream of each business unit for future growth and strategically developed a unique brand for Ponte 16, the Group's flagship investment project.

The operating environment for the Group remained challenging during the past year despite signs of recovery in some key economies in the second half of 2009. The plunge of the global economy in late 2008 had put pressure on both the growth of tourism market as well as the gaming industry in Macau Special Administrative Region ("Macau" or "Macau SAR"). However, the effort we put in to build a stronger business platform through a major acquisition and strategic partnership has begun to pay off and the Group managed to make satisfactory progress amid the unfavourable market environment by leveraging the synergies of its core businesses.

NICHE POSITIONING TO ENHANCE COMPETITIVENESS

Ponte 16, which celebrated its second anniversary in February 2010, has successfully established itself as a premier resort destination in the short space of time since its official opening in 2008. Despite the increasingly competitive environment in the gaming and hospitality industries in Macau during the year, Ponte 16's unique positioning featuring historical and cultural elements has effectively distinguished itself from other casinos in the enclave, fully demonstrating its resilience and delivering a positive EBITDA* during the financial year. The growth rate of the gaming revenue also outpaced that of the industry in the year under review. Moreover, thanks to its unique attractions and the marketing efforts of both Ponte 16 and the Accor Group, although Macau recorded a drop in the number of visitor arrivals in 2009, occupancy rate at Sofitel Macau At Ponte 16 achieved continuous growth, and the VIP hall, which commenced operations in August 2009, also performed well.

Leveraging the synergies brought by the Group's expanded travel network, the customer base of the integrated casino-entertainment resort has been broadened. During the year, Ponte 16 attracted a diverse range of customers including an increasing number of visitors from overseas.

To fulfil our commitment to providing a unique travel and entertainment experience to our guests and to make Ponte 16 a new attraction for tourists around the world, Ponte 16 opened the MJ Gallery at Ponte 16 in February 2010 to showcase some of the most iconic Michael Jackson collectibles. It has not only boosted customer flow at Ponte 16, but also further differentiated Ponte 16 from its competitors. Ponte 16 also devotes to develop itself into the region's premier venue for hosting entertainment and cultural events as well as exhibitions. The 20,000-capacity piazza on its doorsteps has already become the venue of choice for festive celebrations and major events.

EXTENSIVE NETWORK TO CAPTURE OPPORTUNITIES

We expect Ponte 16, the world-class integrated casino-entertainment resort, and the travel business to be the Group's growth drivers in the foreseeable future. During the year, the Group stepped up its efforts to strengthen and expand its travel business following the acquisition of 80% equity interest in Jade Travel Ltd. in Canada and the United States of America in 2008.

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

To take advantage of the Group's extensive sales network in North America, we focused on targeting up-market travellers with high margin services such as in-bound tours, corporate ticketing and MICE (Meeting, Incentive, Convention and Exhibition) arrangements. Besides, facilitating cross-selling with Ponte 16 and the Group's cruise operations, the Group also has strategic plan to partner with tour operators in Mainland China to further expand its clientele and capture opportunities in the growing China market.

NAME CHANGE TO REFLECT GLOBAL APPROACH

In order to become a leading operator of travel, cruise, gaming and entertainment businesses, the Group's network spans across Asia and North America. To diversify the range of businesses that the Group is engaged in, and its strategic direction for future growth in different geographical markets, the Company changed its English name to "SUCCESS UNIVERSE GROUP LIMITED" and adopted a new Chinese name "實德環球有限公司" as its secondary name during the year.

FUELLING OUR GROWTH

Boosted by the stimulus measures implemented by both The Central People's Government of the People's Republic of China and the Macau SAR Government, Macau's gaming market is expected to continue to improve in 2010 along with the wider economy, offering a favourable business environment for the Group.

We are driven by our vision to become a major player in the gaming, entertainment and tourist-related industries. We are committed to building a diversified business platform which creates synergies and ensures a steady growth in revenue for the Group. By doing so, we will be well-placed to seize growth opportunities and boost shareholders' value.

APPRECIATION

Our achievements in 2009 would not have been possible without the commitment and hard work of our staff at all levels and I thank them sincerely for their dedication and support. I would also like to extend my gratitude to our shareholders, customers, business partners and other stakeholders for the trust they have placed in us and their support.

Yeung Hoi Sing, Sonny
Chairman

Hong Kong
16 April 2010

Business Highlights

- Turnover was up by 91.7% to HK$1,202.2 million, demonstrating resilience to challenging environment.
- Driven by the contribution from Jade Travel Ltd. in Canada and the United States of America, turnover from travel business surged 122% to reach HK$1,129.6 million.
- Gross profit amounted to approximately HK$87.7 million, while loss attributable to owners of the Company narrowed to approximately HK$173.8 million.
- The Group's flagship investment project, Ponte 16, further strengthened its unique positioning during the year and achieved a positive EBITDA* and a double digit growth in gaming revenue that outpaced the market performance.
- Number of visitors and the occupancy rate of Sofitel Macau At Ponte 16 showed sustained improvements with the VIP hall at Ponte 16 and VIP mansions at Sofitel Macau At Ponte 16 were officially opened in the second half of the year.

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

Management Discussion and Analysis

Through the successful execution of the three-pronged strategy, the Group effectively navigated through a turbulent year for the world economy and delivered an improving operating performance during 2009.

Management Discussion and Analysis

Building on its core businesses of travel, cruise, gaming and entertainment, Success Universe Group Limited ("Success Universe" or the "Company") and its subsidiaries (collectively the "Group") effectively navigated through a turbulent year for the world economy and delivered an improving operating performance during 2009. Through the successful execution of its three-pronged strategy, the Group was able to strengthen the unique positioning of its flagship investment project, Ponte 16, while enhancing the earnings stream of each of its business units. The measures have enhanced the Group's business platform and positioned it well for future growth.

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included in this annual report. As the Company changed its financial year end date from 30 September to 31 December with effect from the period ended 31 December 2008, the last annual report covered the fifteen months from 1 October 2007 to 31 December 2008 which may not be entirely comparable.

RESULTS

The Group posted turnover of approximately HK$1,202.2 million for the year ended 31 December 2009, representing an increase of 91.7% from approximately HK$627.3 million in 2008. Gross profit reached approximately HK$87.7 million (2008: approximately HK$134.6 million), while loss attributable to owners of the Company narrowed to approximately HK$173.8 million (2008: approximately HK$238.3 million). Loss per share was 7.13 HK cents for the reporting year, compared with loss per share of 9.87 HK cents in 2008.

Turnover from travel business was up 122% to approximately HK$1,129.6 million in 2009, driven by the Company's acquisition of a 80% stake in certain travel agency companies located in Canada and the United States of America (the "Jade Travel Group") in second half of 2008. The negative impact brought by the H1N1 flu virus in the first half of the financial year was offset by the rebound in the market in the second half of the year. Still, the travel business recorded a loss during the year principally due to impairment loss on certain assets.

Ponte 16 further strengthened its unique positioning during the year and delivered a positive EBITDA*. However, its results were still affected by the high depreciation and amortisation charges during the initial stage of its operations. As a result, Ponte 16 incurred a loss during the year under review. The Group's shared loss of the associates relating to Ponte 16 for the year ended 31 December 2009 amounted to approximately HK$115.7 million (2008: approximately HK$170.3 million).

DIVIDENDS

No interim dividend was paid in 2009 (2008: Nil). The Directors do not recommend any payment of a final dividend for the year ended 31 December 2009 (2008: Nil).

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

Management Discussion and Analysis Travel Business

Enhanced travel network has broadened the Group's customer base through cross-selling to high-end customers worldwide, bringing synergies to the Group.

Management Discussion and Analysis
Travel Business

REVIEW OF OPERATIONS

Strengthened Travel Business Platform Enlarges Income Base

The travel business posted turnover of HK$1,129.6 million in 2009, up 122% year on year. The increase was mainly attributable to the contribution from the Jade Travel Group. However, the global recession in the first half of 2009, together with the spread of the H1N1 flu virus, had hit the travel industry particularly hard, especially in North America where most of the Jade Travel Group's businesses operate. Loss in the segment amounted to approximately HK$9.4 million (2008: profit of approximately HK$1.9 million) principally due to impairment of intangible assets and goodwill.

With the implementation of stimulus measures by governments around the world, the Group has witnessed a gradual recovery in its travel business since the second half of 2009. The Jade Travel Group has further strengthened the Group's travel business with inbound and outbound tours to and from North America, and has broadened the customer base of the Group's casino-entertainment resort and cruise business through cross-selling to high-end customers worldwide. Leveraging the strength of its travel business, the Group will step up its efforts in building higher margin services such as inbound tours, corporate ticketing, and MICE (Meeting, Incentive, Convention and Exhibition) arrangements to pave the way for future growth.

Management Discussion and Analysis Cruise Business

Cruise business remained a steady revenue contributor for the Group.

Management Discussion and Analysis
Cruise Business

Stable Contribution from the Cruise Business

The cruise business remained a steady revenue contributor for the Group in 2009. Turnover from the cruise ship, M.V. Macau Success (in which the Group has a 55% interest), decreased by 38% to HK$72.6 million (2008: HK$118 million) as a result of lower leasing income. Segment profit increased to approximately HK$2.2 million, compared with a loss of approximately HK$1.9 million in 2008.

Management Discussion and Analysis Investment Project – Ponte 16

Ponte 16 has fostered its unique position as a premier resort destination that perfectly combines cultural and entertainment elements in Macau's historic Inner Harbour District. Hotel occupancy rate and visitors grew steadily in 2009.

Management Discussion and Analysis
Investment Project – Ponte 16

Investment Project, Ponte 16: Demonstrates Resilience with Unique Brand Positioning

Ponte 16, the world-class integrated casino-entertainment resort in Macau's historic Inner Harbour District, continued to strengthen its position as a premier resort destination during the year under review.

Despite fierce competitive pressures, Ponte 16 managed to achieve encouraging results with a positive EBITDA* and a double-digit growth in gaming revenue in 2009, outpacing the industry growth rate of 9.7%. With the opening of a VIP hall at the casino and VIP mansions at the hotel in the second half of 2009, key performance indicators, such as the number of casino visitors and the occupancy rate of Sofitel Macau At Ponte 16, showed sustained improvements even though Macau recorded a drop in tourist arrivals during the year. The extensive business network of the Group's travel operations also created synergy and helped broaden the customer base of Ponte 16. Hence, the number of overseas tourists was increased, contributing to a solid growth in daily average number of visitors during the year. Ponte 16 recorded its highest one-day visitor counts of approximately 16,000 during the Chinese New Year period in 2010.

To further strengthen its unique market positioning, Ponte 16 opened the MJ Gallery at Ponte 16 (the "Gallery") in February 2010 to coincide with its second anniversary. On display in the Gallery include iconic items of Michael Jackson ("MJ") that Ponte 16 won in auctions last year, including a white rhinestone glove which MJ wore in his Motown 25 special performance. Through the exhibition of over 40 rare MJ collectibles, the Gallery brings to life some of the megastar's most iconic moments and offers the first-of-its-kind Asia exclusive experience for visitors. The Gallery is expected to draw MJ fans all over the world who want to pay homage to this great artist of our time. As an unique attraction of the resort, the Gallery will also help further differentiate Ponte 16 from its peers.

While committed to providing an unique travel and entertainment experience for its guests, Ponte 16 is also a venue for celebrations on festive occasions and cultural events. The resort's 20,000-capacity outdoor piazza is a convenient location and has become the venue of choice for such occasions.

The cooperation between Ponte 16 and the Accor Group, which manages Sofitel Macau At Ponte 16, has also enhanced the Ponte 16 brand. The prestigious hotel operator has received rave reviews in Trip Advisor, a leading travel website, and Travel + Leisure, a popular magazine. Sofitel Macau At Ponte 16 was named one of the Top 25 Hotels in Hong Kong, Macau and Taiwan.

Sofitel Macau At Ponte 16 has 408 rooms, including 26 suites and 19 VIP suites at the exclusive VIP mansions. Since its opening, Sofitel Macau At Ponte 16 has attracted high-end guests with its top-class services and first-class facilities. The hotel has seen a steady growth in occupancy rate since its opening in August 2008. The management expects occupancy rate to improve further with the opening of more facilities and attractions in the future.

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

Management Discussion and Analysis Others

The Group has made several strategic moves to strengthen its capital base in order to build a solid foundation for future growth.

Management Discussion and Analysis Others

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 31 December 2009, the Group had net current assets of approximately HK$23.6 million (31 December 2008: approximately HK$56.4 million) and net assets of approximately HK$673.9 million (31 December 2008: approximately HK$931.2 million).

The Company entered into a letter agreement with Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), a Director and a controlling shareholder of the Company, on 1 December 2008 regarding the provision of a HK$200 million term loan facility by Mr. Yeung to the Company. The move is expected to strengthen the Group's capital base, improve its liquidity and cash flows, and sustain the Group as a going concern. The loan is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. On 14 April 2009, the Company and Mr. Yeung also entered into a letter agreement to increase the principal amount of the loan facility to up to HK$290 million. In addition, Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to Mr. Yeung under the revised loan facility before 30 June 2010 (the "Final Repayment Date"). Besides, on 25 June 2009, the Company also entered into another letter agreement with Mr. Yeung to extend the Final Repayment Date to 30 June 2011. During the year under review, the Company had utilised the loan facility in the amount of HK$47.5 million (31 December 2008: Nil).

On 22 October 2009, the Company as borrower and New Shepherd Assets Limited ("New Shepherd"), a wholly-owned subsidiary of the Company, as security provider entered into an agreement in relation to a HK$250 million revolving credit facility (the "Revolving Credit Facility") with a financial institution (the "Lender") as lender, which is a third party independent of the Company. The Revolving Credit Facility carries a floating interest rate and the loan under such facility shall be repayable on or before 36 months after 22 October 2009. The proceeds of the Revolving Credit Facility should be applied for on-lending to Pier 16 – Property Development Limited ("Pier 16 – Property Development") in connection with the cashflow requirements of Pier 16 – Property Development and its subsidiaries. As at 31 December 2009, the Company had utilised the Revolving Credit Facility in the amount of HK$132.0 million.

Apart from the aforesaid loans, as at 31 December 2009, the Group had interest-bearing loan from a related company of approximately HK$21.0 million (31 December 2008: approximately HK$17.6 million). The loan is unsecured and charged with interest at the rate of 4% per annum and has no fixed terms of repayment.

As at 31 December 2009, there were loans from minority shareholders of approximately HK$10.0 million (31 December 2008: approximately HK$8.7 million) and other loans payables of approximately HK$171.7 million (31 December 2008: approximately HK$159.2 million). The loans are interest-free, unsecured and will not be repaid within the next twelve months.

Total equity attributable to owners of the Company as at 31 December 2009 was approximately HK$627.7 million (31 December 2008: approximately HK$884.8 million). Accordingly, the gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over equity attributable to owners of the Company, was 31.94% as at 31 December 2009 (31 December 2008: 1.99%).

