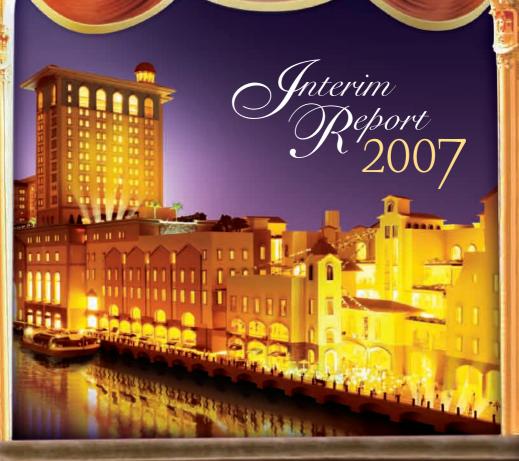
MACAU SUCCESS LIMITED 澳門實德有限公司* (Incorporated in Bermuda with limited liability) (Stock Code: 0487)



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CORPORATE INFORMATION

Directors

Executive Directors

Mr. Yeung Hoi Sing, Sonny (Chairman)

Mr. Lee Siu Cheung (Deputy Chairman)

Mr. Ma Ho Man, Hoffman

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

Qualified AccountantMr. Luk Sai Wai, Simon

Authorised Representatives

Mr. Lee Siu Cheung

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. Lee Siu Cheung

Mr. Ma Ho Man, Hoffman

Auditors

Messrs. CCIF CPA Limited

Legal Advisors on Hong Kong Law

Messrs. Iu, Lai & Li, Solicitors

Legal Advisors on Bermuda Law

Messrs. Convers Dill & Pearman

Principal Bankers

Chong Hing Bank Limited

Dah Sing Bank Limited

Fubon Bank (Hong Kong) Limited

Public 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 Fund Services (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke, HM 08

Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tengis Limited

26th Floor

Tesbury Centre

28 Oueen'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: 0487

Website

www.macausuccess.com

OPERATIONAL HIGHLIGHTS

Unaudited results for the six months ended 31 March 2007

- Net profit attributable to equity shareholders was approximately HK\$6.7 million
- The Group's turnover increased slightly to approximately HK\$52.8 million
- Turnover from the cruise business was approximately HK\$47.9 million, with a segment profit of approximately HK\$19.6 million
- Turnover from the travel business increased 48.5% to approximately HK\$4.9 million
- The first phase of the Group's flagship project Ponte 16 is targeted to commence operation in the second half of 2007
- The second phase of Ponte 16 is expected to commence operation by the first half of 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 March 2007

(Unaudited) For the six months ended 31 March

		2007	2006
	Notes	HK\$'000	HK\$'000
TURNOVER	2	52,845	50,941
Cost of sales		(5,083)	(3,292)
Gross profit		47,762	47,649
Other revenue		10,504	10,275
		58,266	57,924
Administrative expenses		(42,278)	(33,558)
PROFIT FROM OPERATIONS	3	15,988	24,366
Share of results of associates		(607)	17
Profit before taxation		15,381	24,383
Income tax	4		
PROFIT FOR THE PERIOD		15,381	24,383
ATTRIBUTABLE TO:			
Equity shareholders of the Company		6,700	13,757
Minority interests		8,681	10,626
PROFIT FOR THE PERIOD		15,381	24,383
INTERIM DIVIDEND	5		3,209
EARNINGS PER SHARE			
– Basic	6	HK0.31 cents	HK0.72 cents
– Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

