

INTERIM REPORT 2015



SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)
Stock Code: 00487



Embracing Opportunities Amidst Challenges

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CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yeung Hoi Sing, Sonny (*Chairman*)

Dr. Ma Ho Man, Hoffman
(*Deputy Chairman*)

Non-executive Director

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors

Ms. Yeung Mo Sheung, Ann

Mr. Chin Wing Lok, Ambrose

Mr. Chong Ming Yu

Company Secretary

Ms. Chiu Nam Ying, Agnes

Authorised Representatives

Dr. Ma Ho Man, Hoffman

Ms. Chiu Nam Ying, Agnes

Audit Committee

Mr. Chin Wing Lok, Ambrose
(*Chairman*)

Mr. Choi Kin Pui, Russelle

Ms. Yeung Mo Sheung, Ann

Mr. Chong Ming Yu

Remuneration Committee

Ms. Yeung Mo Sheung, Ann (*Chairman*)

Mr. Yeung Hoi Sing, Sonny

Mr. Choi Kin Pui, Russelle

Mr. Chin Wing Lok, Ambrose

Mr. Chong Ming Yu

Nomination Committee

Mr. Yeung Hoi Sing, Sonny (*Chairman*)

Mr. Choi Kin Pui, Russelle

Ms. Yeung Mo Sheung, Ann

Mr. Chin Wing Lok, Ambrose

Mr. Chong Ming Yu

Executive Committee

Mr. Yeung Hoi Sing, Sonny (*Chairman*)

Dr. Ma Ho Man, Hoffman

Auditors

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Legal Advisers on Hong Kong Laws

Iu, Lai & Li

Legal Advisers on Bermuda Laws

Conyers Dill & Pearman

Principal Bankers

Chong Hing Bank Limited
Industrial and Commercial Bank of
China (Canada)

Royal Bank of Canada

The Bank of East Asia, Limited

BMO Bank of Montreal

Principal Share Registrar and Transfer Agent in Bermuda

MUFG Fund Services (Bermuda)
Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM08

Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Tengis Limited

Level 22, Hopewell Centre

183 Queen's Road East

Hong Kong

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal Place of Business

Suite 1601-2 & 8-10, 16/F.

Great Eagle Centre

23 Harbour Road

Wanchai

Hong Kong

Share Listing

The Stock Exchange of Hong Kong
Limited

Stock Code: 00487

Website

www.successug.com

OPERATIONAL HIGHLIGHTS

- Turnover achieved approximately HK\$595.6 million and gross profit was approximately HK\$25.3 million for the first half of 2015
- Loss attributable to owners of the Company was approximately HK\$1.9 million
- Turnover of the lottery business amounted to approximately HK\$70.1 million, representing an increase of approximately 4% as compared with the last corresponding period
- Adjusted EBITDA* of the Group's flagship investment project – Ponte 16 decreased by approximately 40% to approximately HK\$155.4 million. Shared profit of the associates relating to Ponte 16 decreased by approximately 73% to approximately HK\$15.3 million

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



The board of directors (the “Board”) of Success Universe Group Limited (the “Company”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 June 2015 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Note	Unaudited For the six months ended	
		30/6/2015 HK\$'000	30/6/2014 HK\$'000
Turnover	4	595,562	686,060
Cost of sales		(570,303)	(653,254)
Gross profit		25,259	32,806
Other revenue and gains	5	12,589	15,248
Administrative expenses		(50,117)	(47,770)
Selling expenses		(5,449)	(3,894)
Other operating expenses	6(c)	(405)	(3,934)
Loss from continuing operations		(18,123)	(7,544)
Finance costs	6(a)	(301)	(1,720)
Share of results of joint ventures		259	122
Share of results of associates		15,270	56,284
(Loss)/profit before taxation	6	(2,895)	47,142
Taxation	7	(935)	–
(Loss)/profit for the period from continuing operations		(3,830)	47,142
Profit from discontinued operation	8	–	878
(Loss)/profit for the period		(3,830)	48,020
Attributable to:			
Owners of the Company		(1,878)	47,724
Non-controlling interests		(1,952)	296
(Loss)/profit for the period		(3,830)	48,020
(Loss)/earnings per share			
From continuing and discontinued operations			
– Basic and diluted	10	(0.04) HK cents	0.97 HK cents
From continuing operations			
– Basic and diluted	10	(0.04) HK cents	0.96 HK cents

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Unaudited	
	For the six months ended	
	30/6/2015	30/6/2014
	HK\$'000	HK\$'000
(Loss)/profit for the period	(3,830)	48,020
Other comprehensive loss		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(1,062)	(366)
Total other comprehensive loss for the period, net of tax	(1,062)	(366)
Total comprehensive (loss)/income for the period	(4,892)	47,654
Attributable to:		
Owners of the Company	(2,880)	47,582
Non-controlling interests	(2,012)	72
Total comprehensive (loss)/income for the period	(4,892)	47,654

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Note	Unaudited at 30/6/2015 HK\$'000	Audited at 31/12/2014 HK\$'000
Non-current assets			
Property, plant and equipment	11	23,635	26,097
Intangible assets	12	13,927	15,327
Interests in associates	13	953,090	937,820
Interests in joint ventures	14	1,821	1,562
		992,473	980,806
Current assets			
Trade and other receivables	15	65,017	142,954
Tax recoverable		6	7
Pledged bank deposits	16	19,249	10,396
Cash and bank balances	16	85,949	71,574
		170,221	224,931
Current liabilities			
Bank overdraft – secured	16	2,231	–
Trade and other payables	17	23,361	38,317
Deferred income		380	135
Bank loans – due within one year	18	575	598
Financial guarantee contract	20	19,995	19,995
		46,542	59,045
Net current assets		123,679	165,886
Total assets less current liabilities		1,116,152	1,146,692

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(CONTINUED)*

At 30 June 2015

	Note	Unaudited at 30/6/2015 HK\$'000	Audited at 31/12/2014 HK\$'000
Non-current liabilities			
Deferred income		1,391	–
Bank loans – due after one year	18	8,821	9,746
Loans payables	19	26,297	16,896
Financial guarantee contract	20	19,996	29,995
Deferred tax liabilities		456	488
		56,961	57,125
Net assets			
		1,059,191	1,089,567
Capital and reserves			
Share capital	21	49,265	49,265
Reserves		1,025,807	1,028,937
Total equity attributable to owners of the Company			
		1,075,072	1,078,202
Non-controlling interests			
		(15,881)	11,365
Total equity			
		1,059,191	1,089,567