Provision of Further Financial Assistance

Reference was made to the circular dated 8 May 2009 issued by the Company to the Shareholders, an additional shareholders' loan in the amount of approximately HK$430 million mainly to finance the construction cost and the repayment on the bank loan by Pier 16 – Property Development is required from its shareholders for the period up to 31 December 2009, of which 49% sharing by a subsidiary of the Company, World Fortune Limited ("World Fortune"), amounting to approximately HK$210.7 million ("Further Financial Assistance").

Approved by the Board on 16 April 2009, and by the Shareholders at the Company's special general meeting held on 26 May 2009, such provision of Further Financial Assistance would be financed by the Company's internal resources and/or external borrowings.

Pledge of Assets

As at 31 December 2009, the Group pledged the time deposits of approximately HK$8.3 million (31 December 2008: approximately HK$6.8 million) to certain banks for the issuance of several bank guarantees and standby letter of credit facility of approximately HK$10.2 million (31 December 2008: approximately HK$8.4 million) for the operations of the Group.

As at 31 December 2009, World Fortune pledged all (31 December 2008: 100%) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of syndicated loan facilities granted to Pier 16 – Property Development.

Apart from the aforesaid pledges, as at 31 December 2009, New Shepherd pledged 51% (31 December 2008: Nil) of the entire issued share capital from time to time of Favor Jumbo Limited, a wholly-owned subsidiary of the Company, to the Lender in respect of the Revolving Credit Facility granted to the Company.

Contingent Liabilities

As at 31 December 2009, the Group gave the following undertakings:

(a) Syndicated loan facilities granted to an associate held by a subsidiary of the Company was HK$1,600 million (31 December 2008: HK$1,600 million). The maximum guarantee amount borne by the Company was HK$860 million (31 December 2008: HK$860 million). The total loan outstanding for the syndicated loan facilities of the associate as at 31 December 2009 was HK$1,040 million (31 December 2008: HK$1,260 million); and

(b) The Company issued a guarantee of approximately HK$8.9 million (31 December 2008: approximately HK$7.7 million) in favour of a bank for banking facilities of approximately HK$8.9 million (31 December 2008: approximately HK$7.7 million), granted to the subsidiaries of the Company. The maximum guarantee amount borne by the Company was approximately HK$8.9 million (31 December 2008: approximately HK$7.7 million). The Directors do not consider that a claim will probably be made against the Company.

Human Resources

As at 31 December 2009, the Group had a total of 435 employees. Remuneration is determined on the basis of qualification, experience, responsibility and performance. Apart from the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options might also be granted to eligible employees of the Group as a long-term incentive.

Change of the Company's Name

To better reflect the Group's strategic business direction and global network, the name of the Company has been changed from "Macau Success Limited" to "SUCCESS UNIVERSE GROUP LIMITED" and the new Chinese name "實德環球

Management Discussion and Analysis

Others (continued)

有限公司" has been adopted as the Company's secondary name both effective from 27 May 2009. The Company has thereafter ceased to use the Chinese name "澳門實德有限公司" for identification purpose. Besides, the Company has adopted a new logo to reflect the said change of its name. The stock short name for trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") has also been changed from "MACAU SUCCESS" to "SUCCESSUNIVERSE" in English and from "澳門實德" to "實德環球" in Chinese with effect from 29 June 2009.

Prospects

Macau has seen a rebound in the gaming and entertainment business since the second half of 2009 along with a global economic recovery. We are confident that a continued strengthening of the world economy, along with steady growth in China and Macau, will help boost the Group's performance going forward. In 2010, the Group will continue to streamline its operations to enhance efficiency and profitability. Backed by the enhanced business platform, the Group will continue to harness synergies among its core businesses and further strengthen its brand.

With the successful launch of the Gallery in February 2010, the Group has created for itself a niche featuring cultural and entertainment elements. The Group will devote more efforts in promoting Ponte 16 and its unique attractions. Among the initiatives, Ponte 16 will continue to partner with Julien's Auctions to bring to Asia an array of exclusive auction items for exhibition at Ponte 16 in late April 2010 for nearly a month. In October 2010, Ponte 16 will co-organise with Julien's Auctions to bring its first ever auction in Asia at Ponte 16 with items including rare collectibles of some of the biggest names in showbiz, such as MJ.

In addition, with the opening of "Zhejiang Kitchen", which serves Jiangsu and Hangzhou cuisines, in the hotel property at the end of January 2010, together with "New Palace Seafood Restaurant" in the iconic Pier No. 16 clock tower which was opened in early April 2010, Ponte 16 aims to provide tourists a wide array of shops, restaurants and entertainment facilities. The Group has been in discussion with a number of prospective new tenants, and the project is expected to be another stable revenue contributor for the Group. To help unleash synergies between Ponte 16 and the Group's travel operations, a host of marketing programmes are being drawn up to expand the customer base of both businesses.

Our travel business is also expected to continue to strengthen along with a steady recovery in the market since the second half of the financial year. Riding on our extensive sales network, we will increase our focus on developing the fast-growing China market and further extend our reach in the region by forging partnerships with tour operators in China.

Looking ahead, the Group will continue to stay alert to market opportunities in the industries and consolidate its leading position in the market to help deliver favourable performance for its shareholders. With faith and determination, the Group looks forward to the challenges and opportunities ahead as it moves steadily towards its goal of becoming a major player in the travel, cruise, gaming and entertainment industries.

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company ("Director(s)"), the Company has applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 December 2009.

DIRECTORS' SECURITIES TRANSACTIONS

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

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

BOARD OF DIRECTORS

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

The Board currently consists of six members, including two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Dr. Ma Ho Man, Hoffman (Deputy Chairman); a non-executive Director, namely Mr. Choi Kin Pui, Russelle (the "NED"); and three independent non-executive Directors, namely Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann ("INEDs"). The Directors' biographical information is set out on pages 36 and 37 under the heading "Biographical Details of Directors and Senior Management".

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

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

The Board includes three INEDs and one of them, Mr. Yim Kai Pung, is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom. He has over 19 years of experience in auditing, taxation and provision of finance consultancy services for companies in Hong Kong and the People's Republic of China.

In March 2009, the NED and all INEDs entered into service contracts with the Company for a term of period from 30 March 2009 to 31 December 2009 before the expiry of their appointments under the service contracts with a term of one year ended on 29 March 2009. For extension of their respective appointments, in December 2009, the NED and all INEDs entered into new service contracts with the Company for a term of one year commencing from 1 January 2010.

Pursuant to the bye-laws of the Company, all Directors appointed by the Board shall hold office until the next following general meeting of the Company (in case of filling a casual vacancy) or until the next following annual general meeting of the Company (in case of an addition to the number of Directors) after their appointment and the retiring Director shall be eligible for re-election. In addition, at each annual general meeting of the Company, one-third of the Directors shall retire from office by rotation such that all Directors should be subject to retirement by rotation at least once every three years.

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

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

Directors	**Number of Board meetings attended/held**
Executive Directors	
Mr. Yeung Hoi Sing, Sonny *(Chairman)*	6/8
Dr. Ma Ho Man, Hoffman *(Deputy Chairman)*	8/8
Non-executive Director	
Mr. Choi Kin Pui, Russelle	8/8
Independent non-executive Directors	
Mr. Luk Ka Yee, Patrick	8/8
Mr. Yim Kai Pung	8/8
Ms. Yeung Mo Sheung, Ann	7/8

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

DELEGATION BY THE BOARD

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

AUDIT COMMITTEE

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

The primary duties of the Audit Committee include, inter alia, monitoring integrity of the financial statements of the Company and ensuring objectivity and credibility of financial reporting, reviewing the internal control system of the Group as well as overseeing the relationship with the external auditors of the Company.

During the year under review, four Audit Committee meetings were held and several resolutions in writing were passed by all members of the Audit Committee. Details of attendance of the Audit Committee members at the said Audit Committee meetings are set out below:

Audit Committee members	Number of Audit Committee meetings attended/held
Mr. Yim Kai Pung *(Chairman of the Audit Committee)*	4/4
Mr. Choi Kin Pui, Russelle	4/4
Mr. Luk Ka Yee, Patrick	4/4
Ms. Yeung Mo Sheung, Ann	4/4

During the year under review, the Audit Committee had considered, reviewed and/or discussed (i) the auditing and financial reporting matters; (ii) the appointment of external auditors including the terms of engagement; (iii) the annual and interim results; (iv) the effectiveness of the internal control system of the Group; and (v) the financial performance of the Group as well as the Company's associates. Each member of the Audit Committee has unrestricted access to the external auditors and all senior staff of the Group.

REMUNERATION COMMITTEE

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

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

During the year under review, one Remuneration Committee meeting was held for, inter alia, reviewing the remuneration policy and structure for as well as the remuneration packages of all Directors and the Senior Management. Details of attendance of the Remuneration Committee members at the said Remuneration Committee meeting are set out below:

Remuneration Committee members	**Number of Remuneration Committee meeting attended/held**
Mr. Yeung Hoi Sing, Sonny *(Chairman of the Remuneration Committee)*	1/1
Mr. Choi Kin Pui, Russelle	1/1
Mr. Luk Ka Yee, Patrick	1/1
Mr. Yim Kai Pung	1/1
Ms. Yeung Mo Sheung, Ann	1/1

EXECUTIVE COMMITTEE

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

NOMINATION OF DIRECTORS

The Company did not establish a nomination committee and the Board is responsible for reviewing its size, structure and composition (including the skills, knowledge and experience of its members) from time to time as appropriate to ensure that the Board has a balance of skills and experience appropriate for the business of the Company. Besides, the Board is responsible for assessing the independence of INEDs and considering any appointment of its own members as well as making recommendations to the shareholders of the Company (the "Shareholders") on Directors standing for re-election at the general meeting following their appointments and retirement by rotation.

During the year under review, no new member was appointed to the Board. The Board has (i) recommended the re-appointment of the Directors standing for re-election at the annual general meeting of the Company held on 26 May 2009 (the "2009 Annual General Meeting"); (ii) reviewed its own size, structure as well as composition; and (iii) assessed the independence of INEDs.

INTERNAL CONTROLS

The Board is responsible for ensuring that the Group maintains sound and effective internal control system so as to safeguard the investment of the Shareholders and the assets of the Group. The Company has annually engaged an independent professional firm (the "Independent Professional Firm") to review the internal control system of the Group which cover all material controls, including financial, operational and compliance controls as well as risk management functions. During the year, the Independent Professional Firm has conducted a review of the internal control system of the Group for the fifteen months ended 31 December 2008 and the relevant review report has been considered by the Audit Committee for conducting its review on the effectiveness of the said internal control system. The Board, through the reviews made by the Independent Professional Firm and the Audit Committee, considered that the Group's internal control system for the fifteen months ended 31 December 2008 has been implemented effectively.

The adequacy of resources, qualifications and experience of staff (the "Accounting Staff") of the Company's accounting and financial reporting function (the "Accounting Function"), and their training programmes and budget have also been reviewed during the year. The Board, through the review made by the Audit Committee, concluded that the resources of the Accounting Function as well as the qualifications and experience of the Accounting Staff are adequate and the training programmes and budget for the Accounting Staff are sufficient.

Besides, the effectiveness of the internal control system of the Group for the year ended 31 December 2009 covering financial, operational and compliance controls, risk management functions as well as the adequacy of the resources of the Accounting Function as well as the qualifications and experience of the Accounting Staff and their training programmes and budget were reviewed in April 2010. The Board, through the review of the Independent Professional Firm and/or the Audit Committee, considered that the Group's internal control system was effective and adequate.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

The statement of the external auditors of the Company, CCIF CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 38 and 39.

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

AUDITORS' REMUNERATION

For the year ended 31 December 2009, the amounts paid to the external auditors of the Group in respect of the following services provided to the Group are as follows:

	31 December 2009
	HK$'000
Audit services	1,454
Other advisory services	550
	2,004

COMMUNICATION WITH SHAREHOLDERS

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

The annual general meeting provides a useful forum for the Shareholders to exchange views with the Board. Separate resolutions are proposed at general meetings on each substantially separate issues, including the election of individual Directors. In line with the recent amendment to code provision E.1.3 of the CG Code which came into effect on 1 January 2009, notices of at least 20 clear business days and 10 clear business days, together with detailed agendas, were given to the Shareholders for the 2009 Annual General Meeting and the special general meeting of the Company held on 26 May 2009 respectively. The Chairman, also being the chairman of the Remuneration Committee, as well as the chairman of the Audit Committee were present at the 2009 Annual General Meeting to answer the Shareholders' questions.

The Company has conducted all voting at general meetings by poll in the year 2009 and detailed procedures for conducting a poll have been clearly explained at the commencement of such general meetings. Poll results were announced and posted on both the websites of the Company and The Stock Exchange of Hong Kong Limited.

Report of Directors

The directors ("Director(s)") of Success Universe Group Limited (the "Company") present their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009 (the "Year").

CHANGE OF THE COMPANY'S NAME

Pursuant to a special resolution passed by the shareholders of the Company at the Company's annual general meeting held on 26 May 2009 and the approval by the Registrar of Companies in Bermuda, the English name of the Company has been changed from "Macau Success Limited" to "SUCCESS UNIVERSE GROUP LIMITED" and the new Chinese name "實德環球有限公司" has been adopted as the Company's secondary name both effective from 27 May 2009. The Company has thereafter ceased to use the Chinese name "澳門實德有限公司" for identification purpose.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the leasing and management of the 55% owned cruise and travel-related businesses.

Particulars of the Company's subsidiaries as at 31 December 2009 are set out in note 19 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement on page 40.

No interim dividend was paid during the Year (2008: Nil). The Directors do not recommend any payment of a final dividend for the Year (2008: Nil).

SEGMENT INFORMATION

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

FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 109.

RESERVES

Details of the movements in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 45 of this annual report and other details of the reserves of the Group are set out in note 39 to the consolidated financial statements.

CHARITABLE CONTRIBUTIONS

During the Year, the Group made charitable and other donations totalling approximately HK$5,000 (2008: approximately HK$546,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 16 to the consolidated financial statements.

SHARE CAPITAL

There was no movement in the share capital of the Company during the Year. Details of the share capital of the Company are set out in note 37 to the consolidated financial statements.

LOANS AND BORROWINGS

Details of the loans and borrowings of the Group as at 31 December 2009 are set out in notes 31, 33 and 36 to the consolidated financial statements.

DIRECTORS

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

Executive Directors:

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

Non-executive Director ("NED"):

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors ("INED(s)"):

Mr. Luk Ka Yee, Patrick
Mr. Yim Kai Pung
Ms. Yeung Mo Sheung, Ann

In accordance with bye-law 87 of the bye-laws of the Company (the "Bye-laws"), Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung") and Mr. Luk Ka Yee, Patrick shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

The Company has received from each of the INEDs an annual confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and considers all of the INEDs to be independent.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Interim Report 2009 of the Company and up to the date of this report are set out below:

Dr. Ma Ho Man, Hoffman, an executive Director and the Deputy Chairman of the Company, was awarded Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate of Management by Lincoln University on 20 September 2009 and 21 January 2010 respectively.

