MACAU SUCCESS LIMITED
澳門實德有限公司*

(Incorporated in Bermuda with limited liability)
（於百慕達註冊成立之有限公司）

Stock Code 股份代號：00487

ANNUAL REPORT 年報 2008

(1 October 2007 to 31 December 2008)
(二零零七年十月一日至
二零零八年十二月三十一日)

* For identification purpose only 僅供識別

Contents

Our Vision

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

Corporate Information

DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes

FINANCIAL CONTROLLER

Mr. Wong Chi Keung, Alvin

AUTHORISED REPRESENTATIVES

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

EXECUTIVE COMMITTEE

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

AUDITORS

CCIF CPA Limited

LEGAL ADVISORS ON HONG KONG LAW

Iu, Lai & Li

LEGAL ADVISORS ON BERMUDA LAW

Conyers Dill & Pearman

PRINCIPAL BANKERS

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN BERMUDA

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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

SHARE LISTING

The Stock Exchange of Hong Kong Limited
Stock Code: 00487

WEBSITE

www.macausuccess.com

Financial Highlights

	Fifteen months ended 31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000	2006 HK$'000
Result			
Turnover			
Cruise leasing and management	**118,000**	95,901	95,717
Travel	**509,254**	7,853	7,813
	627,254	103,754	103,530
(Loss)/profit from operations	**(67,592)**	34,069	48,917
(Loss)/profit attributable to equity shareholders of the Company	**(238,304)**	2,314	28,380
Balance sheet			
Total assets	**1,418,947**	1,197,379	978,395
Total liabilities	**487,788**	170,466	11,475
Net assets	**931,159**	1,026,913	966,920

Group Structure

Macau Success Limited

**Hong Kong Listed Company with a focus on
Gaming, Entertainment and Tourist-Related Businesses**

TRAVEL BUSINESS

Travel Success Limited
Travel Success (Macau) Limited
Jade Travel Group
(Canada & New York)

CRUISE BUSINESS

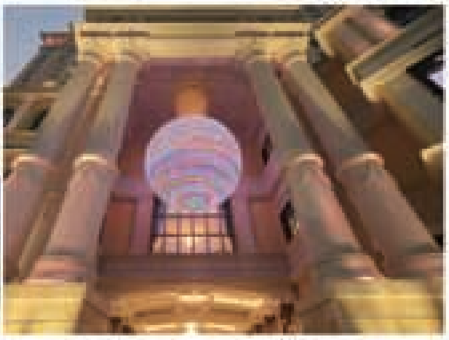
M.V. Macau Success

OTHER INVESTMENT PROJECT

Ponte 16
Integrated Casino-resort

Chairman's Statement

The Group achieved a number of milestones during the period under review; our three-pronged strategy had brought us closer to becoming a major player in the gaming, entertainment and tourist-related industries in the Asia-Pacific region.



Chairman's Statement

To Our Shareholders:

On behalf of the board of directors (the "Board" or "Directors") of Macau Success Limited ("Macau Success" or the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the fifteen months ended 31 December 2008.

2008 was a year of progress for the Group. Despite the global financial crisis and concerns over the economic downturn in Asia had posed challenges to the gaming industry in Macau, the Group continued to adopt its three-pronged strategy based on travel, cruise, gaming and entertainment-related businesses and achieved a number of major milestones during the period under review.

Our flagship project, Ponte 16, a world-class integrated casino-entertainment resort, officially launched its casino operation in February 2008, followed by the opening of Sofitel Macau At Ponte 16 and the high-limit betting area in August and September respectively in the same year. As the only integrated casino-entertainment resort featuring historical and cultural elements in the Inner Harbour of Macau, Ponte 16 has been well-received by tourists from all over the world with an improving performance since its opening.

During the period, the Group took on new initiatives to build a stronger platform for creating synergies among the Group's core businesses. In July 2008, the Group further strengthened the international network of its travel business by acquiring 80% equity interest in certain companies in Canada and the United States of America ("US") which conduct the business of air travel consolidator, travel agent, tour provider and provider of related services in Canada and US (the "Jade Travel Group") with extensive office network in Canada and US. While we have already established presence in the travel industry in Asia, the acquisition of the Jade Travel Group enables our business to extend its reach to North America. Such acquisition not only has enhanced our travel business platform, it also facilitates cross-selling with Ponte 16, thereby broadening the customer base of the integrated casino-entertainment resort.

In August 2008, the Group established a strategic partnership with SBI Macau Holdings Limited ("SBI Macau"), a wholly-owned subsidiary of SBI Holdings, Inc. ("SBI Holdings"), one of the largest venture capital firms and the largest online securities company in Japan through its subsidiaries. That is the latest strategic alliance the Company has formed after that with Maruhan Corporation ("Maruhan") in 2007. These alliances have effectively created a strong regional business network for the Group's future growth in the gaming, entertainment and tourist-related businesses in the Asia-Pacific region.

The Group's next step would be to leverage on its extensive experience and the connection of its Japanese partners to extend its footprint in Japan and Taiwan's travel and gaming markets.

In line with the Macau government's plan to preserve and revitalise the neighbourhood of Ponte 16, the Group will continue to actively participate in initiatives that transform the Inner Harbour into a tourist attraction, and to launch a wide range of events at Ponte 16 in tandem with different festivals to make Ponte 16 a landmark for people to gather during festive occasions.

Chairman's Statement

OPERATIONAL HIGHLIGHTS FOR THE PERIOD UNDER REVIEW

Travel Business

With the acquisition of the Jade Travel Group in July 2008, the Group now has travel network that spans across Asia and North America. The Jade Travel Group conducts the business of air travel consolidator, travel agent, tour provider and provider of related services with extensive office network in Canada and US. The Jade Travel Group is expected to bring synergetic benefits to the Ponte 16 project and our cruise business.

Cruise Business

The leasing and management of the Group's cruise ship, M.V. Macau Success will continue to play a role in developing our gaming, entertainment and tourist-related businesses of the Group.

Investment Project – Ponte 16

As the only world-class integrated casino-entertainment resort situated in Macau's Inner Harbour, part of "The Historic Center of Macao" which is a designated UNESCO World Heritage Site, Ponte 16 enjoys a unique positioning relative to other casinos in the enclave.

Despite the volatile economic environment, the efforts we have put in to building a stronger and more integrated business platform have begun to pay off. Sofitel Macau At Ponte 16 has recorded continued growth in occupancy rates since its opening in August 2008. We also see a diversifying customer mix and an increasing number of visitors from overseas.

OUTLOOK

For Macau, 2008 was a year of mix blessings. In the face of volatile business environment, Macau continued to demonstrate resilience. The statistics from the Statistics and Census Service of the Macau government show that the gross gaming revenue of Macau grew by approximately 30% from 2007 to reach MOP 109.8 billion in 2008. Thanks to the Macau government's effort in promoting tourism, Macau also recorded an approximately 11.8% growth in the number of visitor arrivals in 2008 compared to the previous year, and at the same time, successfully diversified its source market with the number of visitors from Southeast Asian countries increasing significantly during the past year, offsetting part of the effect brought by the tightening of Individual Visit Scheme (IVS).

The Group remains cautiously optimistic about the future of Macau's gaming industry. Macau is the only Chinese city that permits casino gaming, and its central location in Asia makes it a convenient destination for visitors from countries in the region. The Group believes Macau will maintain its position as the leading leisure and gaming destination in Asia.

With the construction works of the Hong Kong-Zhuhai-Macau Bridge expected to commence in late 2009, the bridge is expected to boost traffic between Hong Kong, Macau and Zhuhai and improve tourism among the cities upon its completion. In addition to the "Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020)" promulgated in January 2009 by the Central People's Government of the People's Republic of China, the governments of Hong Kong, Guangdong and Macau in February 2009 had proposed to expand Shenzhen's IVS to the entire Guangdong province. Such initiatives are expected to facilitate Macau's closer co-operation with Hong Kong and Guangdong province and promote Macau's economy.

Looking ahead, the Group will continue to adopt its three-pronged strategy in travel, cruise, gaming and entertainment businesses and explore opportunities not only in Macau but also beyond the enclave to the Asia-Pacific region to fuel its growth. Ponte 16 has unique competitive advantages such as its partnership with Sociedade de Jogos de Macau, S.A., our extensive management experience in casinos and VIP halls, its central location in Macau's historical district, and its world-class architectural design with a unique European theme; while the travel business enjoys a network that spans across Asia and North America. Together, the gaming and travel businesses are expected to drive the Group's future revenue growth, while the cruise business will continue to contribute stable revenue.

The Group believes the future holds considerable opportunities. The execution of our three-pronged business strategy has brought us closer to our goal of becoming a major player in the gaming, entertainment and tourist-related industries in the Asia-Pacific region. Our strong platform has prepared us to seize further opportunities and to face challenges ahead. We will continue to leverage on strengths to deliver valuable returns to our shareholders.

APPRECIATION

Last but not least, I would like to extend my sincere gratitude to our employees for their dedication and hard work. I would also like to thank our customers, shareholders and business partners for their strenuous support.

Yeung Hoi Sing, Sonny
Chairman

Hong Kong
16 April 2009

Business Highlights

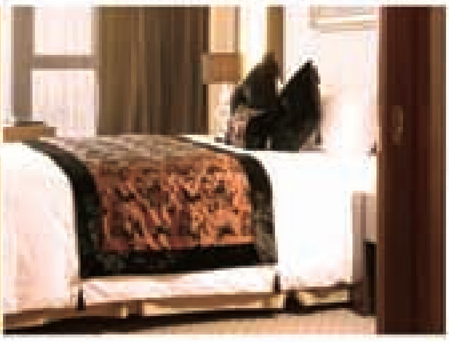
- Commenced the operations of the casino of Ponte 16 and its hotel Sofitel Macau At Ponte 16.
- Recruited Maruhan a leading player in the pachinko industry in Japan, as a shareholder of Macau Success and a strategic partner in Ponte 16.
- Formed strategic partnership with SBI Macau, a wholly-owned subsidiary of SBI Holdings and entered into a letter of intent with SBI Holdings in relation to any future investment or carrying on of any casino and related entertainment, resort business and real estate business in Japan.
- Acquisition of the entire issued share capital of Smart Class Enterprises Limited ("Smart Class"), being a company indirectly owns 80% equity interest in certain companies in Canada and US, which conduct the business of air travel consolidator, travel agent, tour provider and provider of related services, with extensive office network in Canada and US.



Management Discussion And Analysis

The year 2008 marks a number of milestones for the Group as it continued to deliver results on its three-pronged strategy by leveraging on synergies among its core businesses: travel, cruise, gaming and entertainment.





Management Discussion and Analysis

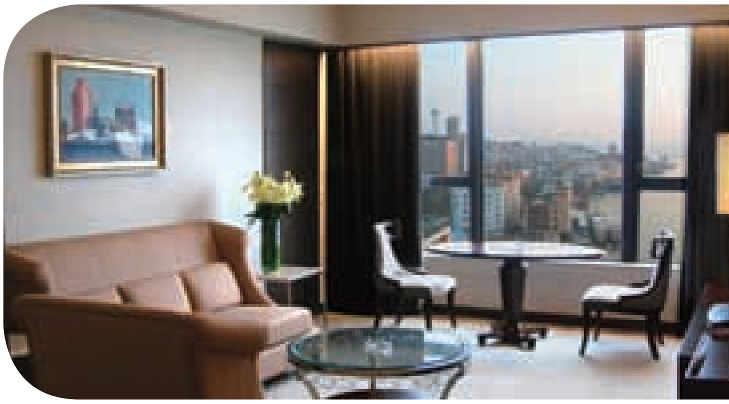
The year 2008 marks a number of milestones for Macau Success Limited ("Macau Success" or the "Company") and its subsidiaries (collectively the "Group") as the Group continued to deliver results on its three-pronged strategy by leveraging on synergies among its core businesses: travel, cruise, gaming and entertainment. The Group officially commenced the casino operations and the hotel operations of its flagship investment project Ponte 16 in February 2008 and August 2008 respectively. The Group also embarked on a number of strategic initiatives and successfully paved the way for future growth.

During the reporting period, the Board resolved to change the financial year end date of the Company from 30 September to 31 December in order to enable the Group, as well as the associates of the Company relating to the Group's flagship investment project, Ponte 16 (the "Associates") to have a coterminous year end date. Accordingly, the financial period under review covered the fifteen months from 1 October 2007 to 31 December 2008, which may not be comparable with the results of the Group for the twelve months ended 30 September 2007 (the "last corresponding year").

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included in this annual report.

RESULTS

For the fifteen months ended 31 December 2008, the turnover of the Group was approximately HK$627.3 million, compared to the last corresponding year of approximately HK$103.8 million. Gross profit was approximately HK$134.6 million (2007: approximately HK$95.7 million). Loss attributable to equity shareholders of the Company amounted to approximately HK$238.3 million, compared to a profit attributable to equity shareholders of the Company of approximately HK$2.3 million in the last corresponding year. Loss per share for the reporting period was 9.87 HK cents (earnings per share in 2007: 0.11 HK cents).



The substantial increase in turnover of the Group for the period under review was mainly attributable to the contribution from the Jade Travel Group (as defined below under sub-section headed "Travel Business") in which 80% equity interest was acquired by the Group in July 2008.

The loss incurred during the period under review was mainly attributable to loss incurred by the cruise business which has been adversely affected by high fuel oil and operating costs and impairment of other receivables, as well as the loss shared by the Group from the Associates. The loss shared by the Group from the Associates for the period under review amounted to approximately HK$170.3 million (2007: approximately HK$15.5 million), which was mainly attributable to the depreciation charges and high operating costs in the initial stage of operation of the business of Ponte 16. The Company issued a profit warning announcement on 20 February 2009 to convey these messages to its shareholders and potential investors.

On 29 October 2007, the Company through its wholly-owned subsidiary, Golden Sun Profits Limited ("Golden Sun"), disposed to Maruhan Corporation ("Maruhan") of 10.2% of the entire issued share capital of, and related shareholder's loan to, World Fortune Limited ("World Fortune") for a consideration of approximately HK$208.5 million. World Fortune mainly owns a 49% equity interest in Pier 16 – Property Development Limited ("Pier 16 – Property Development").

Management Discussion and Analysis

In connection with preparing the unaudited interim results for the six months ended 31 March 2008 and the twelve months ended 30 September 2008, the Directors referred to the valuation report issued for the put option, valued at HK$198,000, the option of which was granted to Maruhan at the date of completion of the disposal on 29 October 2007. The Directors considered that the fair value of the put option to be nominal and therefore made a critical accounting judgement that substantially all the risks and rewards of ownership of the 10.2% equity interest in World Fortune had been transferred to Maruhan. Accordingly, the Group recognized a gain of HK$116,992,000 on partial disposal of World Fortune for the six months ended 31 March 2008 and the twelve months ended 30 September 2008.

However, in connection with preparing the financial statements for the period ended 31 December 2008, the directors took into consideration the state of economy which was highly volatile. The updated valuation for the put option on completion date was HK$3,599,000 and was used by the auditors of the Company for audit purpose. The updated valuation and the volatile economy point to the possibility of Maruhan exercising the put option to be not remote.