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total HK\$'000	
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000			
At 1 January 2014 (Audited)	49,265	1,418,963	52,333	976	(1,538)	-	(535,275)	984,724	24,825	1,009,549
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	-	(4,500)	(4,500)
Acquisition of additional interests in a subsidiary	-	-	-	-	-	-	(440)	(440)	440	-
Profit for the period	-	-	-	-	-	-	47,724	47,724	296	48,020
Other comprehensive loss for the period	-	-	-	-	(142)	-	-	(142)	(224)	(666)
Total comprehensive income/(loss) for the period	-	-	-	-	(142)	-	47,724	47,582	72	47,654
At 30 June 2014 (Unaudited)	49,265	1,418,963	52,333	976	(1,680)	-	(487,991)	1,031,966	20,837	1,052,703
At 1 January 2015 (Audited)	49,265	1,418,963	52,333	-	(4,510)	976	(438,825)	1,078,202	11,365	1,089,567
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	-	(22,113)	(22,113)
Disposal of subsidiaries (note 22(a))	-	-	-	-	(394)	-	-	(4)	(4)	(4)
Disposal of partial interest in a subsidiary (note 22(b))	-	-	-	-	-	-	134	(250)	(3,117)	(3,367)
Loss for the period	-	-	-	-	-	-	(1,878)	(1,878)	(1,952)	(3,830)
Other comprehensive loss for the period	-	-	-	-	(1,002)	-	-	(1,002)	(60)	(1,062)
Total comprehensive loss for the period	-	-	-	-	(1,002)	-	(1,878)	(2,880)	(2,012)	(4,892)
At 30 June 2015 (Unaudited)	49,265	1,418,963	52,333	-	(5,996)	976	(440,569)	1,075,072	(15,881)	1,059,191

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Notes	Unaudited	
		For the six months ended	
		30/6/2015	30/6/2014
		HK\$'000	HK\$'000
Continuing and discontinued operations			
OPERATING ACTIVITIES			
Cash generated from/(used in) operations		39,607	(23,273)
Gain on settlement of loans payables	5	–	(1,827)
Gain on disposal of subsidiaries	5, 22(a)	(9)	–
Income taxes paid – overseas		(935)	–
Net cash generated from/(used in) operating activities		38,663	(25,100)
INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(296)	(3,545)
Proceeds from disposal of property, plant and equipment		–	6
Net cash outflow from disposal of subsidiaries	22(a)	(479)	–
Proceeds from disposal of partial interest in a subsidiary	22(b)	2,120	–
Other cash outflow from investing activities, net		(9,410)	(485)
Net cash used in investing activities		(8,065)	(4,024)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 June 2015

	Notes	Unaudited For the six months ended	
		30/6/2015 HK\$'000	30/6/2014 HK\$'000
FINANCING ACTIVITIES			
Dividend paid to non-controlling shareholder		(22,113)	(4,500)
Payment for profit guarantee liabilities		-	(5,308)
Repayment of bank loans and finance lease		(276)	(134)
Loan from a director and controlling shareholder		-	40,000
Loan from non-controlling shareholder		4,577	876
Finance costs		(301)	(1,720)
Net cash (used in)/generated from financing activities		(18,113)	29,214
Net increase in cash and cash equivalents		12,485	90
Cash and cash equivalents at the beginning of the period		71,574	80,423
Effect of foreign exchange rate changes		(341)	12
Cash and cash equivalents at the end of the period	16	83,718	80,525
Analysis of balances of cash and cash equivalents			
Cash and bank balances		85,949	82,453
Bank overdraft – secured		(2,231)	(1,928)
		83,718	80,525

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. Organisation and Principal Activity

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 its issued shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding.

2. Basis of Preparation

The condensed consolidated financial statements for the six months ended 30 June 2015 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 and with Hong Kong Accounting Standards (“HKAS(s)”) 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 2014 as contained in the Company’s Annual Report 2014 (the “Annual Report 2014”).

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 dollar (“HK\$”). Unless otherwise specifically stated, all amounts are presented in thousand.

3. 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 2014, except for the impact of the adoption of the new and revised HKASs, Hong Kong Financial Reporting Standards (“HKFRS(s)”), 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 2015.

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
HKAS 19 (Amendments)	Defined Benefits Plans: Employee Contribution

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.

3. Summary of Significant Accounting Policies *(Continued)*

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle ²
HKAS 1 (Amendments)	Disclosure Initiative ²
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ²
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ²
HKAS 27 (Amendments)	Equity method in Separate Financial Statements ²
HKFRS 9	Financial Instruments ⁴
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Apply the Consolidation Exception ²
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ²
HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ³

¹ *Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.*

² *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*

³ *Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.*

⁴ *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

3. Summary of Significant Accounting Policies *(Continued)*

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

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

The Group has presented the following two reportable segments:

- Travel business: sales of air tickets and provision of travel-related services.
- Lottery business: provision of lottery sales agency services to the lottery market in the People's Republic of China ("PRC").

The cruise ship leasing and management segment was discontinued in prior year. The segment information reported below does not include this discontinued operation, which are described in more detail in note 8 to the condensed consolidated financial statements.

(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:

4. Segment Information *(Continued)*

(a) Segment results and assets (Continued)

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' salaries, share of results of associates and joint ventures 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 is not allocated to reportable segments.

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

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

All assets are allocated to reportable segments other than tax recoverable, interests in associates and joint ventures. Unallocated corporate assets mainly included part of the property, plant and equipment, cash and cash equivalents of the central administration companies.

4. Segment Information (Continued)

(a) Segment results and assets (Continued)

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

Continuing operations

	Travel		Lottery		Total	
	Unaudited		Unaudited		Unaudited	
	For the six months ended		For the six months ended		For the six months ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers and reportable segment revenue	525,471	618,452	70,091	67,608	595,562	686,060
Reportable segment (loss)/profit	(4,497)	(11,857)	(5,094)	7,825	(9,591)	(4,032)
Share of results of joint ventures					259	122
Share of results of associates					15,270	56,284
Unallocated corporate income					10,156	12,772
Unallocated corporate expenses					(18,989)	(16,611)
Finance costs					-	(1,393)
Consolidated (loss)/profit before taxation					(2,895)	47,142
Taxation					(935)	-
Consolidated (loss)/profit for the period					(3,830)	47,142

4. Segment Information (Continued)

(a) Segment results and assets (Continued)

Continuing operations (Continued)

	Travel		Lottery		Total	
	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
	Reportable segment assets	50,338	48,082	106,695	138,224	157,033
Assets relating to cruise ship leasing and management (now discontinued)					-	51,240
Unallocated corporate assets						
– Interests in associates					953,090	937,820
– Interests in joint ventures					1,821	1,562
– Tax recoverable					6	7
– Corporate assets					50,744	28,802
					1,162,694	1,205,737

(b) Other segment information

Continuing operations

	Travel		Lottery		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	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000	30/6/2015 HK\$'000	30/6/2014 HK\$'000	30/6/2015 HK\$'000	30/6/2014 HK\$'000	30/6/2015 HK\$'000	30/6/2014 HK\$'000
Interest income	8	9	47	4	28	35	83	48
Amortisation of intangible assets	-	(178)	-	-	-	-	-	(178)
Depreciation	(478)	(469)	(960)	(899)	(179)	(133)	(1,617)	(1,501)
Reversal of impairment loss recognised on other receivables	-	-	-	263	-	-	-	263
Impairment loss recognised on intangible assets	(405)	(3,934)	-	-	-	-	(405)	(3,934)
Finance costs	(301)	(327)	-	-	-	(1,393)	(301)	(1,720)
Additions to non-current assets*	102	14	14	2,542	180	31	296	2,587

* Additions to non-current assets represent the additions to property, plant and equipment during the period.