Mr. Yim Kai Pung, an INED, was appointed as an independent non-executive director of Greens Holdings Ltd., a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), with effect from 19 October 2009 and he had resigned from the directorship (he was first appointed as an executive director and then redesignated as a non-executive director effective from 21 September 2009) of Sanyuan Group Limited, a company previously listed on the Main Board of the Stock Exchange, with effect from 14 December 2009.

In March 2009, the NED and all INEDs entered into service contracts with the Company for a term of period from 30 March 2009 to 31 December 2009 at a director's fee of approximately HK$79,685 (being the proportional amount of the annual director's fee determined by the board of Directors, i.e. HK$105,000). For extension of their respective appointments, in December 2009, the NED and all INEDs entered into new service contracts with the Company for a term of one year commencing from 1 January 2010, and each of the NED and INEDs is entitled to a director's fee of HK$105,000 for the year of appointment under his/her service contract. The NED and all INEDs are also subject to the requirements for retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws.

DIRECTORS' SERVICE CONTRACTS

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

CONTRACTS OF SIGNIFICANCE

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

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

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2009, the Directors or chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules:

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

Name of Director	Long position/ Short position	Nature of interest	Number of Shares held	Approximate percentage of shareholding %
Mr. Yeung *(Note)*	Long position	Corporate interest	1,010,953,432	41.45

Note: Mr. Yeung, an executive Director and the Chairman of the Company, is deemed to have corporate interest in 1,010,953,432 Shares by virtue of the interest of the Shares held by Silver Rich Macau Development Limited, which is wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung.

Save as disclosed above, as at 31 December 2009, none of the Directors or chief executive of the Company, or their respective associates, had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code.

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

Details of the share option scheme are set out in note 38(b) to the consolidated financial statements.

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2009, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in the Shares

Name of substantial shareholder	Long position/ Short position	Capacity	Number of Shares held	Approximate percentage of shareholding %
Silver Rich Macau Development Limited	Long position	Beneficial owner	1,010,953,432	41.45
Trustcorp Limited *(Note 1)*	Long position	Trustee	1,010,953,432	41.45
Newcorp Ltd. *(Note 1)*	Long position	Interest of controlled corporation	1,010,953,432	41.45
Ms. Liu Siu Lam, Marian *(Note 2)*	Long position	Interest of spouse	1,010,953,432	41.45
Maruhan Corporation	Long position	Beneficial owner	440,000,000	18.19

Notes:

1. The entire issued share capital of Silver Rich Macau Development Limited is held by Trustcorp Limited, which is a trustee of a discretionary trust, the beneficiaries of which are family members of Mr. Yeung. Trustcorp Limited is a wholly-owned subsidiary of Newcorp Ltd.. Accordingly, each of Trustcorp Limited and Newcorp Ltd. was deemed to be interested in 1,010,953,432 Shares held by Silver Rich Macau Development Limited.

2. Ms. Liu Siu Lam, Marian, being the spouse of Mr. Yeung, was deemed to be interested in 1,010,953,432 Shares in which Mr. Yeung had a deemed interest.

Save as disclosed above, as at 31 December 2009, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES

Based on the disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules, the financial assistance, which was made by the Group by way of the shareholder's loan provided by World Fortune Limited ("World Fortune"), a subsidiary of the Company, and a corporate guarantee given by the Company in respect of the payment obligation of Pier 16 – Property Development Limited ("Pier 16 – Property Development", a 49% owned associate of World Fortune) under syndicated loan facilities granted to Pier 16 – Property Development (the "Financial Assistance"), continued to exist as at 31 December 2009. Pier 16 – Property Development is principally engaged in the property holding and, through its subsidiaries, operating Ponte 16, being a world-class integrated casino-entertainment resort located in Macau. The Financial Assistance is mainly used for the development and operations of Ponte 16.

The amounts of the Financial Assistance as at 31 December 2009 were set out below:

Name of associate	**Shareholder's loan**	**Corporate guarantee**	**Aggregate Financial Assistance**
	HK$'million	HK$'million	HK$'million
Pier 16 – Property Development	1,089	860	1,949

The shareholder's loan provided by World Fortune is unsecured, interest-free and has no fixed term of repayment.

Further details are set out in notes 20 and 41 to the consolidated financial statements.

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

	Combined balance sheet	**Group's attributable interests**
	HK$'000	HK$'000
Non-current assets	2,569,306	1,258,960
Current assets	428,562	209,995
Current liabilities	540,403	264,797
Non-current liabilities	3,030,673	1,485,030

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2009.

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

During the Year, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

MAJOR SUPPLIERS AND CUSTOMERS

During the Year, the five largest customers of the continuing operations of the Group accounted for 15.0% of total turnover of the continuing operations of the Group of which the largest customer accounted for approximately 6.0% and the five largest suppliers of the continuing operations of the Group accounted for 81.5% of total purchases of the continuing operations of the Group, of which the largest supplier accounted for approximately 70.9%.

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

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

EMOLUMENT POLICY

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

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

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in note 38(a) to the consolidated financial statements.

CORPORATE GOVERNANCE

The Company has published its Corporate Governance Report, details of which are set out on pages 22 to 27 of this annual report.

AUDITORS

The consolidated financial statements have been audited by CCIF CPA Limited who shall retire at the Annual General Meeting and, being eligible, will offer themselves for re-appointment.

On behalf of the Board
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 16 April 2010

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Yeung Hoi Sing, Sonny, aged 55, joined the Group in 2003. He is an executive director and the Chairman of the Company as well as a director of the subsidiaries of the Company. He is also the chairman of the remuneration committee (the "Remuneration Committee") and the executive committee (the "Executive Committee") of the Company. Mr. Yeung is responsible for the overall corporate planning and business development of the Group. He has been a member of the National Committee of the Chinese People's Political Consultative Conference, the People's Republic of China (the "PRC") since 1993 and has over 26 years of experience in finance industry in Hong Kong. Prior to joining the Group, Mr. Yeung held managerial roles in several financial service sectors such as leveraged foreign exchange trading, and securities and futures brokerage. He is presently the sole beneficial owner of Success Securities Limited ("Success Securities"), which is a licensed corporation under the Securities and Futures Ordinance as well as a participant of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), principally engaged in the provision of securities brokerage services. Mr. Yeung has certain private investments in property development businesses in Hong Kong and Canada. He is also a director of Silver Rich Macau Development Limited, being a substantial shareholder of the Company. Mr. Yeung is an uncle of Dr. Ma Ho Man, Hoffman, an executive director and the Deputy Chairman of the Company.

Dr. Ma Ho Man, Hoffman, aged 36, joined the Group in 2005. He is an executive director and the Deputy Chairman of the Company as well as a director of the subsidiaries of the Company. Dr. Ma is also a member of the Executive Committee. He is responsible for implementing the Company's strategies regarding the business development of the Group as well as managing the Group's business and operations. Dr. Ma joined Success Securities, which is beneficially wholly-owned by Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), being an executive director and the Chairman of the Company, in 2000. He has been a director of Success Securities since November 2008 and responsible for overseeing the marketing affairs of such company. Dr. Ma has over 13 years of experience in the financial industry and years of managerial experience. He was awarded Fellowship by Canadian Chartered Institute of Business Administration and Honorary Doctorate of Management by Lincoln University in 2009 and 2010 respectively. Dr. Ma is a nephew of Mr. Yeung.

NON-EXECUTIVE DIRECTOR

Mr. Choi Kin Pui, Russelle, aged 55, joined the Group in 2003. He is a non-executive director of the Company as well as a member of the audit committee of the Company (the "Audit Committee") and the Remuneration Committee. Mr. Choi graduated from St. Pius X High School in 1976. He has over 16 years of management experience in the telecommunication industry in Hong Kong and the United States (the "US"). Mr. Choi established Elephant Talk Limited in 1994, a wholly-owned subsidiary of an American corporation, Elephant Talk Communications Inc. ("ETCI"), whose securities are quoted on the Over-The-Counter Bulletin Board in the US and engages in the provision of telecommunications services in Hong Kong and the US. Mr. Choi was a director of ETCI from 2002 to 2008 as well as the president and the chief executive officer of ETCI from 2002 to 2006 and was responsible for the planning of the overall strategy of ETCI. He also served as the chairman of ET Network Services Limited, a Hong Kong company engages in the provision of internet access and outsourcing services in the PRC and Hong Kong. Mr. Choi is presently an executive director of Mintel Inc., a licensed carrier in the PRC.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luk Ka Yee, Patrick, aged 48, joined the Group in 2003. He is an independent non-executive director of the Company as well as a member of the Audit Committee and the Remuneration Committee. Mr. Luk obtained a Law Degree in England in 1986. Throughout his tenure of career, Mr. Luk has been appointed to serve in various senior management positions which involved corporate/legal and property development as well as property management aspects. He is presently the consultant to Pacific Rich Management & Consultants Limited, a company providing property and facilities management in Hong Kong.

Mr. Yim Kai Pung, aged 45, joined the Group in 2004. He is an independent non-executive director of the Company, the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Yim holds a Bachelor degree of Accountancy with honours from City University of Hong Kong in 1993 and is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom. He has over 19 years of experience in auditing, taxation and provision of finance consultancy services for companies in Hong Kong and the PRC. Mr. Yim is presently a sole proprietor of David Yim & Co., Certified Public Accountants. He is currently an independent non-executive director of Greens Holdings Ltd., a company listed on the Main Board of the Stock Exchange. Mr. Yim was a director (who was first appointed as an executive director and then redesignated as a non-executive director) of Sanyuan Group Limited, a company previously listed on the Main Board of the Stock Exchange, and an executive director of Tiger Tech Holdings Limited (now known as Heng Xin China Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange.

Ms. Yeung Mo Sheung, Ann, aged 45, joined the Group in 2004. She is an independent non-executive director of the Company as well as a member of the Audit Committee and the Remuneration Committee. Ms. Yeung holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a partner of Messrs. Fung & Fung, Solicitors, a legal firm in Hong Kong. Ms. Yeung was an independent non-executive director of Fast Systems Technology (Holdings) Limited (now known as Seamless Green China (Holdings) Limited), a company listed on the Growth Enterprise Market of the Stock Exchange.

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes, aged 36, joined the Group in 2003. She is the company secretary of the Company and is responsible for overseeing all legal matters of the Group. Ms. Chiu is a qualified solicitor and an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She holds a Master degree of Laws from The University of Sheffield, United Kingdom in 1997. Before joining the Group, Ms. Chiu was a practicing solicitor in a local law firm and possessed solid experience in banking and finance as well as property related matters.

FINANCIAL CONTROLLER

Mr. Wong Chi Keung, Alvin, aged 47, joined the Group in 2008. He is the financial controller of the Group as well as the qualified accountant of the Company, and is responsible for financial and accounting matters of the Group. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants. He is currently an independent non-executive director as well as the chairman of both the audit committee and the remuneration committee of ITC Properties Group Limited, a company listed on the Main Board of the Stock Exchange. He has over 22 years of experience in accounting and corporate finance gained in property development, construction and manufacturing companies.

Independent Auditor's Report

CCIF

CCIF CPA LIMITED
34/F The Lee Gardens
33 Hysan Avenue
Causeway Bay Hong Kong

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SUCCESS UNIVERSE GROUP LIMITED
(FORMERLY KNOWN AS MACAU SUCCESS LIMITED)
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Success Universe Group Limited (the "Company") set out on pages 40 to 108, which comprise the consolidated and Company statement of financial position as at 31 December 2009, and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's 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.

Without qualifying our opinion, we draw attention to note 20 to the consolidated financial statements. The Group's interest in associates represents a 49% interest in Pier 16 – Property Development Limited and Pier 16 – Strategic Alliance Limited (collectively "Pier 16") stated at a carrying amount of HK$1,094,945,000 as at 31 December 2009.

The recoverable amount of Pier 16 based on a valuation carried out by an independent professional valuer is higher than the carrying amount. As such, the Company is of the view that no impairment is necessary. The valuation depends upon an estimate of future cash flows from the investment in Pier 16 and other key assumptions, which are based on the directors' best estimates. This valuation is sensitive to these parameters. Changes in these parameters could lead to a material revision of the valuation which may have effects on the net assets and results of the Group.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 16 April 2010

Alvin Yeung Sik Hung
Practising Certificate Number P05206

Consolidated Income Statement

For the year ended 31 December 2009

	Notes	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Turnover	6, 7	**1,202,239**	627,254
Cost of sales		**(1,114,589)**	(492,697)
Gross profit		**87,650**	134,557
Other revenue	8	**29,976**	34,817
Other net income	8	**–**	298
Administrative expenses		**(136,042)**	(194,316)
Other operating expenses	9(c)	**(29,519)**	(42,948)
Loss from operations		**(47,935)**	(67,592)
Finance costs	9(a)	**(9,304)**	(335)
Share of results of associates		**(115,657)**	(170,292)
Loss before taxation	9	**(172,896)**	(238,219)
Income tax	10(a)	**(1,790)**	(859)
Loss for the year/period		**(174,686)**	(239,078)
Attributable to:			
Owners of the Company		**(173,797)**	(238,304)
Minority interests		**(889)**	(774)
Loss for the year/period		**(174,686)**	(239,078)
Loss per share	15		
– Basic		**(7.13) HK cents**	(9.87) HK cents
– Diluted		**(7.13) HK cents**	(9.87) HK cents

The notes on pages 48 to 108 form part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Note	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000
Loss for the year/period		**(174,686)**	(239,078)
Other comprehensive loss for the year/period			
Exchange differences on translation of financial statements of overseas subsidiaries		**3,648**	(5,236)
Share of other comprehensive loss of associates		**(86,248)**	(100,817)
Total other comprehensive loss for the year/period, net of tax		**(82,600)**	(106,053)
Total comprehensive loss for the year/period		**(257,286)**	(345,131)
Attributable to:			
Owners of the Company		**(257,179)**	(343,356)
Minority interests		**(107)**	(1,775)
Total comprehensive loss for the year/period		**(257,286)**	(345,131)

The notes on pages 48 to 108 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2009

	Note	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**78,381**	85,711
Goodwill	17	**6,828**	7,723
Intangible assets	18	**32,526**	34,608
Interest in associates	20	**1,094,945**	1,119,892
Interest in jointly controlled entity	21	**1,362**	–
Deposit for acquisition of properties	22	**2,632**	2,290
Deposit for acquisition of a company	23	**60,384**	60,384
Deferred tax assets	34(b)	**848**	1,190
		1,277,906	1,311,798
CURRENT ASSETS			
Inventories	24	**1,129**	1,160
Trade and other receivables	25	**15,893**	31,183
Tax recoverable		**–**	1,369
Pledged bank deposits	26	**8,273**	6,762
Cash and cash equivalents	27	**42,308**	66,675
		67,603	107,149
CURRENT LIABILITIES			
Trade and other payables	28	**22,097**	23,457
Deferred income	29	**170**	807
Profit guarantee liabilities	30	**9,100**	12,892
Financial guarantee contract	35	**12,600**	12,600
Tax payable	34(a)	**33**	968
		44,000	50,724
NET CURRENT ASSETS		**23,603**	56,425
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,301,509**	1,368,223
NON-CURRENT LIABILITIES			
Deferred income	29	**–**	294
Profit guarantee liabilities	30	**32,608**	32,608
Loans payables	31	**313,754**	167,957
Long-term payables	32	**193,797**	187,048
Due to a related company	33	**20,994**	17,574
Deferred tax liabilities	34(b)	**83**	83
Financial guarantee contract	35	**18,900**	31,500
Loan from a director and controlling shareholder	36	**47,500**	–
		627,636	437,064
NET ASSETS		**673,873**	931,159

Consolidated Statement of Financial Position *(continued)*

As at 31 December 2009

	Note	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
CAPITAL AND RESERVES			
Share capital	37	**24,390**	24,390
Reserves	39	**603,269**	860,448
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**627,659**	884,838
MINORITY INTERESTS	39	**46,214**	46,321
TOTAL EQUITY		**673,873**	931,159

Approved and authorised for issue by the board of directors on 16 April 2010.