In view of the above matters, the Directors therefore made a critical accounting judgement that all the risks and rewards of ownership of the 10.2% equity interest in World Fortune had not been substantially transferred to Maruhan. Accordingly, the Group retains substantially all the risks and rewards of ownership of the 10.2% equity interest in World Fortune and therefore accounts for World Fortune as a wholly-owned subsidiary of the Group. Accordingly, the consideration received has been recognised as liabilities and classified under long-term payables in the consolidated balance sheet.

DIVIDENDS

No interim dividend was paid during the period under review (2007: Nil). The Directors do not recommend any payment of a final dividend for the fifteen months ended 31 December 2008 (2007: Nil).


PONTE 16
RESORT · MACAU

Management Discussion and Analysis
Travel Business

The Group's travel business spans across Asia and North America, building a stronger platform to create synergies among the Group's core businesses.



Management Discussion and Analysis
Travel Business

The Group's travel business spans across Asia and North America. In addition to Travel Success Limited and Travel Success (Macau) Limited which Macau Success owns and operates in Hong Kong and Macau respectively, the Group also owns 80% of the equity interest in certain companies in Canada and the United States of America ("US") which conduct the business of air travel consolidator, travel agent, tour provider and provider of related services in Canada and US (the "Jade Travel Group") following the completion of the acquisition of the Jade Travel Group in July 2008. With an extensive office network in Vancouver, Calgary, Toronto, Montreal in Canada and also New York in US, the Jade Travel Group offers sophisticated travel plans and tailor-made inbound and outbound tour packages to customers. Through these companies, the Group is able to provide one-stop travel services to local and multinational corporations and up-market leisure travelers.

REVIEW OF OPERATIONS

The Group's travel business became the major contributor to the Group's total turnover during the period under review, accounting for 81.2%, or approximately HK$509.3 million, of the Group's total turnover. That represents a surge of approximately HK$501.4 million, or 6,384.8% over the last corresponding year. Segment profit from travel business was approximately HK$2.7 million (2007: loss of approximately HK$0.5 million).

The tremendous growth in turnover for the period under review was mainly attributable to the contribution from the Jade Travel Group, in which 80% equity interest was acquired by the Group in July 2008.

In line with the Group's strategy to build a stronger platform to create synergies among the Group's core businesses, the Group acquired the Jade Travel Group through its acquisition of the entire issued share capital of Smart Class Enterprises Limited ("Smart Class"), which owns as to 80% equity interest in the Jade Travel Group, a major air travel consolidator, travel agent, tour provider and provider of related services with extensive office network in Canada and US. The acquisition of the Jade Travel Group not only has enhanced the Group's travel business platform with inbound and outbound tours to and from North America, but also facilitates cross-selling with Ponte 16, thereby broadening the customer base of the integrated casino-entertainment resort and the Group's cruise ship, M.V. Macau Success.

The Group has a very clear focus on providing high-end customers with a wide range of one-stop travel services. Moreover, the travel agencies provide the Group a platform to promote and offer exclusive packages on Ponte 16 and the cruise trips. Going forward, the Group will heighten its effort in tour packages promotions for growth potential.

Management Discussion and Analysis

Cruise Business

Macau Success engages in the cruise business through leasing and management of the Group's cruise ship, M.V. Macau Success. During the reporting period, the cruise business continued to contribute stable turnover to the Group.



Management Discussion and Analysis
Cruise Business

Macau Success engages in the cruise business through leasing and management of the Group's cruise ship, M.V. Macau Success, a luxury cruise ship with world-class casino and various entertainment facilities. The cruise has 230 passenger rooms and can accommodate as many as 512 passengers. The cruise ship operates on a daily basis from Hong Kong to international waters.

REVIEW OF OPERATIONS

During the reporting period, the cruise business continued to contribute stable turnover to the Group. For the fifteen months ended 31 December 2008, turnover from the cruise business amounted to approximately HK$118.0 million (2007: approximately HK$95.9 million), accounting for 18.8% of the Group's total turnover. Segment loss from the cruise business was approximately HK$1.7 million (2007: profit of approximately HK$32.0 million), which was mainly due to the increase in fuel oil and operating costs and impairment of other receivables during the period under review.

Management Discussion and Analysis

Investment Project – Ponte 16

The casino operation of Ponte 16 officially commenced in February 2008. Its five-star hotel Sofitel Macau At Ponte 16 and the high-limit betting area also opened in August and September in the same year respectively.

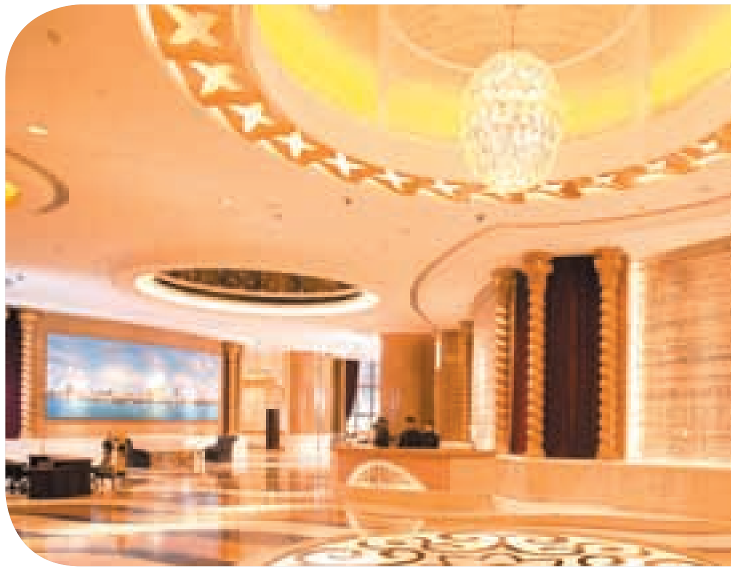
Management Discussion and Analysis
Investment Project – Ponte 16

Ponte 16 is a world-class integrated casino-entertainment resort located in the Inner Harbour of Macau, comprising a five-star luxury hotel – Sofitel Macau At Ponte 16, a casino, a shopping arcade, and food and beverage facilities. Featuring a unique European theme infused with Chinese elements, Ponte 16 situates on the original location of Pier 16, which has been in operation since the early 20th century and is now one of Macau's historical landmarks. Ponte 16 is the only resort situated in Macau's Inner Habour just across a five-minute ferry ride to Wanzai, Zhuhai and with close proximity to Gongbei bridge border crossing, making it conveniently accessible to tourists.

As the Group's flagship project, Ponte 16 achieved a number of milestones during the period under review. The casino operation of Ponte 16 officially commenced in February 2008. Its five-star hotel Sofitel Macau At Ponte 16 and the high-limit betting area also opened in August and September in the same year respectively. As the only integrated casino-entertainment resort featuring historical and cultural elements in the Inner Harbour of Macau, Ponte 16 has been well-received by tourists from all over the world.

REVIEW OF OPERATIONS

As at 31 December 2008, the casino had 97 gaming tables, eight of which were high-roller tables, plus 278 slot machines. During the period under review, the average number of visitors per day since the opening of Ponte 16 was around 10,000 with the highest number of visitors recorded in one single day amounted to 30,000 during the Chinese New Year period in 2008. Average daily mass drop during the period under review was approximately HK$13 million. With the opening of the VIP hall of the casino and the VIP mansion The Mansion At Sofitel at Sofitel Macau At Ponte 16 in the second half of 2009, management of the Company (the "Management") expects the performance of the casino to be improved further.



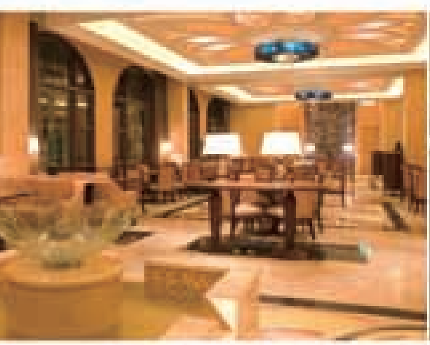
Managed by the world-renowned hotel management group, the Accor Group, Sofitel Macau At Ponte 16 has 408 guest rooms, including 363 guest rooms, 26 suites and an exclusive block of The Mansion at Sofitel with 19 units. Since its opening, Sofitel Macau At Ponte 16 has attracted high-end guests with its top-class services and high-end hotel facilities, with a steady growth in its occupancy rate. The Management expects occupancy rate to be improved further with the opening of more new amenities in the future.

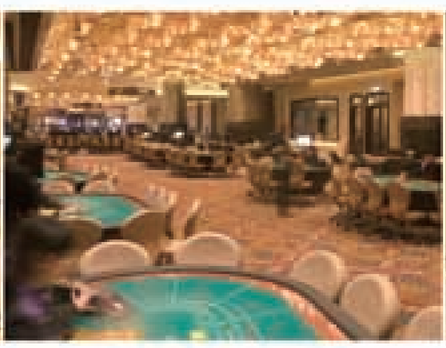
To tie-in the launch of Ponte 16, considerable effort had been put in marketing and promotion. Coupled with higher operating costs incurred in the initial stage of operation and depreciation charges, the loss incurred by Ponte 16 shared by the Group during the period under review amounted to approximately HK$170.3 million. The six-month delay in obtaining the hotel license for Sofitel Macau At Ponte 16 also had a negative impact on Ponte 16's profitability during the reporting period. Nonetheless, the Management believes the unique attractions of Ponte 16 and the marketing efforts of both Ponte 16 and the Accor Group would stand Ponte 16 in good stead for growth and become the Group's primary growth driver in the foreseeable future.

Management Discussion and Analysis

Others

During the period under review, the Group had made several strategic moves to build a stronger business platform for its future development.





Management Discussion and Analysis
Others

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 31 December 2008, the Group had net current assets of approximately HK$56.4 million (30 September 2007: approximately HK$101.2 million) and had net assets of approximately HK$931.2 million (30 September 2007: approximately HK$1,026.9 million).

As at 31 December 2008, the Group did not have any interest-bearing bank borrowings and financial lease obligations (30 September 2007: Nil). As at 31 December 2008, the Group had interest-bearing loan from a related company of approximately HK$17.6 million (30 September 2007: Nil). The loan is unsecured and charged with interest at the rate of 4% per annum on the principal amount and have no fixed terms of repayment.

As at 31 December 2008, there were loans from minority shareholders of approximately HK$8.7 million (30 September 2007: Nil) and other loan payable of approximately HK$159.2 million (30 September 2007: Nil). The loans are interest-free, unsecured and will not be repaid within the next twelve months.

Equity attributable to equity shareholders of the Company as at 31 December 2008 was approximately HK$884.8 million (30 September 2007: approximately HK$976.9 million).

Accordingly, the gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over equity attributable to equity shareholders of the Company, was 1.99% as at 31 December 2008 (30 September 2007: Nil).

Pledge of Assets

As at 31 December 2008, the Group pledged the time deposits of approximately HK$6.8 million (30 September 2007: approximately HK$0.8 million) to certain banks for issuance of several bank guarantees of approximately HK$8.4 million (30 September 2007: approximately HK$0.8 million) for operation of the Group.

As at 31 December 2008, the Company pledged the time deposits of CAD0.9 million (equivalent to approximately HK$6.0 million) (30 September 2007: Nil) to a bank for issuance of a standby letter of credit facility of up to CAD1.2 million (equivalent to approximately HK$7.7 million) (30 September 2007: Nil) for operation of Jade Travel Ltd. (Canada).

As at 31 December 2008, World Fortune pledged all (30 September 2007: 100%) of its shares in Pier 16 – Property Development to a bank, for and on behalf of the syndicate of lenders, in respect of the syndicated loan facilities granted to Pier 16 – Property Development.

Contingent Liabilities

As at 31 December 2008, the Group gave the following undertaking:

Syndicated loan facilities granted to an associate held by a subsidiary of the Company was HK$1,600 million (30 September 2007: HK$1,600 million). The maximum guarantee amount borne by the Company was HK$860 million (30 September 2007: HK$860 million). The total loan outstanding for the syndicated loan facilities of the associate at the balance sheet date was HK$1,260 million (30 September 2007: HK$1,010 million).

As at 31 December 2008, the Company issued a guarantee of HK$7,749,000 in favor of a bank for banking facilities of HK$7,749,000 granted to a subsidiary. The maximum guarantee amount borne by the Company was HK$7,749,000. The directors do not consider it probable that a claim will be made against the Company.

Human Resources

As at 31 December 2008, the Group had a total of 440 employees. Remuneration is determined on the basis of qualification, experience, responsibility and performance.

Management Discussion and Analysis
Others (Continued)

Apart from the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options might also be granted to eligible employees of the Group as a long-term incentive.

CORPORATE INITIATIVES

During the period under review, the Group had made several strategic moves to build a stronger business platform for its future development.

Partnership with Maruhan

On 29 October 2007, the Company through its wholly-owned subsidiary, Golden Sun, disposed to Maruhan of 10.2% of the entire issued share capital of, and related shareholder's loan to, World Fortune for a consideration of approximately HK$208.5 million. World Fortune mainly owns a 49% equity interest in Pier 16 – Property Development.

Yet, after taking into consideration the state of economy which is highly volatile, the updated valuation of the put option on completion date was HK$3,599,000 and was used by the auditors of the Company for audit purpose, this indicates the possibility of Maruhan exercising the put option is not remote. Therefore, the above transaction, together with the option granted, does not constitute a disposal as the Group still retains substantially all the risks and rewards of ownership of the sale shares after completion of this transaction. Accordingly, the Group shall continue to recognise the 10.2% equity interest in World Fortune after completion of this transaction.

The Company and Maruhan also entered into a subscription agreement in October 2007, pursuant to which Maruhan has subscribed for and the Company has allotted and issued 220 million new shares of the Company at a subscription price of HK$1.062 each. Besides, Maruhan also acquired 220 million shares of the Company from the market in October 2007.

Consequently, Maruhan currently holds approximately 18% interest in the Company and has become a strategic investor of the Company.

Maruhan, a leading Japanese company in the pachinko industry with more than 1 million memberships and extensive business network in Japan, is expected to bring more Japanese and Korean customers to Ponte 16.

Acquisition of the Jade Travel Group

On 31 July 2008, the Company acquired the entire issued share capital of Smart Class for CAD2.9 million (equivalent to approximately HK$22.6 million), which was settled by the allotment and issue of 19.5 million new shares of the Company at an agreed issue price of HK$1.16 per share on the same date pursuant to a conditional sale and purchase agreement dated 5 May 2008. The fair value of the shares allotted on 31 July 2008 was HK$1.12 per share. The principal asset of Smart Class is its 80% equity interest in the Jade Travel Group. Since then, the Company has indirectly held 80% equity interest in the Jade Travel Group.

Management Discussion and Analysis
Others (Continued)

With the extensive office network of the Jade Travel Group in Vancouver, Calgary, Toronto, Montreal in Canada and New York in US, the Group's international network in the travel business has been strengthened substantially, paving the way for the Company to create synergies for other business segments by cross-selling integrated casino-entertainment resort and tour packages.