5. Other Revenue and Gains

Continuing operations

	Unaudited	
	For the six months ended	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000
Other Revenue:		
Interest income on bank deposits	83	48
Total interest income on financial assets not at fair value through profit or loss	83	48
Management fee income	122	333
Gain on disposal of subsidiaries (<i>note 22(a)</i>)	9	–
Gain on disposal of property, plant and equipment	–	6
Gain on settlement of loans payables	–	1,827
Other income	2,376	2,665
	2,590	4,879
Other Gains:		
Amortisation of financial guarantee contract	9,999	9,998
Net exchange gain	–	108
Reversal of impairment loss recognised on other receivables	–	263
	9,999	10,369
Total	12,589	15,248

6. (Loss)/profit Before Taxation

(Loss)/profit before taxation from continuing operations is arrived at after charging as follows:

Continuing operations

	Unaudited For the six months ended	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000
(a) Finance costs		
Interest on bank loans	273	327
Interest on bank overdraft	28	16
Interest on loan from a director and controlling shareholder	–	1,377
Total interest expenses on financial liabilities not at fair value through profit or loss	301	1,720
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	28,039	26,649
Contributions to defined contribution retirement plan	1,957	1,373
	29,996	28,022
(c) Other items		
Auditors' remuneration		
– audit services	627	654
– other services	280	280
Bad debts written off	–	2,173
Depreciation on owned property, plant and equipment	1,617	1,486
Depreciation on leased property, plant and equipment	–	15
Amortisation of intangible assets	–	178
Operating lease rentals of		
– properties	4,712	4,902
– plant and machinery	274	346
Net exchange loss	678	–
Impairment loss recognised on intangible assets*	405	3,934

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

7. Taxation in the Condensed Consolidated Statement of Profit or Loss

Continuing operations

	Unaudited	
	For the six months ended	
	30/6/2015	30/6/2014
	HK\$'000	HK\$'000
Current tax:		
<i>Overseas Profits Tax</i>		
Charge for the period	935	–

No Hong Kong Profits Tax, in which the subsidiaries operate, has been provided for the six months ended 30 June 2015 and 2014 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.

8. Discontinued Operation

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

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

8. Discontinued Operation (Continued)

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

	Unaudited For the six months ended 30/6/2014 HK\$'000
Revenue	44,500
Cost of sales	(14,845)
Gross profit	29,655
Other revenue	1,475
Administrative expenses	(30,252)
Profit for the period from discontinued operation	878
Profit attributable to:	
Owners of the Company	483
Non-controlling interests	395
Profit for the period from discontinued operation	878

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

	Unaudited For the six months ended 30/6/2014 HK\$'000
Auditors' remuneration	64
Cost of inventories	14,845
Staff costs	12,565
Depreciation on property, plant and equipment	2,832
Interest income	(26)
Net exchange gain	(83)
Operating lease rentals of properties	202
Reimbursement on cost of fuel oil	(1,366)
Other information: Addition to non-current assets	958

9. Dividends

The directors of the Company ("Directors") do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: nil).

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

10. (Loss)/earnings Per Share

(a) From continuing and discontinued operations:

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

	Unaudited For the six months ended	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000
(Loss)/profit: (Loss)/profit for the period attributable to the owners of the Company	(1,878)	47,724
Number of shares: Weighted average number of shares for the purpose of basic (loss)/earnings per share	'000 4,926,491	'000 4,926,491

Diluted (loss)/earnings per share for the six months ended 30 June 2015 and 2014 was the same as the basic (loss)/earnings per share. There were no potential dilutive ordinary shares outstanding for both periods presented.

10. (Loss)/earnings Per Share *(Continued)*

(b) From continuing operations:

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

	Unaudited	
	For the six months ended	
	30/6/2015	30/6/2014
	HK\$'000	HK\$'000
(Loss)/profit:		
(Loss)/profit for the period attributable to the owners of the Company	(1,878)	47,724
Less: Profit for the period attributable to the owners of the Company from discontinued operation	–	(483)
	(1,878)	47,241

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

Diluted (loss)/earnings per share for the six months ended 30 June 2015 and 2014 was the same as the basic (loss)/earnings per share. There were no potential dilutive ordinary shares outstanding for both periods presented.

10. (Loss)/earnings Per Share (Continued)

(c) From discontinued operation:

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

	Unaudited For the six months ended	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000
Profit:		
Profit for the period attributable to the owners of the Company from discontinued operation	–	483

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

Diluted earnings per share for the six months ended 30 June 2014 was the same as the basic earnings per share. There were no potential dilutive ordinary shares outstanding for both periods presented.

11. Property, Plant and Equipment

	HK\$'000
Carrying amount as at 1 January 2014 (Audited)	74,885
Additions	3,545
Depreciation	(4,333)
Exchange alignment	(42)
Carrying amount as at 30 June 2014 (Unaudited)	74,055
Carrying amount as at 1 January 2015 (Audited)	26,097
Additions	296
Disposals and written back	(39)
Depreciation	(1,617)
Exchange alignment	(1,102)
Carrying amount as at 30 June 2015 (Unaudited)	23,635

12. Intangible Assets

	Trademark HK\$'000	Client list HK\$'000	Total HK\$'000
Cost			
At 1 January 2014	31,334	8,758	40,092
Exchange alignment	(2,262)	(632)	(2,894)
At 31 December 2014 and 1 January 2015	29,072	8,126	37,198
Exchange alignment	(1,888)	(528)	(2,416)
At 30 June 2015	27,184	7,598	34,782

12. Intangible Assets (Continued)

	Trademark HK\$'000	Client list HK\$'000	Total HK\$'000
Accumulated amortisation and impairment losses			
At 1 January 2014	(190)	(5,375)	(5,565)
Charge for the year	–	(328)	(328)
Impairment loss	(13,567)	(2,813)	(16,380)
Exchange alignment	12	390	402
At 31 December 2014 and 1 January 2015	(13,745)	(8,126)	(21,871)
Impairment loss	(405)	–	(405)
Exchange alignment	893	528	1,421
At 30 June 2015	(13,257)	(7,598)	(20,855)
Carrying amount			
At 30 June 2015 (Unaudited)	13,927	–	13,927
At 31 December 2014 (Audited)	15,327	–	15,327

