SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00487)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

INTERIM RESULTS

The board of directors (the "Board") of Success Universe Group Limited (the "Company") announces that the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2012 together with comparative figures are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

	Note	Unaudited For the six months ended 30/6/2012 HK$'000	30/6/2011 HK$'000
Turnover	3	**853,666**	763,050
Cost of sales		**(810,455)**	(727,677)
Gross profit		**43,211**	35,373
Other revenue and gains	4	**21,675**	18,716
Administrative expenses		**(78,468)**	(68,123)
Other operating expenses	5(c)	**(6,300)**	(6,300)
Loss from operations		**(19,882)**	(20,334)
Finance costs	5(a)	**(10,150)**	(11,494)
Share of results of jointly controlled entities		**75**	(59)
Share of results of associates		**(252)**	(9,481)
Loss before taxation	5	**(30,209)**	(41,368)
Income tax	6	**(393)**	1,575
Loss for the period		**(30,602)**	(39,793)
Attributable to:			
Owners of the Company		**(28,327)**	(37,612)
Non-controlling interests		**(2,275)**	(2,181)
Loss for the period		**(30,602)**	(39,793)
Loss per share			
– Basic	8	**(0.72) HK cents**	(1.54) HK cents
– Diluted	8	**(0.72) HK cents**	(1.54) HK cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Unaudited For the six months ended **30/6/2012** *HK$'000*	30/6/2011 *HK$'000*
Loss for the period	**(30,602)**	(39,793)
Other comprehensive income		
Exchange differences on translation of financial statements of overseas subsidiaries	**81**	806
Total other comprehensive income for the period, net of tax	**81**	806
Total comprehensive loss for the period	**(30,521)**	(38,987)
Attributable to:		
Owners of the Company	**(28,258)**	(36,998)
Non-controlling interests	**(2,263)**	(1,989)
Total comprehensive loss for the period	**(30,521)**	(38,987)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2012

	Note	**Unaudited At 30/6/2012** *HK$'000*	Audited At 31/12/2011 *HK$'000*
Non-current assets			
Property, plant and equipment		**88,600**	89,040
Goodwill		**3,862**	3,862
Intangible assets		**37,951**	35,839
Interest in associates		**911,626**	819,115
Interest in jointly controlled entities		**1,868**	1,793
		1,043,907	949,649
Current assets			
Inventories		**1,805**	1,303
Trade and other receivables	*9*	**32,656**	31,968
Amount due from an associate		**867**	343,000
Tax recoverable		**463**	1,743
Pledged bank deposits		**7,906**	7,898
Cash and cash equivalents		**470,341**	72,410
		514,038	458,322
Current liabilities			
Trade and other payables	*10*	**35,342**	30,015
Deferred income		**925**	924
Profit guarantee liabilities		**9,100**	9,100
Loans payables – current portion		**310,738**	398,738
Long-term payables – current portion		**142,035**	142,035
Financial guarantee contract	*11*	**19,996**	6,300
Bank loans – due within one year		**589**	581
Loan from a director and controlling shareholder		**–**	30,332
Loan from a controlling shareholder		**–**	128,336
Tax payable		**615**	–
		519,340	746,361
Net current liabilities		**(5,302)**	(288,039)
Total assets less current liabilities		**1,038,605**	661,610

	Note	**Unaudited** **At 30/6/2012** ***HK$'000***	Audited At 31/12/2011 *HK$'000*
Non-current liabilities			
Deferred income		**1,543**	2,002
Profit guarantee liabilities		**5,308**	14,408
Loans payables		**57,198**	57,187
Long-term payables		**77,800**	72,551
Amount due to a related company		**129**	129
Deferred tax liabilities		**271**	270
Financial guarantee contract	*11*	**79,982**	–
Bank loans – due after one year		**12,728**	13,007
Loan from a controlling shareholder		**465**	–
Loan from a director and controlling shareholder		**30,332**	–
		265,756	159,554
Net assets		**772,849**	502,056
Capital and reserves			
Share capital	*12*	**40,649**	24,390
Reserves		**702,564**	445,767
Total equity attributable to owners of the Company		**743,213**	470,157
Non-controlling interests		**29,636**	31,899
Total equity		**772,849**	502,056

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2012 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011 as contained in the Company's Annual Report 2011 (the "Annual Report 2011").