At 31 March 2007

	Notes	(Unaudited) 31 March 2007 HK\$'000	(Audited) 30 September 2006 HK\$'000
NON-CURRENT ASSETS	Notes	1112 000	1112 000
Property, plant and equipment	7	91,614	91,536
Goodwill	8	1,313	1,313
Available-for-sale investment	9	25,239	25,239
Interest in associates	10	800,686	376,015
		918,852	494,103
CURRENT ASSETS			·
Inventories		1,353	1,178
Trade and other receivables	11	16,202	13,509
Pledged bank deposits Cash and bank balances		740 107,046	729 468,876
Casil allu balik balalices		107,046	
		125,341	484,292
CURRENT LIABILITIES	12	0.464	6,047
Trade and other payables Tax payable	12	8,464 157	157
iax payable			
		8,621	6,204
NET CURRENT ASSETS		116,720	478,088
TOTAL ASSETS LESS CURRENT LIABILITIES		1,035,572	972,191
NON-CURRENT LIABILITIES			
Loans from minority shareholders	13	5,056	5,056
Deferred tax liabilities		215	215
		5,271	5,271
NET ASSETS		1,030,301	966,920
CAPITAL AND RESERVES			
Share capital	14	21,995	21,395
Reserves	15	959,321	905,221
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		981,316	926,616
Minority Interests	15	48,985	40,304
,	13		
TOTAL EQUITY		1,030,301	966,920

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2007

					(Unaudited)				
		Attril	butable to equ	ity sharehold	ers of the Com	pany			
	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 1 October 2005	19,045	362,920	52,333	976	187,065	27,160	649,499	31,235	680,734
Net profit for the period		_				13,757	13,757	10,626	24,383
At 31 March 2006	19,045	362,920	52,333	976	187,065	40,917	663,256	41,861	705,117
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 14(a))	600	47,400	-	-	-	-	48,000	-	48,000
Net profit for the period						6,700	6,700	8,681	15,381
At 31 March 2007	21,995	659,916	52,333	976	187,065	59,031	981,316	48,985	1,030,301

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 March 2007

	(Unaudited)			
	For the six months ended 31 March			
	2007	2006		
	HK\$'000	HK\$'000		
Net cash (used in)/generated from operating activities	(213,002)	18,078		
Net cash (used in)/generated from investing activities	(148,828)	939		
Net cash used in financing activities		(10,802)		
Net (decrease)/increase in cash and cash equivalents	(361,830)	8,215		
Cash and cash equivalents at beginning of the period	468,876	189,965		
Cash and cash equivalents at end of the period	107,046	198,180		
Analysis of balances of cash and cash equivalents				
Cash and bank balances	107,046	198,180		

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 31 March 2007

BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 September 2006.

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), which term collectively includes all applicable individual Hong Kong Financial Reporting Standards, HKASs and interpretations issued by the HKICPA, that are effective for accounting periods beginning on or after 1 October 2006. The adoption of these new and revised HKFRSs did not result in significant changes to the accounting policies applied by the Company and the Group in the condensed consolidated financial statements for the period presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 21).

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

The condensed consolidated financial statements contain selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group and the Group's interest in associates since the annual financial statements for the year ended 30 September 2006. The condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

2. TURNOVER AND SEGMENT INFORMATION

The Group's turnover and results for the six months ended 31 March 2007 analysed by business segments and geographical segments are as follows:

a) Business segments

For the six months ended 31 March 2007

	Cruise leasing and		
	management	Travel HK\$'000	Consolidated HK\$'000
	HK\$ 000	пк\$ 000	пкэ 000
Turnover	47,901	4,944	52,845
Other revenue	27	26	53
	47,928	4,970	52,898
Segment results	19,609	(354)	19,255
Unallocated corporate income			10,451
Unallocated corporate expenses			(13,718)
Profit from operations			15,988
Share of results of associates			(607)
Profit before taxation			15,381

2. TURNOVER AND SEGMENT INFORMATION (Continued)

a) **Business segments** (Continued)

For the six months ended 31 March 2006

	Cruise		
	leasing and		
	management	Travel	Consolidated
	HK\$'000	HK\$'000	HK\$'000
Turnover	47,660	3,281	50,941
Other revenue	26	35	61
	47,686	3,316	51,002
Segment results	23,973	(203)	23,770
Unallocated corporate income			10,214
Unallocated corporate expenses			(9,618)
Profit from operations			24,366
Share of results of associates			17
Profit before taxation			24,383

b) **Geographical segments**

	Turnover		Segment	results
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	4,944	3,281	(348)	(192)
South China Sea,				
other than in Hong Kong	47,901	47,660	19,609	23,973
Macau			(6)	(11)
	52,845	50,941	19,255	23,770

3. PROFIT FROM OPERATIONS

Profit from operations is arrived at after (crediting)/charging the following:

	For the six months ended			
	31 March			
	2007	2006		
	HK\$'000	HK\$'000		
Crediting:				
Dividend from available-for-sale investment	(1,133)	(1,133)		
Interest income	(6,922)	(8,177)		
Charging:				
Auditor's remuneration	110	97		
Depreciation	4,131	3,435		
Loss on disposal of property, plant and equipment	23	2		
Operating lease rentals				
– land and buildings	1,588	694		
– plant and machinery	20	10		
Staff costs (including contribution of retirement scheme				
of HK\$297,000 (2006: HK\$229,000))	17,375	14,272		

INCOME TAX IN THE INCOME STATEMENT 4.