Partnership with SBI Macau

On 7 July 2008, the Company entered into a letter of intent with SBI Holdings, Inc. ("SBI Holdings") in relation to the future investment or carrying on of any casino and related entertainment and resort business as well as real estate business in Japan.

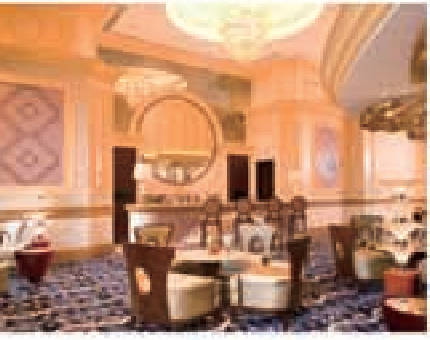
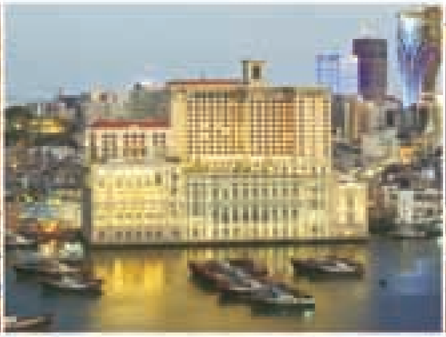
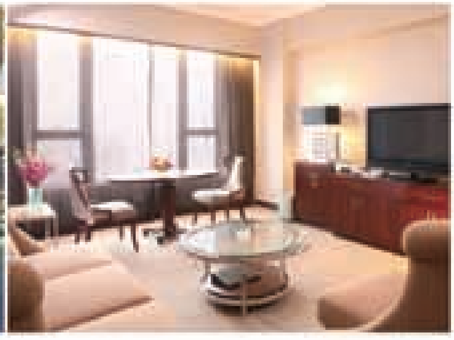
On 8 August 2008, the Company through its wholly-owned subsidiary, Favor Jumbo Limited, sold and assigned to SBI Macau Holdings Limited ("SBI Macau"), a wholly-owned subsidiary of SBI Holdings, 4.55% of the entire issued share capital of, and related shareholder's loan to, Golden Sun for a total consideration of HK$130 million, pursuant to a conditional sale and purchase agreement dated 7 July 2008.

Yet, according to HKAS 39, this transaction, together with the option granted, does not constitute a disposal as the Group still retains substantially all the risks and rewards of ownership of the sale shares after completion of this transaction. Accordingly, the Group shall continue to recognise the 4.55% equity interest in Golden Sun after completion of this transaction.

SBI Holdings and its subsidiaries are principally engaged in asset management, brokerage and investment banking, housing and real estate businesses and the provision of other financial services. The Company will benefit from SBI Macau's extensive experience in asset management and real estate development and SBI Holdings can provide funding and investment recommendations to Ponte 16.

Management Discussion and Analysis
Prospects

The Board is upbeat on the prospects of the Group. With an enhanced and diversified platform, the Group is in a good position to weather the challenges ahead and to seize upcoming opportunities.

Management Discussion and Analysis
Prospects

Looking ahead, despite the uncertain global economic environment, the Group, with its enhanced platform, is prepared to take on challenges and opportunities ahead.

In 2009, the Group will continue to adopt its three-pronged strategy to maximise its growth potential. The Group will focus on developing its travel business into a unique platform to create synergies among the core businesses of the Group. With an extensive network in Canada and US, the Jade Travel Group is expected to bring synergetic benefits to the Ponte 16 project. The next step for the Group would be to leverage on the extensive experience and connection of its Japanese partners to expand the Group's travel and gaming businesses to Japan and Taiwan markets in the future. The expanded travel platform and network can enrich customer mix of Ponte 16.

As Ponte 16 is the flagship project of the Group, Macau Success will take proactive measures to increase traffic to Ponte 16. Maruhan's involvement will induce ample sources of Japanese and Korean visitors and further broaden our customer base. With the construction works of the Hong Kong-Zhuhai-Macau Bridge expected to commence in late 2009 and the tighter collaboration among Hong Kong, Guangdong and Macau governments, such initiatives are expected to boost traffic and tourism in these cities.

Ponte 16 will also benefit from the Macau government's policies and plans to preserve and revitalize the neighborhoods of Ponte 16 which is Macau's historical centre. The Group is also dedicated to promote Ponte 16 as a distinctive landmark for celebration in festive seasons through organizing various events. Amid the challenging operating environment, the Management will strengthen the cost control on the operation of the Ponte 16 project and enhance efficiency to improve operating margins.

Leveraging on the strategic partnerships with Maruhan and SBI Holdings, the Group will further explore gaming and entertainment business opportunities in the Asia-Pacific region. This initiative will accelerate the Group's future growth in the region and bring it closer to its goal of becoming a major player in the gaming, entertainment and tourist-related businesses in the Asia-Pacific region.

The Board is upbeat on the prospects of the Group. The Group will stay on track and continue to execute its three-pronged strategy. Amid the global economy slowdown, the Management would be prudent in the formation and implementation of corporate strategies. With an enhanced and diversified platform which comprises travel, cruise, gaming and entertainment businesses, the Group is in a good position to weather the challenges ahead and to seize upcoming opportunities.

Corporate Governance Report

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

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company ("Director(s)"), the Company has applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the fifteen months ended 31 December 2008.

DIRECTORS' SECURITIES TRANSACTIONS

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

Having made specific enquiry of all Directors, each of whom has confirmed his/her compliance with the required standard set out in the Code of Conduct and the Model Code throughout the fifteen months ended 31 December 2008.

BOARD OF DIRECTORS

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

The Board currently consists of six members, including two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Mr. Ma Ho Man, Hoffman (Deputy Chairman); a non-executive Director, namely Mr. Choi Kin Pui, Russelle (the "NED"); and three independent non-executive Directors, namely Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann ("INEDs"). The Directors' biographical information is set out on pages 41 and 42 under the heading "Biographical Details of Directors and Senior Management".

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

Corporate Governance Report

During the period under review, Mr. Lee Siu Cheung, a former executive Director and Deputy Chairman performed, in addition to Mr. Ma Ho Man, Hoffman, the function of the chief executive officer before his resignation on 1 June 2008.

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

The Board includes three INEDs and one of them, Mr. Yim Kai Pung, is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom. He has over 18 years of experience in auditing, taxation and provision of finance consultancy services for companies in Hong Kong and the People's Republic of China.

The Company has received from each of the INEDs an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules and considers all of the INEDs to be independent.

During the period under review, the NED and all INEDs have entered into service contracts with the Company for a term of one year. None of the NED and INEDs has entered into any service contracts with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. In March 2009, the NED and all INEDs have entered into new service contracts with the Company for a term of period from 30 March 2009 to 31 December 2009, and each of the NED and INEDs is entitled to a director's fee of approximately HK$79,685 (being the proportional amount of the annual director's fee determined by the Board, i.e. HK$105,000) for the period of appointment under the new service contract.

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

The Board meets regularly throughout the fifteen months period ended 31 December 2008 as and when required. Notices of at least 14 days are given to all Directors for all regular Board meetings. The company secretary of the Company assists the Chairman in preparing the agenda for the meetings and all Directors are consulted to include any matters in the agenda. Agenda and accompanying board papers are given to all Directors in a timely manner and at least 3 days before the appointed date of meeting.

Corporate Governance Report

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

Directors	Number of Board meetings attended/held
Executive Directors	
Mr. Yeung Hoi Sing, Sonny *(Chairman)*	7/9
Mr. Lee Siu Cheung *(Deputy Chairman)* *(resigned with effect from 1 June 2008)*	4/4
Mr. Ma Ho Man, Hoffman *(Deputy Chairman)*	9/9
Non-executive Director	
Mr. Choi Kin Pui, Russelle	9/9
Independent non-executive Directors	
Mr. Luk Ka Yee, Patrick	8/9
Mr. Yim Kai Pung	9/9
Ms. Yeung Mo Sheung, Ann	9/9

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

DELEGATION BY THE BOARD

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

AUDIT COMMITTEE

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

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

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

Audit Committee members	**Number of Audit Committee meetings attended/held**
Mr. Yim Kai Pung *(Chairman of the Audit Committee)*	5/5
Mr. Choi Kin Pui, Russelle	5/5
Mr. Luk Ka Yee, Patrick	4/5
Ms. Yeung Mo Sheung, Ann	5/5

During the period under review, the Audit Committee had considered, reviewed and/or discussed (1) the auditing and financial reporting matters; (2) the appointment of external auditors including the terms of engagement; (3) the annual and interim results; (4) the effectiveness of the internal control system of the Group; (5) the change of financial year end date of the Company; and (6) the financial performance of the Group as well as its associates. Each member of the Audit Committee has unrestricted access to the external auditors and all senior staff of the Group.

REMUNERATION COMMITTEE

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

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

Corporate Governance Report

During the period under review, one Remuneration Committee meeting was held and several resolutions in writing were passed by all members of the Remuneration Committee for, inter alia, reviewing the remuneration policy and structure for all Directors and the Senior Management, and reviewing and/or determining remuneration packages of certain executive Directors and the Senior Management respectively. Details of attendance of the Remuneration Committee members at the said Remuneration Committee meeting are set out below:

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

EXECUTIVE COMMITTEE

The Executive Committee was established by the Board with specific written terms of reference in November 2006. It currently consists of all executive Directors, namely Mr. Yeung Hoi Sing, Sonny and Mr. Ma Ho Man, Hoffman with Mr. Yeung Hoi Sing, Sonny acts as the chairman of the Executive Committee. The Executive Committee is responsible for reviewing and approving, inter alia, any matters concerning the day-to-day management, business and operation affairs of the Company, and any matters to be delegated to it by the Board from time to time.

NOMINATION OF DIRECTORS

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

During the period under review, no new member was appointed to the Board. The Board has recommended the re-appointment of the Directors standing for re-election at the annual general meeting of the Company held on 28 February 2008 ("2008 Annual General Meeting"), and has also considered the appointment of Mr. Ma Ho Man, Hoffman as the Deputy Chairman in replacement of Mr. Lee Siu Cheung.

Corporate Governance Report

INTERNAL CONTROLS

The Board is responsible for ensuring that the Group maintains sound and effective internal control system so as to safeguard the investment of the Company's shareholders and the assets of the Group. The Company has annually engaged an independent professional firm ("Independent Professional Firm") to review the internal control system of the Group which cover all material controls, including financial, operational and compliance controls as well as risk management functions. During the period under review, an Independent Professional Firm has conducted a review of the internal control system of the Group for the year ended 30 September 2007 and the relevant review report has been considered by the Audit Committee for conducting its review on the effectiveness of the said internal control system. The Board, through the reviews made by the Independent Professional Firm and the Audit Committee, has assessed the effectiveness of the Group's internal control system and considered that the Group's internal control system for the year ended 30 September 2007 has been implemented effectively.

A review of the effectiveness of the internal control system of the Group for the fifteen months ended 31 December 2008 was conducted by the Independent Professional Firm and the Audit Committee and subsequently reported to the Board in April 2009. The Board considered that the Group's internal control system has been implemented effectively.

DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

The statement of the external auditors of the Company, CCIF CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Report of Auditors on page 43.

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

AUDITORS' REMUNERATION

For the fifteen months ended 31 December 2008, the amounts paid to the external auditors of the Group in respect of the following services provided to the Group are as follows:

	31 December 2008 HK$'000
Audit services	1,267
Taxation advisory services	38
Other advisory services	1,647
	2,952

COMMUNICATION WITH SHAREHOLDERS

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. At the 2008 Annual General Meeting, the Chairman as well as the chairmen of the Audit Committee and the Remuneration Committee were present to answer the Shareholders' questions.

Separate resolutions are proposed at general meetings on each substantially separate issues, including the election of individual Directors.

Details of the poll voting procedures and the rights of shareholders to demand a poll were included in the circular to the Shareholders regarding, inter alia, the notice of 2008 Annual General Meeting. The said circular also contained relevant details of the proposed resolutions, including biographical details of each Director standing for re-election.

At the 2008 Annual General Meeting, all the resolutions were dealt with on a show of hands and were passed by the Shareholders.

The Company also maintains its own website at www.macausuccess.com, being updated in a timely manner, as a channel to provide information on the Group to the Shareholders. In addition to sending hard copies to the Shareholders, the Company also posts annual and interim reports as well as other publications on the Company's website for the Shareholders and the potential investors to access the soft copies of such publications.

Report of Directors

The directors ("Director(s)") of Macau Success Limited (the "Company") present their annual report together with the audited financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the fifteen months ended 31 December 2008 (the "Period").

CHANGE OF FINANCIAL YEAR END DATE

Pursuant to a resolution passed by the board of Directors (the "Board") on 31 October 2008, the financial year end date of the Company was changed from 30 September to 31 December, which enabled the Group as well as the associates of the Company relating to the Group's flagship investment project, Ponte 16, to have a coterminous year end date. Accordingly, the consolidated financial statements of the Group presented for the Period cover the fifteen months from 1 October 2007 to 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in the leasing and management of the 55% owned cruise and tourist-related businesses. During the Period, the Company acquired the entire certain issued share capital of Smart Class Enterprises Limited ("Smart Class"), being a company indirectly owns 80% equity interest in the travel agency companies located in Canada and the United States of America (the "Jade Travel Group"). There was no significant change in the nature of the Group's principal activities during the Period.

Particulars of the Company's subsidiaries as at 31 December 2008 are set out in note 19 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Period are set out in the consolidated income statement on page 45.

No interim dividend was paid during the Period (2007: Nil). The Directors do not recommend any payment of a final dividend for the Period (2007: Nil).

SEGMENT INFORMATION

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

FIVE-YEAR FINANCIAL SUMMARY

A financial summary of the Group for the past five financial years is set out on page 117.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Period are set out in note 34 to the financial statements.

Report of Directors

RESERVES

Details of the movements in the reserves of the Group during the Period are set out in the consolidated statement of changes in equity on page 49 of this annual report and other details of the reserves of the Group are set out in note 36 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

DIRECTORS

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

Executive Directors:

Mr. Yeung Hoi Sing, Sonny *(Chairman)*
Mr. Ma Ho Man, Hoffman *(Deputy Chairman)*
Mr. Lee Siu Cheung *(resigned with effect from 1 June 2008)*

Non-executive Director:

Mr. Choi Kin Pui, Russelle

Independent Non-executive Directors:

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

In accordance with bye-law no. 87 of the Bye-laws of the Company, Mr. Choi Kin Pui, Russelle and Mr. Yim Kai Pung shall retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

DIRECTORS' SERVICE CONTRACTS

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

Report of Directors

CONNECTED TRANSACTIONS AND DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

(A) On 5 May 2008, the Company as purchaser entered into an agreement ("Agreement") with Star Spangle Corporation ("Star Spangle") as vendor, being a company beneficially wholly-owned by Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), an executive Director and a controlling shareholder of the Company. Pursuant to the Agreement, the Company acquired the entire issued share capital of Smart Class, which indirectly owns 80% equity interest in the Jade Travel Group, from Star Spangle at an agreed consideration of CAD2.9 million (equivalent to approximately HK$22.6 million) which was settled by the allotment and issue of 19.5 million shares of the Company at an agreed issue price of HK$1.16 per share (the "Acquisition"). The relevant consideration shares were allotted and issued to Silver Rich Macau Development Limited (which is wholly-owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung) on 31 July 2008, being the completion date of the Acquisition; and

(B) On 1 December 2008, the Company as borrower entered into an unsecured term loan facility agreement (the "Facility Agreement") with Mr. Yeung as lender. Pursuant to the Facility Agreement, Mr. Yeung provided a facility of up to HK$200 million (the "Loan Facility") to the Company. The rate of interest on the entire principal amount drawn and outstanding under the Loan Facility was the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The Loan Facility was available to the Company during the period from 1 December 2008 until whichever is the earlier of (a) the date falling 1 month before the final repayment date, ie on or before 30 June 2010; and (b) the date on which the Loan Facility is reduced to zero.