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated financial statements are consistent with those used in the Annual Report 2011, except for the impact of the adoption of the new and revised HKASs, Hong Kong Financial Reporting Standards ("HKFRSs"), amendments and interpretations described below.

In the current interim period, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations ("New HKFRSs") issued by the HKICPA, which are effective for the Group's accounting period beginning on 1 January 2012.

The New HKFRSs adopted by the Group in the condensed consolidated financial statements are set out as follows:

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

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

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

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

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

The revised disclosure requirements contained in the amendments to HKFRS 7 are intended to help investors and other financial statements users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The amendments also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. Companies and other entities are required to apply the amendments for annual periods beginning on or after 1 January 2013, and also interim periods within those annual periods. The required disclosures should be provided retrospectively.

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

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

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

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

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

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures" and HK (SIC) – Int 13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

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

These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

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

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

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

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

The amendments to HKAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

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

The amendments to HKAS 32 address inconsistencies in current practice when applying the offsetting criteria and clarify:

- the meaning of 'currently has a legally enforceable right of set-off'; and

- that some gross settlement systems may be considered equivalent to net settlement.

The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively.

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

3. SEGMENT INFORMATION

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

– Cruise ship leasing and management business: the leasing of cruise ship and the provision of cruise ship management services.

– Travel business: sales of air tickets and provision of travel-related services.

(a) Segment results and assets

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

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

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

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

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

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

	Cruise ship leasing and management Unaudited For the six months ended		Travel Unaudited For the six months ended		Elimination Unaudited For the six months ended		Consolidated Unaudited For the six months ended	
	30/6/2012	30/6/2011	**30/6/2012**	30/6/2011	**30/6/2012**	30/6/2011	**30/6/2012**	30/6/2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers	**38,400**	34,800	**815,266**	728,250	**–**	–	**853,666**	763,050
Inter-segment revenue	**–**	–	**319**	580	**(319)**	(580)	**–**	–
Reportable segment revenue	**38,400**	34,800	**815,585**	728,830	**(319)**	(580)	**853,666**	763,050
Reportable segment profit/(loss)	**1,078**	(2,336)	**1,891**	(5,474)	**1,012**	985	**3,981**	(6,825)
Share of results of jointly controlled entities							**75**	(59)
Share of results of associates							**(252)**	(9,481)
Unallocated corporate income							**10,721**	9,820
Unallocated corporate expenses							**(34,974)**	(24,180)
Finance costs							**(9,760)**	(10,643)
Consolidated loss before taxation							**(30,209)**	(41,368)
Income tax							**(393)**	1,575
Consolidated loss for the period							**(30,602)**	(39,793)

	Cruise ship leasing and management		Travel		Total	
	Unaudited	Audited	**Unaudited**	Audited	**Unaudited**	Audited
	At	At	**At**	At	**At**	At
	30/6/2012	31/12/2011	**30/6/2012**	31/12/2011	**30/6/2012**	31/12/2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment assets	**92,567**	93,604	**98,995**	87,101	**191,562**	180,705
Unallocated corporate assets						
– Interest in associates					**911,626**	819,115
– Interest in jointly controlled entities					**1,868**	1,793
– Amount due from an associate					**867**	343,000
– Tax recoverable					**463**	1,743
– Corporate assets					**451,559**	61,615
					1,557,945	1,407,971