Trademark

In accordance with HKAS 36 “Impairment of Assets” (“HKAS 36”), the Group completed its interim impairment test for the trademark by comparing its recoverable amount to its carrying amount as at 30 June 2015. 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 Appraisals Limited (“Roma”), an independent professional valuer, who has among the staff, fellow members of the Hong Kong Institute of Surveyors, the recoverable amount of the trademark was reduced to an amount equivalent to approximately HK\$13,927,000 (31 December 2014: approximately HK\$15,327,000). Therefore, an impairment loss equivalent to approximately HK\$405,000 recognised for the six months ended 30 June 2015 (for the six months ended 30 June 2014: approximately HK\$3,548,000). The recognition of impairment loss is mainly contributed by the decrease in revenue as previously expected due to a more competitive environment of the travel industry. Any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

12. Intangible Assets *(Continued)*

Trademark (Continued)

The valuation of the trademark is based on the relief-from-royalty method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the trademark in the travel cash-generating unit (“CGU”) and a pre-tax discount rate of 16.44% (31 December 2014: 15.62%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 1.64% (31 December 2014: 1.64%). 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 interim impairment test for the client list by comparing the recoverable amount of the client list to its carrying amount as at 30 June 2015. The Group has conducted a valuation of the client list based on the value in use calculations. With reference to the valuations carried out by Roma, the recoverable amount of client list was reduced to zero since 31 December 2014. The carrying amount of the client list had already fully impaired in the year ended 31 December 2014 (for the six months ended 30 June 2014: approximately HK\$386,000). The recognition of impairment loss is mainly contributed by the increase in contributory charge of fixed assets.

The valuation of the client list is based on the contributory charge method and uses cash flow projections based on financial estimates covering a five-year period, the expected sales deriving from the client list in the travel CGU and a pre-tax discount rate of 21.47% (31 December 2014: 22.08%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 1.64% (31 December 2014: 1.64%). 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.

13. Interests in Associates

	Note	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Deemed capital contribution	(b)	99,978	99,978
Goodwill	(c)	19,409	19,409
Share of results of associates	(d)	75,284	60,014
		194,671	179,401
Amounts due from associates (note 23(b))	(d)	758,419	758,419
Amount shown under non-current assets		953,090	937,820

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

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

Note: As at 30 June 2015 and 31 December 2014, Pier 16 – Property Development held the equity interests of the following companies with the details as below:

13. Interests in Associates (Continued)

(a) Note: (Continued)

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

(b) The deemed capital contribution is referenced to the financial guarantee contract (note 20) granted by the Group to the associates.

(c) Goodwill

Because goodwill is included in the carrying amount of the interests in associates and is not separately recognised, it is not tested for impairment separately by applying the requirements for impairment testing in HKAS 36. Instead, the entire carrying amount of the interests in associates is tested for impairment as set out in note 13(e) below.

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

13. Interests in Associates (Continued)

(e) Impairment test for interests in associates

The Group completed its interim impairment test for interests in associates by comparing the recoverable amount of interests in associates to its carrying amount as at 30 June 2015. The Group has engaged Roma to carry out a valuation of the interests in associates as at 30 June 2015 based on the value in use calculations. This valuation uses cash flow projections based on financial estimates covering a five-year period, and a pre-tax discount rate of 13.53% (31 December 2014: 14.86%). The cash flows beyond the five-year period are extrapolated using a steady growth rate of 5.25% (31 December 2014: 5.25%) 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.

14. Interests in Joint Ventures

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Share of net assets	1,651	1,392
Amount due from a joint venture (note 23(b))	10,870	10,870
	12,521	12,262
Less: Impairment loss [#]	(10,700)	(10,700)
	1,821	1,562

[#] The Group has advanced HK\$12 million to the joint venture to finance the acquisition of certain assets. The advance was unsecured and interest-free. In the opinion of the Directors, the Group will not demand for repayment within twelve months from 30 June 2015 and is therefore classified as non-current assets. As at 30 June 2015, the accumulated impairment loss of interests in joint ventures was approximately HK\$10.7 million (31 December 2014: approximately HK\$10.7 million) and is considered to be adequate as there are no indication for further impairment. The recoverable amount of this advance is determined based on the net cash flows from operations estimated by management for the coming five years.

14. Interests in Joint Ventures *(Continued)*

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

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

Note: As at 30 June 2015 and 31 December 2014, Surplus Win Enterprises Limited held 80% effective interests in Double Diamond International Limited ("Double Diamond"), a company incorporated in the British Virgin Islands with limited liability. The principal activity of Double Diamond is operation of pier.

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

15. Trade and Other Receivables

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

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Current	4,670	30,334
31 to 60 days overdue	672	12,827
61 to 90 days overdue	831	9,872
Over 90 days overdue	16,767	33,098
Trade receivables	22,940	86,131
Other receivables	28,907	32,917
Prepayments and deposits	13,170	23,906
	65,017	142,954

15. Trade and Other Receivables (Continued)

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 90 days to customers of lottery business (31 December 2014: average credit period of 30 to 90 days) and 30 days to customers of travel business (31 December 2014: average credit period of 30 days).

16. Pledged Bank Deposits/Cash and Bank Balances/Bank Overdraft

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Cash and bank balances	85,949	65,574
Non-pledged bank deposits	–	6,000
Pledged bank deposits	19,249	10,396
	105,198	81,970
Less: Pledged bank deposits	(19,249)	(10,396)
Bank overdraft – secured	(2,231)	–
Cash and cash equivalents in the condensed consolidated statement of cash flows	83,718	71,574

Included in cash and bank balances as at 30 June 2015 is an amount denominated in Renminbi (“RMB”) of approximately RMB39.4 million (equivalent to approximately HK\$49.6 million) (31 December 2014: approximately RMB2.1 million, equivalent to approximately HK\$2.6 million). Remittance of RMB out of PRC is subject to exchange restrictions imposed by the PRC government.