Details of the connected transaction/contract of significance as mentioned under paragraph (A) above are disclosed in compliance with the requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Save as disclosed above, there were no other connected transactions under Chapter 14A of the Listing Rules and no contracts of significance to which the Company or any of its subsidiaries was a party and in which any of the Director or controlling shareholder or its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period.

MANAGEMENT CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 31 December 2008, 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 Listing Rules:

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

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

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

Save as disclosed above, as at 31 December 2008, 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' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Details of the share option scheme are set out in note 35(b) to the financial statements.

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.

Report of Directors

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2008, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Interest in the Shares

Name of substantial shareholder	Long position/ Short position	Capacity	Number of Shares held	Approximate percentage of shareholding %
Silver Rich Macau Development Limited	Long position	Beneficial owner	1,010,953,432	41.45
Trustcorp Limited *(Note 1)*	Long position	Trustee	1,010,953,432	41.45
Newcorp Ltd. *(Note 1)*	Long position	Interest of controlled corporation	1,010,953,432	41.45
Newcorp Holdings Ltd. *(Note 1)*	Long position	Interest of controlled corporation	1,010,953,432	41.45
Mr. David Henry Christopher Hill *(Note 1)*	Long position	Interest of controlled corporation	1,010,953,432	41.45
Mr. David William Roberts *(Note 1)*	Long position	Interest of controlled corporation	1,010,953,432	41.45
Mrs. Rebecca Ann Hill *(Note 2)*	Long position	Interest of spouse	1,010,953,432	41.45
Ms. Liu Siu Lam, Marian *(Note 3)*	Long position	Interest of spouse	1,010,953,432	41.45
Maruhan Corporation	Long position	Beneficial owner	440,000,000	18.19

Notes:

As at 31 December 2008:

1. The entire issued share capital of Silver Rich Macau Development Limited was held by Trustcorp Limited, being a trustee of a discretionary trust, the beneficiaries of which are family members of Mr. Yeung. Trustcorp Limited was a wholly-owned subsidiary of Newcorp Ltd., which was in turn wholly-owned by Newcorp Holdings Ltd., Newcorp Holdings Ltd. was owned as to 35% by each of Mr. David Henry Christopher Hill and Mr. David William Roberts. Accordingly, each of Trustcorp Limited, Newcorp Ltd., Newcorp Holdings Ltd., Mr. David Henry Christopher Hill and Mr. David William Roberts was deemed to be interested in 1,010,953,432 Shares held by Silver Rich Macau Development Limited.

2. Mrs. Rebecca Ann Hill, being the spouse of Mr. David Henry Christopher Hill, was deemed to be interested in 1,010,953,432 Shares in which Mr. David Henry Christopher Hill had a deemed interest.

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

Report of Directors

Save as disclosed above, as at 31 December 2008, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DISCLOSURE UNDER RULES 13.20 AND 13.22 OF THE LISTING RULES

Based on the disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules, the financial assistance, which was made by the Group by way of the shareholder's loan provided by World Fortune Limited ("World Fortune"), an indirect subsidiary of the Company, and a corporate guarantee given by the Company in respect of the payment obligation of Pier 16 – Property Development Limited ("Pier 16 – Property Development", a 49%-owned associate of World Fortune) (the "Financial Assistance") under a loan facility granted to Pier 16 – Property Development, continued to exist as at 31 December 2008. Pier 16 – Property Development is principally engaged in the investment, development and, through its subsidiaries, operation of Ponte 16, a world-class integrated casino-entertainment resort located in Macau. The Financial Assistance is mainly used for the development and operation of Ponte 16.

The amounts of the Financial Assistance as at 31 December 2008 were set out below:

Name of associate	Shareholder's loan	Corporate guarantee	Aggregate Financial Assistance
	HK$'million	HK$'million	HK$'million
Pier 16 – Property Development	900.5	860.0	1,760.5

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

Further details are set out in notes 20 and 38 to the financial statements.

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

	Combined balance sheet	Group's attributable interests
	HK$'000	HK$'000
Non-current assets	2,538,331	1,243,782
Current assets	455,049	222,974
Current liabilities	411,320	201,547
Non-current liabilities	2,929,024	1,435,221

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 31 December 2008.

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

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

MAJOR SUPPLIERS AND CUSTOMERS

During the Period, the five largest customers of the continuing operations of the Group accounted for 36.6% of total turnover of the continuing operations of the Group of which the largest customer accounted for approximately 18.8% and the five largest suppliers of the continuing operations of the Group accounted for 97.2% of total purchases of the continuing operations of the Group, of which the largest supplier accounted for approximately 85.4%.

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

CHARITABLE CONTRIBUTIONS

During the Period, the Group made charitable and other donations totalling approximately HK$546,000 (2007: Nil).

POST BALANCE SHEET EVENTS

On 14 April 2009, the Company as borrower and Mr. Yeung as lender also entered into an agreement to increase the Loan Facility up to HK$290 million. In addition, Mr. Yeung undertakes not to demand early repayment of the loan and all other sums owing to Mr. Yeung before 30 June 2010.

In the opinion of the Directors, the borrowing of the Loan Facility was for the benefit of the Company and on normal commercial terms where no security over the assets of the Company was granted.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

Report of Directors

EMOLUMENT POLICY

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

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

CORPORATE GOVERNANCE

The Company has published its Corporate Governance Report, details of which are set out on pages 26 to 32 of this annual report.

AUDITORS

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

On behalf of the Board
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 16 April 2009

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Yeung Hoi Sing, Sonny, aged 54, joined the Group in 2003. He is an executive director and the Chairman of the Company as well as a director of the subsidiaries of the Company. He is also the chairman of the remuneration committee (the "Remuneration Committee") and the executive committee (the "Executive Committee") of the Company. Mr. Yeung is responsible for the overall corporate planning and business development of the Group. He has been a member of the National Committee of the Chinese People's Political Consultative Conference, the People's Republic of China (the "PRC") since 1993 and has over 25 years of experience in finance industry in Hong Kong. Prior to joining the Group, Mr. Yeung held managerial roles in several financial service sectors such as leveraged foreign exchange trading, and securities and futures brokerage. He is presently the sole beneficial owner of Success Securities Limited, which is a licensed corporation under the Securities and Futures Ordinance (the "SFO") as well as a participant of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), principally engaged in the provision of securities brokerage services. Mr. Yeung has certain private investments in property development businesses in Hong Kong and Canada. He is also a director of Silver Rich Macau Development Limited, being a substantial shareholder of the Company. Mr. Yeung is an uncle of Mr. Ma Ho Man, Hoffman, an executive director and the Deputy Chairman of the Company.

Mr. Ma Ho Man, Hoffman, aged 35, joined the Group in 2005. He is an executive director and the Deputy Chairman of the Company as well as a director of the subsidiaries of the Company. Mr. Ma is also a member of the Executive Committee. He is responsible for managing the Group's business and overall operations. Mr. Ma joined Success Securities Limited ("SSL") in 2000 and has been a director of SSL since November 2008. He has been responsible for overseeing the marketing affairs of SSL, which is a licensed corporation under the SFO as well as a participant of the Stock Exchange and is beneficially wholly-owned by Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), being an executive director and the Chairman of the Company. Mr. Ma has over 12 years of experience in the financial industry and years of managerial experience. He is a nephew of Mr. Yeung.

NON-EXECUTIVE DIRECTOR

Mr. Choi Kin Pui, Russelle, aged 54, joined the Group in 2003. He is a non-executive director of the Company and a member of the audit committee of the Company (the "Audit Committee") and the Remuneration Committee. Mr. Choi graduated from St. Pius X High School in 1976. He has over 15 years of management experience in the telecommunication industry in Hong Kong and the United States (the "US"). Mr. Choi established Elephant Talk Limited in 1994, a wholly-owned subsidiary of an American corporation, Elephant Talk Communications Inc. ("ETCI"), whose securities are quoted on the Over-The-Counter Bulletin Board in the US and engages in the provision of telecommunications services in Hong Kong and the US. Mr. Choi was a director of ETCI from 2002 to 2008 as well as the president and the chief executive officer of ETCI from 2002 to 2006 and was responsible for the planning of the overall strategy of ETCI. He also served as the chairman of ET Network Services Limited, a company incorporated in Hong Kong with limited liability and engages in the provision of internet access and outsourcing services in the PRC and Hong Kong. Mr. Choi is presently an executive director of Mintel Inc., a licensed carrier in the PRC.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luk Ka Yee, Patrick, aged 47, joined the Group in 2003. He is an independent non-executive director of the Company and a member of the Audit Committee and the Remuneration Committee. Mr. Luk obtained a Law Degree in England in 1986. Throughout his tenure of career, Mr. Luk has been appointed to serve in various senior management positions which involved corporate/legal and property development as well as property management aspects. He is presently the consultant to Pacific Rich Management & Consultants Limited, a company providing property and facilities management in Hong Kong.

Mr. Yim Kai Pung, aged 44, joined the Group in 2004. He is an independent non-executive director of the Company, the chairman of the Audit Committee and a member of the Remuneration Committee. Mr. Yim holds a Bachelor degree of Accountancy with honours from City University of Hong Kong in 1993 and is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants of the United Kingdom. He has over 18 years of experience in auditing, taxation and provision of finance consultancy services for companies in Hong Kong and the PRC. Mr. Yim is presently a sole proprietor of David Yim & Co., Certified Public Accountants. He is currently an executive director of Sanyuan Group Limited, a company listed on the Main Board of the Stock Exchange, and was an independent non-executive director of Magician Industries (Holdings) Limited, a company listed on the Main Board of the Stock Exchange, and an executive director of Tiger Tech Holdings Limited (now known as Heng Xin China Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange.

Ms. Yeung Mo Sheung, Ann, aged 44, joined the Group in 2004. She is an independent non-executive director of the Company and a member of the Audit Committee and the Remuneration Committee. Ms. Yeung holds a Bachelor degree of Retail Marketing with honours in the United Kingdom and a Diploma in Marketing from The Chartered Institute of Marketing. She pursued her further study on legal course and has been awarded a Diploma in Legal Practice in the United Kingdom in 1998 and is presently a partner of Messrs. Fung & Fung, Solicitors, a legal firm in Hong Kong. Ms. Yeung was an independent non-executive director of Fast Systems Technology (Holdings) Limited, a company listed on the Growth Enterprise Market of the Stock Exchange, and a non-executive director of Zhong Hua International Holdings Limited, a company listed on the Main Board of the Stock Exchange.

COMPANY SECRETARY

Ms. Chiu Nam Ying, Agnes, aged 35, joined the Group in 2003. She is the company secretary of the Company and is responsible for overseeing all legal matters of the Group. Ms. Chiu is a qualified solicitor and an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She holds a Master degree of Laws from The University of Sheffield, United Kingdom in 1997. Before joining the Group, Ms. Chiu was a practicing solicitor in a local law firm and possessed solid experience in banking and finance as well as property related matters.

FINANCIAL CONTROLLER

Mr. Wong Chi Keung, Alvin, aged 46, joined the Group in 2008. He is the financial controller of the Group as well as the qualified accountant of the Company, and is responsible for financial and accounting matters of the Group. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants. He is currently an independent non-executive director as well as the chairman of both the audit committee and the remuneration committee of ITC Properties Group Limited, a company listed on the Main Board of the Stock Exchange. He has over 21 years of experience in accounting and corporate finance gained in property development, construction and manufacturing companies.

Report of Auditors

CCIF CPA LIMITED
20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF MACAU SUCCESS LIMITED
(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

We have audited the consolidated financial statements of Macau Success Limited (the "Company") set out on pages 45 to 116, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the period from 1 October 2007 to 31 December 2008, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

Report of Auditors

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's loss and cash flows for the period from 1 October 2007 to 31 December 2008 in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 16 April 2009

Alvin Yeung
Practising Certificate Number P05206

Consolidated Income Statement

For the period from 1 October 2007 to 31 December 2008

	Notes	Period from 1.10.2007 to 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Turnover	6, 7	**627,254**	103,754
Cost of sales		**(492,697)**	(8,069)
Gross profit		**134,557**	95,685
Other revenue	8	**34,817**	15,972
Other net income	8	**298**	14,721
Administrative expenses		**(194,316)**	(92,309)
Other operating expenses		**(42,948)**	–
(Loss)/profit from operations		**(67,592)**	34,069
Finance costs	9(a)	**(335)**	(1,675)
Share of results of associates		**(170,292)**	(15,450)
(Loss)/profit before taxation	9	**(238,219)**	16,944
Income tax	10	**(859)**	(672)
(Loss)/profit for the period/year		**(239,078)**	16,272
Attributable to:			
Equity shareholders of the Company		**(238,304)**	2,314
Minority interests		**(774)**	13,958
(Loss)/profit for the period/year		**(239,078)**	16,272
Dividends payable to equity shareholders of the Company attributable to the period/year	14	**–**	–
(Loss)/earnings per share	15		
– Basic		**(9.87) HK cents**	0.11 HK cents
– Diluted		**(9.87) HK cents**	0.11 HK cents

The notes on pages 52 to 116 form part of these financial statements.

Consolidated Balance Sheet

As at 31 December 2008

	Notes	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	16	**85,711**	87,945
Goodwill	17	**7,723**	1,313
Intangible assets	18	**34,608**	–
Interest in associates	20	**1,119,892**	886,930
Deposit for acquisition of properties	21	**2,290**	–
Deposit for acquisition of a company	22	**60,384**	–
Deferred tax assets	32(b)	**1,190**	–
		1,311,798	976,188
CURRENT ASSETS			
Inventories	23	**1,160**	1,323
Trade and other receivables	24	**31,183**	18,398
Tax recoverable		**1,369**	–
Pledged bank deposits	25	**6,762**	751
Cash and cash equivalents	25	**66,675**	200,719
		107,149	221,191
CURRENT LIABILITIES			
Trade and other payables	26	**23,457**	106,422
Deferred income	27	**807**	–
Profit guarantee liabilities	28	**12,892**	–
Financial guarantee contract	33	**12,600**	12,600
Tax payable	32(a)	**968**	961
		50,724	119,983
NET CURRENT ASSETS		**56,425**	101,208
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,368,223**	1,077,396
NON-CURRENT LIABILITIES			
Deferred income	27	**294**	–
Profit guarantee liabilities	28	**32,608**	–
Loans payables	29	**167,957**	–
Long-term payables	30	**187,048**	–
Due to a related company	31	**17,574**	–
Deferred tax liabilities	32(b)	**83**	83
Financial guarantee contract	33	**31,500**	50,400
		437,064	50,483
NET ASSETS		**931,159**	1,026,913

Consolidated Balance Sheet

As at 31 December 2008

	Notes	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
CAPITAL AND RESERVES			
Share capital	34	**24,390**	21,995
Reserves	36	**860,448**	954,935
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		**884,838**	976,930
MINORITY INTERESTS	36	**46,321**	49,983
TOTAL EQUITY		**931,159**	1,026,913

Approved and authorised for issue by the board of directors on 16 April 2009

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The notes on pages 52 to 116 form part of these financial statements.