(b) Other segment information

	Cruise ship leasing and management		Travel		Other corporate entities		Total	
	Unaudited		Unaudited		Unaudited		Unaudited	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30/6/2012	30/6/2011	**30/6/2012**	30/6/2011	**30/6/2012**	30/6/2011	**30/6/2012**	30/6/2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**12**	6	**8**	8	**836**	48	**856**	62
Amortisation of intangible assets	**–**	–	**(205)**	(213)	**–**	–	**(205)**	(213)
Depreciation	**(3,016)**	(3,154)	**(646)**	(720)	**(1,702)**	(718)	**(5,364)**	(4,592)
Reversal of impairment loss recognised on other receivable	**3,255**	2,405	**–**	–	**–**	–	**3,255**	2,405
Reversal of impairment loss recognised on intangible assets	**–**	–	**2,278**	741	**–**	–	**2,278**	741
Finance costs	**–**	–	**(390)**	(851)	**(9,760)**	(10,643)	**(10,150)**	(11,494)

Included in the unallocated corporate assets, there are in the amount of approximately HK$18.2 million (31 December 2011: approximately HK$11.9 million) contributed by subsidiaries engaging in provision of technical support and technology service platform as well as sports lottery sales agency services to China's mobile sports lottery market. The subsidiaries also contributed administrative expenses of approximately HK$11.2 million (for the six months ended 30 June 2011: Nil) to unallocated corporate results during the period.

Since the subsidiaries were preparing for operation, the Group's CODM consider the business is not a reportable segment for the period.

4. OTHER REVENUE AND GAINS

	Unaudited For the six months ended 30/6/2012 HK$'000	30/6/2011 HK$'000
Other Revenue:		
Interest income on bank deposits	**856**	62
Total interest income on financial assets not at fair value through profit or loss	**856**	62
Management fee income	**3,107**	3,473
Deferred income	**1,623**	1,588
Gain on disposal of property, plant and equipment	**3**	–
Other income	**4,253**	4,147
	9,842	9,270
Other Gains:		
Amortisation of financial guarantee contract	**6,300**	6,300
Reversal of impairment loss recognised on intangible assets	**2,278**	741
Reversal of impairment loss recognised on other receivable	**3,255**	2,405
	11,833	9,446
Total	**21,675**	18,716

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) as follows:

	Unaudited For the six months ended 30/6/2012 HK$'000	30/6/2011 HK$'000
(a) Finance costs		
Interest on other loan	**3,574**	3,475
Interest on loan from a related company	**–**	428
Interest on bank loans	**390**	423
Interest on loan from a director and controlling shareholder	**754**	2,603
Interest on loan from a controlling shareholder	**183**	–
Interest on long-term payables	**5,249**	4,565
Total interest expenses on financial liabilities not at fair value through profit or loss	**10,150**	11,494

	Unaudited For the six months ended	
	30/6/2012	30/6/2011
	HK$'000	*HK$'000*

(b) Staff costs

Salaries, wages and other benefits (including directors' emoluments)	**39,529**	34,049
Contributions to defined contribution retirement plan	**1,709**	958
	41,238	35,007

(c) Other items

Auditors' remuneration		
– audit services	**714**	744
– other services	**280**	250
Depreciation	**5,364**	4,592
Amortisation of intangible assets	**205**	213
Operating lease rentals of		
– properties	**4,964**	4,207
– plant and machinery	**337**	319
Net exchange gain	**(287)**	(227)
Impairment losses recognised on interest in associates*	**6,300**	6,300

* *This amount is included in "other operating expenses" on the face of the condensed consolidated income statement.*

6. INCOME TAX IN THE CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited For the six months ended	
	30/6/2012	30/6/2011
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**–**	–
Other than Hong Kong		
Charge/(credit) for the period	**393**	(1,575)
	393	(1,575)
Deferred taxation relating to the origination and reversal of temporary differences	**–**	–
Tax charge/(credit) for the period	**393**	(1,575)

No Hong Kong Profits Tax, in which the subsidiaries operate, has been provided for the six months ended 30 June 2012 and 2011 as the Group has no estimated assessable profits for the periods.

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

7. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (for the six months ended 30 June 2011: Nil).