17. Trade and Other Payables

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

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Current	5,105	9,776
31 to 60 days	765	550
61 to 90 days	448	228
Over 90 days	1,367	439
Trade payables	7,685	10,993
Accrued charges and other payables	15,676	27,324
Financial liabilities measured at amortised cost	23,361	38,317

18. Bank Loans

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Bank loans, secured	9,396	10,344
Carrying amount repayable:		
Within one year	575	598
More than one year, but no exceeding two years	608	632
More than two years, but not more than five years	1,332	1,500
More than five years	6,881	7,614
	9,396	10,344
Less: Amount shown under current liabilities	(575)	(598)
Amount shown under non-current liabilities	8,821	9,746

19. Loans Payables

	Note	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Loans from non-controlling shareholders			
– SABC Holdings Ltd. (“SABC”)	(i)	–	9,590
– 1034635 B.C. Ltd. (“1034635 BC”)	(ii)	18,991	–
– Up Fly Limited (“Up Fly”)	(iii)	7,306	7,306
Amount shown under non-current liabilities		26,297	16,896

Notes:

- (i) SABC was a non-controlling shareholder of an indirect non-wholly owned subsidiary of the Company, namely 665127 British Columbia Ltd. (“665127 BC Ltd.”). The loan is unsecured and interest-free. During the period, SABC entered into an agreement with 1034635 BC to dispose of its entire equity interests in 665127 BC Ltd. and to assign the entire outstanding amount of shareholder’s loan owing to SABC by 665127 BC Ltd. to 1034635 BC.
- (ii) 1034635 BC is a new non-controlling shareholder of 665127 BC Ltd.. The loan is unsecured, interest-free and not expected to be settled within one year.
- (iii) Up Fly is a non-controlling shareholder of an indirect non-wholly owned subsidiary of the Company, namely Honour Rich China Development Limited. The loan is unsecured, interest-free and not expected to be settled within one year.

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

20. Financial Guarantee Contract

	HK\$'000	
Carrying amount		
At 1 January 2014 (Audited)		69,985
Amortisation for the year		(19,995)
At 31 December 2014 and 1 January 2015 (Audited)		49,990
Amortisation for the period		(9,999)
At 30 June 2015 (Unaudited)		39,991
	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Current liabilities	19,995	19,995
Non-current liabilities	19,996	29,995
	39,991	49,990

In 2012, the Company gave a corporate guarantee (the "Guarantee") to a bank in respect of the syndicated loan facilities of HK\$1,900 million and RMB400 million granted to Pier 16 – Property Development (the "Syndicated Loan Facilities"). The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million.

The outstanding loan under the Syndicated Loan Facilities as at 30 June 2015 was approximately HK\$422.7 million (31 December 2014: approximately HK\$564.8 million). The contingent liabilities were disclosed in note 25.

20. Financial Guarantee Contract *(Continued)*

Based on the valuation performed by Roma, the Directors considered that the fair value of the financial guarantee contract was approximately HK\$100.0 million at the date of issuance of financial guarantee contract with a corresponding increase in its interests 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 "Financial Instruments: Recognition and Measurement" and is carried at amortised cost.

No provision for financial guarantee contracts have been made at 30 June 2015 as the default risk is low (31 December 2014: nil).

21. Share Capital

	Number of shares '000	Nominal value HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 January 2015 (Audited) and 30 June 2015 (Unaudited)	160,000,000	1,600,000
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2015 (Audited) and 30 June 2015 (Unaudited)	4,926,491	49,265

22. Disposal of Subsidiaries

(a) *Disposal of Capture Success Limited and its subsidiary*

On 30 April 2015, the Group has disposed of its 55% interest, being its entire interest, in Capture Success Limited and Hover Management Limited. Details of the assets disposed of, and the calculation of the gain on disposal, are disclosed below:

(i) *Consideration received*

	Unaudited At 30/6/2015 HK\$'000
Consideration received by the Company	732
Consideration paid to non-controlling interests	593
Total consideration received in cash and cash equivalents	1,325

(ii) *Analysis of assets and liability over which control was lost*

	Unaudited At 30/6/2015 HK\$'000
Non-current assets	
Property, plant and machinery	39
Current assets	
Deposit	2
Cash and cash equivalents	1,804
	1,806
Current liability	
Other payables	(524)
Net assets disposed	1,321

22. Disposal of Subsidiaries (Continued)

(a) Disposal of Capture Success Limited and its subsidiary (Continued)

(iii) Gain on Disposal of Subsidiaries

	Unaudited At 30/6/2015 HK\$'000
Consideration received by the Company	732
Net assets disposed of subsidiaries attributable to the Company	(727)
Derecognition of non-controlling interests	4
Gain on disposal of subsidiaries (note 5)	9

(iv) Net Cash Outflow from Disposal of Subsidiaries

	Unaudited At 30/6/2015 HK\$'000
Total consideration received	1,325
Less: Cash and cash equivalent balances disposed of	(1,804)
Net cash outflow from disposal of subsidiaries	(479)

22. Disposal of Subsidiaries *(Continued)*

(b) Disposal of Partial Interest in 665127 BC Ltd.

In June 2015, 1338 Successful Venture Ltd., an indirect wholly-owned subsidiary of the Company, disposed of (i) approximately 10% of all issued common shares without par value of 665127 BC Ltd.; and (ii) approximately 10% of the entire amount of the shareholders' loans owing by 665127 BC Ltd. in the amount of approximately CAD861,000 (equivalent to approximately HK\$5,487,000) (the "Sale Loan") at a total consideration of approximately CAD333,000 (equivalent to approximately HK\$2,120,000) (the "Disposal of Partial Interest"). Upon completion of the Disposal of Partial Interest and based on the consideration of approximately CAD333,000 (equivalent to approximately HK\$2,120,000), the Group debited non-controlling interests of approximately CAD489,000 (equivalent to approximately HK\$3,117,000). The difference between the said consideration, the Sale Loan and the non-controlling interests recognised a debit balance of approximately CAD39,000 (equivalent to approximately HK\$250,000), and the difference between the said debit balance and the exchange translation reserve attributable to non-controlling interests of approximately CAD60,000 (equivalent to approximately HK\$384,000) in the amount of approximately CAD21,000 (equivalent to approximately HK\$134,000) was charged to equity directly.

23. Related Party Transactions

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

		Unaudited For the six months ended	
	Note	30/6/2015 HK\$'000	30/6/2014 HK\$'000
Management fee income received and receivable from an associate	(i)	122	333
Interest expenses paid to a director and controlling shareholder		–	1,377

23. Related Party Transactions (Continued)

(b) *The outstanding balances with related parties at 30 June 2015 and 31 December 2014 are as follows:*

	Note	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Amounts due from associates	13(d)	758,419	758,419
Amount due from a joint venture	14	10,870	10,870
Other receivable from a related party	(ii)	5,867	5,867

Notes:

- (i) The management fee was charged on actual cost incurred by the Group for provision of management and technical services.
- (ii) The amount of receivable is from the ultimate beneficial owner of Up Fly (the "JV Partner") for his on-lending to a joint venture company of which the Company and the JV Partner indirectly held 80% and 20% interests respectively (the "JV Company"). The amount is secured by 20% equity interest of the JV Company, interest-free and has no fixed repayment terms.