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The notes on pages 48 to 108 form part of these consolidated financial statements.

Statement of Financial Position

As at 31 December 2009

	Note	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	19	**1,201,010**	1,072,805
CURRENT ASSETS			
Deposits, prepayments and other receivables	25	**394**	373
Pledged bank deposits	26	**6,892**	5,996
Cash and cash equivalents	27	**7,788**	7,309
		15,074	13,678
CURRENT LIABILITIES			
Other payables and accruals	28	**52,264**	65,937
Financial guarantee contract	35	**12,600**	12,600
		64,864	78,537
NET CURRENT LIABILITIES		**(49,790)**	(64,859)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,151,220**	1,007,946
NON-CURRENT LIABILITIES			
Loan payable	31	**132,000**	–
Financial guarantee contract	35	**18,900**	31,500
Loan from a director and controlling shareholder	36	**47,500**	–
		198,400	31,500
NET ASSETS		**952,820**	976,446
CAPITAL AND RESERVES			
Share capital	37	**24,390**	24,390
Reserves	39	**928,430**	952,056
TOTAL EQUITY		**952,820**	976,446

Approved and authorised for issue by the board of directors on 16 April 2010.

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The notes on pages 48 to 108 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2009

	Attributable to owners of the Company									
	Share capital HK$'000	**Share premium** HK$'000	**Distributable reserve** HK$'000	**Capital redemption reserve** HK$'000	**Property revaluation reserve** HK$'000	**Exchange reserve** HK$'000	**Retained profit/ (accumulated) losses)** HK$'000	**Total** HK$'000	**Minority interests** HK$'000	**Total equity** HK$'000
At 1 October 2007	21,995	659,916	52,333	976	187,065	–	54,645	976,930	49,983	1,026,913
Total comprehensive loss for the period	–	–	–	–	(100,817)	(4,235)	(238,304)	(343,356)	(1,775)	(345,131)
Allotment of subscription shares (note 37(a))	2,200	231,440	–	–	–	–	–	233,640	–	233,640
Allotment of consideration shares (note 37(b))	195	21,645	–	–	–	–	–	21,840	–	21,840
Share issuance costs	–	(4,216)	–	–	–	–	–	(4,216)	–	(4,216)
Acquisition of interests in subsidiaries	–	–	–	–	–	–	–	–	4,863	4,863
Dividend paid to minority shareholders	–	–	–	–	–	–	–	–	(6,750)	(6,750)
At 31 December 2008	24,390	908,785	52,333	976	86,248	(4,235)	(183,659)	884,838	46,321	931,159
At 1 January 2009	24,390	908,785	52,333	976	86,248	(4,235)	(183,659)	884,838	46,321	931,159
Total comprehensive loss for the year	–	–	–	–	(86,248)	2,866	(173,797)	(257,179)	(107)	(257,286)
At 31 December 2009	**24,390**	**908,785**	**52,333**	**976**	**–**	**(1,369)**	**(357,456)**	**627,659**	**46,214**	**673,873**

The notes on pages 48 to 108 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2009

	Note	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
OPERATING ACTIVITIES			
Loss before taxation		**(172,896)**	(238,219)
Adjustments for:			
Interest income		**(170)**	(4,851)
Finance costs		**9,304**	335
Depreciation		**11,428**	13,459
Amortisation of intangible assets		**541**	215
Amortisation of financial guarantee contract		**(12,600)**	(18,900)
Share of results of associates		**115,657**	170,292
Reversal of impairment loss on other receivable		**(1,387)**	–
Impairment loss on			
– goodwill		**895**	609
– intangible assets		**6,711**	676
– other receivable		**–**	22,763
– interest in jointly controlled entity		**10,700**	–
– interest in associates		**12,600**	18,900
Write back of long-outstanding trade payables		**(3,210)**	(3,858)
Exchange alignment		**(349)**	(1,482)
Loss/(gain) on disposal of property, plant and equipment		**18**	(298)
Gain on write off of a subsidiary under voluntary liquidation	45	**–**	(13)
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL		**(22,758)**	(40,372)
Decrease in inventories		**31**	163
Decrease/(increase) in trade and other receivables		**17,344**	(10,445)
Increase/(decrease) in trade and other payables		**547**	(108,680)
(Decrease)/increase in deferred income		**(1,095)**	540
Increase in due to a related company		**–**	292
CASH USED IN OPERATIONS		**(5,931)**	(158,502)
Income tax paid			
– Hong Kong profits tax paid		**(2,212)**	(1,694)
– Overseas tax refunded		**1,541**	38
NET CASH USED IN OPERATING ACTIVITIES		**(6,602)**	(160,158)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2009

	Note	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(3,523)**	(6,256)
Proceeds from disposal of property, plant and equipment		**80**	1,272
Payment of deposit for acquisition of properties	22	**–**	(2,290)
Payment of deposit for acquisition of a company	23	**–**	(60,384)
Net cash inflow from acquisition of subsidiaries	44(c)	**–**	5,063
Increase in amounts due from associates		**(189,570)**	(522,971)
Increase in amount due from jointly controlled entity		**(12,050)**	–
Increase in pledged bank deposits		**(1,511)**	(6,011)
Interest income received		**170**	4,851
NET CASH USED IN INVESTING ACTIVITIES		**(206,404)**	(586,726)
FINANCING ACTIVITIES			
Net proceeds from issue of shares		**–**	229,424
Proceeds from loans payables		**144,494**	159,238
Proceeds from long-term payables		**–**	187,048
Proceeds from profit guarantee liabilities		**–**	45,500
Payment for profit guarantee liabilities		**(3,792)**	–
Loan from a director and controlling shareholder		**47,500**	–
Finance costs		**(1,243)**	(335)
Dividend paid to minority interests		**–**	(6,750)
NET CASH GENERATED FROM FINANCING ACTIVITIES		**186,959**	614,125
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(26,047)**	(132,759)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD		**66,675**	200,719
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**1,680**	(1,285)
CASH AND CASH EQUIVALENTS AT THE END OF YEAR/PERIOD		**42,308**	66,675
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	**42,308**	66,675

Non-cash transaction

The principal non-cash transaction is the issue of consideration shares for the transaction disclosed in note 37(b).

The notes on pages 48 to 108 form part of these consolidated financial statements.

1. ORGANISATION AND PRINCIPAL ACTIVITIES

The Company was incorporated as an exempted company with limited liability in Bermuda on 27 May 2004 under the Companies Act 1981 of Bermuda and is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in note 19 to the consolidated financial statements.

Pursuant to a special resolution passed by the shareholders of the Company at the Company's annual general meeting held on 26 May 2009 and the approval by the Registrar of Companies in Bermuda, the English name of the Company has been changed from "Macau Success Limited" to "SUCCESS UNIVERSE GROUP LIMITED" and the new Chinese name "實德環球有限公司" has been adopted as the Company's secondary name both effective from 27 May 2009. The Company has thereafter ceased to use the Chinese name "澳門實德有限公司" for identification purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") 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. A summary of the significant accounting policies adopted by the Group (as defined hereinafter) is set out below.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It also issued certain new and revised HKFRSs, which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entity made up to 31 December each year.

As the Company changed its financial year end date from 30 September to 31 December with effect from the period ended 31 December 2008, the last corresponding amount covered the fifteen months from 1 October 2007 to 31 December 2008 which may not be entirely comparable.

(i) Going Concern

The Group incurred a loss attributable to owners of the Company of approximately HK$173,797,000 (2008: approximately HK$238,304,000), operating net cash outflow of approximately HK$6,602,000 (2008: approximately HK$160,158,000) and net decrease in cash and cash equivalents of approximately HK$26,047,000 (2008: approximately HK$132,759,000) for the year ended 31 December 2009.

In preparing these consolidated financial statements, the directors of the Company have given careful consideration to the impact of the current and anticipated future liquidity of the Group and the ability of the Group to attain profitable and positive cash flow operations in the immediate and longer term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(i) Going Concern (continued)

In order to strengthen the capital base of the Group and to improve the Group's liquidity and cash flows in the near foreseeable future, and to sustain the Group as a going concern, the Company has entered into a term loan facility agreement of up to HK$200 million with Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), a director and the controlling shareholder of the Company. On 14 April 2009, the Company and Mr. Yeung also entered into a letter agreement to increase the principal amount of the loan facility to up to HK$290 million. In addition, Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to Mr. Yeung under the revised loan facility before 30 June 2010 (the "Final Repayment Date"). Besides, on 25 June 2009, the Company also entered into another letter agreement with Mr. Yeung to extend the Final Repayment Date to 30 June 2011. Up to the date of approval of these consolidated financial statements, the Company has utilised the loan facility amounted to HK$50.5 million.

In the opinion of the directors, taking into account of the loan facility and financial undertaking from 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.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

(ii) Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for derivative financial instruments which are stated at their fair value as explained in the accounting policies set out below.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Subsidiaries and minority interest

Subsidiaries are entities controlled by the Group or the Company. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss for the year between minority interests and the owners of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits under the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interest and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with note 2(n).

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

(d) Associates and jointly controlled entity

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or the Company and other parties, where the contractual arrangement established that the Group or the Company and one or more of the other parties share joint control over the economic activity of the entity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Associates and jointly controlled entity (continued)

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates for the year (see notes 2(e) and (k)). The Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entity are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's statement of financial position, investments in associates and jointly controlled entity are stated at cost less impairment loss (see note 2(k)).

(e) Goodwill

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

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

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

On disposal of a cash-generating unit of an associate or a jointly controlled entity, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Other investments in debt

The Group's and the Company's policies for investments in debt and other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt is initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the statement of financial position at amortised cost less impairment losses (see note 2(k)).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(k)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(h) Property, plant and equipment

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

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

Client list	15 years

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

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

(j) Operating lease charges

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

(k) Impairment of assets

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of assets (continued)

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

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

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

Impairment losses recognised in profit or loss in respect of other receivables are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in other comprehensive income.

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

(ii) Impairment of other assets

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

– property, plant and equipment;

– intangible assets;

– investments in subsidiaries and associates; and

– goodwill

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

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

– Reversals of impairment losses

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

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

(l) Inventories

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

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

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

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

(m) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 2(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment losses for bad and doubtful debts (see note 2(k)).

(n) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(p) Employee benefits

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

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

(ii) Termination benefits

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

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised other comprehensive income directly in equity, in which case they are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the report period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial report purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in period into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences related to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reserve in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either;

    - the same taxable entity; or

    - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

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

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

(s) Revenue recognition

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

(i) Cruise leasing and management fee income

– Cruise leasing income is recognised on an accrual basis in accordance with the terms of the leasing agreement.

– Cruise management fee income, revenue from travel agent services and management income is recognised when the management services, travel agent services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Revenue recognition (continued)

(ii) Travel-related agency services fee income

- Revenue from sale of air ticket is recognised when the tickets are issued.

- Revenue from the sale of tour package is recognised when travel arrangements have been booked and confirmed with customers. Deposits from customers are reported as liabilities.

- Revenue from the sale of group tour is recognised at the point of group departure. Deposits from customers are reported as liabilities until the tour departs.

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

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

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

(v) Interest income is recognised as it accrues using the effective interest method.

(vi) Services income are recognised when services are provided.

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

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. The items showed in the statement of financial position, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in a separate component of equity. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Translation of foreign currencies (continued)

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(u) Borrowing costs

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

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

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence or such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical location.

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

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

The Group has adopted the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") that are first effective for the current accounting period.

HKFRS 8	Operating Segments
HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRSs (Amendments)	Improvement to HKFRSs issued in 2008, except for the amendments to HKFRS 5 which is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to amendment to paragraph 80 of HKAS39
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellations
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers

Except for as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

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

The amendments to HKAS 23 and HKFRS 2 and interpretations of HK(IFRIC) 15 and HK(IFRIC) 16 have no material impact on the Group's financial statements as the amendments and interpretations were either irrelevant or were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker ("CODM") regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's CODM for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the CODM, and has resulted in additional reportable segments being identified and presented (see note 6). Corresponding amounts have been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the year arising from transactions with owners in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- As a result of the adoption of the amendments to HKFRS 7, the consolidated financial statements include expanded disclosures in note 4(e) about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data.

- The "Improvements to HKFRSs (2008)" comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. Of these, the following two amendments have resulted in changes to the Group's accounting policies:

  – As a result of amendments to HKAS 28 "Investments in Associates", impairment losses recognised in respect of the associates and jointly controlled entities carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

  – The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

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

The Group has not early applied any of the following new and revised standards, amendments and interpretations which have been issued but are not yet effective for annual periods beginning on 1 January 2009:

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[5]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendments)	Classification of Rights Issues[4]
HKAS 39 (Amendments)	Eligible Hedged Items[1]
HKFRS 1 (Amendments)	Additional Exemptions for First-time Adopters[3]
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010 as appropriate
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these standards, amendments and interpretations upon initial application but is not yet in a position to state whether these new standards, amendments and interpretations would have a significant impact on the Group's results of operations and financial position.

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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

(a) Credit risk

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

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

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(a) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting date, the Group has a certain concentration of credit risk as 2.62% (2008: 38.8%) of the total trade and other receivables were due from the Group's largest customer and the five largest customers respectively.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated statement of financial position after deducting any impairment allowance. Except for a financial guarantee given by the Company as set out in note 35, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of this financial guarantee at the Company's statement of financial position is disclosed in note 35.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 25.