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

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss for the period attributable to owners of the Company of approximately HK$28,327,000 (for the six months ended 30 June 2011: approximately HK$37,612,000) and on the weighted average number of approximately 3,913,063,000 ordinary shares (for the six months ended 30 June 2011: approximately 2,438,964,000 ordinary shares) in issue during the period.

(b) Diluted loss per share

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

9. TRADE AND OTHER RECEIVABLES

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

	Unaudited At 30/6/2012 ***HK$'000***	Audited At 31/12/2011 *HK$'000*
Current	**9,608**	12,463
31 to 60 days overdue	**600**	649
61 to 90 days overdue	**376**	823
Over 90 days overdue	**66**	583
Trade receivables	**10,650**	14,518
Other receivables	**1,119**	1,116
Prepayments and deposits	**20,887**	16,334
	32,656	31,968

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

The Group normally allows an average credit period of 30 to 60 days to customers of cruise ship leasing and management business (31 December 2011: 30 to 60 days) and 30 days to customers of travel business (31 December 2011: 30 days).

10. TRADE AND OTHER PAYABLES

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

	Unaudited At 30/6/2012 ***HK$'000***	Audited At 31/12/2011 *HK$'000*
Current	**7,133**	7,199
31 to 60 days	**910**	730
61 to 90 days	**345**	254
Over 90 days	**388**	417
Trade payables	**8,776**	8,600
Accrued charges and other payables	**26,566**	21,415
Financial liabilities measured at amortised cost	**35,342**	30,015

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

11. FINANCIAL GUARANTEE CONTRACT

	HK$'000
Carrying amount	
At 1 January 2011	18,900
Amortisation for the year	(12,600)
At 31 December 2011 and 1 January 2012 (Audited)	6,300
Amortisation for the period	(6,300)
Fair value of financial guarantee contract issued	99,978
At 30 June 2012 (Unaudited)	**99,978**

	Unaudited At 30/6/2012 ***HK$'000***	Audited At 31/12/2011 *HK$'000*
Current liabilities	**19,996**	6,300
Non-current liabilities	**79,982**	–
	99,978	6,300

During the period, the Company gave a new corporate guarantee (the "New SUG Guarantee") to a bank in respect of 5-year syndicated loan facilities of HK$1,900 million and RMB400 million granted by a group of financial institutions to an associate of the Group (the "New Loan Facilities"). The New Loan Facilities are used mainly to refinance the syndicated loan facilities of HK$1,600 million granted to the same associate (the "HK$1,600 Million Syndicated Loan Facilities") which matured on 29 June 2012, repay shareholders' loans and fund the construction of phase 3 of the development project of the associate. The maximum guarantee amount borne by the Company under the New SUG Guarantee was HK$1,176 million. The guarantee previously issued by the Company in the amount of HK$860 million for the HK$1,600 Million Syndicated Loan Facilities, which has been fully repaid on 29 June 2012, was expected to lapse 7 months thereafter.

The outstanding loan under the New Loan Facilities as at 30 June 2012 was approximately HK$1,390.7 million (31 December 2011: total loan outstanding under the HK$1,600 Million Syndicated Loan Facilities was HK$560 million).

Based on the valuation performed by an independent professional valuer, the directors of the Company considered that the fair value of the financial guarantee contract was approximately HK$100.0 million at the date of issuance of financial guarantee contract with a corresponding increase in its interest in associates as deemed capital contribution.

The carrying amount of the financial guarantee contract recognised in the Group's condensed consolidated statements of financial position was in accordance with HKAS 39 and is carried at amortised cost.

12. SHARE CAPITAL

	Number of shares	**Nominal value**
	'000	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2011, 31 December 2011, 1 January 2012 and 30 June 2012	**160,000,000**	**1,600,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2011, 31 December 2011 and 1 January 2012 (Audited)	2,438,964	24,390
Allotment and issue of rights shares	1,625,976	16,259
At 30 June 2012 (Unaudited)	**4,064,940**	**40,649**

The Company completed the issue by way of rights of 1,625,976,154 new ordinary shares of the Company in January 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group maintained stable growth during the first half of 2012, against the backdrop of a sluggish global economy and slowdown in economic growth in China. This was largely achieved through operational efficiency resulting from a synergetic strategy between the various business platforms.