(c) *Key management personnel compensation*

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

	Unaudited For the six months ended	
	30/6/2015 HK\$'000	30/6/2014 HK\$'000
Salaries and other short-term employee benefits	2,448	3,153
Retirement benefit scheme contributions	54	47
Total emoluments are included in "staff costs"	2,502	3,200

24. Commitments

- (a) There is no capital commitments outstanding at 30 June 2015 not provide for in the condensed consolidated financial statements (31 December 2014: nil).
- (b) At 30 June 2015, the total future minimum lease payments under non-cancellable operating leases for the Group are payable as follows:

	Unaudited At 30/6/2015 HK\$'000	Audited At 31/12/2014 HK\$'000
Within one year	6,467	6,255
In the second to fifth years, inclusive	3,624	6,246
	10,091	12,501

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

25. Contingent Liabilities

In 2012, the Company gave the Guarantee to a bank in respect of the Syndicated Loan Facilities. The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million (note 20). The outstanding loan under the Syndicated Loan Facilities as at 30 June 2015 was approximately HK\$422.7 million (31 December 2014: approximately HK\$564.8 million).

26. Pledge of Assets

As at 30 June 2015, the Group had secured the following assets:

- (a) the Group pledged the time deposits of equivalent to approximately HK\$18.2 million (31 December 2014: equivalent to approximately HK\$9.4 million) to certain banks for the issuance of a bank guarantee and a standby letter of credit facility of equivalent to approximately HK\$10.0 million (31 December 2014: equivalent to approximately HK\$10.6 million) for the operations of the Group. The pledge of the time deposits of equivalent to approximately HK\$8.3 million was released in July 2015;
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2014: all) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the Syndicated Loan Facilities; and
- (c) the Group's self-occupied properties with a carrying amount of equivalent to approximately HK\$14.6 million (31 December 2014: equivalent to approximately HK\$15.8 million) together with a time deposit equivalent to approximately HK\$1.0 million (31 December 2014: equivalent to approximately HK\$1.0 million) were pledged to a bank to secure bank loans to Jade Travel Ltd., an indirect non-wholly owned subsidiary of the Company which was incorporated in Canada.

27. Seasonality

The turnover of the Group's travel business is subject to seasonal fluctuations, with peak demand during the holiday season.

28. Event After the Reporting Period

The Group does not have material events after the end of the reporting period.

29. Comparatives

The comparative statement of profit or loss has been re-presented as the cruise ship leasing and management segment discontinued in prior year. In the opinion of the Directors, such reclassification provides a more appropriate presentation on the Group's business segments.

INDEPENDENT REVIEW REPORT



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

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

TO THE BOARD OF DIRECTORS OF SUCCESS UNIVERSE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 4 to 42, which comprise the condensed consolidated statement of financial position of Success Universe Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30 June 2015 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Shek Lui

Practicing Certificate Number: P05895

Hong Kong, 28 August 2015

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The first half of 2015 continued to be a challenging period for lottery business in China and Macau gaming market, owing to some significant changes following the policy initiatives introduced by both governments. With a solid foundation and a well-balanced business portfolio, the Group will continue to weather the headwinds ahead and stay on track to pave the way for future growth amid the changing business environment.

Results

For the six months ended 30 June 2015, turnover from continuing operations of the Group was approximately HK\$595.6 million, decreased by approximately 13% from approximately HK\$686.1 million for the corresponding period of 2014. Gross profit decreased by approximately 23% to approximately HK\$25.3 million (2014: approximately HK\$32.8 million). The Group's shared profit of the associates relating to Ponte 16 for the first half of 2015 amounted to approximately HK\$15.3 million, decreased by approximately 73% from approximately HK\$56.3 million for the last corresponding period. Loss attributable to owners of the Company (continuing and discontinued operations) of approximately HK\$1.9 million was recorded for the reporting period (2014: profit of approximately HK\$47.7 million), whilst loss per share (continuing and discontinued operations) was 0.04 HK cents (2014: earnings per share of 0.97 HK cents).

The decline in results was attributable to (i) the downside of Macau gaming sector since the second half of 2014; (ii) the non-recurrence of the FIFA World Cup 2014 effect which stimulated the turnover of the lottery business of the Group for the same period of 2014; and (iii) the voluntary and temporary suspension of the paperless lottery sales agency services of the Group pursuant to a joint promulgation of the Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet (《關於開展擅自利用互聯網銷售彩票行為自查自糾工作有關問題的通知》) by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of China which was issued in January 2015 (the "Notice").

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 2015 (2014: nil).

Review of Operations

Travel Business

The Group operates one of the largest travel agencies in North America through the Company’s indirect non-wholly owned subsidiaries incorporated in Canada and New York respectively (collectively “Jade Travel”). Jade Travel focuses on high-end MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller) segments in Canada and the United States of America (the “USA”).

The economy in the USA continued to show signs of recovery with improving consumer sentiment in the first half of 2015. However, the ripple effect from the consolidation of the downstream travel agencies in the market still had adverse effect on the travel business of the Group during the reporting period. Turnover of the segment was approximately HK\$525.5 million for the six months ended 30 June 2015 (2014: approximately HK\$618.5 million). Loss in this segment posted approximately HK\$4.5 million (2014: approximately HK\$11.9 million) including an impairment loss on intangible assets of approximately HK\$0.4 million (2014: impairment loss on intangible assets of approximately HK\$3.9 million and bad debts written off of approximately HK\$2.2 million) was recognised for the reporting period.

Reference was made to the Company’s announcement dated 8 June 2015 in relation to the disposal of approximately 10% of 665127 British Columbia Ltd. (“665127 BC Ltd.”, being an indirect non-wholly owned subsidiary of the Company which indirectly holds the entire shareholding interests in Jade Travel), comprising a shareholder’s loan of 665127 BC Ltd. of approximately CAD0.9 million (equivalent to approximately HK\$5.5 million), at the total consideration of approximately CAD0.3 million (equivalent to approximately HK\$2.1 million). The transaction was completed in mid-June 2015 and the effective beneficial interests of the Group in Jade Travel was reduced from approximately 85% to 75%.

Review of Operations *(Continued)*

Lottery Business

The Group and its lottery business partners have, similar to most of its peers, temporarily suspended the paperless lottery sales agency services voluntarily in response to the promulgation of the Notice (the “Suspension”). The Notice is designed to crack down those unauthorised sales of lottery through internet whilst aims at providing a healthier and more reliable market in the long run. The Group will closely monitor the development and wait for further announcement on the resumption date of paperless lottery sales from the Chinese government authorities.

For the six months ended 30 June 2015, turnover of the lottery business generated before the Suspension amounted to approximately HK\$70.1 million, representing an increase of approximately 4% as compared with approximately HK\$67.6 million for the last corresponding period. Loss of approximately HK\$5.1 million was recorded in this segment (2014: profit of approximately HK\$7.8 million).