(b) Liquidity risk

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

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

The Group

	At 31/12/2009				
	Within 1 year or on demand HK$'000	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**	**Total contractual undiscounted cash flow HK$'000**	**Carrying amount HK$'000**
Trade and other payables	**22,097**	**–**	**–**	**22,097**	**22,097**
Profit guarantee liabilities	**9,100**	**9,100**	**23,508**	**41,708**	**41,708**
Loans payables	**–**	**142,268**	**175,153**	**317,421**	**313,754**
Long-term payables	**–**	**–**	**283,138**	**283,138**	**193,797**
Due to a related company	**–**	**21,834**	**–**	**21,834**	**20,994**
Loan from a director and controlling shareholder	**–**	**49,875**	**–**	**49,875**	**47,500**
	31,197	**223,077**	**481,799**	**736,073**	**639,850**

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

The Group (continued)

	At 31/12/2008				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	23,457	–	–	23,457	23,457
Profit guarantee liabilities	3,792	9,100	32,608	45,500	45,500
Loans payables	–	128,471	39,486	167,957	167,957
Long-term payables	–	–	295,632	295,632	187,048
Due to a related company	–	18,277	–	18,277	17,574
	27,249	155,848	367,726	550,823	441,536

The Company

	At 31/12/2009				
	Within 1 year or on demand HK$'000	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**	**Total contractual undiscounted cash flow HK$'000**	**Carrying amount HK$'000**
Other payables and accruals	**52,264**	**–**	**–**	**52,264**	**52,264**
Loan from a director and controlling shareholder	**–**	**49,875**	**–**	**49,875**	**47,500**
Loan payable	**–**	**–**	**135,667**	**135,667**	**132,000**
	52,264	**49,875**	**135,667**	**237,806**	**231,764**

	At 31/12/2008				
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Other payables and accruals	65,937	–	–	65,937	65,937

As at 31 December 2009, it was not probable that the counter parties to the financial guarantee will claim under the contracts. Consequently, the carrying amount of the financial guarantee contract of HK$31,500,000 (2008: HK$44,100,000) has not been presented above.

4. FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) Liquidity risk (continued)

The Company (continued)

	At 31/12/2009		At 31/12/2008	
	HK$'000	Expiry period	HK$'000	Expiry period
Guarantee given to bank in respect of banking facilities granted by associates	**860,000**	**2012**	860,000	2012

(c) Currency risk

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

(d) Interest rate risk

The Group's exposure to market risk for changes in interest rates. Interest rate risk arises primarily from the amount due to a related company and loan payables carries a floating interest rates. Borrowings issued at variable rates and fixed rates exposure the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group does not use financial derivatives to hedge against the interest rate risk. The Company has no significant exposure to interest rate risk.

At 31 December 2009, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss before tax by approximately HK$1,795,000 (2008: approximately HK$176,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the financial liabilities in existence at that date. The 100 basis points increase or decrease represents management's assessment of reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed, on the same basis for 2008.

(e) Fair value

The fair values of the Group's financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions. The directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements are not materially different from their fair values as at 31 December 2009 and 2008.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Key sources of estimation uncertainty

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

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

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

(ii) Impairment of receivables

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

(iii) Impairment of intangible assets

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

(iv) Amortisation of intangible assets

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

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

(i) Impairment test for interest in associates

The Group completed its annual impairment test for interest in associates by comparing the recoverable amount of interest in associates to its carrying amount as at 31 December 2009. The Group has engaged Roma Appraisals Limited ("Roma"), an independent professional valuer, who has among their staff, fellow members of the Hong Kong Institute of Surveyor, to carry out a valuation of the interest in associate as at 31 December 2009 based on the value in use calculations. The carrying amount of the interest in associates is written down by approximately HK$31.5 million (2008: approximately HK$18.9 million). This valuation uses cash flow projections based on financial estimates covering a five-year period, and a discount rate of 13.24% (2008: 12.90%). The cash flows beyond the five-year period are extrapolated using a steady 4% (2008: 4%) growth rate for the casino and hotel industries in which are operated by associates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward. The valuation depends upon an estimate of future cash flows from the interest in associates and other key assumptions, which are based on the directors' best estimates. The valuation is sensitive to these parameters. Changes in these parameters could lead to a material revision of the valuation which may have effects on the net assets and results of the Group.

(ii) Going concern

As mentioned in note 2(b)(i) to the consolidated financial statements, the directors are satisfied that the Group will be able to meet its financial obligations in full as and when they fall due in the foreseeable future. As the directors are confident that the Group will be able to continue in operational existence in the foreseeable future, the financial statements have been prepared on a going concern basis.

If the going concern basis is not appropriate, adjustment would have to be made to provide for any further liabilities which might arise. Such adjustments may have a significant consequential effect on the loss for the year and net assets of the Group.

(iii) Maruhan Put Option

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

(iii) Maruhan Put Option (continued)

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

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

The directors of the Company considered that after the completion of the World Fortune Disposal, the Group still retains substantially all the risks and rewards of ownership of the World Fortune Sale Shares. Therefore, the Group continues to account for World Fortune as a wholly-owned subsidiary of the Company. The consideration of approximately HK$208,501,000 received has been recognised as liabilities and classified under loans payables (note 31) and long-term payables (note 32) in the consolidated statement of financial position. As the Group does not have the unconditional rights to avoid settlement under the Maruhan Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimated future cash outflows when it is required to acquire the World Fortune Sale Shares.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

(iv) SBI Macau Put Option

On 7 July 2008, Favor Jumbo Limited ("Favor Jumbo"), a wholly-owned subsidiary of the Company, as vendor and the Company as Favor Jumbo's guarantor entered into a sale and purchase agreement with SBI Macau Holdings Limited ("SBI Macau"), an independent third party, as purchaser regarding (i) the disposal of 910 shares (the "Golden Sun Sale Shares") of Golden Sun, being 4.55% of the entire issued share capital of Golden Sun, a subsidiary of Favor Jumbo; and (ii) the assignment of all rights, title, interests and benefits of and in 4.55% of the entire amount of the interest-free shareholder's loan due by Golden Sun to Favor Jumbo at face value which amounting to approximately HK$39,486,000 (collectively the "Golden Sun Disposal"). The total consideration for the Golden Sun Disposal was HK$130,000,000. In addition, Favor Jumbo guaranteed that SBI Macau shall be entitled to a return of not less than HK$9,100,000 for each full fiscal year for a period of sixty successive months immediately after the date of completion of the Golden Sun Disposal. The details of the profit guarantee have been set out in note 30 to the consolidated financial statements.

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

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

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

The directors of the Company considered that after the completion of the Golden Sun Disposal, the Group still retains substantially all the risks and rewards of ownership of the Golden Sun Sale Shares. Therefore, the Group accounts for Golden Sun as a wholly-owned subsidiary of the Company. The consideration of HK$130,000,000 received has been recognised as liabilities and classified under profit guarantee liabilities (note 30), the loans payables (note 31) and long-term payables (note 32) in the consolidated statement of financial position. As the Group does not have the unconditional rights to avoid settlement under the SBI Macau Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimate future cash outflow when it is required to acquire the Golden Sun Sale Shares.

6. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These 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. Geographically, management considers the performance of the travel business in North America and Hong Kong separately.

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

The cruise leasing and management reportable segment provides cruise management services and the leasing of cruise.

The travel reportable operating segment derives their revenue primarily from sales of air tickets and provision of travel-related services.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' salaries, share of result of associates, 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. 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.

Sales between segments are carried out at cost. 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, interest in associates and unallocated assets such as deposit for acquisition of a company. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than current, deferred tax liabilities and corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

6. SEGMENT INFORMATION (CONTINUED)

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

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year/period is set out below:

	Cruise leasing and management		Travel		Total	
	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000
Revenue from external customers	**72,600**	118,000	**1,129,639**	509,254	**1,202,239**	627,254
Inter-segment revenue	**–**	–	**788**	761	**788**	761
Reportable segment revenue	**72,600**	118,000	**1,130,427**	510,015	**1,203,027**	628,015
Reportable segment profit/(loss)	**2,225**	(1,874)	**(9,433)**	1,887	**(7,208)**	13
Interest income	**3**	40	**49**	90	**52**	130
Amortisation of intangible assets	**–**	–	**(541)**	(215)	**(541)**	(215)
Depreciation	**(6,994)**	(9,142)	**(1,435)**	(837)	**(8,429)**	(9,979)
Reversal of impairment loss of other receivable	**1,387**	–	**–**	–	**1,387**	–
Impairment loss on						
– intangible assets	**–**	–	**(6,711)**	(676)	**(6,711)**	(676)
– goodwill	**–**	–	**(895)**	(609)	**(895)**	(609)
– other receivable	**–**	(22,763)	**–**	–	**–**	(22,763)
Finance costs	**–**	–	**(739)**	(335)	**(739)**	(335)
Reportable segment assets	**95,954**	95,394	**68,305**	69,616	**164,259**	165,010
Additions to non-current segment assets	**3,118**	117	**397**	175	**3,515**	292
Reportable segment liabilities	**4,287**	4,640	**45,843**	41,558	**50,130**	46,198

6. SEGMENT INFORMATION (CONTINUED)

(b) Reconciliation of reportable segment revenue, profit/(loss), assets, liabilities and other items

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Revenue		
Reportable segment revenue	**1,203,027**	628,015
Elimination of inter-segment revenue	**(788)**	(761)
Consolidated turnover	**1,202,239**	627,254
(Loss)/profit		
Reportable segment (loss) / profit	**(7,208)**	13
Share of results of associates	**(115,657)**	(170,292)
Unallocated corporate income	**19,612**	25,941
Depreciation	**(2,999)**	(3,480)
Interest income	**118**	4,721
Finance costs	**(8,565)**	–
Unallocated corporate expenses	**(58,197)**	(95,122)
Consolidated loss before taxation	**(172,896)**	(238,219)

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Assets		
Reportable segment assets	**164,259**	165,010
Interest in associates	**1,094,945**	1,119,892
Interest in jointly controlled entity	**1,362**	–
Unallocated		
– Deferred tax assets	**848**	1,190
– Tax recoverable	**–**	1,369
– Corporate assets	**84,095**	131,486
Consolidated total assets	**1,345,509**	1,418,947
Liabilities		
Reportable segment liabilities	**50,130**	46,198
Unallocated		
– Tax payable	**33**	968
– Deferred tax liabilities	**83**	83
– Corporate liabilities	**621,390**	440,539
Consolidated total liabilities	**671,636**	487,788

6. SEGMENT INFORMATION (CONTINUED)

(b) Reconciliation of reportable segment revenue, profit/(loss), assets, liabilities and other items (continued)

Other items

	Cruise leasing and management		Travel		Unallocated		Consolidated	
	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Period from 1/10/2007 to 31/12/2008 HK$'000
Amortisation of intangible assets	**–**	–	**541**	215	**–**	–	**541**	215
Impairment loss on								
– goodwill	**–**	–	**895**	609	**–**	–	**895**	609
– intangible assets	**–**	–	**6,711**	676	**–**	–	**6,711**	676
– other receivable	**–**	22,763	**–**	–	**–**	–	**–**	22,763
Depreciation	**6,994**	9,142	**1,435**	837	**2,999**	3,480	**11,428**	13,459
Reversal of impairment loss of other receivable	**(1,387)**	–	**–**	–	**–**	–	**(1,387)**	–
Interest income	**(3)**	(40)	**(49)**	(90)	**(118)**	(4,721)	**(170)**	(4,851)
Finance costs	**–**	–	**739**	335	**8,565**	–	**9,304**	335
Additions to non-current assets	**3,118**	117	**397**	175	**8**	5,964	**3,523**	6,256

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

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Sales of air tickets	**1,055,558**	470,409
Travel and related service fee income	**74,081**	38,845
Cruise leasing and management	**72,600**	118,000
	1,202,239	627,254

6. SEGMENT INFORMATION (CONTINUED)

(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, interest in jointly controlled entity, deposit for acquisition of properties and deposit for acquisition of a company.

The geographical location of property, plant and equipment and deposit for acquisition of properties 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 deposit for acquisition of a company, it is the location of operations of such associates and company.

	Revenue from external customers		**Non-current assets**	
	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Hong Kong (place of domicile)	**3,089**	5,121	**5,923**	7,607
Macau	**–**	–	**1,094,945**	1,119,892
North America	**1,126,550**	504,133	**44,667**	46,449
South China Sea, other than in Hong Kong	**72,600**	118,000	**71,139**	74,907
People's Republic of China	**–**	–	**60,384**	60,384
	1,202,239	627,254	**1,277,058**	1,309,239

(e) Major customer

Revenue of HK$72,600,000 (2008: HK$118,000,000) is derived from a single external customer. This revenue is attributable to the cruise leasing and management segment.

7. TURNOVER

The principal activities of the Group are leasing of and provision of management services to the cruise and travel-related business.

Turnover represents cruise leasing and management fee income and travel-related agency services fee income. The amount of each significant category of revenue recognised in turnover during the year/period is as follows:

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Cruise leasing and management fee income	**72,600**	118,000
Travel-related agency services fee income		
– Sales of air tickets	**1,055,558**	470,409
– Travel and related service fee income	**74,081**	38,845
	1,129,639	509,254
	1,202,239	627,254

8. OTHER REVENUE AND OTHER NET INCOME

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Other revenue		
Interest income on bank deposits	**170**	4,851
Total interest income on financial assets not at fair value through profit or loss	**170**	4,851
Commission income	**124**	74
Management fee income from an associate	**6,795**	5,919
Write back of long-outstanding trade payables	**3,210**	3,858
Amortisation of financial guarantee contract	**12,600**	18,900
Other income	**7,077**	1,215
	29,976	34,817

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Other net income		
Gain on disposal of property, plant and equipment	**–**	298

9. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

		Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
(a)	**Finance costs**		
	Interest paid to a related company	**739**	335
	Interest on long-term payables	**6,749**	–
	Interest on loan from a director and controlling shareholder (note 36)	**1,043**	–
	Interest on other loan (note 31(v))	**573**	–
	Total interest expenses on financial liabilities not at fair value through profit or loss	**9,104**	335
	Finance charges	**200**	–
		9,304	335
(b)	**Staff costs**		
	Salaries, wages and other benefits (including directors' emoluments)	**61,927**	59,928
	Contributions to defined contribution retirement plan	**1,675**	990
		63,602	60,918
(c)	**Other operating expenses**		
	Impairment loss on		
	– goodwill	**895**	609
	– other receivable*	**–**	22,763
	– intangible assets	**6,711**	676
	– interest in associates	**12,600**	18,900
	– interest in joint controlled entity	**10,700**	–
		30,906	42,948
	Reversal of impairment loss on other receivable*	**(1,387)**	–
		29,519	42,948

* This represents impairment on debts due by a debtor which has been long-outstanding. The directors considered that the amounts due could not be recovered. Therefore, full impairment has been made for the period ended 31 December 2008. During the year of 2009, the debtor has made repayment in respect of the such long-outstanding amount, therefore, the reversal of impairment loss was recognised for the year (note 25(b)).

9. LOSS BEFORE TAXATION (CONTINUED)

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
(d) Other items		
Auditors' remuneration		
– audit services	**1,454**	1,267
– other services	**325**	590
Depreciation on owned fixed assets	**11,428**	13,459
Gain on write off of a subsidiary under voluntary liquidation (note 45)	**–**	(13)
Amortisation on intangible assets	**541**	215
Loss on disposal of property, plant and equipment	**18**	–
Operating lease rentals		
– properties	**7,951**	6,365
– plant and machinery	**539**	272
Net exchange gain	**911**	546
Cost of inventories	**17,870**	36,044

10. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Current tax – Hong Kong Profits Tax		
– Charge for the year/period	**1,275**	1,708
– Overprovision in respect of prior years	**–**	(25)
	1,275	1,683
Current tax – Overseas profits tax		
– Under/(over)provision in respect of prior years	**31**	(327)
	1,306	1,356
Deferred taxation relating to the origination and reversal of temporary differences (note 34(b))	**484**	(497)
	1,790	859

Hong Kong Profits Tax is calculated at 16.5% (2008:16.5%) of the estimated assessable profit for the year/period.