Despite the uncertainties in the economic environment in Europe and the United States of America (the "USA") as well as concerns over the growth prospects of China's economy, the Group's travel business performed relatively well in the first half of 2012, with an increase in revenue over the last corresponding period. Meanwhile, the Group's cruise ship business and the flagship investment project, Ponte 16, also achieved improved performances. Furthermore, the Group continued with the roll-out of its lottery business to provide a technology service platform and technical support as well as sports lottery sales agency services to China's burgeoning mobile sports lottery market, with a view to further developing its business platform to capitalise on the huge growth potential of the China market.

Results

Turnover of the Group for the six months ended 30 June 2012 was approximately HK$853.7 million, representing an increase from approximately HK$763.1 million in the last corresponding period. Gross profit reached approximately HK$43.2 million (2011: approximately HK$35.4 million), while loss attributable to owners of the Company narrowed to approximately HK$28.3 million (2011: approximately HK$37.6 million). Loss per share was 0.72 HK cents in the first half of 2012, compared to loss per share of 1.54 HK cents in the first half of 2011.

Driven by the successful growth of the VIP gaming segment, Ponte 16 continued to achieve a positive EBITDA* with a growth of approximately 11% to approximately HK$142.7 million for the first half of 2012. However, its results were affected by the bank charges incurred for the New Loan Facilities (as defined hereinafter). During the reporting period, the Group's shared loss of the associates relating to Ponte 16 amounted to approximately HK$0.3 million, as compared to a shared loss of approximately HK$9.5 million in the last corresponding period.

Rights Issue

The Company completed the issue by way of rights of 1,625,976,154 new ordinary shares of the Company (the "Rights Issue") in January 2012, raising net cash proceeds of approximately HK$173.2 million. The Rights Issue further strengthened the Company's capital base and provided further financial resources for the Group's business development going forward. During the reporting period, the Company had repaid a part of the third party interest-bearing loan in the amount of HK$88.0 million using the net cash proceeds from the Rights Issue.

Interim Dividend

The directors of the Company ("Director(s)") do not recommend the payment of an interim dividend for the six months ended 30 June 2012 (2011: Nil).

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

Review of Operations

Travel Business
Further stepped up its effort to develop high-end market segment

Performance of the Group's travel business improved in the first half of 2012 despite a continued challenging environment. Turnover in this segment was up by approximately 12% to approximately HK$815.3 million (2011: approximately HK$728.3 million) although the sovereign debt crisis in Europe as well as concerns over the USA economic recovery still had an impact on the business environment of the Group's travel business units in Hong Kong, Macau and its travel agency companies located in Canada and the USA (the "Jade Travel Group"). The continuous growth of the Group's travel business reflects the success of the Group's strategy to expand its presence in China whilst focusing on high-end customer groups.

Despite the growing competition which imposed pressure on profit margins, the Group posted a profit in the segment of approximately HK$1.9 million, compared with a loss of approximately HK$5.5 million in the corresponding period of 2011.

During the reporting period, the Group maintained its focus on the high-end market segment and developed higher margin businesses such as the FIT (Free Independent Travellers) and MICE (Meeting, Incentive, Convention and Exhibition) businesses. The steady performance of inbound tour business in North America, benefiting from sustained growth of the Chinese affluent and their increasing consumption, also contributed a stable revenue stream.

Cruise Ship Business
Achieved growth on the back of increase in revenue

The Group's cruise ship business maintained stable growth during the first half of 2012. Turnover from the cruise ship, M.V. Macau Success, (in which the Group has a 55% interest) was approximately HK$38.4 million (2011: approximately HK$34.8 million). The business segment achieved a profit of approximately HK$1.1 million during the reporting period, mainly due to the increase in revenue, as compared with a segment loss of approximately HK$2.3 million in the last corresponding period.