Balance Sheet

As at 31 December 2008

	Notes	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
NON-CURRENT ASSETS			
Investments in subsidiaries	19	**1,072,805**	687,244
CURRENT ASSETS			
Deposits, prepayments and other receivables	24	**373**	209
Pledged bank deposits	25	**5,996**	–
Cash and cash equivalents	25	**7,309**	181,045
		13,678	181,254
CURRENT LIABILITIES			
Other payables and accruals	26	**65,937**	51,659
Financial guarantee contract	33	**12,600**	12,600
		78,537	64,259
NET CURRENT (LIABILITIES)/ASSETS		**(64,859)**	116,995
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,007,946**	804,239
NON-CURRENT LIABILITIES			
Financial guarantee contract	33	**31,500**	50,400
NET ASSETS		**976,446**	753,839
CAPITAL AND RESERVES			
Share capital	34	**24,390**	21,995
Reserves	36	**952,056**	731,844
TOTAL EQUITY		**976,446**	753,839

Approved and authorised for issue by the board of directors on 16 April 2009.

On behalf of the board

Yeung Hoi Sing, Sonny
Director

Ma Ho Man, Hoffman
Director

The notes on pages 52 to 116 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the period from 1 October 2007 to 31 December 2008

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Distributable reserve	Capital redemption reserve	Property revaluation reserve	Exchange reserve	Retained profits/ (accumulated) losses	Total	Minority interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 October 2006	21,395	612,516	52,333	976	187,065	–	52,331	926,616	40,304	966,920
Allotment of consideration shares (note 34(a))	600	47,400	–	–	–	–	–	48,000	–	48,000
Profit for the year	–	–	–	–	–	–	2,314	2,314	13,958	16,272
Interim dividend declared during the year	–	–	–	–	–	–	–	–	(4,279)	(4,279)
At 30 September 2007	21,995	659,916	52,333	976	187,065	–	54,645	976,930	49,983	1,026,913
At 1 October 2007	21,995	659,916	52,333	976	187,065	–	54,645	976,930	49,983	1,026,913
Allotment of subscription shares (note 34(b))	2,200	231,440	–	–	–	–	–	233,640	–	233,640
Allotment of consideration shares (note 34(c))	195	21,645	–	–	–	–	–	21,840	–	21,840
Share issuance costs	–	(4,216)	–	–	–	–	–	(4,216)	–	(4,216)
Exchange differences on translation of financial statements of subsidiaries	–	–	–	–	–	(4,235)	–	(4,235)	(1,001)	(5,236)
Share of associates' net loss recognized directly in equity	–	–	–	–	(100,817)	–	–	(100,817)	–	(100,817)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	4,863	4,863
Loss for the period	–	–	–	–	–	–	(238,304)	(238,304)	(774)	(239,078)
Dividend paid to minority shareholders	–	–	–	–	–	–	–	–	(6,750)	(6,750)
At 31 December 2008	**24,390**	**908,785**	**52,333**	**976**	**86,248**	**(4,235)**	**(183,659)**	**884,838**	**46,321**	**931,159**

The notes on pages 52 to 116 form part of these financial statements.

Consolidated Cash Flow Statement

For the period from 1 October 2007 to 31 December 2008

	Notes	Period from 1.10.2007 to 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
OPERATING ACTIVITIES			
(Loss)/profit before taxation		**(238,219)**	16,944
Adjustments for:			
Interest income		**(4,851)**	(10,197)
Finance costs		**335**	1,675
Depreciation		**13,459**	8,710
Amortisation of intangible assets		**215**	–
Amortisation of financial guarantee contract		**(18,900)**	–
Share of results of associates		**170,292**	15,450
Impairment loss on			
– goodwill		**609**	–
– client list		**676**	–
– other receivables		**22,763**	–
– interest in associates		**18,900**	–
Write back of trade payables		**(3,858)**	–
Dividend from available-for-sale investment		**–**	(1,133)
Gain on disposal of securities		**–**	(4,391)
Exchange alignment		**(1,482)**	–
(Gain)/loss on disposal of property, plant and equipment		**(298)**	175
Gain on disposal of available-for-sale investment		**–**	(10,330)
Gain on write off of a subsidiary under voluntary liquidation		**(13)**	–
OPERATING (LOSS)/PROFIT BEFORE CHANGES IN WORKING CAPITAL		**(40,372)**	16,903
Decrease/(increase) in inventories		**163**	(145)
Increase in trade and other receivables		**(10,445)**	(4,889)
(Decrease)/increase in trade and other payables		**(108,680)**	100,375
Increase in deferred income		**540**	–
Increase in due to a related company		**292**	–
CASH (USED IN)/GENERATED FROM OPERATIONS		**(158,502)**	112,244
Income tax paid			
– Hong Kong profits tax paid		**(1,694)**	–
– Overseas tax refund		**38**	–
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES		**(160,158)**	112,244

Consolidated Cash Flow Statement

For the period from 1 October 2007 to 31 December 2008

	Notes	Period from 1.10.2007 to 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		**(6,256)**	(5,337)
Proceeds from disposal of property, plant and equipment		**1,272**	43
Payment of deposit for acquisition of properties		**(2,290)**	–
Payment of deposit for acquisition of a company		**(60,384)**	–
Payment for subscription of convertible bonds		**–**	(11,875)
Net proceeds from disposal of securities from exercise of convertible bonds		**–**	16,266
Further acquisition of 12.25% interest in associates		**–**	(153,231)
Net cash inflow from acquisition of subsidiaries	41(b)	**5,063**	–
Increase in amounts due from associates		**(522,971)**	(262,134)
Net proceeds from disposal of available-for-sale investment		**–**	35,569
Increase in pledged bank deposits		**(6,011)**	(22)
Interest income		**4,851**	10,197
Dividend from available-for-sale investment		**–**	1,133
NET CASH USED IN FROM INVESTING ACTIVITIES		**(586,726)**	(369,391)
FINANCING ACTIVITIES			
Net proceeds from issue of shares		**229,424**	–
Proceeds from loans payables	29	**159,238**	–
Proceeds from long-term payables	30	**187,048**	–
Proceeds from profit guarantee liabilities	28	**45,500**	–
Proceeds of loan from a financial institution		**–**	130,000
Repayment of loan from a financial institution		**–**	(130,000)
Finance costs		**(335)**	(1,675)
Repayments of loans from minority shareholders		**–**	(5,056)
Dividend paid to minority interests		**(6,750)**	(4,279)
NET CASH GENERATED/(USED IN)FROM FINANCING ACTIVITIES		**614,125**	(11,010)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(132,759)**	(268,157)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		**200,719**	468,876
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		**(1,285)**	–
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR		**66,675**	200,719
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	**66,675**	200,719

Non-cash transaction

The principal non-cash transaction is the issue of consideration shares for the transaction disclosed in note 34(c).

The notes on pages 52 to 116 form part of these financial statements.

1. ORGANISATION AND PRINCIPAL ACTIVITIES

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

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

b) Basis of Preparation of the Financial Statements

(i) Going Concern

The consolidated financial statements for the period ended 31 December 2008 comprise the Company, its subsidiaries and the Group's interest in associates.

The Group incurred a loss attributable to equity shareholders of the Company of approximately HK$238,304,000 and net decrease in cash and cash equivalents of approximately HK$132,759,000 for the period ended 31 December 2008.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of Preparation of the Financial Statements (continued)

(i) Going Concern (continued)

In order to strengthen the capital base of the Group and to improve the Group's liquidity and cash flows in the immediate foreseeable future, and to sustain the Group as a going concern, the Company has entered into a term loan facility agreement with Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung"), a director and the controlling shareholder of the Company, on 1 December 2008. Pursuant to the facility agreement, Mr. Yeung agreed to provide a credit facility of up to HK$200 million to the Company. The credit facility is available to the Company during the period from 1 December 2008 until the earlier of (i) the date falling one month before the final repayment date, i.e. on or before 30 June 2010; and (ii) the date on which the credit facility is reduced to zero. On 14 April 2009, the Company and Mr. Yeung has entered into an agreement to increase the credit facility up to HK$290 million. In addition, Mr. Yeung undertakes not to demand an early repayment of the loan and all other sums owing to Mr. Yeung before 30 June 2010. After the balance sheet date and up to the date of approval of these financial statements, the Company had utilized the credit facility amounted to HK$3.5 million.

In the opinion of the directors, taking into account of the credit facility and financial undertaking from Mr. Yeung, the Group will have sufficient working capital for its current requirements. Accordingly, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

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

(ii) Change of financial year end date

The consolidated financial statements for the current period cover the 15-month period ended 31 December 2008. The corresponding comparative amounts shown for the consolidated income statement, consolidated statements of changes in equity, consolidated cash flow statement and related notes cover a 12-month year ended 30 September 2007 and therefore may not be comparable with amounts shown for the current period. The period covered by the 2008 consolidated financial statements was greater than twelve months because the directors of the Company determined to bring the balance sheet date in line with that of the subsidiaries and associates and therefore facilitating the preparation of the Group's consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Basis of Preparation of the Financial Statements (continued)

(iii) Basis of measurement

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

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

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

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

c) Subsidiaries and Minority Interests

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

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

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

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, minority interests are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Subsidiaries and Minority Interests (continued)

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

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

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)).

d) Associates

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Business combinations

The acquisition of businesses is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 Business Combinations are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

f) Goodwill

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

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associates.

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

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

g) Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial instruments (continued)

Financial assets

The Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL, of which interest income is included in net gains or losses.

Financial assets at fair value through profit or loss

Financial assets at FVTPL has two subcategories, including financial assets held for trading and those designated as at FVTPL on initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Financial assets at fair value through profit or loss (continued)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Groups documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and permits the entire combined contract (asset or liability) to be designated as at FVTPL.

At each balance sheet date subsequent to initial recognition, financial assets at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade receivables, loan receivables, other receivables, pledged bank deposits, bank balances and cash, amount due from directors and finance lease receivables) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. The Group designated certain debt securities as held-to-maturity investments. At each balance sheet date subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at FVTPL, loans and receivables or held-to-maturity investments. In addition to equity investments, the Group has also designated certain debt securities as available-for-sale financial assets.

At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss (see accounting policy in respect of impairment loss on financial assets below).

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition (see accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, observable changes in national or local economic conditions that correlate with default on receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Impairment of financial assets (continued)

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered as uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in equity. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

At each balance sheet date subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any interest paid on the financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Other financial liabilities

Other financial liabilities (including bank and other borrowings, trade payables and other payables) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

h) Property, Plant and Equipment

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see note 2(k)).

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

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Property, Plant and Equipment (continued)

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

i) Intangible Assets (Other than Goodwill)

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

Client list	15 years

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

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

j) Operating Lease Charges

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of Assets

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

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

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

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

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

– For available-for-sale securities, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Impairment of Assets (continued)

ii) Impairment of other assets

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

- property, plant and equipment;
- intangible assets;
- investments in subsidiaries and associates; and
- goodwill

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

- Calculation of recoverable amount

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

- Recognition of impairment losses

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

- Reversals of impairment losses

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Inventories

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

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

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

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

m) Trade and Other Receivables

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

n) Trade and Other Payables

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

o) Cash and Cash Equivalents

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

p) Employee Benefits

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Employee Benefits (continued)

ii) Termination benefits

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

q) Income Tax

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Income Tax (continued)

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

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

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

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

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

    – the same taxable entity; or

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

r) Financial Guarantees Issued, Provisions and Contingent Liabilities

i) Financial guarantees issued

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Financial Guarantees Issued, Provisions and Contingent Liabilities (continued)

i) Financial guarantees issued (continued)

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

ii) Other provisions and contingent liabilities

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

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

s) Revenue Recognition

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

i) Cruise Leasing and management fee income

- Cruise leasing income is recognised on an accrual basis in accordance with the terms of the leasing agreement.
- Cruise management fee income, revenue from travel agent services and management income is recognised when the management services, travel agent services are rendered.

ii) Travel-related agency services fee income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Revenue Recognition (continued)

ii) Travel-related agency services fee income (continued)

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

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

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

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

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

vi) Services income are recognised when services provided.

t) Translation of Foreign Currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and loses are recognised in profit or loss.

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Borrowing Costs

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

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

v) Related Parties

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

w) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

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

In the current period, the Company has where applicable applied the following amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are or have become effective.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Presentations of Financial Statements: Capital Disclosures

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's and the Company's objectives, policies and process for managing capital. These new disclosures are set out in below.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

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

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significant of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, *Financial Instruments: Disclosure and Presentation*. These disclosures are provided throughout these financial statements, in particular in note 4.

The application of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior adjustment is required.

The Group has not early applied any of the following new and revised standards, amendments or interpretations which have been issued but are not yet effective for annual periods beginning on 1 January 2008. The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretations upon initial application but is not yet in a position to state whether these new standards, amendments and interpretations would have a significant impact on the group's results of operations and financial position.