No Hong Kong profits tax and taxation arising in other jurisdiction, in which the subsidiaries operate, has been provided for the six months ended 31 March 2007 as the Group has no estimated assessable profits for the period (for the six months ended 31 March 2006: HK\$Nil).

5. DIVIDEND

The directors of the Company do not recommend any payment of interim dividend for the six months ended 31 March 2007 (2006: HK0.15 cents per share).

No dividend payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period.

6. **EARNINGS PER SHARE**

The calculation of the basic earnings per share attributable to the equity shareholders of the Company is based on the following data:

	For the six m	onths ended
	31 M	arch
	2007	2006
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of		
basic earnings per share	6,700	13,757
	For the six me	onths ended
	31 M	arch
	2007	2006
Number of shares		
Weighted average number of the shares for the purpose		

There was no dilution effect on the basic earnings per share for the six months ended 31 March 2007 and 31 March 2006 respectively as there were no dilutive instruments outstanding during both periods.

7. PROPERTY, PLANT AND EQUIPMENT

		HK\$'000
Net book value as at 1 October 2006		91,536
Additions		4,232
Disposal		(23)
Depreciation charge for the period		(4,131)
Net book value as at 31 March 2007		91,614
GOODWILL		
		HK\$'000
Net book value as at 1 October 2006 and 31 March 2007		1,313
AVAILABLE-FOR-SALE INVESTMENT		
	31 March	30 September

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Unlisted shares, at cost	25,239	25,239

On 13 July 2005, Top Region Assets Limited ("Top Region"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with two independent third parties for the acquisition of 8.13% interest in the then issued share capital of Triumph Up Investments Limited ("Triumph Up"), a company incorporated in the British Virgin Islands, for a consideration of HK\$22,800,000. Including the acquisition expenses, the total investment cost was approximately HK\$25,239,000.

The unlisted investment in Triumph Up are measured at cost less accumulated impairment losses because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that the fair value cannot be measured reliably.

10. INTEREST IN ASSOCIATES

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Share of net assets	439,948	283,738
Goodwill on acquisition	19,409	4,581
Due from associates	341,329	87,696
	800,686	376,015

The amounts due from associates are unsecured, interest free and have no fixed terms of repayment.

Particulars of the associates as at 31 March 2007 are as follows:

		Particulars of	Proportion of ownership interest			
Name of associate	Place of incorporation and operation	issued and paid up capital	Group's effective interest	Held by the Company	Held by a subsidiary	Principal activities
Pier 16 – Property Development Limited	Macau	100,000 shares of MOP100 each	49%	-	49%	Investment, development and operation of an integrated hotel resort project "Ponte 16"
Pier 16 – Management Limited	Macau	2 shares of MOP24,000 and MOP1,000 respectively	49%	-	49%	Provision of management services for development of an integrated hotel resort project "Ponte 16"
Pier 16 – Resort Hotel Management Limited*	Macau	2 shares of MOP24,000 and MOP1,000 respectively	49%	-	49%	Provision of management services for an integrated hotel resort project "Ponte 16"

The Chinese name of this company has been changed from " " since 14 May 2007.

[&]quot; to "

10. INTEREST IN ASSOCIATES (Continued)

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

	31 March 2007 HK\$'000	30 September 2006 HK\$'000
Assets	1,729,359	1,084,329
Liabilities	831,506	312,252
Equity	897,853	772,077
Revenues		_
Loss	(1,506)	(1,051)

11. TRADE AND OTHER RECEIVABLES

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Trade receivables	670	1,972
Deposits, prepayment and other receivables	15,532	11,537
	16,202	13,509

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

11. TRADE AND OTHER RECEIVABLES (Continued)

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

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Current to 30 days	580	1,924
31 to 60 days	47	4
61 to 90 days	13	9
Over 90 days	30	35
	670	1,972

The Group normally allows a credit period of 30 days (2006: 30 days).