Investment Project – Ponte 16
Sustained stable growth supported by the vigorous Macau gaming market

Given its unique positioning, strategic location and proactive marketing initiatives, Ponte 16 kept up its growth momentum and recorded a continuous improved performance in the first half of 2012.

In the exclusive Inner Harbour District of Macau, Ponte 16 has been able to raise its international profile by hosting a number of iconic events. This, in turn, has successfully attracted a number of international visitors to the resort. During the reporting period, the award-winning Sofitel Macau At Ponte 16 frequently sustained a steady occupancy rate with diversified customer clientele, thanks to its strategic marketing initiatives.

As of 30 June 2012, the casino of Ponte 16 had a total of 109 gaming tables, 82 of which are mass gaming tables, 9 are high-limit tables and 18 are VIP tables.

During the reporting period, phase 3 of the Ponte 16 development project (the "Phase 3 Project") progressed as planned. It is targeted to be completed by 2014. The financing of 5-year syndicated loan facilities for Ponte 16, amounting to HK$1,900 million and RMB400 million granted by a group of financial institutions to Pier 16 – Property Development Limited ("Pier 16 – Property Development"), an associate of the Group, (the "New Loan Facilities") was completed in the reporting period. The New Loan Facilities are used mainly to refinance the syndicated loan facilities of HK$1,600 million granted to Pier 16 – Property Development (the "HK$1,600 Million Syndicated Loan Facilities") which matured on 29 June 2012, repay shareholders' loans and fund the construction of the Phase 3 Project.

During the period, Ponte 16 partnered with City University of Macau to launch the "Ponte 16 and City University of Macau – Cultivated Scholarship Program". Eligible students were chosen to work at Ponte 16 to gain on-the-job training and invaluable work experience for their future career development. Looking ahead, the programme can generate more talent for the future expansion of Ponte 16 and raise the resort's profile in the local community. This initiative also upholds Ponte 16's commitment to pursue sustainable industry development.

Sofitel Macau At Ponte 16 continued to provide world-class services and amenities to its distinguished guests from all over the globe. During the reporting period, Sofitel Macau At Ponte 16 was honoured with a series of industry awards, including "The Top 25 Best Hotel in Greater China" by Daodao.com in its "Travelers' Choice 2012", "Entertainment Award" and "Golden Award" by Rakuten Travel in its "Rakuten Travel Award 2011", "China's 2011-2012 Best Hotel" by China LifeStyle magazine, "Winner of Certificate of Excellence 2012" by TripAdvisor and "Expedia Insiders' Select Hotel 2012" by Expedia.com.

Lottery Business
Well placed to capture opportunities in China's growing lottery market

The Group has been authorised to provide sports lottery sales agency services via mobile phones in Jiangxi and Qinghai provinces in China. During the first half of 2012, the Group continued to enhance its technology service platform and enriched the content and design of its business website, "128cai.com" (www.128cai.com), to provide the latest lottery information and hot tips to customers.

Although the Rules for the Implementation of the Regulations on Administration of Lotteries (the "Implementation Rules"), which were jointly announced by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of China have come into effect since March 2012, their impact is yet to be ascertained, with the future outlook of the China's lottery market still remaining robust. In the first half of 2012, China's lottery industry grew approximately 28% as compared to the last corresponding period. The Group is confident that its mobile sports lottery business will become one of the growth drivers for the Group in the long-run.

Financial Review

Liquidity, Financial Resources and Gearing

After completion of the Rights Issue, as at 30 June 2012, the Group had net current liabilities of approximately HK$5.3 million which is substantially reduced as compared to approximately HK$288.0 million as at 31 December 2011 and net assets of approximately HK$772.9 million (31 December 2011: approximately HK$502.1 million).

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being a Director and a controlling shareholder of the Company) provided a HK$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK$290 million on 14 April 2009 and the final repayment date of the loan and all other sums owing to Mr. Yeung under the revised loan facility was extended to 31 October 2013 by a letter agreement dated 15 March 2012. As at 30 June 2012, the Company had owed to Mr. Yeung an amount of approximately HK$30.3 million (31 December 2011: approximately HK$30.3 million).