HKFRSs (Amendments)	Improvements to HKFRSs [1]
HKAS 1 (Revised)	Presentation of Financial Statements [2]
HKAS 23 (Revised)	Borrowing Costs [2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [3]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation [2]
HKAS 39 (Amendment)	Eligible hedged items [3]
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [2]
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standard [3]
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations [2]
HKFRS 3 (Revised)	Business Combinations [3]
HKFRS 8	Operating Segments [2]
HK(IFRIC) – Int 13	Customer Loyalty Programmes [4]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate [2]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation [5]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners [3]
HK(IFRIC) – Int 18	Transfer of Assets from Customers [6]

1 Effective for annual periods beginning on or after 1 January 2009 except for the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2009
3 Effective for annual periods beginning on or after 1 July 2009
4 Effective for annual periods beginning on or after 1 July 2008
5 Effective for annual periods beginning on or after 1 October 2008
6 Effective for transfer of assets from customers received on or after 1 July 2009

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

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

4. FINANCIAL RISK MANAGEMENT

a) Financial risk factors

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

(i) Credit risk

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

The management has established a credit policy under which credit evaluations are performed on all customers requiring credit. Trade receivables are normally due within 30 days from the date of billing. Debtors with balances that are more than 3 months are requested to settle all outstanding balance before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the balance sheet date, the Group has a certain concentration of credit risk as 38.8% (2007: 3.3%) of the total trade and other receivables was due from the Group's largest customer.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the consolidated balance sheet after deducting any impairment allowance. Except for the financial guarantees given by the Company as set out in notes 33 to 38, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk, The maximum exposure to credit risk in respect of this financial guarantee at the Company's balance sheet is disclosed in notes 33 to 38.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 24.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Financial risk factors (continued)

(ii) Liquidity risk

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

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

Group

			At 31.12.2008		
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	23,457	–	–	23,457	23,457
Profit guarantee liabilities	3,792	9,100	32,608	45,500	45,500
Loans payables	–	128,471	39,486	167,957	167,957
Long-term payables	–	–	295,632	295,632	187,048
Due to a related company	–	18,277	–	18,277	17,574
	27,249	155,848	367,726	550,823	441,536

Group

			At 30.9.2007		
	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	106,422	–	–	106,422	106,422

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Financial risk factors (continued)

(ii) Liquidity risk (continued)

Company

	At 31.12.2008 Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	**65,937**	**–**	**–**	**65,937**	**65,937**

	At 30.9.2007 Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Trade and other payables	51,659	–	–	51,659	51,659

Group

As at 31 December 2008, it was not probable that the counter parties to the financial guarantee will claim under the contracts. Consequently, the carrying amount of the financial guarantee contract of HK$44,100,000 (2007: HK$63,000,000) has not been presented above.

	At 31.12.2008		At 30.9.2007	
	HK$'000	**Expiry period**	HK$'000	Expiry period
Guarantee given to a bank in respect of banking facilities granted to an associate	**860,000**	**2012**	860,000	2012

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Financial risk factors (continued)

(iii) Currency risk

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

(iv) Interest rate risk

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

At 31 December 2008, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss before tax by approximately HK$176,000 (2007: N/A).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for the financial liabilities in existence at that date. The 100 basis points increase or decrease represents management's assessment of reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed, on the same basis for 2007.

b) Capital risk management

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

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Capital risk management (continued)

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

The Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose, the Group defines net debt as total debt (which includes interest bearing bank and other borrowings) less bank deposits and cash. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

During the period ended 31 December 2008, the Group's strategy, which was unchanged from 2007, was to maintain the net debt-to-adjusted capital ratio as low as feasible. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. As at 31 December 2008 and 30 September 2007, the Group did not have net debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

c) Fair value

The fair values of the Group's financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions. The directors consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements are not materially different from their fair values as at 31 December 2008 and 30 September 2007.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Key sources of estimation uncertainty

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

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

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

a) Key sources of estimation uncertainty (continued)

ii) Impairment of receivables

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

iii) Impairment of intangible assets

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

iv) Amortisation of intangible assets

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

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

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

i) Going concern

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

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

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

(ii) Maruhan Put Option

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

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

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

The directors considered that after the completion of the World Fortune Disposal, the Group still retains substantially all the risks and rewards of ownership of the World Fortune Sale Shares. Therefore, the Group continues to account for World Fortune as a wholly-owned subsidiary of the Group. The consideration of approximately HK$208,501,000 received has been recognised as liabilities and classified under loans payables (note 29) and long–term payables (note 30) in the consolidated balance sheet. As the Group does not have the unconditional rights to avoid settlement under the Maruhan Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimated future cash outflows when it is required to acquire the World Fortune Sale Shares.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

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

(iii) SBI Macau Put Option

On 7 July 2008, Favor Jumbo Limited ("Favor Jumbo"), a wholly-owned subsidiary of the Company, as vendor and the Company as Favor Jumbo's guarantor entered into a sale and purchase agreement with SBI Macau Holdings Limited ("SBI Macau"), an independent third party, as purchaser to (i) dispose of 910 shares (the "Sale Shares") of Golden Sun Profits Limited ("Golden Sun"), being 4.55% of the entire issued share capital of Golden Sun, a wholly-owned subsidiary of Favor Jumbo; and (ii) assign all the rights, title, interests and benefits of 4.55% of the entire amount of the interest free shareholder's loan amounted to approximately HK$39,486,000 due by Golden Sun to SBI Macau at face value (collectively "the Golden Sun Disposal"). The total consideration for the Golden Sun Disposal was HK$130,000,000. In addition, Favor Jumbo guaranteed that SBI Macau shall be entitled to a return of not less than HK$9,100,000 for each full fiscal year for a period of sixty successive months immediately after the date of completion of the Golden Sun Disposal. The details of the profit guarantee have been set out in note 28 to the financial statements.

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

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

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

The directors of the Company considered that after the completion of the Golden Sun Disposal, the Group still retains substantially all the risks and rewards of ownership of the Sale Shares. Therefore, the Group accounts for Golden Sun as a wholly-owned subsidiary of the Group. The consideration of HK$130,000,000 received has been recognised as liabilities and classified under profit guarantee liabilities (note 28), the loans payables (note 29) and long-term payables (note 30) in the consolidated balance sheet. As the Group does not have the unconditional rights to avoid settlement under the SBI Macau Put Option, the Group has to recognise the relevant financial liabilities at the amount of the present value of the estimated future cash outflow when it is required to acquire the Sale Shares.

6. SEGMENT REPORTING

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

a) Business segment

The Group's operating business are structured and managed separately according to the nature of their operations and the products and services provided. Each of the Group's business segments represents a strategic business unit that offers:

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

– Travel business: the provision of travel-related agency services.

	Cruise leasing and management		Travel		Consolidated	
	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Revenue						
Turnover	**118,000**	95,901	**509,254**	7,853	**627,254**	103,754
Other revenue	**225**	184	**4,917**	72	**5,142**	256
Total revenue	**118,225**	96,085	**514,171**	7,925	**632,396**	104,010
Results						
Segment results	**(1,703)**	32,035	**2,707**	(513)	**1,004**	31,522
Interest income					**4,851**	10,048
Gain on disposal of property, plant and equipment					**298**	–
Gain on disposal of securities					**–**	4,391
Gain on disposal of available-for-sale investment					**–**	10,330
Unallocated operating income					**24,824**	5,668
Unallocated operating expenses					**(98,569)**	(27,890)
(Loss)/profit from operations					**(67,592)**	34,069
Finance costs					**(335)**	(1,675)
Share of results of associates					**(170,292)**	(15,450)
(Loss)/profit before taxation					**(238,219)**	16,944
Income tax					**(859)**	(672)
(Loss)/profit for the period/year					**(239,078)**	16,272
Balance Sheet					**At 31.12.2008**	At 30.9.2007
Assets						
Segment assets	**95,394**	119,204	**72,175**	1,432	**167,569**	120,636
Interest in associates					**1,119,892**	886,930
Unallocated assets					**131,486**	189,813
Consolidated total assets					**1,418,947**	1,197,379
Liabilities						
Segment liabilities	**5,671**	5,603	**41,578**	170	**47,249**	5,773
Unallocated liabilities					**440,539**	164,693
Consolidated total liabilities					**487,788**	170,466

Notes to the Financial Statements

For the period from 1 October 2007 to 31 December 2008

6. SEGMENT REPORTING (CONTINUED)

a) Business segment (continued)

	Cruise leasing and management		Travel		Unallocated		Consolidated	
	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Other information:								
Amortisation of intangible assets	–	–	215	–	–	–	215	–
Impairment loss on								
– goodwill	–	–	609	–	–	–	609	–
– intangible assets	–	–	676	–	–	–	676	–
– other receivables	22,763	–	–	–	–	–	22,763	–
– interest in associates	–	–	–	–	18,900	–	18,900	–
Depreciation	9,142	7,325	837	20	3,480	1,365	13,459	8,710
Capital expenditure	117	25	7,305	1	5,964	5,311	13,386	5,337

b) Geographical segment

The Group's business is managed on a worldwide basis, but participates in four principal economic environments. The cruise leasing and management income is mainly derived from South China Sea, other than in Hong Kong. In Hong Kong, the main business is the provision of travel-related agency services. The income from North America mainly derived from sale of air tickets and tour packages.

In presenting information on the basis of geographical segment, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	South China Sea, other than in Hong Kong		Hong Kong		Macau		North America		Consolidated	
	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Segment revenue										
Turnover	118,000	95,901	5,121	7,853	–	–	504,133	–	627,254	103,754
Segment assets	94,259	119,211	134,003	190,689	1,121,165	887,479	69,520	–	1,418,947	1,197,379
Capital expenditure	117	25	5,633	5,312	–	–	7,636	–	13,386	5,337

7. TURNOVER

The principal activities of the Group are leasing and management of cruise and tourist-related business.

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

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Cruise leasing and management fee income	**118,000**	95,901
Travel–related agency services fee income		
– sale of air tickets	**470,409**	–
– travel and related service fee income	**38,845**	7,853
	509,254	7,853
	627,254	103,754

8. OTHER REVENUE AND OTHER NET INCOME

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Other revenue		
Interest income on bank deposits	**4,851**	10,197
Total interest income on financial assets not at fair value through profit or loss	**4,851**	10,197
Commission income	**74**	45
Dividend from available-for-sale investment	**–**	1,133
Management fee income from an associate	**5,919**	4,534
Write back of trade payables#	**3,858**	–
Amortisation of financial guarantee contract	**18,900**	–
Other income	**1,215**	63
	34,817	15,972

This amount represents write back of long-outstanding trade payables

8. OTHER REVENUE AND OTHER NET INCOME (CONTINUED)

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Other net income		
Gain on disposal of securities (note)	–	4,391
Gain on disposal of available-for-sale investment	–	10,330
Gain on disposal of property, plant and equipment	298	–
	298	14,721

Note: During the year ended 30 September 2007, Better Talent Limited, an indirect wholly-owned subsidiary of the Company, as subscriber, entered into a subscription agreement with an independent third party, China Star Entertainment Limited ("China Star"), a company listed on the Stock Exchange, for the subscription of China Star's zero coupon unsecured convertible bonds at the subscription price of approximately HK$11.9 million. The convertible bonds were exercised and converted into ordinary shares of China Star and such shares were subsequently disposed in the open market during the year ended 30 September 2007. The net proceeds received were approximately HK$16.3 million.

9. (LOSS)/PROFIT BEFORE TAXATION

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

a) Finance costs

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Interest expenses on other borrowings wholly repayable within five years	–	1,675
Interest expenses paid to a related company	335	–
Total interest expenses on financial liabilities not at fair value through profit or loss	335	1,675

b) Staff costs

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Salaries, wages and other benefit (including directors' emoluments)	59,928	35,394
Contribution to defined contribution retirement plan	990	629
	60,918	36,023

9. (LOSS)/PROFIT BEFORE TAXATION (CONTINUED)

c) Other items

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Auditors' remuneration		
– audit services	**1,267**	837
– other services	**590**	110
Depreciation on owned fixed assets	**13,459**	8,710
Gain on write off of a subsidiary under voluntary liquidation	**(13)**	–
Amortisation of intangible assets	**215**	–
Operating lease rentals		
– properties	**6,365**	4,398
– plant and machinery	**272**	40
Net exchange loss/(gain)	**546**	(37)
Cost of inventories#	**36,044**	17,044
Impairment loss on		
– goodwill*	**609**	–
– intangible assets*	**676**	–
– other receivables*^	**22,763**	–
– interest in associates*	**18,900**	–

\# Included within administrative expenses

* These amounts are included in "other operating expresses" on the face of the consolidated income statement.

^ This represents impairment on debts due by a debtor which has been long-outstanding. The directors considered that the amounts due could not be recovered. Therefore, full impairment has been made (note 24(d)).

10. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

a) Taxation in the consolidated income statement represents:

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Current tax-Hong Kong Profits Tax		
– charge for the period/year	**1,708**	804
– over-provision in respect of prior years	**(25)**	–
	1,683	804
Current tax-Overseas Profits Tax		
– over-provision in respect of prior years	**(327)**	–
	1,356	804
Deferred taxation relating to the origination and reversal of temporary differences (note 32 (b))	**(497)**	(132)
	859	672

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) of the estimated assessable profit for the period/year.

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

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

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
(Loss)/profit before taxation	**(238,219)**	16,944
Notional tax on (loss)/profit before taxation, calculated at the rates applicable to (loss)/profit in the countries concerned	**(10,495)**	5,669
Tax effect of share of results of associates	**(28,098)**	(2,730)
Tax effect of non-deductible expenses	**9,607**	3,976
Tax effect of non-taxable revenue	**(4,052)**	(9,280)
Tax effect of unrecognised tax losses	**32,944**	3,319
Unrecognised temporary differences	**1,881**	(282)
Tax effect on utilisation of previously unrecognised tax losses	**(576)**	–
Overprovision for tax in prior years	**(352)**	–
Tax charge	**859**	672

11. DIRECTORS' REMUNERATION

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

Name	Directors' fees		Salaries, allowances and benefits in kind		Retirement scheme contributions		Performance related incentive payment (note)		Total	
	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Executive Directors										
Yeung Hoi Sing, Sonny	–	–	–	–	–	–	–	–	–	–
Lee Siu Cheung (resigned on 1 June 2008)	–	–	360	889	8	12	187	–	555	901
Ma Ho Man, Hoffman (appointed on 20 March 2007)	–	–	970	210	15	6	112	–	1,097	216
Non-executive Director										
Choi Kin Pui, Russelle	129	100	–	–	–	–	–	–	129	100
Independent Non-executive Directors										
Luk Ka Yee, Patrick	129	100	–	–	–	–	–	–	129	100
Yim Kai Pung	129	100	–	–	–	–	–	–	129	100
Yeung Mo Sheung, Ann	129	100	–	–	–	–	–	–	129	100
	516	400	1,330	1,099	23	18	299	–	2,168	1,517

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

12. INDIVIDUALS WITH HIGHEST EMOLUMENTS

The five individuals with the highest emoluments, one (2007: one) is a director whose emoluments is disclosed in note 11. The aggregate of the emoluments in respect of the other four (2007: four) individuals are as follows:

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Salaries, allowances and benefits in kind	3,171	2,272
Performance related incentive payment	118	–
Retirement benefit scheme contributions	52	45
	3,341	2,317

The emoluments of the four (2007: four) individuals with the highest emoluments are within the following band:

	Number of individuals	
	Period ended 31.12.2008	Year ended 30.9.2007
HK$Nil – HK$1,000,000	4	4

13. (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The (loss)/profit attributable to equity shareholders of the Company includes a loss of approximately HK$28,657,000 (2007: profit HK$4,279,000) which has been dealt within the financial statements of the Company.

14. DIVIDENDS

No interim dividend was paid during the period under review (2007: Nil). The Directors do not recommend any payment of a final dividend for the fifteen months ended 31 December 2008 (2007: Nil).

15. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the (loss)/profit for the period/year attributable to equity shareholders of the Company of approximately HK$238,304,000 (2007: profit HK$2,314,000) and on the weighted average number of 2,414,012,000 (2007: 2,174,642,000) shares in issue during the period/year.

b) Diluted (loss)/earnings per share

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

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and building HK$'000	Cruise HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Furniture, fittings and office equipment HK$'000	Motor vehicles HK$'000	Motor yacht HK$'000	Total HK$'000
Cost								
At 1 October 2006	–	93,600	2,796	9,853	3,923	230	–	110,402
Additions	–	–	2,798	–	938	1,601	–	5,337
Disposals	–	–	(1,746)	–	(386)	–	–	(2,132)
At 30 September 2006 and 1 October 2007	–	93,600	3,848	9,853	4,475	1,831	–	113,607
Additions	–	–	59	–	713	784	4,700	6,256
Disposals	(766)	–	(365)	–	(111)	(230)	–	(1,472)
Acquisition of subsidiaries	3,838	–	1,057	–	1,985	250	–	7,130
Write off of a subsidiary	–	–	(226)	–	(113)	–	–	(339)
Exchange alignment	(662)	–	(681)	–	(1,794)	(185)	–	(3,322)
At 31 December 2008	**2,410**	**93,600**	**3,692**	**9,853**	**5,155**	**2,450**	**4,700**	**121,860**
Accumulated depreciation								
At 1 October 2006	–	12,870	2,051	2,003	1,744	198	–	18,866
Charge for the year	–	4,680	947	1,970	845	268	–	8,710
Written back on disposals	–	–	(1,684)	–	(230)	–	–	(1,914)
At 30 September 2007 and 1 October 2007	–	17,550	1,314	3,973	2,359	466	–	25,662
Charge for the period	19	5,850	1,665	2,464	1,666	777	1,018	13,459
Written back on disposals	–	–	(220)	–	(48)	(230)	–	(498)
Write off of a subsidiary	–	–	(222)	–	(102)	–	–	(324)
Exchange alignment	(14)	–	(512)	–	(1,479)	(145)	–	(2,150)
At 31 December 2008	**5**	**23,400**	**2,025**	**6,437**	**2,396**	**868**	**1,018**	**36,149**
Net book value								
At 31 December 2008	**2,405**	**70,200**	**1,667**	**3,416**	**2,759**	**1,582**	**3,682**	**85,711**
At 30 September 2007	–	76,050	2,534	5,880	2,116	1,365	–	87,945

The analysis of carrying amount of property is as follows:

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Outside Hong Kong		
Freehold land	**2,405**	–

17. GOODWILL

Group

	HK$'000
Cost	
At 1 October 2006 and 30 September 2007	1,313
At 1 October 2007	1,313
Acquisition of subsidiaries (note 40(a))	7,019
At 31 December 2008	**8,332**
Accumulated impairment losses	
At 1 October 2006 and 30 September 2007	–
At 1 October 2007	–
Impairment loss	(609)
At 31 December 2008	**(609)**
Carrying amount	
At 31 December 2008	**7,723**
At 30 September 2007	1,313

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

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Cruise management CGU	**1,313**	1,313
Travel CGU	**6,410**	–
	7,723	1,313

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

Key assumptions used for value-in-use calculations:

	Travel CGU		**Cruise management CGU**	
	2008 %	2007 %	**2008 %**	2007 %
– Growth rate	**4**	N/A	**zero**	5
– Discount rate	**11.8**	N/A	**5**	5

17. GOODWILL (CONTINUED)

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

The goodwill of HK$7,019,000 was arising on the acquisition of 100% interest in Smart Class Enterprises Limited ("Smart Class") in July 2008. Based on the impairment tests performed, the carrying amount of the goodwill of HK$6,410,000 allocated to the travel CGU has been impaired by HK$609,000 as at 31 December 2008 because the market condition of the travel agent business changed significantly subsequent to the financial crisis since the last quarter of 2008. The recoverable amount of the cruise management CGU is higher than its carrying amount based on value-in-use calculations. Accordingly, no impairment loss is recognised for the period (2007: Nil).

Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cruise management CGU.

18. INTANGIBLE ASSETS

	Trademark HK$'000	**Client list** HK$'000	**Total** HK$'000
Cost			
At 1 October 2006 and 30 September 2007	–	–	–
At 1 October 2007	–	–	–
Acquisition of subsidiaries (note 41(a))	33,044	9,238	42,282
Exchange alignment	(5,301)	(1,482)	(6,783)
At 31 December 2008	**27,743**	**7,756**	**35,499**
Accumulated amortisation and impairment losses			
At 1 October 2006 and 30 September 2007	–	–	–
At 1 October 2007	–	–	–
Charge for the period	–	(215)	(215)
Impairment loss	–	(676)	(676)
At 31 December 2008	**–**	**(891)**	**(891)**
Carrying amount			
At 31 December 2008	**27,743**	**6,865**	**34,608**
At 30 September 2007	–	–	–

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

18. INTANGIBLE ASSETS (CONTINUED)

Trademark

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

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

In accordance with HKAS 36 Impairment of Assets, the Group completed its annual impairment test for the trademark by comparing its recoverable amount to its carrying amount as at 31 December 2008. 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 Appraisal Limited ("Roma"), an independent professional valuer, who has among their staff, fellow members of the Hong Kong Institute of Surveyors, the recoverable amount of the trademarks is higher than its carrying value, therefore, no impairment loss is recognized for the period.

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

Client list

The directors assessed that the client list having 15 years of useful lives. The Group has completed its annual impairment test for the client list by comparing the recoverable amount of the client list to its carrying amount as at 31 December 2008. The Group has conducted a valuation of the client list based on the value in use calculations With reference to the valuations carried out by Roma the carrying amount of client list of HK$6,865,000 has been impaired by HK$676,000 because the market condition of the travel agent business changed significantly subsequent to the financial crisis since the last quarter of 2008.

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

19. INVESTMENTS IN SUBSIDIARIES

Company

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Unlisted shares, at cost	40,655	15,874
Deemed capital contributions (note 33)	63,000	63,000
Amounts due from subsidiaries	1,012,031	608,370
	1,115,686	687,244
Less: Impairment loss#	(42,881)	–
	1,072,805	687,244

During the period ended 31 December 2008, after considering the poor operating performance of the relevant subsidiaries, the directors are of the opinion that impairment loss of approximately HK$42,881,000 (2007: Nil) should be recognised.

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

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

Name of subsidiary	Place of incorporation/ operation	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by subsidiaries	Principal activities
Macau Success (Hong Kong) Limited	Hong Kong	10,000,000 shares of HK$0.01 each	100	100	–	Investment holding
Access Success Developments Limited	British Virgin Islands	1 share of US$1	100	–	100	Investment holding
Better Talent Limited	British Virgin Islands	1 share of US$1	100	–	100	Investment holding
Capture Success Limited	British Virgin Islands/ South China Sea, other than in Hong Kong	100 shares of US$1 each	55	–	55	Cruise leasing

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ operation	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by subsidiaries	Principal activities
Favor Jumbo Limited	British Virgin Islands	1 share of US$1	100	–	100	Investment holding
Golden Sun Profits Limited	British Virgin Islands	20,000 shares of US$1 each	100	–	100	Investment holding
Hover Management Limited	Hong Kong/ South China Sea, other than in Hong Kong	100 shares of HK$1 each	55	–	55	Provision of cruise management services
Macau Success Management Services Limited	Hong Kong	100 shares of HK$1 each	100	–	100	Provision of administration services
Travel Success Limited	Hong Kong	500,000 shares of HK$1 each	100	–	100	Travel agency
Travel Success (Macau) Limited	Macau	3 shares of MOP750,000, MOP749,000 and MOP1,000 respectively	100	–	100	Travel agency
World Fortune Limited	Hong Kong	1,000 shares of HK$1 each	100	–	100	Investment holding
665127 British Columbia Ltd.	Canada	10,000 common shares with no par value and 1,400 Class A preferred shares with CAD0.01 par value (without voting right)	80	–	80	Investment holding

19. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ operation	Particulars of issued and paid up share capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by subsidiaries	Principal activities
Jade Travel Ltd. ("Jade Travel Ltd. (Canada)")	Canada	7 common shares with no par value	80	–	80	Wholesale and retail business of selling airline tickets and tour package
Jade Travel Ltd. ("Jade Travel Ltd. (New York)")	United States of America	100 common shares with no par value	80	–	80	Wholesale and retail business of selling airline tickets and tour packages
Smart Class Enterprises Limited	British Virgin Islands	50,000 ordinary shares of US$1 each	100	100	–	Investment holding

20. INTEREST IN ASSOCIATES

	Note	Group At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Share of net assets		**154,634**	425,696
Deemed capital contributions	33	**63,000**	63,000
Goodwill	(b)	**19,409**	19,409
		237,043	508,105
Amounts due from associates	(c)	**901,749**	378,825
		1,138,792	886,930
Less: Impairment loss	(d)	**(18,900)**	–
		1,119,892	886,930

20. INTEREST IN ASSOCIATES (CONTINUED)

(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/ operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Pier 16 – Entertainment Group Corporation Limited	Macau	2 shares of MOP24,000 and MOP1,000 respectively	49%	–	49%	Provision of management service for casino operation
Pier 16 – Management Limited	Macau/ Hong Kong	2 shares of MOP24,000 and MOP1,000 respectively	49%	–	49%	Hotel operation
Pier 16 – Property Development Limited	Macau	100,000 shares of MOP100 each	49%	–	49%	Property holding

(b) Goodwill

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

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

(d) Impairment test for interest in associates

The Group completed its annual impairment test for interest in associates by comparing the recoverable amount of interest in associates to its carrying amount as at 31 December 2008. The Group has engaged Roma to carry out a valuation of the interest in associate as at 31 December 2008 based on the value-in-use calculations. The carrying value of the interest in associates is written down by approximately HK$18.9 million (2007: Nil). This valuation uses cash flow projections based on financial estimates covering a five-year period, and a discount rate of 12.9%. The cash flows beyond the five-year period are extrapolated using a steady 4% growth rate. This growth rate does not exceed the long-term average growth rate for the casino and hotel industries in which the Group operates. Management has considered the above assumptions and valuation and also taken into account the business plan going forward.

20. INTEREST IN ASSOCIATES (CONTINUED)

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

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Assets	**3,654,950**	2,748,553
Liabilities	**3,339,370**	1,879,786
Equity	**315,580**	868,767

	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Revenues	**221,341**	–
Loss	**(347,535)**	(33,428)

21. DEPOSIT FOR ACQUISITION OF PROPERTIES

On 28 February 2008, Jade Travel Ltd., a 80% owned subsidiary of the Group entered into a sale and purchase agreement to purchase of properties located in Richmond Hill, Ontario, Canada for a total consideration of approximately CAD2,364,000 (equivalent to approximately HK$15,265,000). The properties will be used as office by the subsidiary. As at 31 December 2008, deposits of HK$2,290,000 had been paid and the outstanding balance of HK$12,975,000 was disclosed as capital commitment in note 37. The purchase of the properties will be completed on or before 31 October 2009.

22. DEPOSIT FOR ACQUISITION OF A COMPANY

This represented a deposit of HK$60 million paid to上海永德投資有限公司 ("上海永德"), an independent third party, upon signing of a letter of intent and a confidentiality agreement on 10 January 2008 for the proposed acquisition by a wholly-owned subsidiary of the Company of at least 10% and not more than 51% of the entire issued share capital of 重慶林科物業發展有限公司, a 90% owned subsidiary of 上海永德. A letter agreement has been signed on 31 March 2009 to further extend the long stop date to 30 September 2009.

23. INVENTORIES

Group

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Fuel oil	**1,160**	1,323

24. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Trade receivables	(a), (b), (c)	**21,731**	996	**–**	–
Other receivables		**25,553**	17,402	**79**	209
Less: Impairment loss	(d)	**(22,763)**	–	**–**	–
		2,790	17,402	**79**	209
Trade and other receivables		**24,521**	18,398	**79**	209
Prepayment and deposits		**6,662**	–	**294**	–
		31,183	18,398	**373**	209

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

(a) Aging analysis

Included in trade and other receivables are trade debtors with the following aging analysis as at the balance sheet date:

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Current	**14,979**	727	**–**	–
31 to 60 days overdue	**6,239**	165	**–**	–
61 to 90 days overdue	**178**	–	**–**	–
Over 90 days overdue	**335**	104	**–**	–
	21,731	996	**–**	–

The Group normally allows a credit period of 60 days to customers of cruise leasing and management (2007: 30 days) and 30 days to customers of travelling business (2007: 30 days).

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables

Impairment loss in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note2(k)). As at 31 December 2008, there were no impairment loss on the trade receivables.

(c) Trade receivables that are not impaired

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

	Group	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Neither past due nor impaired	**14,979**	727
Past due but not impaired		
– Less than 1 month past due	**6,239**	165
– 1 to 3 months past due	**513**	104
	6,752	269
	21,731	996

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

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

(d) Other receivables

	Group HK$'000
Movement in the impairment on other receivables	
At 1 October 2006 and 30 September 2007	–
At 1 October 2007	–
Impairment loss recognised on other receivables (note 9(c))	22,763
At 31 December 2008	**22,763**

25. PLEDGED BANK DEPOSITS/BANK BALANCES

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Cash and bank balances	**59,106**	19,314	**664**	541
Non-pledged bank deposits	**7,569**	181,405	**6,645**	180,504
Pledged bank deposits	**6,762**	751	**5,996**	–
	73,437	201,470	**13,305**	181,045
Less: Pledged bank deposits	**(6,762)**	(751)	**(5,996)**	–
Cash and cash equivalents in cash flow statement	**66,675**	200,719	**7,309**	181,045

26. TRADE AND OTHER PAYABLES

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Trade payables	**7,259**	163	**–**	–
Consideration received for partial disposal of a subsidiary	**–**	100,000	**–**	–
Accrued charges and other payables	**16,198**	6,259	**1,802**	912
Amounts due to subsidiaries	**–**	–	**64,135**	50,747
Financial liabilities measured at amortised cost	**23,457**	106,422	**65,937**	51,659

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

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

26. TRADE AND OTHER PAYABLES (CONTINUED)

Aging analysis

Included in trade and other payables are trade creditors with the following aging analysis as of the balance sheet date:

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Current	**4,918**	149	**–**	–
31 to 60 days	**881**	1	**–**	–
61 to 90 days	**444**	–	**–**	–
Over 90 days	**1,016**	13	**–**	–
	7,259	163	**–**	–

27. DEFERRED INCOME

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

28. PROFIT GUARANTEE LIABILITIES

	HK$'000
Carrying amount	
At 1 October 2006 and 30 September 2007	–
At 1 October 2007	–
Profit guarantee issued to SBI Macau during the period	45,500
At 31 December 2008	**45,500**
Current liabilities	12,892
Non-current liabilities	32,608
	45,500

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

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

28. PROFIT GUARANTEE LIABILITIES (CONTINUED)

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

29. LOANS PAYABLES

	Note	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Loans from minority shareholders			
– Mrs. Yung Yuen Ping Kwok	(i)	2,247	–
– SABC Holdings Ltd.	(ii)	6,472	–
		8,719	–
Loan from Maruhan	(iii)	119,752	–
Loan from SBI Macau	(iv)	39,486	–
		167,957	–

(i) Mrs. Yung Yuen Ping Kwok is the minority shareholder of a 80% owned subsidiary of the Group, namely 665127 British Columbia Ltd. The loan was arising upon the acquisition of Smart Class and its subsidiaries.