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

10. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)

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

	Note	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Loss before taxation		**(172,896)**	(238,219)
Notional tax on loss before tax, calculated at the tax rates applicable to loss in the countries concerned		**(9,160)**	(10,495)
Tax effect of share of results of associates		**(19,083)**	(28,098)
Tax effect of non-deductible expenses		**9,932**	9,607
Tax effect of non-taxable revenue		**(4,300)**	(4,052)
Tax effect of unrecognised tax losses		**22,219**	32,944
Unrecognised temporary differences		**683**	1,881
Tax effect on utilisation of previously unrecognised tax losses		**1,468**	(576)
Under/(over) provision for tax in prior years	10(a)	**31**	(352)
Tax charge		**1,790**	859

11. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	Directors' fees		Salaries, allowances and benefits in kind		Retirement scheme contributions		Performance related incentive payment (note)		Total	
Name	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Executive Directors										
Yeung Hoi Sing, Sonny	–	–	–	–	–	–	–	–	–	–
Lee Siu Cheung (resigned on 1 June 2008)	–	–	–	360	–	8	–	187	–	555
Ma Ho Man, Hoffman	–	–	**936**	970	**12**	15	–	112	**948**	1,097
Non-executive Director										
Choi Kin Pui, Russelle	**105**	129	–	–	–	–	–	–	**105**	129
Independent Non-executive Directors										
Luk Ka Yee, Patrick	**105**	129	–	–	–	–	–	–	**105**	129
Yim Kai Pung	**105**	129	–	–	–	–	–	–	**105**	129
Yeung Mo Sheung, Ann	**105**	129	–	–	–	–	–	–	**105**	129
	420	516	**936**	1,330	**12**	23	–	299	**1,368**	2,168

Note: The performance related incentive payment is determined by reference to the individual performance of the directors and approved/recommended by the remuneration committee of the board of directors of the Company.

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest emoluments, one (2008: one) is a director whose emoluments is disclosed in note 11. The aggregate of the emoluments in respect of the other four (2008: four) individuals are as follows:

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Salaries, allowances and benefits in kind	**3,169**	3,171
Performance related incentive payment	**–**	118
Retirement benefit scheme contributions	**48**	52
	3,217	3,341

The emoluments of the four (2008: four) individuals with the highest emoluments are within the following band:

	Number of individuals	
	Year ended 31/12/2009	Period from 1/10/2007 to 31/12/2008
Nil – HK$1,000,000	**4**	4

13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company includes a loss of approximately HK$23,626,000 (2008: approximately HK$28,657,000) which has been dealt with in the financial statements of the Company.

14. DIVIDENDS

No interim dividend was paid during the year under review (2008: Nil). The directors do not recommend any payment of a final dividend for the year ended 31 December 2009 (2008: Nil).

15. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owner of the Company of approximately HK$173,797,000 (2008: approximately HK$238,304,000) and on the weighted average number of approximately 2,438,964,000 ordinary shares (2008: approximately 2,414,012,000 ordinary shares) in issue during the year/period.

(b) Diluted loss per share

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

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and building HK$'000	Cruise HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fittings and office equipment HK$'000	Motor vehicles HK$'000	Motor yacht HK$'000	Total HK$'000
Cost								
At 1 October 2007	–	93,600	3,848	9,853	4,475	1,831	–	113,607
Additions	–	–	59	–	713	784	4,700	6,256
Disposals	(766)	–	(365)	–	(111)	(230)	–	(1,472)
Acquisition of subsidiaries	3,838	–	1,057	–	1,985	250	–	7,130
Write off of a subsidiary	–	–	(226)	–	(113)	–	–	(339)
Exchange alignment	(662)	–	(681)	–	(1,794)	(185)	–	(3,322)
At 31 December 2008	2,410	93,600	3,692	9,853	5,155	2,450	4,700	121,860
At 1 January 2009	2,410	93,600	3,692	9,853	5,155	2,450	4,700	121,860
Addition	–	–	181	3,098	244	–	–	3,523
Disposals	–	–	(545)	–	(84)	(126)	–	(755)
Exchange alignment	370	–	473	–	960	144	–	1,947
At 31 December 2009	**2,780**	**93,600**	**3,801**	**12,951**	**6,275**	**2,468**	**4,700**	**126,575**
Accumulated depreciation								
At 1 October 2007	–	17,550	1,314	3,973	2,359	466	–	25,662
Charge for the period	19	5,850	1,665	2,464	1,666	777	1,018	13,459
Written back on disposals	–	–	(220)	–	(48)	(230)	–	(498)
Write off of a subsidiary	–	–	(222)	–	(102)	–	–	(324)
Exchange alignment	(14)	–	(512)	–	(1,479)	(145)	–	(2,150)
At 31 December 2008	5	23,400	2,025	6,437	2,396	868	1,018	36,149
At 1 January 2009	5	23,400	2,025	6,437	2,396	868	1,018	36,149
Charge for the year	54	4,680	1,284	2,150	1,523	797	940	11,428
Written back on disposals	–	–	(523)	–	(78)	(56)	–	(657)
Exchange alignment	11	–	382	–	760	121	–	1,274
At 31 December 2009	**70**	**28,080**	**3,168**	**8,587**	**4,601**	**1,730**	**1,958**	**48,194**
Carrying amount								
At 31 December 2009	**2,710**	**65,520**	**633**	**4,364**	**1,674**	**738**	**2,742**	**78,381**
At 31 December 2008	2,405	70,200	1,667	3,416	2,759	1,582	3,682	85,711

The analysis of carrying amount of property is as follows:

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Freehold land held outside Hong Kong	**2,710**	2,405

17. GOODWILL

	Group HK$'000
Cost	
At 1 October 2007	1,313
Acquisition of subsidiaries (Note 44 (b))	7,019
At 31 December 2008	8,332
At 1 January 2009 and 31 December 2009	**8,332**
Accumulated impairment losses	
At 1 October 2007	–
Impairment loss	(609)
At 31 December 2008	(609)
At 1 January 2009	(609)
Impairment loss	(895)
At 31 December 2009	**(1,504)**
Carrying amount	
At 31 December 2009	**6,828**
At 31 December 2008	7,723

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Cruise management CGU	**1,313**	1,313
Travel CGU	**5,515**	6,410
	6,828	7,723

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
South China Sea, other than in Hong Kong	**1,313**	1,313
North America	**5,515**	6,410
	6,828	7,723

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

17. GOODWILL (CONTINUED)

Key assumptions used for value in use calculations:

	Travel CGU		Cruise management CGU	
	2009	2008	**2009**	2008
	%	%	**%**	%
– Growth rate	**4.5**	4	**Zero**	Zero
– Discount rate	**12.8**	11.8	**5**	5

The discount rates reflect specific risks relating to the relevant segment.

The goodwill of approximately HK$7,019,000 was arising on the acquisition of 100% interest in Smart Class Enterprises Limited ("Smart Class") in July 2008. Based on the impairment tests performed, the carrying amount of the goodwill of approximately HK$5,515,000 allocated to the travel CGU has been additional impaired by approximately HK$895,000 as at 31 December 2009 (2008: approximately HK$609,000) because the market condition of the travel business assumed that still under depressed economy in preparing the cash flow projections.

The recoverable amount of the cruise management CGU is higher than its carrying amount based on value in use calculations. Accordingly, no impairment loss is recognised for the year (2008: Nil). Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cruise management CGU.

18. INTANGIBLE ASSETS

	Trademark HK$'000	Client list HK$'000	Total HK$'000
Cost			
At 1 October 2007	–	–	–
Acquisition of subsidiaries (note 44(b))	33,044	9,238	42,282
Exchange alignment	(5,301)	(1,482)	(6,783)
At 31 December 2008	27,743	7,756	35,499
At 1 January 2009	27,743	7,756	35,499
Exchange alignment	4,144	1,159	5,303
At 31 December 2009	**31,887**	**8,915**	**40,802**
Accumulated amortisation and impairment losses			
At 1 October 2007	–	–	–
Charge for the period	–	(215)	(215)
Impairment loss	–	(676)	(676)
At 31 December 2008	–	(891)	(891)
At 1 January 2009	–	(891)	(891)
Charge for the year	–	(541)	(541)
Impairment loss	(3,682)	(3,029)	(6,711)
Exchange alignment	–	(133)	(133)
At 31 December 2009	**(3,682)**	**(4,594)**	**(8,276)**
Carrying amount			
At 31 December 2009	**28,205**	**4,321**	**32,526**
At 31 December 2008	27,743	6,865	34,608

The trademark and client list were purchased as part of the business combination of Smart Class. The amortisation charge for the year/period is included in "administrative expenses" in the consolidated income statement. The Group's titles to these intangible assets are not restricted and they are not pledged as securities for liabilities.

Trademark

The Group classified the acquired trademark as an intangible asset with infinite life in accordance with HKAS 38 "Intangible Assets". This is supported by the fact the legal rights of the trademark are capable of being renewed indefinitely at insignificant cost and are therefore perpetual in duration. Based on the anticipated future financial performance of the travel CGU, the trademark is expected to generate positive cash flows indefinitely. Under HKAS 38, the Group re-evaluates the useful life of the trademark each year to determine whether events or circumstances continue to support the view of the indefinite useful life of the asset.

The trademark will not be amortisted until its useful life is determined to be finite. Instead it will be tested for impairment annually and whenever there is an indication that it may be impaired.

18. INTANGIBLE ASSETS (CONTINUED)

Trademark (continued)

In accordance with HKAS 36 "Impairment of Assets", the Group completed its annual impairment test for the trademark by comparing its recoverable amount to its carrying amount as at 31 December 2009. The Group has conducted a valuation of the trademark based on the value in use calculations. With reference to the valuations carried out by Roma, the carrying amount of the trademark is approximately HK$28,205,000. Therefore, the trademark has been additional impaired by approximately HK$3,682,000 for the year ended 31 December 2009 (2008: Nil) because the market condition of the travel business assumed that still under depressed economy in preparing the cash flow projections.

The valuation of the trademark uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the trademark in the travel CGU and a discount of 14.3% (2008: 14.8%). The cash flows beyond the five-year period are extrapolated using a steady 4.5% (2008: 4%) growth rate. This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

Client list

The directors assessed that the client list having 15 years of useful lives from the date of acquisition. The Group has completed its annual impairment test for the client list by comparing the recoverable amount of the client list to its carrying amount as at 31 December 2009. The Group has conducted a valuation of the client list based on the value in use calculations. With reference to the valuations carried out by Roma, the carrying amount of the client list is approximately HK$4,321,000. Therefore, the client list has been additional impaired by approximately HK$3,029,000 for the year ended 31 December 2009 (2008: approximately HK$676,000) because the market condition of the travel business assumed that still under depressed economy in preparing the cash flow projections.

The valuation of the client list is based on the contributory charge method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the client list in the travel CGU and a discount rate of 14.3% (2008: 13.9%), The cash flows beyond the five-year period are extrapolated using a steady 4.5% (2008: 4%) growth rate. This growth rate does not exceed the long-term average growth rate for travel markets in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

19. INVESTMENTS IN SUBSIDIARIES

	The Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Unlisted shares, at cost	**40,655**	40,655
Deemed capital contributions (note 35)	**63,000**	63,000
Amounts due from subsidiaries	**1,167,491**	1,012,031
	1,271,146	1,115,686
Less: impairment loss#	**(70,136)**	(42,881)
	1,201,010	1,072,805

After considering the poor operating performance of the relevant subsidiaries, the directors are of the opinion that an additional impairment loss of approximately HK$27,255,000 (2008: approximately HK$42,881,000) has been recognised for the year ended 31 December 2009.

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

As stated in note 20(d) to the consolidated financial statements, the Group has engaged Roma to carry out a valuation on the interest in associates based on value in use calculations. The recoverable amount of the interest in associates is higher than its carrying amount, therefore, the directors considered that there is no impairment loss on interest in associates. On this basis, the directors considered that no impairment should be made for the investment in those subsidiaries which held the interest in associates. The valuation depends upon an estimate of future cash flows from the interest in associates and other key assumptions on the growth of the business, which are based on the directors' best estimates. The valuation is sensitive to these parameters. Changes in these parameters could lead to a material revision of the valuation which may have effects on the directors' impairment assessment on investment in those subsidiaries which held the interest in associates.

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

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

Name of subsidiary	Place of incorporation/ operations	Particulars of issued and paid up share capital	Proportion of ownership interest			Principal activities
			Group's effective interest %	Held by the Company %	Held by subsidiaries %	
Macau Success (Hong Kong) Limited	Hong Kong	10,000,000 shares of HK$0.01 each	100	100	–	Investment holding
Capture Success Limited	British Virgin Islands/ South China Sea, other than in Hong Kong	100 shares of US$1 each	55	–	55	Cruise leasing
Favor Jumbo Limited	British Virgin Islands	100 shares of US$1 each	100	–	100	Investment holding
Golden Sun Profits Limited	British Virgin Islands	20,000 shares of US$1 each	100	–	100	Investment holding
Hover Management Limited	Hong Kong/South China Sea, other than in Hong Kong	100 shares of HK$1 each	55	–	55	Provision of cruise management services
Macau Success Management Services Limited	Hong Kong	100 shares of HK$1 each	100	–	100	Provision of administration services
Travel Success Limited	Hong Kong	500,000 shares of HK$1 each	100	–	100	Travel agency
World Fortune Limited	Hong Kong	1,000 shares of HK$1 each	100	–	100	Investment holding
665127 British Columbia Ltd.	Canada	(i) 10,000 common shares without par value; and (ii) 1,400 Class A Preferred shares with CAD0.01 par value (without voting right)	80	–	80	Investment holding
Jade Travel Ltd. ("Jade Travel Ltd. (Canada)")	Canada	7 common shares without par value	80	–	80	Wholesale and retail business of selling airline tickets and tour packages

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ operations	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest %	Held by the Company %	Held by subsidiaries %	Principal activities
Jade Travel Ltd.	United States of America	100 common shares without par value	80	–	80	Wholesale and retail business of selling airline tickets and tour packages
Smart Class Enterprises Limited	British Virgin Islands	50,000 shares of US$1 each	100	100	–	Investment holding

20. INTEREST IN ASSOCIATES

	Note	The Group At 31/12/2009 HK$'000	The Group At 31/12/2008 HK$'000
Share of net assets		–	154,634
Deemed capital contribution	35	63,000	63,000
Goodwill	(b)	19,409	19,409
		82,409	237,043
Amounts due from associates	(c)	1,044,036	901,749
		1,126,445	1,138,792
Less: impairment loss	(d)	(31,500)	(18,900)
		1,094,945	1,119,892

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

Name of associate	Place of incorporation/ operations	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Pier 16 – Entertainment Group Corporation Limited	Macau	2 shares of MOP24,000 and MOP1,000 respectively	49%	–	49%	Provision of management services for casino operations
Pier 16 – Management Limited	Macau/ Hong Kong	2 shares of MOP24,000 and MOP1,000 respectively	49%	–	49%	Hotel operations
Pier 16 – Property Development Limited	Macau	100,000 shares of MOP100 each	49%	–	49%	Property holding
Pier 16 – Strategic Alliance Limited	Macau	2 shares of MOP51,000 and MOP49,000 respectively	49%	–	49%	Inactive

20. INTEREST IN ASSOCIATES (continued)

(b) Goodwill

Because goodwill is included in the carrying amount of the interest in associates and in not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing in HKAS 36 "Impairment of Assets". Instead, the entire carrying amount of the interest in associates is tested for impairment as set out in note 20(d) below.