On 22 October 2009, the Company as borrower and New Shepherd Assets Limited ("New Shepherd"), a wholly-owned subsidiary of the Company, as security provider entered into an agreement in relation to a HK$250 million revolving credit facility (the "Revolving Credit Facility") with a financial institution (the "Lender") as lender, which is a third party independent of the Company. The Revolving Credit Facility carried floating interest rates and the loan under such facility should be repayable on or before 36 months after 22 October 2009. The proceeds of the Revolving Credit Facility should be applied for on-lending to Pier 16 – Property Development in connection with the cash flow requirements of Pier 16 – Property Development and its subsidiaries. During the reporting period, the Company had repaid a part of the loan in the amount of HK$88.0 million, and as at 30 June 2012, the outstanding loan under the Revolving Credit Facility was in the amount of HK$158.0 million (31 December 2011: HK$246.0 million). Such outstanding loan was fully repaid in July 2012.

Jade Travel Ltd. ("Jade Travel, Canada", being an 80% indirectly owned subsidiary of the Company which was incorporated in Canada) was granted secured bank loans which carry fixed interest rates and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the new properties of Jade Travel, Canada and their renovation costs. As at 30 June 2012, the outstanding loans were equivalent to approximately HK$13.3 million (31 December 2011: equivalent to approximately HK$13.6 million).

As at 30 June 2012, the Group had a non-interest bearing loan from a related company in the amount of approximately HK$0.1 million (31 December 2011: approximately HK$0.1 million). The loan is unsecured and has no fixed terms of repayment.

On 12 January 2012, the loan owed by the Company to Silver Rich Macau Development Limited ("Silver Rich", being a controlling shareholder of the Company and wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung), in the amount of approximately HK$128.1 million, had been used to set off against the aggregate subscription price of the 673,968,954 rights shares provisionally allotted to Silver Rich pursuant to the underwriting agreement entered into between Silver Rich and the Company regarding the Rights Issue. As at 30 June 2012, the outstanding loan owed by the Company to Silver Rich was approximately HK$0.5 million (31 December 2011: approximately HK$128.3 million, being the aggregate of approximately HK$104.7 million which was charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited, approximately HK$23.4 million which was charged with interest at the rate of 4% per annum and interest of approximately HK$0.2 million). The loan is unsecured and non-interest bearing and has no fixed terms of repayment.

Apart from the aforesaid loans, as at 30 June 2012, there were loans from shareholders of non-controlling interests of approximately HK$17.7 million (31 December 2011: approximately HK$17.7 million) and other loans payables of approximately HK$192.2 million (31 December 2011: approximately HK$192.2 million). The loans are interest-free and unsecured. These included approximately HK$152.7 million (31 December 2011: approximately HK$152.7 million) which was shown under current liabilities and the remaining amount of approximately HK$39.5 million (31 December 2011: approximately HK$39.5 million) which will not be repaid within the next 12 months.

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

After completion of the Rights Issue, total equity attributable to owners of the Company as at 30 June 2012 was enlarged to approximately HK$743.2 million (31 December 2011: approximately HK$470.2 million). Accordingly, the gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over total equity attributable to owners of the Company, was narrowed to approximately 27% as at 30 June 2012 (31 December 2011: approximately 89%).

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

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

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

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

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

Pledge of Assets

As at 30 June 2012, the Group had secured the following assets:

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

(b) World Fortune Limited, an indirect subsidiary of the Company, pledged all of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the New Loan Facilities (31 December 2011: pledged all of its shares in Pier 16 – Property Development to a bank in respect of the HK$1,600 Million Syndicated Loan Facilities);

(c) New Shepherd pledged 51% (31 December 2011: 51%) of the entire issued share capital from time to time of Favor Jumbo Limited, an indirect wholly-owned subsidiary of the Company, to the Lender in respect of the Revolving Credit Facility granted to the Company. The said pledge of shares was released in July 2012; and

(d) the Group's self-occupied properties with carrying amount of equivalent to approximately HK$20.4 million (31 December 2011: equivalent to approximately HK$20.6 million) were pledged to a bank to secure bank loans to Jade Travel, Canada.