(ii) SABC Holdings Ltd. is the minority shareholder of a 80% owned subsidiary of the Group, namely 665127 British Columbia Ltd. The loan was arising upon the acquisition of Smart Class and its subsidiaries.

(iii) The amount represented the shareholder's loan of approximately HK$66,468,000 due by World Fortune to Golden Sun taken up by Maruhan upon the completion of the World Fortune Disposal and further shareholder loan of approximately HK$53,284,000 advanced by Maruhan to World Fortune pursuant to the World Fortune Shareholders' Agreement as disclosed in note 5(b)(ii) to the financial statements.

(iv) Pursuant to a deed of assignment dated 8 August 2008, Favor Jumbo assigned the loan of approximately HK$39,486,000 due by Golden Sun to SBI Macau as disclosed in note 5(b)(iii) to the financial statements.

All the above loans are unsecured, interest free and not expected to be settled within one year.

30. LONG-TERM PAYABLES

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Present value of liabilities of		
– Maruhan Put Option (Note 5(b)(ii))	**142,035**	–
– SBI Macau Put Option (Note 5(b)(iii))	**45,013**	–
	187,048	–

31. DUE TO A RELATED COMPANY

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

32. INCOME TAX IN THE CONSOLIDATED BALANCE SHEET

a) Current taxation in the consolidated balance sheet represents:

	Group	
	Period ended 31.12.2008 HK$'000	Year ended 30.9.2007 HK$'000
Provision for Hong Kong Profits tax for the period/year	**1,708**	672
Provisional Profits Tax paid	**(1,694)**	–
	14	672
Balance of Profits tax provision relating to prior years		
– Hong Kong	**936**	289
– Overseas	**18**	–
	968	961

32. INCOME TAX IN THE CONSOLIATED BALANCE SHEET (CONTINUED)

b) Recognised deferred tax (assets)/liabilities

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

	Group Accelerated depreciation HK$'000
At 1 October 2006	215
Charged to the income statement (note 10(a))	(132)
At 30 September 2007	83
At 1 October 2007	83
Arising from acquisition of subsidiaries	(888)
Credited to the income statement (note 10(a))	(497)
Exchange alignment	195
At 31 December 2008	**(1,107)**

	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Net deferred tax assets recognsied on the consolidated balance sheet	**(1,190)**	–
Net deferred tax liabilities recognised on the consolidated balance sheet	**83**	83
	(1,107)	83

c) Unrecognised deferred tax assets

Deferred income tax assets are recognised for tax loss carried forward to the extent that the realisation of the related tax benefit through utilisation against future taxable profits is probable. At 31 December 2008, the Group had tax losses of approximately HK$103 million (2007: HK$86 million) that are available to carry forward indefinitely for offsetting against future taxable profits.

No deferred tax asset has been recognised in relation to tax losses as it is not probable that taxable profit will be available against which the tax losses can be utilised.

33. FINANCIAL GUARANTEE CONTRACT

	HK$'000
Carrying amount	
At 1 October 2006	–
Fair value of financial guarantee contract issued	63,000
At 30 September 2007	63,000
At 1 October 2007	63,000
Amortisation for the period	(18,900)
At 31 December 2008	**44,100**
Current liabilities	12,600
Non-current liabilities	31,500
	44,100

At the balance sheet date, the Company gave a corporate guarantee to a bank in respect of syndicated loan facilities of HK$1,600 million (2007: HK$1,600 million) granted to an associate (note 38(a)). The maximum guarantee amount borne by the Company was HK$860 million (2007: HK$860 million). Total loan outstanding for the syndicated loan facilities of the associate as at the balance sheet date was HK$1,260 million (2007: HK$1,010 million).

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

34. SHARE CAPITAL

	Notes	**Number of shares** '000	**Nominal value** HK$'000
Authorised:			
Ordinary shares of HK$0.01 each			
At 1 October 2006 and 30 September 2007		160,000,000	1,600,000
At 1 October 2007 and 31 December 2008		**160,000,000**	**1,600,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each			
At 1 October 2006		2,139,464	21,395
Allotment of consideration shares	(a)	60,000	600
At 30 September 2007		2,199,464	21,995
At 1 October 2007		2,199,464	21,995
Allotment of subscription shares and consideration shares	(b), (c)	239,500	2,395
At 31 December 2008		**2,438,964**	**24,390**

34. SHARE CAPITAL (CONTINUED)

The movement in the issued share capital of the Company was as follows:

a) On 30 November 2006, World Fortune as purchaser entered into an agreement for the purchase of 12.25% equity interest in and the related loan to Pier 16 – Property Development at an aggregate consideration of HK$200 million. The consideration was settled partly by cash of HK$152 million and partly by the allotment and issue of 60 million shares of the Company at an agreed issued price of HK$0.80 per share. The Company allotted and issued the consideration shares on 28 February 2007.

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

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

35. EMPLOYEE RETIRE BENEFITS

a) Defined contribution retirement plan

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

b) Share option scheme

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

35. EMPLOYEE RETIRE BENEFITS (CONTINUED)

b) Share option scheme (continued)

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

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

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

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

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

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

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

As at the balance sheet date, no share options have been granted under the Option Scheme since its adoption.

36. RESERVES

Group

	Attributable to equity shareholders of the Company								
	Share premium HK$'000	Distributable reserve HK$'000	Capital redemption reserve HK$'000	Property revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000	Minority interests HK$'000	Total equity HK$'000
At 1 October 2006	612,516	52,333	976	187,065	–	52,331	905,221	40,304	945,525
Allotment of consideration shares (note 34(a))	47,400	–	–	–	–	–	47,400	–	47,400
Profit for the year	–	–	–	–	–	2,314	2,314	13,958	16,272
Interim dividend declared during the year	–	–	–	–	–	–	–	(4,279)	(4,279)
At 30 September 2007	659,916	52,333	976	187,065	–	54,645	954,935	49,983	1,004,918
At 1 October 2007	659,916	52,333	976	187,065	–	54,645	954,935	49,983	1,004,918
Allotment of subscription shares (note 34(b))	231,440	–	–	–	–	–	231,440	–	231,440
Allotment of consideration shares (note 34(c))	21,645	–	–	–	–	–	21,645	–	21,645
Share issuance costs	(4,216)	–	–	–	–	–	(4,216)	–	(4,216)
Exchange differences on translation of financial statements of subsidiaries	–	–	–	–	(4,235)	–	(4,235)	(1,001)	(5,236)
Share of associates' net loss recognised directly in equity	–	–	–	(100,817)	–	–	(100,817)	–	(100,817)
Partial disposal of a subsidiary	–	–	–	–	–	–	–	–	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	–	–	4,863	4,863
Dividend paid to minority shareholders	–	–	–	–	–	–	–	(6,750)	(6,750)
Loss for the period	–	–	–	–	–	(238,304)	(238,304)	(774)	(239,078)
At 31 December 2008	**908,785**	**52,333**	**976**	**86,248**	**(4,235)**	**(183,659)**	**860,448**	**46,321**	**906,769**
Reserves retained by									
Company and subsidiaries	908,785	52,333	976	–	(4,235)	2,481	960,340	46,321	1,006,661
Associates	–	–	–	86,248	–	(186,140)	(99,892)	–	(99,892)
At 31 December 2008	**908,785**	**52,333**	**976**	**86,248**	**(4,235)**	**(183,659)**	**860,448**	**46,321**	**906,769**
Company and subsidiaries	659,916	52,333	976	–	–	70,493	783,718	49,983	833,701
Associates	–	–	–	187,065	–	(15,848)	171,217	–	171,217
At 30 September 2007	659,916	52,333	976	187,065	–	54,645	954,935	49,983	1,004,918

36. RESERVES (CONTINUED)

Group (continued)

Nature and purpose of reserves

a) Share premium

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

b) Property revaluation reserve

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

c) Exchange reserve

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

Company

	Share premium HK$'000	Retained profits HK$'000	Total HK$'000
At 1 October 2006	612,516	67,649	680,165
Allotment of consideration shares (note 34(a))	47,400	–	47,400
Profit for the year	–	4,279	4,279
At 30 September 2007	659,916	71,928	731,844
At 1 October 2007	659,916	71,928	731,844
Allotment of subscription shares (note 34(b))	231,440	–	231,440
Share issuance costs	(4,216)	–	(4,216)
Allotment of consideration shares (note 34(c))	21,645	–	21,645
Loss for the period	–	(28,657)	(28,657)
At 31 December 2008	**908,785**	**43,271**	**952,056**

Distributability of reserves

At 31 December 2008, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK$43,271,000 (2007: HK$71,928,000).

37. COMMITMENTS

a) Capital commitments outstanding at 31 December 2008 not provided for in the financial statements were as follows:

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Authorised but not contracted for	**–**	–	**–**	–
Contracted but not provided for				
– acquisition of properties (note 21)	**12,975**	–	**–**	–
– acquisition of plant and machinery	**2,602**	–	**–**	–
	15,577	–	**–**	–

b) At the balance sheet date, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	Group		Company	
	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000	**At 31.12.2008 HK$'000**	At 30.9.2007 HK$'000
Within one year	**2,001**	3,757	**–**	–
In the second to fifth years, inclusive	**4,445**	1,575	**–**	–
	6,446	5,332	**–**	–

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

38. CONTINGENT LIABILITIES

At the balance sheet date, the Company gave the following undertakings:

(a) a corporate guarantee for syndicated loan facilities of HK$1,600 million (2007: HK$1,600 million) granted to an associate held by a wholly-owned subsidiary of the Company. The maximum guarantee amount borne by the Company was HK$860 million (2007: HK$860 million) (note 33). The total loan outstanding for the syndicated loan facilities of the associate at the balance sheet date was HK$1,260 million (2007: HK$1,010 million).

(b) a guarantee of HK$7,749,000 in favor of a bank for banking facilities of HK$7,749,000 granted to a subsidiary. The maximum guarantee amount borne by the Company was HK$7,749,000. The directors do not consider it probable that a claim will be made against the Company.

39. RELATED PARTY TRANSACTIONS

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

	Note	Group Period ended 31.12.2008 HK$'000	 Year ended 30.9.2007 HK$'000
Travel service income received from			
– an associate	(i) (ii)	**1,237**	1,150
– key management	(i) (ii)	**302**	641
Management fee income received from			
– associates	(i) (iii)	**5,919**	4,534
Interest expenses paid to a related company	(iv)	**335**	–

Notes:

i) Mr. Yeung Hoi Sing, Sonny was the director of the associates during the year ended 30 September 2007 and the fifteen months ended 31 December 2008. The former director of the Company, Mr. Lee Siu Cheung, was the director of the said associates during the twelve months ended 30 September 2007 and he resigned as the director of the Company and the said associates on 1 June 2008. The director of the Company, Mr. Ma Ho Man, Hoffman, was appointed as the director of the said associates in place of Mr. Lee Siu Cheung and continued to hold office during the period from 1 June 2008 to 31 December 2008.

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

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

iv) The interest was charged at 4% per annum on the amount due to a related company, Star Spangle Corporation which is owned by Mr. Yeung Hoi Sing, Sonny.

b) The outstanding balances with related parties at balance sheet date are as follows:

	Note	At 31.12.2008 HK$'000	At 30.9.2007 HK$'000
Amounts due from associates	20(c)	**901,749**	378,825
Due to a related company	31	**17,574**	–

39. RELATED PARTY TRANSACTIONS (CONTINUED)

c) Key management personnel compensation

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

		Group	
		Period ended 31.12.2008	Year ended 30.9.2007
	Note	**HK$'000**	HK$'000
Salaries and other short-term employee benefits		**6,243**	3,771
Retirement scheme contributions		**90**	63
Termination benefits		**258**	–
Total emoluments are included in "staff costs"	9(b)	**6,591**	3,834

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

40. PLEDGE OF ASSETS

a) As at 31 December 2008, the Group pledged the time deposits of approximately HK$6.8 million (2007: HK$0.8 million) to certain banks for bank facilities of approximately HK$8.4 million (2007: HK$0.8 million) granted to the Group.

b) As at 31 December 2008 and 2007, World Fortune 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 syndicated loan facilities granted to Pier 16 – Property Development.

41. BUSINESS COMBINATION

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

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

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

Details of net assets acquired and goodwill are as follows:

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

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

41. BUSINESS COMBINATION (CONTINUED)

a) (continued)

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

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

b) Analysis of the net cash inflow on acquisition of subsidiaries:

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

42. WRITE OFF OF A SUBSIDIARY UNDER VOLUNTARY LIQUIDATION

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

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

	HK$'000
Cash and cash equivalents	–

43. POST BALANCE SHEET EVENTS

On 14 April 2009, the Company as borrower and Mr. Yeung as lender also entered into an agreement to increase the Loan Facility up to HK$290 million. In addition, Mr. Yeung undertakes not to demand an early repayment of the loan and all other sums owing to Mr. Yeung before 30 June 2010.

In the opinion of the directors, the borrowing of the Loan Facility was for the benefit of the Company and on normal commercial terms where no security over the assets of the Company was granted.

44. COMPARTIVE FIGURES

As a result of adopting HKFRS 7, *Financial instruments: Disclosures*, and the amendments to HKAS 1, *Presentation of financial statements: Capital disclosures*, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details of these developments are disclosed in note 4.

Five-year Financial Summary

RESULTS

	Fifteen months ended 31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000	2006 HK$'000	2005 HK$'000	2004 HK$'000
Turnover:					
Continuing operations	**627,254**	103,754	103,530	100,905	61,564
Discontinued operations	**–**	–	–	–	130,392
	627,254	103,754	103,530	100,905	191,956
(Loss)/profit before taxation	**(238,219)**	16,944	48,531	31,783	29,966
Income tax	**(859)**	(672)	(372)	–	(642)
(Loss)/profit for the period/year	**(239,078)**	16,272	48,159	31,783	29,324
Attributable to:					
Equity shareholders of the Company	**(238,304)**	2,314	28,380	12,291	15,442
Minority interests	**(774)**	13,958	19,779	19,492	13,882
(Loss)/profit for the period/year	**(239,078)**	16,272	48,159	31,783	29,324
(Loss)/earnings per share					
– Basic	**(9.87 HK cents)**	0.11 HK cents	1.41 HK cents	0.66 HK cents	0.98 HK cents
– Diluted	**(9.87 HK cents)**	0.11 HK cents	N/A	N/A	N/A

ASSETS AND LIABILITIES

	Fifteen months ended 31 December 2008 HK$'000	Year ended 30 September 2007 HK$'000	2006 HK$'000	2005 HK$'000	2004 HK$'000
Total assets	**1,418,947**	1,197,379	978,395	712,094	137,549
Total liabilities	**(487,788)**	(170,466)	(11,475)	(31,360)	(39,636)
Minority interests	**(46,321)**	(49,983)	(40,304)	(31,235)	(11,743)
Total equity attributable to equity shareholders of the Company	**884,838**	976,930	926,616	649,499	86,170

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