12. TRADE AND OTHER PAYABLES

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Trade payables	399	229
Other payables and accruals	8,065	5,818
	8,464	6,047

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

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

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Current to 30 days	387	217
31 to 60 days	-	1
61 to 90 days	-	-
Over 90 days	12	11
	399	229

13. LOANS FROM MINORITY SHARFHOLDERS

The loans are unsecured, non-interest bearing and have no fixed repayment terms. In the opinion of the directors, the loans will not be repaid within the next twelve months and the carrying value approximated the fair value.

14. SHARE CAPITAL

		Number	Nominal
		of shares	value
	Note	′000	HK\$'000
Authorised:			
At 30 September 2006		160,000,000	1,600,000
At 1 October 2006 and 31 March 2007		160,000,000	1,600,000
Issued and fully paid:			
At 1 October 2005		1,904,464	19,045
Share placement		235,000	2,350
At 30 September 2006		2,139,464	21,395
At 1 October 2006		2,139,464	21,395
Allotment of consideration shares	a	60,000	600
At 31 March 2007		2,199,464	21,995

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

a) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, entered into an agreement on 30 November 2006 to purchase 12.25% of the entire issued share capital of and the related loan to Pier 16 – Property Development Limited at an aggregate consideration of HK\$200 million. The consideration was settled by cash of HK\$152 million and by allotment and issue of 60,000,000 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.

15. RESERVES

	(Unaudited)							
		Attributable	to equity sha	areholders of t	ne Company			
	Share premium HK\$'000	Distributable reserve HK\$'000	Capital redemption reserve HK\$'000	Property revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 October 2005	362,920	52,333	976	187,065	27,160	630,454	31,235	661,689
Net profit for the period					13,757	13,757	10,626	24,383
At 31 March 2006	362,920	52,333	976	187,065	40,917	644,211	41,861	686,072
At 1 October 2006	612,516	52,333	976	187,065	52,331	905,221	40,304	945,525
Allotment of consideration shares (note 14(a))	47,400	-	-	-	-	47,400	-	47,400
Net profit for the period	-	-	-	-	6,700	6,700	8,681	15,381
At 31 March 2007	659,916	52,333	976	187,065	59,031	959,321	48,985	1,008,306

16. DEFERRED TAXATION

Deferred tax assets are recognised for tax loss carry forward to the extent that the realisation of the related tax benefit through utilisation against future taxable profits is probable. At 31 March 2007, the Group had tax losses of approximately HK\$76 million (30 September 2006: HK\$70 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.

17. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had the following commitments for future lease payment under non-cancellable operating leases which fall due as follows:

	31 March	30 September
	2007	2006
	HK\$'000	HK\$'000
Within one year	4,478	2,390
In the second to fifth years, inclusive	3,659	1,959
	8,137	4,349

18. RELATED PARTY TRANSACTIONS

Apart from those disclosed elsewhere in the condensed financial statements, the Group also had the following transactions with the related parties during the period:

	For the six months ended		
		31 Mai 2007	r cn 2006
	Notes	2007 HK\$'000	HK\$'000
Travel service income received		·	<u> </u>
and receivable from			
		444	45
- Associates	i,ii ::	411	45
Key management personnel	ii	346	328
 Close family members of 			
key management personnel	ii	163	164
		920	537
Management service income			
received and receivable from			
– Associates	i,iii	2,436	741
		31 March	30 September
		2007	2006
		HK\$'000	HK\$'000
Trade receivables from travel service			
as at the balance sheet date			
– Associates		159	243
– Key management personnel		105	_
 Close family members of 			
key management personnel			
		264	243
Trade receivable from management service			
income as at the balance sheet date			
- Associates		283	_
, associates			

18. RELATED PARTY TRANSACTIONS (Continued)

- The Company's directors, Mr. Yeung Hoi Sing, Sonny and Mr. Lee Siu Cheung, are the i) directors of the associates.
- ii) The travel agent service fee was charged according to prices and conditions similar to those offered to other customers.
- iii) The management service income was charged according to the terms stated in the management service agreement.