Contingent Liabilities

During the reporting period, the Company gave a new corporate guarantee (the "New SUG Guarantee") to a bank in respect of the New Loan Facilities under the 2012 Financial Assistance. The maximum guarantee amount borne by the Company under the New SUG Guarantee was HK$1,176 million. The guarantee previously issued by the Company in the amount of HK$860 million for the HK$1,600 Million Syndicated Loan Facilities, which has been fully repaid on 29 June 2012, was expected to lapse 7 months thereafter.

The outstanding loan under the New Loan Facilities as at 30 June 2012 was approximately HK$1,390.7 million (31 December 2011: total loan outstanding and bank guarantee facility under the HK$1,600 Million Syndicated Loan Facilities were HK$560 million and HK$240 million respectively).

Human Resources

As at 30 June 2012, the Group had a total of 488 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

The operating environment for the Group is likely to remain challenging due to the economic outlook uncertainties in the USA and Europe. However, China's economy is expected to maintain a healthy pace of growth in the medium to long term. Adding to this prospect are upcoming infrastructure projects, including the Macau Light Rapid Transit and the Hong Kong-Zhuhai-Macao Bridge, which will certainly draw more tourists to Macau.

In view of this, the Group is confident on Macau's gaming and entertainment industry and expects a steady growth in the second half of 2012. Tourists from China will remain the major growth driver for the Group's core businesses in the near-term, while the Group will also strive to capitalise on the potential in other Asian countries.

The Group will persevere in targeting high-end customer groups, such as MICE and FIT, and through collaboration with credible business partners in China, further increase its presence there.

The Group's desire to optimise its operations and to enhance cost efficiency, combined with the emergence of the Jade Travel Group as a major contributor for the travel business, has resulted in the global consolidation of the Group's travel business operations and the cessation of the Hong Kong travel business unit in July 2012.

The Group is confident about the outlook for Ponte 16 given its unique positioning in Macau's tourism and entertainment landscape. Activities in the second half of 2012 are expected to increase during the traditional peak tourism season in the city.

Ponte 16 will strengthen its brand awareness in its key markets. One of its major marketing initiatives in the second half of 2012 will be the "Michael Jackson's Wardrobe – Gorgeous 25 Years" exhibition in Chongqing, Changsha and Wuhan, jointly organised with New World Department Store China Limited. The exhibition will feature over 50 iconic items of super star Michael Jackson that the total value is over HK$10 million.

The Phase 3 Project, which is expected to progress as planned in the second half of 2012, will comprise an entertainment and recreation complex that houses brand new shopping arcade, dining destinations as well as space for gaming expansion. The Group foresees, in the long run, that Macau will become an alternate shopping paradise for tourists from China and other Asian countries. Integrating the concepts of a shopping and dining destination, extraordinary entertainment experience and expansion of the world-class casino in Ponte 16, this new phase is set to be a new revenue contributor for Ponte 16.

Regarding the lottery business, it is expected that the Implementation Rules will create a healthy operating environment for the industry by strengthening and consolidating China's lottery industry. With an established business platform, the Group is well-placed to capture the opportunities in the booming market. The Group will continue to leverage on its well-connected network to actively seek out opportunities and expand its operations to other provinces in China.

The Group remains optimistic on the outlook for Macau, China and the Asian region. To benefit from the increasing opportunities in China and other markets in Asia, the Group will spare no effort to elevate its business competitiveness by implementing its three-pronged strategy. Over the long term, the Group is committed to further enriching its extensive portfolio of assets to maximise value for its shareholders, partners and customers.

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

During the six months ended 30 June 2012, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2012.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2012 have been reviewed by the audit committee of the Board and HLB Hodgson Impey Cheng Limited, the auditors of the Company, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

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

Hong Kong, 29 August 2012

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