(c) The amounts due from associates are unsecured, interest free and have no fixed terms of repayment. Their carrying amount are not materially different from their fair value.

(d) Impairment test for interest in associates

The Group completed its annual impairment test for interest in associates by comparing the recoverable amount of interest in associates to its carrying amount as at 31 December 2009. The Group has engaged Roma to carry out a valuation of the interest in associate as at 31 December 2009 based on the value in use calculations. The carrying amount of the interest in associates is written down by approximately HK$31.5 million (2008: approximately HK$18.9 million). This valuation uses cash flow projections based on financial estimates covering a five-year period, and a discount rate of 13.24% (2008: 12.90%). The cash flows beyond the five-year period are extrapolated using a steady 4% (2008: 4%) growth rate for the casino and hotel industries in which are operated by associates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

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

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Assets	**3,340,779**	3,654,950
Liabilities	**3,566,792**	3,339,370
Equity	**(226,013)**	315,580

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Revenues	**374,031**	221,341
Loss	**(236,035)**	(347,535)

21. INTEREST IN JOINTLY CONTROLLED ENTITY

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Share of net assets	**12**	–
Amount due from jointly controlled entity	**12,050**	–
	12,062	–
Impairment loss#	**(10,700)**	–
	1,362	–

\# The Group has advanced HK$12 million to the jointly controlled entity to finance the acquisition of certain assets. The advance was unsecured and interest free. In the opinion of the directors, the amount will not be repaid within twelve months from the end of the reporting period and is therefore classified as non-current assets. As the recoverable amount of the advance is expected to be less than its carrying value, an impairment loss of HK$10,700,000 has been recognised for the year ended 31 December 2009. The recoverable amount of this advance is determined based on the net cash flows from operations estimated by management for the coming five years.

Details of the Group's interest in the jointly controlled entity are as follows:

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

The amount due from jointly controlled entity is unsecured, interest free and has no fixed terms of repayment.

The following is summary of aggregate amounts of assets, liabilities, revenues and results of the jointly controlled entity:

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Non-current assets	**14,647**	–
Current assets	**108**	–
Current liabilities	**(12,150)**	–
Net assets	**2,605**	–

	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Income	**136**	–
Expenses	**(87)**	–
Profit before tax	**49**	–
Taxation	**(23)**	–
Profit for the year	**26**	–

22. DEPOSIT FOR ACQUISITION OF PROPERTIES

On 28 February 2008, Jade Travel Ltd. (Canada), a 80% owned subsidiary of the Company, entered into a sale and purchase agreement to purchase the properties located in Richmond Hill, Ontario, Canada for a total consideration of approximately CAD2,364,000 (equivalent to approximately HK$17,547,000). The properties will be used as office by the subsidiary of the Company. In January 2010, the subsidiary of the Company has obtained a occupancy permit for renovation of the properties. As at 31 December 2009, deposits of approximately HK$2,632,000 (2008: approximately HK$2,290,000) had been paid and the outstanding balance of approximately HK$14,915,000 (2008: approximately HK$12,975,000) was disclosed as a capital commitment in note 40(a).

23. DEPOSIT FOR ACQUISITION OF A COMPANY

This represented a deposit of HK$60 million paid to 上海永德投資有限公司 ("上海永德"), an independent third party, upon signing of a letter of intent and a confidentiality agreement on 10 January 2008 for the proposed acquisition by a wholly-owned subsidiary of the Company of at least 10% and not more than 51% of the entire issued share capital of 重慶林科物業發展有限公司, a 90% owned subsidiary of 上海永德. A letter agreement had been signed on 30 September 2009 to further extend the long stop date for entering into a formal agreement to 30 June 2010.

24. INVENTORIES

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Fuel oil	**1,129**	1,160

The analysis of the amount of inventories recognised as an expense and included in consolidated income statement is as follows:

	The Group	
	Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Carrying amount of inventories used	**17,870**	36,044

25. TRADE AND OTHER RECEIVABLES

		The Group		The Company	
	Note	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Trade receivables	(a)	**9,672**	21,731	**–**	–
Other receivables		**22,994**	25,553	**100**	79
Less: impairment loss	(b)	**(21,376)**	(22,763)	**–**	–
		1,618	2,790	**100**	79
Trade and other receivables		**11,290**	24,521	**100**	79
Prepayments and deposits		**4,603**	6,662	**294**	294
		15,893	31,183	**394**	373

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

(a) Trade receivables

(i) Aging analysis

Trade receivables are with the following aging analysis at the end of the reporting period:

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Current	**6,722**	14,979
31 to 60 days overdue	**1,280**	6,239
61 to 90 days overdue	**1,589**	178
Over 90 days overdue	**81**	335
	9,672	21,731

The Group normally allows an average credit period of 30 to 60 days to customers of cruise leasing and management (2008: average credit period of 30 to 60 days) and 30 days to customers of travel business (2008: 30 days). Further details on the Group's credit policy are set out in note 4(a).

(ii) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(k)). At the end of the reporting period, there were no impairment losses on the trade receivables (2008: Nil).

25. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

(iii) Trade receivables that are not impaired

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

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Neither past due nor impaired	**6,722**	14,979
Past due but not impaired		
– Less than 1 month past due	**1,280**	6,239
– 1 to 3 months past due	**1,670**	513
	2,950	6,752
	9,672	21,731

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

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

(b) Other receivables

	The Group HK$'000
Movement in the impairment on other receivable	
At 1 October 2007	–
Impairment loss recognised during the period (note 9(c))*	22,763
At 31 December 2008	22,763
At 1 January 2009	22,763
Reversal of impairment loss (note 9(c))*	(1,387)
At 31 December 2009	**21,376**

* This represents impairment on debts due by a debtor which has been long-outstanding. The directors considered that the amounts due could not be recovered. Therefore, full impairment has been made for the period ended 31 December 2008. During the year of 2009, the debtor has made repayment in respect of the such long-outstanding amount, therefore, the reversal of impairment loss was recognised for the year.

26. PLEDGED BANK DEPOSITS

The amounts are pledged to secure certain banking facilities granted to the Group (note 41). The pledged bank deposits carry fixed interest rate of 0.03% to 0.125% per annum (2008: 0.1% to 3% per annum).

27. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Cash and bank balances	**21,708**	59,106	**7,788**	664
Non-pledged bank deposits	**20,600**	7,569	**–**	6,645
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	**42,308**	66,675	**7,788**	7,309

Deposits with banks carry interest at market rates which is 0.001% to 0.01% per annum for current year (2008: 0.01% to 1.25% per annum).

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Trade payables	**9,122**	7,259	**–**	–
Accrued charges and other payables	**12,975**	16,198	**2,076**	1,802
Amounts due to subsidiaries	**–**	–	**50,188**	64,135
Financial liabilities measured at amortised cost	**22,097**	23,457	**52,264**	65,937

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

The following is an aging analysis of trade payables at the end of the reporting period:

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Current	**5,875**	4,918
31 to 60 days	**2,490**	881
61 to 90 days	**311**	444
Over 90 days	**446**	1,016
	9,122	7,259

29. DEFERRED INCOME

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

30. PROFIT GUARANTEE LIABILITIES

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Carrying amount		
At beginning of the year/period	**45,500**	–
Profit guarantee issued to SBI Macau during the period	**–**	45,500
Payment to SBI Macau under the profit guarantee	**(3,792)**	–
At the end of the year/period	**41,708**	45,500
Current liabilities	**9,100**	12,892
Non-current liabilities	**32,608**	32,608
	41,708	45,500

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

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

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

31. LOANS PAYABLES

		The Group		The Company	
	Note	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Loans from minority shareholders					
– Mrs. Yung Yuen Ping Kwok	(i)	**2,583**	2,247	**–**	–
– SABC Holdings Ltd.	(ii)	**7,439**	6,472	**–**	–
		10,022	8,719	**–**	–
Loan from Maruhan	(iii)	**132,246**	119,752	**–**	–
Loan from SBI Macau	(iv)	**39,486**	39,486	**–**	–
Other loan	(v)	**132,000**	–	**132,000**	–
		313,754	167,957	**132,000**	–

Notes:

(i) Mrs. Yung Yuen Ping Kwok is a minority shareholder of a 80% owned subsidiary of the Company, namely 665127 British Columbia Ltd.. The loan is unsecured, interest-free and not expected to be settled within one year.

(ii) SABC Holdings Ltd. is a minority shareholder of a 80% owned subsidiary of the Company, namely 665127 British Columbia Ltd.. The loan is unsecured, interest-free and not expected to be settled within one year.

(iii) The amount represented the shareholder's loan of approximately HK$66,468,000 due by World Fortune to Golden Sun taken up by Maruhan upon the completion of the World Fortune Disposal on 29 October 2007 and further shareholder's loan of approximately HK$65,778,000 (2008: approximately HK$53,284,000) advanced by Maruhan to World Fortune pursuant to the World Fortune Shareholders' Agreement (as defined in note 5 (b)(iii)). The loans are unsecured, interest-free and not expected to be settled within one year.

(iv) As mentioned in note 5(b)(iv) pursuant to a deed of assignment dated 8 August 2008, Favor Jumbo assigned the loan of approximately HK$39,486,000 due by Golden Sun to SBI Macau. The loan is unsecured, interest-free and not expected to be settled within one year.

(v) The other loan carries a floating interest rate at HIBOR plus a margin and is secured by 51% of the entire issued share capital from time to time of Favor Jumbo. The loan shall be repayable on or before 36 months after 22 October 2009. According to the loan agreement, the Group shall maintain a consolidated tangible net worth at all times of not less than HK$400 million.

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

32. LONG-TERM PAYABLES

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Present value of liabilities of		
– Maruhan Put Option	**142,035**	142,035
– SBI Macau Put Option	**51,762**	45,013
	193,797	187,048

The carrying amounts of the long-term payables are approximately to their fair value.

33. DUE TO A RELATED COMPANY

The amount due to a related company which is an investment holding company beneficially wholly-owned by Mr. Yeung. The loan is unsecured, bearing interest at the rate of 4% per annum and not expected to be settled within one year.

34. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Provision for Hong Kong profits tax for the year/period	**1,275**	1,708
Provisional profits tax paid	**(1,246)**	(1,694)
	29	14
Balance of profits tax provision relating to prior years		
– Hong Kong	**(16)**	936
– Overseas	**20**	18
	33	968

(b) Recognised deferred tax (assets)/liabilities

The movements of deferred tax (assets)/liabilities during the year/period are as follows:

	The Group Accelerated depreciation HK$'000
At 1 October 2007	83
Arising from acquisition of subsidiaries	(888)
Credited to the consolidated income statement (note 10 (a))	(497)
Exchange alignment	195
At 31 December 2008	(1,107)
At 1 January 2009	(1,107)
Debited to the consolidated income statement (note 10 (a))	484
Exchange alignment	(142)
At 31 December 2009	**(765)**

34. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Recognised deferred tax (assets)/liabilities (continued)

	The Group	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Net deferred tax assets recognsied on the consolidated statement of financial position	**(848)**	(1,190)
Net deferred tax liabilities recognised on the consolidated statement of financial position	**83**	83
	(765)	(1,107)

(c) Unrecognised deferred tax assets

Deferred tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through utilisation against future taxable profits is probable. At 31 December 2009, the Group had tax losses of approximately HK$103 million (2008: approximately HK$103 million) that are available to carry forward indefinitely for offsetting against future taxable profits.

35. FINANCIAL GUARANTEE CONTRACT

	The Group and the Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Carrying amount		
At beginning of the year/period	**44,100**	63,000
Amortisation for the year/period	**(12,600)**	(18,900)
At the end of the year/period	**31,500**	44,100
Current liabilities	**12,600**	12,600
Non-current liabilities	**18,900**	31,500
	31,500	44,100

At 31 December 2009, the Company had an outstanding corporate guarantee to a bank in respect of syndicated loan facilities of HK$1,600 million (2008: HK$1,600 million) granted to an associate (note 41(a)). The maximum guarantee amount borne by the Company was HK$860 million (2008: HK$860 million). Total loan outstanding under the syndicated loan facilities of the associate as at 31 December 2009 was HK$1,040 million (2008: HK$1,260 million).

Based on the valuation performed by an independent professional valuer, the directors considered that the fair value of the financial guarantee contract was approximately HK$63,000,000 at the date of issuance of the financial guarantee contract. The carrying amount of the financial guarantee contract recognised in the Group's and the Company's statements of financial position was in accordance with HKAS 39 and HKFRS 4 (Amendments).

The financial guarantee contract is carried at amortised cost.

36. LOAN FROM A DIRECTOR AND CONTROLLING SHAREHOLDER

	The Group and the Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Loan from Mr. Yeung	**47,500**	–

These represent the loan from Mr. Yeung under the revised loan facility as disclosed in note 2(b)(i). The loan is unsecured and bearing interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to Mr. Yeung under the revised loan facility before 30 June 2011. In the opinion of the directors of the Company, the borrowing of the said loan from Mr. Yeung was for the benefit of the Company and on normal commercial terms where no security over the assets of the Company was granted.

37. SHARE CAPITAL

	Notes	Number of shares '000	Nominal value HK$'000
Authorised:			
Ordinary shares of HK$0.01 each			
At 1 October 2007 and 31 December 2008		160,000,000	1,600,000
At 1 January 2009 and 31 December 2009		**160,000,000**	**1,600,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each			
At 1 October 2007		2,199,464	21,995
Allotment of subscription and consideration shares	(a) (b)	239,500	2,395
At 31 December 2008		2,438,964	24,390
At 1 January 2009 and 31 December 2009		**2,438,964**	**24,390**

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

37. SHARE CAPITAL (CONTINUED)

Notes:

The movements in the issued share capital of the Company were as follows:

(a) On 1 October 2007, the Company entered into a subscription agreement with Maruhan as subscriber for the subscription of 220 million shares of the Company at HK$1.062 each. The Company allotted and issued such shares on 26 October 2007. The gross proceeds from the issue were approximately HK$233.6 million and were used as general working capital.

(b) On 5 May 2008, the Company as purchaser entered into an agreement for the acquisition of the entire issued share capital of Smart Class at an agreed consideration of CAD2.9 million (equivalent to approximately HK$22.6 million). The consideration was settled by the allotment and issue of 19.5 million shares of the Company at an agreed issue price of HK$1.16 per share. The fair value of the shares allotted on 31 July 2008 was HK$1.12 per share. The gross proceeds from the issue were approximately HK$21.8 million, which represented the amount of consideration settled for the acquisition.