PLEDGE OF ASSETS

As at 31 March 2007, the Group pledged the time deposits of approximately HK\$0.7 million (30) September 2006: HK\$0.7 million) to certain banks for issuance of several bank guarantees of approximately HK\$0.7 million (30 September 2006: HK\$0.7 million) for operations of the Group.

20 NON-ADJUSTING POST BALANCE SHEET EVENTS

On 13 June 2006, Top Region, as vendor, entered into a sale and purchase agreement (the a) "Agreement") with an independent third party, China Star Entertainment Limited ("China Star", a company listed on The Stock Exchange of Hong Kong Limited), as purchaser, and the Company, as guarantor, for the disposal of 8.13% interest in the issued share capital of Triumph Up for a consideration of HK\$36,112,763.57 to China Star. The consideration was determined after arm's length negotiations and with reference to an independent valuer on an open market basis as at 8 June 2006.

On 31 October 2006 and 28 February 2007, the parties entered into deeds of variation to, inter alia, extend the long stop date under the Agreement. The long stop date was extended to 31 May 2007.

The transaction was completed on 30 May 2007.

b) On 11 April 2007, Valuegood Limited, being an indirect wholly-owned subsidiary of the Company, as borrower (the "Borrower"), entered into an agreement with an independent third party, Onshine Finance Limited, as lender (the "Lender"), and the Company, as guarantor, for a loan facility of HK\$250 million. On 15 May 2007, HK\$130 million was drawn down at the interest rate of 8.25% per annum.

20. NON-ADJUSTING POST BALANCE SHEET EVENTS (Continued)

c) On 19 January 2007, Better Talent Limited, being an indirect wholly-owned subsidiary of the Company, as subscriber (the "Subscriber"), entered into a subscription agreement with an independent third party, China Star, as issuer, in relation to the subscription by the Subscriber of the zero coupon unsecured convertible bonds with a principal amount of HK\$12,500,000. The subscription price for the convertible bonds was HK\$11,875,000. being 95% of the principal amount of the convertible bonds.

On 18 May 2007, the subscription was completed and the subscription price of the convertible bonds of HK\$11,875,000 was paid by the Subscriber.

The convertible bonds were exercised on 1 June 2007. The convertible bonds were converted into 39.062.500 shares of China Star at a conversion price of HK\$0.32 per share. The closing price of the shares of China Star was HK\$0.48 per share as at 1 June 2007.

21. POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 31 MARCH 2007

The Board has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The Board anticipates that the application of these standards, amendments or interpretations will have no material impacts on the financial statements of the Board.

HKAS 1 (Amendment) Capital Disclosures 1

HKFRS 7 Financial Instruments: Disclosures 1

HKFRS 8 Operating Segments ²

HK(IFRIC)-Int 10 Interim Financial Reporting and Impairment ³ HK(IFRIC)-Int 11 HKFRS 2 - Group and Treasury Share Transactions 4

HK(IFRIC)-Int 12 Service Concession Arrangements 5

- Effective for annual periods beginning on or after 1 January 2007
- Effective for annual periods beginning on or after 1 January 2009
- Effective for annual periods beginning on or after 1 November 2006
- Effective for annual periods beginning on or after 1 March 2007
- Effective for annual periods beginning on or after 1 January 2008

INDEPENDENT REVIEW REPORT



10 Hysan Avenue Causeway Bay Hong Kong

TO THE BOARD OF DIRECTORS OF **MACAU SUCCESS LIMITED**

(INCORPORATED IN BERMUDA WITH LIMITED LIABILITY)

INTRODUCTION

We have been instructed by the Company to review the interim financial report set out on pages 4 to 21.

DIRECTORS' RESPONSIBILITIES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors of the Company.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with the Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the HKICPA. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as test of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 31 March 2007.