As to the lottery business development, the testing stage of the new technology service platform for the welfare lottery was completed in the first half of 2015 and is ready for operation.

Investment Project – Ponte 16

Starting from the second half of 2014, the Macau gaming industry has recorded a noticeable slowdown that caused by several major factors, including, among others, the structural change in the composition of tourists to Macau, tighter transit visa restrictions, implementation of full smoking ban on mass market gaming areas in casinos and the tighter controls on spending with UnionPay cards. The downward trend continued to prevail into 2015, though the total number of visitors from China to Macau maintained relatively stable with a slight decline of approximately 4% year-on-year to approximately 9.8 million for the first half of 2015.

Review of Operations *(Continued)*

Investment Project – Ponte 16 *(Continued)*

During the reporting period, Adjusted EBITDA* of the Group's flagship investment project – Ponte 16 decreased by approximately 40% to approximately HK\$155.4 million (2014: approximately HK\$260.0 million). As at 30 June 2015, the casino of Ponte 16 had 108 gaming tables, consisting of 92 mass gaming tables, 9 high-limit tables and 7 VIP tables, and also had 13 mah-jong tables. Average occupancy rate of Sofitel Macau At Ponte 16 was recorded over 85% in the first half of 2015.

Despite the onerous market environment, Ponte 16 strives to maintain its position of being one of the preferred destinations in Macau for both tourists and families. As a world-class integrated casino-entertainment resort located in the Inner Harbour of Macau, Ponte 16 continues to target the growing mass market and offer comprehensive resort experience by enhancing its entertainment mix.

Recognising its dedication in offering guests with top-notch resort experience, Sofitel Macau At Ponte 16 achieved a number of honourable industry awards during the first half of 2015 as recognition of its outstanding quality and world-class services. The accolades included “Top 25 Hotels for Romance – China” in 2015 Travellers' Choice Awards by TripAdvisor, “2015 Best Wedding Hotel – Luxury” in the 5th Annual China Hotel Awards by LifeStyle magazine and “Vantage Hotel Awards 2014-2015 – Best Hotel of Year” by Vantage magazine. Privé, the fine dining restaurant, was awarded as “100 Top Tables 2015 – A CEO's Dining Guide” by South China Morning Post, “Hong Kong & Macau Best Restaurants 2015” by Hong Kong Tatler, as well as “2015 U Favourite Food Awards – Macau Hotel Restaurant” by U Magazine. Le Chinois, the Cantonese restaurant, was awarded the “2015 U Favourite Food Awards – Macau Hotel Restaurant” by U Magazine, and “Du Shang Best Choice Dining Awards 2015” by Connect Media Company Limited. The So Spa with L'Occitane also won “2015 Country Winner – Best Luxury Hotel Spa in Macau” and “2015 Country Winner – Best Luxury Wellness Spa in Macau” by World Luxury Spa Awards.

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

Review of Operations *(Continued)*

Investment Project – Ponte 16 *(Continued)*

The first large-scale 3D museum in Macau, Pier 16 Macau 3D World (“Pier 16 3D World”), was opened in May 2015, offering a virtual experience to the tourist and introducing a new attraction to Macau. With a total area of over 18,000 square feet, Pier 16 3D World features more than 150 photography points in different theme zones, where visitors can interact with various themed 3D paintings. Many of memorable MJ collections are also preserved and displayed in this new attraction.

Financial Review

Liquidity, Financial Resources and Gearing

As at 30 June 2015, the Group had net current assets of approximately HK\$123.7 million (31 December 2014: approximately HK\$165.9 million) and net assets of approximately HK\$1,059.2 million (31 December 2014: approximately HK\$1,089.6 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 31 October 2016. As at 30 June 2015, there was no amount due from the Company to Mr. Yeung under the revised loan facility (31 December 2014: nil).

Jade Travel Ltd., being an indirect non-wholly owned subsidiary of the Company which was incorporated in Canada (“Jade Travel, Canada”), was granted secured bank loans which carry fixed interest rates and the loans shall be repayable by consecutive monthly instalments. The proceeds of the loans were to finance the acquisition of the properties of Jade Travel, Canada and their renovation costs. As at 30 June 2015, the outstanding bank loans was approximately CAD1.5 million (equivalent to approximately HK\$9.4 million) (31 December 2014: approximately CAD1.5 million (equivalent to approximately HK\$10.3 million)). Besides, as at 30 June 2015, the outstanding secured bank overdraft which carries floating interest rates for Jade Travel, Canada was approximately CAD0.4 million (equivalent to approximately HK\$2.2 million) (31 December 2014: nil).

Financial Review *(Continued)*

Liquidity, Financial Resources and Gearing *(Continued)*

Apart from the aforesaid loans and overdraft, as at 30 June 2015, there were loans from non-controlling shareholders of approximately CAD3.0 million and HK\$7.3 million, totally equivalent to approximately HK\$26.3 million (31 December 2014: approximately CAD1.4 million and HK\$7.3 million, totally equivalent to approximately HK\$16.9 million). The loans were interest-free and unsecured.

As at 30 June 2015, total equity attributable to owners of the Company was approximately HK\$1,075.1 million (31 December 2014: approximately HK\$1,078.2 million). The gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over total equity attributable to owners of the Company, was approximately 1% as at 30 June 2015 (31 December 2014: approximately 1%).

Pledge of Assets

As at 30 June 2015, the Group had secured the following assets:

- (a) the Group pledged the time deposits of approximately CAD2.8 million and HK\$0.5 million, totally equivalent to approximately HK\$18.2 million (31 December 2014: approximately CAD1.3 million and HK\$0.5 million, totally equivalent to approximately HK\$9.4 million) to certain banks for the issuance of a standby letter of credit and overdraft facility of approximately CAD1.5 million and a bank guarantee of approximately MOP0.5 million, totally equivalent to approximately HK\$10.0 million (31 December 2014: a standby letter of credit and overdraft facility of approximately CAD1.5 million and a bank guarantee of approximately MOP0.5 million, totally equivalent to approximately HK\$10.6 million) for the operations of the Group. The pledge of the time deposits of approximately CAD1.3 million (equivalent to approximately HK\$8.3 million) was released in July 2015;
- (b) World Fortune Limited (“World Fortune”, an indirect wholly-owned subsidiary of the Company) pledged all (31 December 2014: all) of its shares in Pier 16 – Property Development Limited (“Pier 16 – Property Development”, an associate of the Group) to a bank, for and on behalf of the syndicate of lenders, in respect of the syndicated loan facilities of HK\$1,900 million and RMB400 million granted to Pier 16 – Property Development (the “Syndicated Loan Facilities”); and

Financial Review *(Continued)*

Pledge of Assets *(Continued)*

- (c) the Group's self-occupied properties with carrying amount of approximately CAD2.3 million (equivalent to approximately HK\$14.6 million) (31 December 2014: approximately CAD2.3 million (equivalent to approximately HK\$15.8 million)), together with a time deposit of approximately CAD0.2 million (equivalent to approximately HK\$1.0 million) (31 December 2014: approximately CAD0.2 million (equivalent to approximately HK\$1.0 million)) were pledged to a bank to secure bank loans to Jade Travel, Canada.