38. EMPLOYEE RETIREMENT BENEFITS

(a) Defined contribution retirement plan

The Group participates in a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$20,000. Contributions to the plan vest immediately.

(b) Share option scheme

The Company participates in a share option scheme (the "Option Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Option Scheme include the Company's directors and other employees of the Group. The Option Scheme became effective on 8 November 2004 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption of the Option Scheme, i.e. 20 August 2004. Under the Option Scheme, the directors of the Company are authorised at their absolute discretion, to invite any employee, executive or officer of any member of the Group or any entity in which the Group holds any equity interest (including any directors) and any consultant, agent, adviser, vendor, supplier or customer who is eligible to participate in the Option Scheme, to take up options to subscribe for shares of the Company ("Share(s)").

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

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of adoption of the Option Scheme.

38. EMPLOYEE RETIREMENT BENEFITS (CONTINUED)

(b) Share option scheme (continued)

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

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

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.

The exercise price in respect of any particular option shall be such price as determined by the board of directors of the Company in its absolute discretion at the time of the making of the offer but in any case the exercise price shall not be less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer, which must be a business day; (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of offer; and (iii) the nominal value of the Share.

The offer of a grant of share options must be accepted not later than 28 days after the date of offer, upon payment of a consideration of HK$1 by the grantee. The exercise period of the share options granted is determined by the board of directors of the Company, save that such period shall not be more than a period of 10 years from the date upon which the share options are granted or deemed to be granted and accepted.

At the end of the reporting date, no share options had been granted under the Option Scheme since its adoption (2008: Nil).

39. RESERVES

Group

	Share premium HK$'000	Distributable reserve HK$'000	Capital redemption reserve HK$'000	Property revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
	Attributable to owners of the Company								
At 1 October 2007	659,916	52,333	976	187,065	–	54,645	954,935	49,983	1,004,918
Total comprehensive loss for the period	–	–	–	(100,817)	(4,235)	(238,304)	(343,356)	(1,775)	(345,131)
Allotment of subscription shares (note 37(a))	231,440	–	–	–	–	–	231,440	–	231,440
Allotment of consideration shares (note 37(b))	21,645	–	–	–	–	–	21,645	–	21,645
Share issuance costs	(4,216)	–	–	–	–	–	(4,216)	–	(4,216)
Acquisition of interests in subsidiaries	–	–	–	–	–	–	–	4,863	4,863
Dividend paid to minority shareholders	–	–	–	–	–	–	–	(6,750)	(6,750)
At 31 December 2008	908,785	52,333	976	86,248	(4,235)	(183,659)	860,448	46,321	906,769
At 1 January 2009	908,785	52,333	976	86,248	(4,235)	(183,659)	860,448	46,321	906,769
Total comprehensive loss for the year	–	–	–	(86,248)	2,866	(173,797)	(257,179)	(107)	(257,286)
At 31 December 2009	**908,785**	**52,333**	**976**	**–**	**(1,369)**	**(357,456)**	**603,269**	**46,214**	**649,483**

39. RESERVES (CONTINUED)

Group (continued)

Nature and purpose of reserves

(a) *Share premium*

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

(b) *Exchange reserve*

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

(c) *Property revaluation reserve*

The amount represents the Group's share of revaluation surplus of a casino building held by an associate.

Company

	Share premium HK$'000	**Retained profits** HK$'000	**Total** HK$'000
At 1 October 2007	659,916	71,928	731,844
Share issuance costs	(4,216)	–	(4,216)
Allotment of subscription and consideration shares (note 37(a)(b))	253,085	–	253,085
Total comprehensive loss for the period	–	(28,657)	(28,657)
At 31 December 2008	908,785	43,271	952,056
At 1 January 2009	908,785	43,271	952,056
Total comprehensive loss for the year	–	(23,626)	(23,626)
At 31 December 2009	**908,785**	**19,645**	**928,430**

Distributability of reserves

At 31 December 2009, the aggregate amount of reserves available for distribution to owners of the Company was approximately HK$19,645,000 (2008: approximately HK$43,271,000).

40. COMMITMENTS

(a) Capital commitments outstanding at 31 December 2009 not provided for in the consolidated financial statements were as follows:

	The Group		The Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Authorised but not contracted for	**–**	–	**–**	–
Contracted but not provided for				
– acquisition of properties (note 22)	**14,915**	12,975	**–**	–
– acquisition of plant and machinery	**–**	2,602	**–**	–
– renovation of properties	**1,560**	–	**–**	–
	16,475	15,577	**–**	–

(b) At 31 December 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Company	
	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Within one year	**5,339**	2,001	**–**	–
In the second to fifth years, inclusive	**3,339**	4,445	**–**	–
	8,678	6,446	**–**	–

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

41. CONTINGENT LIABILITIES

At 31 December 2009, the Company gave the following undertakings:

(a) A corporate guarantee for syndicated loan facilities of HK$1,600 million (2008: HK$1,600 million) granted to an associate of a wholly-owned subsidiary of the Company. The maximum guarantee amount borne by the Company was HK$860 million (2008: HK$860 million) (note 35). The total loan outstanding for the syndicated loan facilities of the associate at the end of the reporting date was HK$1,040 million (2008: HK$1,260 million).

(b) The Company issued a guarantee of approximately HK$8.9 million (2008: approximately HK$7.7 million) in favor of a bank for banking facilities of approximately HK$8.9 million (2008: approximately HK$7.7 million) granted to the subsidiaries of the Company. The maximum guarantee amount borne by the Company was approximately HK$8.9 million (2008: approximately HK$7.7 million). The Company's directors do not consider that a claim will probably be made against the Company.

42. RELATED PARTY TRANSACTIONS

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

	Notes	The Group **Year ended 31/12/2009 HK$'000**	 Period from 1/10/2007to 31/12/2008 HK$'000
Travel service income received and receivable from			
– an associate	(ii) (iii)	**95**	1,237
– key management	(i) (ii)	**–**	302
Cost of sales related to travel services paid and payable to an associate	(ii) (iii)	**796**	–
Management fee income received and receivable from an associate	(ii) (iii)	**6,795**	5,919
Interest expenses paid and payable to a related company	(iv)	**739**	335
Interest expenses paid to a director and controlling shareholder	(v)	**1,043**	–

Notes:

(i) Mr. Yeung, a director and controlling shareholder of the Company, was the director of the associates during the fifteen months period ended 31 December 2008 and the year ended 31 December 2009. The former director of the Company, Mr. Lee Siu Cheung ("Mr. Lee"), resigned as the director of the Company and the said associates with effect from 1 June 2008. The director of the Company, Dr. Ma Ho Man, Hoffman, was appointed as the director of the said associates in place of Mr. Lee and continued to hold office since 1 June 2008.

(ii) The travel service fee was charged according to prices and conditions comparable to those offered to other customers.

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

(iv) The interest was charged at 4% per annum on the amount due to a related company which is owned by Mr. Yeung.

(v) These represent the interest on loan from Mr. Yeung under the revised loan facility. The loan is unsecured and bearing interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited.

42. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Note	The Group At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Amounts due from associates	20(c)	**1,044,036**	901,749
Amount due from jointly controlled entity	21	**12,050**	–
Due to a related company	33	**20,994**	17,574
Loan from a director and controlling shareholder	36	**47,500**	–

(c) Key management personnel compensation

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

	Note	The Group Year ended 31/12/2009 HK$'000	Period from 1/10/2007 to 31/12/2008 HK$'000
Salaries and other short-term employee benefits		**4,525**	6,243
Retirement scheme contributions		**60**	90
Termination benefits		**–**	258
Total emoluments are included in "staff costs"	9(b)	**4,585**	6,591

(d) On 1 December 2008, the Company as borrower entered into an unsecured term loan facility agreement (the "Facility Agreement") with Mr. Yeung as lender. Pursuant to the Facility Agreement, Mr. Yeung provided a facility of up to HK$200 million (the "Loan Facility") to the Company. The rate of interest on the entire principal amount drawn and outstanding under the Loan Facility was the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The Loan Facility was available to the Company during the period from 1 December 2008 until whichever is the earlier of (i) the date falling 1 month before the final repayment date, i.e. on or before 30 June 2010; and (ii) the date on which the Loan Facility is reduced to zero. On 14 April 2009, the Company and Mr. Yeung also entered into a letter agreement to increase the principal amount of the Loan Facility to up to HK$290 million. In addition, Mr. Yeung undertook not to demand early repayment of the loan and all other sums owing to Mr. Yeung before 30 June 2010. Besides, on 25 June 2009, the Company and Mr. Yeung entered into another letter agreement to extend the final repayment date of the said loan to 30 June 2011. In the opinion of the directors, the borrowing of the Loan Facility was for the benefit of the Company and on normal commercial terms where no security over the assets of the Company was granted.

43. CAPITAL RISK MANAGMENT

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

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

The Group monitors its capital structure on the basis of debt-to-capital ratio. For this purpose the Group defines debt as total borrowings which are bearing a fixed or variable interest rates such as amount due to a related company (note 33), other loan (note 31(v)) and loan from a director and controlling shareholder (note 36). Capital represents total equity attributable to owners of the Company in the consolidated statement of financial position.

During the year ended, the Group's strategy, which was unchanged from 2008, was to maintain the debt-to-capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at 31 December 2009, the debt-to-capital ratio is 31.94% (2008: 1.99%).

44. BUSINESS COMBINATION

(a) For the year ended 31 December 2009

The Group did not acquire any business during the year.

(b) For the period ended 31 December 2008

On 31 July 2008, the Group acquired the entire issued share capital of Smart Class for a consideration of approximately HK$22.6 million from Star Spangle Corporation, a company beneficially wholly-owned by Mr. Yeung. Smart Class is an investment holding company and is indirectly interested in 80% equity interest in a number of travel agency companies located in Canada and the United States of America ("US") (collectively "Jade Travel Group"). Jade Travel Group has offices located in Vancouver, Calgary, Toronto and Montreal in Canada and New York in US and is engaged in the wholesale and retail of airline tickets and tour packages.

Smart Class and its subsidiaries contributed revenue of approximately HK$504 million and profit of approximately HK$3.6 million to the Group for the period between the date of acquisition to 31 December 2008.

If the acquisition had been completed on 1 October 2007, the Group's revenue for the period would have been approximately HK$1,653.8 million, and loss for the period would have been approximately HK$36.4 million. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 October 2007, nor is it intended to be a projection of future results.

44. BUSINESS COMBINATION (CONTINUED)

(b) For the period ended 31 December 2008 (continued)

Details of net assets acquired and goodwill are as follows:

	HK$'000
Purchase consideration	
Fair value of the 19,500,000 consideration shares at the closing market price of HK$1.12 per share at the date of completion	21,840
Direct costs relating to the acquisition	2,941
Total purchase consideration	24,781
Less: Fair value of net identified assets acquired	(17,762)
Goodwill (Note)	7,019

Note: The goodwill represents the benefits of enhanced efficiency and the expected synergies arising from interaction between the Group's existing travel business in Hong Kong and the travel business of Smart Class in Canada and US.

The consolidated assets and liabilities of Smart Class as of 31 July 2008 were as follows:

	Acquiree's carrying amount before combination HK$'000	**Fair value adjustment** HK$'000	**Fair value** HK$'000
Property, plant and equipment	5,460	1,670	7,130
Client list	–	9,238	9,238
Trademark	22,845	10,199	33,044
Trade and other receivables	29,961	(15)	29,946
Tax recoverable	1,338	–	1,338
Deferred tax assets	1,456	–	1,456
Trade and other payables	(35,454)	40	(35,414)
Due to a related company	(20,585)	–	(20,585)
Loans from minority shareholders	(10,385)	–	(10,385)
Deferred income	(561)	–	(561)
Tax payable	(18)	–	(18)
Deferred tax liabilities	–	(568)	(568)
Cash and cash equivalents	8,004	–	8,004
Total net assets	2,061	20,564	22,625
Shared by minority shareholders			(4,863)
Net assets acquired			17,762

44. BUSINESS COMBINATION (CONTINUED)

(c) Analysis of the net cash inflow on acquisition of subsidiaries:

	HK$'000
Direct costs relating to the acquisition paid in cash	(2,941)
Cash and cash equivalents in subsidiaries acquired	8,004
Net cash inflow on acquisition of subsidiaries	5,063

45. WRITE OFF OF A SUBSIDIARY UNDER VOLUNTARY LIQUIDATION

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Net liabilities written off:		
Property, plant and equipment	–	15
Trade and other receivables	–	41
Trade and other payables	–	(69)
Fair value of net liabilities	–	(13)

An analysis of the net outflow of cash and cash equivalents in respect of the write off as follows:

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Cash and cash equivalents	–	–

46. PLEDGE OF ASSETS

As at 31 December 2009, the Company has pledged certain assets as stated below:

(a) The Group pledged the time deposits of approximately HK$8.3 million (2008: approximately HK$6.8 million) to certain banks for the issuance of several bank guarantees and standby letter of credit facility of approximately HK$10.2 million (2008: approximately HK$8.4 million) for the operations of the Group.

(b) World Fortune pledged all (2008: 100%) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the syndicated loan facilities granted to Pier 16 – Property Development.

(c) New Shepherd Assets Limited, a wholly-owned subsidiary of the Company, pledged 51% of the entire issued share capital from time to time of Favor Jumbo to a financial institution which is a third party independent of the Company in respect of the revolving credit facility granted to the Company.

47. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007) "Presentation of Financial Statements" and HKFRS 8 "Operating Segments" certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

Five-year Financial Summary

RESULTS

	Year ended 31 December 2009 HK$'000	Fifteen months ended 31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000	2006 HK$'000	2005 HK$'000
Turnover:					
Continuing operations	**1,202,239**	627,254	103,754	103,530	100,905
(Loss)/profit before taxation	**(172,896)**	(238,219)	16,944	48,531	31,783
Income tax	**(1,790)**	(859)	(672)	(372)	–
(Loss)/profit for the year/period	**(174,686)**	(239,078)	16,272	48,159	31,783
Attributable to:					
Owners of the Company	**(173,797)**	(238,304)	2,314	28,380	12,291
Minority interests	**(889)**	(774)	13,958	19,779	19,492
(Loss)/profit for the year/period	**(174,686)**	(239,078)	16,272	48,159	31,783
(Loss)/earnings per share					
– Basic	**(7.13) HK cents**	(9.87) HK cents	0.11 HK cents	1.41 HK cents	0.66 HK cents
– Diluted	**(7.13) HK cents**	(9.87) HK cents	0.11 HK cents	N/A	N/A

ASSETS AND LIABILITIES

	31 December 2009 HK$'000	31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000	2006 HK$'000	2005 HK$'000
Total assets	**1,345,509**	1,418,947	1,197,379	978,395	712,094
Total liabilities	**(671,636)**	(487,788)	(170,466)	(11,475)	(31,360)
Minority interests	**(46,214)**	(46,321)	(49,983)	(40,304)	(31,235)
Total equity attributable to owners of the Company	**627,659**	884,838	976,930	926,616	649,499

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Website 網址：www.successug.com