Contingent Liabilities

The Company gave a corporate guarantee (the "Guarantee") to a bank in respect of the Syndicated Loan Facilities in 2012. The maximum guarantee amount borne by the Company under the Guarantee was HK\$1,176 million.

The outstanding loan under the Syndicated Loan Facilities as at 30 June 2015 was approximately HK\$422.7 million (31 December 2014: approximately HK\$564.8 million).

Human Resources

As at 30 June 2015, the Group had a total of 201 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

The increasing competition and market changes will remain influential in the operating environment and the Group's performance in the second half of 2015. During this challenging period, the Group strives to enhance its product and service qualities and strengthen its diversified business platforms, adhering to build a sustainable business model.



Prospects *(Continued)*

At the beginning of the second half in 2015, the Group started to see signs of stabilisation in the gaming business in Macau after prolonged downturn. With China's supportive policies on Macau's industry fundamentals, the Group believes that the structural changes towards mass market gaming industry and the change in the composition of tourists will sustain in a longer term. Ponte 16 will continue to implement effective strategies to capture such market trend, including the introduction of live multi game terminals to provide new gaming excitement to players, and an indoor Taiwanese food hall to further enrich travellers' culinary experience during their stay in Macau.

Having recognised the gradual economic recovery and the increasing demand for leisure travel in the North America, the Group will continue to leverage on its well-connected network and experience in high-end MICE and FIT segments to explore the business potential in expansion of retail market. With an existing network of global customers, the Group plans to restructure the current outlets to gain more market exposure on the retail segment and utilises every cross-selling opportunity with Ponte 16 to establish synergies between its travel business and flagship investment project.

The Group sees the determination of China to regulate and professionalise the lottery industry in China, and also understands the Notice will bring short-term negative impact on its lottery business. It is believed that through building a more transparent operating mechanism, the lottery industry will resume its enormous growth potential in a sustainable manner.

Looking ahead, the Group remains prudent in the formulation and implementation of corporate strategies, and believes that such strategic initiatives will stand the Group in good stead during the cycle and will lead it to a stronger foothold in the gaming, entertainment and tourist-related industries in the Asia-Pacific region.

DISCLOSURE OF INTERESTS

Directors' and Chief Executive's Interests in Securities

As at 30 June 2015, 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (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 Hoi Sing, Sonny (<i>Note</i>)	Long position	Corporate interest	2,466,557,462	50.07

Note: Mr. Yeung Hoi Sing, Sonny, an executive Director and the Chairman of the Company, had a corporate interest in 2,466,557,462 Shares by virtue of the interest of the Shares held by Silver Rich Macau Development Limited, which was wholly-owned by Mr. Yeung Hoi Sing, Sonny.

Save as disclosed above, as at 30 June 2015, 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

Pursuant to the share option scheme adopted by the shareholders of the Company on 5 June 2014 (the "Share Option Scheme"), the Board may at a consideration of HK\$1 offer to grant options to selected eligible persons to subscribe for Shares as incentives or rewards for their contribution to the Group or any entity in which any member of the Group holds any equity interest and any subsidiary of such entity. The exercise price in respect of any option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of offer of the option, which must be a business day; (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date on which the option is offered; and (iii) the nominal value of a Share.

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

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

No share options had been granted under the Share Option Scheme since its adoption and up to 30 June 2015.

At no time during the period 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 30 June 2015, 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	2,466,557,462	50.07
Ms. Liu Siu Lam, Marian <i>(Note)</i>	Long position	Interest of spouse	2,466,557,462	50.07
Maruhan Corporation	Long position	Beneficial owner	956,633,525	19.42

Note: Ms. Liu Siu Lam, Marian, being the spouse of Mr. Yeung Hoi Sing, Sonny, was deemed to be interested in 2,466,557,462 Shares in which Mr. Yeung Hoi Sing, Sonny had a corporate interest.

Save as disclosed above, as at 30 June 2015, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES

Based on the disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules, the financial assistance, which was made by the Group by way of the shareholder's loans provided by World Fortune and the Guarantee given by the Company in respect of the payment obligation of Pier 16 – Property Development under the Syndicated Loan Facilities (the "Financial Assistance"), continued to exist as at 30 June 2015. Pier 16 – Property Development is principally engaged in the investment, development and, through its subsidiaries, operating Ponte 16, a world-class integrated casino-entertainment resort located in Macau. The Financial Assistance is mainly used for the development and operations of Ponte 16.

The amounts of the Financial Assistance as at 30 June 2015 were set out below:

Name of associate	Shareholder's loans HK\$ million	Corporate guarantee HK\$ million	Aggregate financial assistance HK\$ million
Pier 16 – Property Development	758	1,176	1,934

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

Further details are set out in notes 13 and 25 to the condensed consolidated financial statements.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES *(CONTINUED)*

Set out below is a consolidated balance sheet of Pier 16 – Property Development and the Group’s attributable interests in this associate according to its management account for the period ended 30 June 2015:

	Consolidated balance sheet HK\$’000	Group’s attributable interests HK\$’000
Non-current assets	1,735,238	850,267
Current assets	512,045	250,902
Current liabilities	(317,745)	(155,695)
Non-current liabilities	(2,267,071)	(1,110,865)

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

During the six months ended 30 June 2015, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2015.

CODES FOR SECURITIES TRANSACTIONS BY DIRECTORS

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 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 six months ended 30 June 2015.

INFORMATION IN RESPECT OF DIRECTORS

Ms. Yeung Mo Sheung, Ann, an independent non-executive Director, resigned as an independent non-executive director of Dejin Resources Group Company Limited, a company whose issued shares are listed on the Main Board of the Stock Exchange, with effect from 12 August 2015.

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

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) comprises the non-executive Director, Mr. Choi Kin Pui, Russelle, and the three independent non-executive Directors, Ms. Yeung Mo Sheung, Ann, Mr. Chin Wing Lok, Ambrose and Mr. Chong Ming Yu, with terms of reference prepared in accordance with the requirements of the Listing Rules. The Audit Committee is chaired by Mr. Chin Wing Lok, Ambrose 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 effectiveness of the internal control system of the Group, overseeing the relationship with the external auditors of the Company as well as ensuring maintenance of good corporate governance standard and procedures by the Company.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 30 June 2015 have been reviewed by the Audit Committee 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
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 28 August 2015