CCIF CPA Limited

Certified Public Accountants Hona Kona, 20 June 2007

Delores Teh

Practising Certificate Number P03207

MANAGEMENT DISCUSSION AND ANALYSIS

Results

For the period under review, turnover of the Group was approximately HK\$52.8 million, representing an approximately 3.7% increase as compared to the last corresponding period (2006: approximately HK\$50.9 million). Gross profit was approximately HK\$47.8 million (2006: approximately HK\$47.6 million). Profit attributable to equity shareholders decreased by 51.4% to approximately HK\$6.7 million (2006: approximately HK\$13.8 million). Earnings per share for the period were HK0.31 cents (2006: HK0.72 cents).

The Group's core business continued to contribute stable income during the period under review. With a moderate growth in turnover, the performance of our cruise business remained stable. At the same time, our travel business also had a remarkable increase in turnover. The Group's profitability was lower than that of the last corresponding period due to an increase in rental and staff costs

Interim Dividend

The directors of the Company (the "Director(s)") do not recommend the payment of interim dividend for the six months ended 31 March 2007 (2006: HK0.15 cents per share).

Review of Operations

Cruise Business

During the period under review, our cruise business continued to be the major contributor for the Group's revenue. The business had continuously generated a stable source of income for years. The leasing and management of our cruise, M.V. Macau Success, accounted for 90.7% of the Group's total turnover.

Turnover from the cruise business was approximately HK\$47.9 million (2006: approximately HK\$47.7 million). Segment profit from the business amounted to approximately HK\$19.6 million (2006: approximately HK\$24.0 million).

In addition to providing a stable income to the Group, the cruise business also played a key role in our strategy to develop into a strong gaming and entertainment-related business group because of its synergy effect on our overall business.

Travel Business

During the period under review, turnover from the travel business recorded approximately HK\$4.9 million, representing an increase of 48.5% (2006; approximately HK\$3.3 million) and accounting for approximately 9.3% of the Group's total turnover. Segment loss from the business was approximately HK\$0.4 million (2006: approximately HK\$0.2 million).

Although this area is not a substantial part of the overall business within the Group, it is the Group's strategy to continue to develop the travel business into a unique platform, providing professional travel services to high-end customers and direct traffic to the Group's flagship cruise, M.V. Macau Success.

Financial Review

Pledge of Assets

As at 31 March 2007, the Group has pledged time deposit of approximately HK\$0.7 million (30 September 2006: approximately HK\$0.7 million) to certain banks for issuance of several bank guarantees of approximately HK\$0.7 million (30 September 2006: approximately HK\$0.7 million) for operations of the Group.

Contingent Liabilities

As at 31 March 2007, the Group had no contingent liability (30 September 2006: HK\$Nil).

Liquidity, Financial Resources and Gearing

As at 31 March 2007, the Group had net current assets of approximately HK\$116.7 million (30 September 2006: approximately HK\$478.1 million) and had net assets of approximately HK\$1,030.3 million (30 September 2006; approximately HK\$966.9 million).

As at 31 March 2007, the Group did not have any interest-bearing borrowings and financial lease obligations (30 September 2006: HK\$Nil).

As at 31 March 2007, there were loans from minority shareholders of approximately HK\$5.1 million (30 September 2006: approximately HK\$5.1 million). The loans are interestfree, unsecured and do not have fixed repayment terms.

The Group did not have any bank loan as at 31 March 2007 (30 September 2006: HK\$Nil)

Equity attributable to equity shareholders of the Company as at 31 March 2007 was approximately HK\$981.3 million (30 September 2006: approximately HK\$926.6 million). Accordingly, the gearing ratio which is measured on the basis of the interest-bearing borrowings of the Group over equity attributable to equity shareholders of the Company was not applicable for this period and last period.

Acquisition of Additional Interest in Ponte 16

On 30 November 2006, the Group, through an indirect wholly-owned subsidiary of the Company, World Fortune Limited ("World Fortune"), entered into a Sale and Purchase Agreement with Joy Idea Investments Limited ("Joy Idea") regarding the acquisition of 12.25% equity interest in and the related loan to Pier 16 – Property Development Limited, which is responsible for the development of the Group's flagship project - Ponte 16 ("Ponte 16"), from Joy Idea at an aggregate consideration of HK\$200 million. The consideration was settled by HK\$152 million in cash from internal resources and HK\$48 million from the allotment and issue of 60,000,000 new shares of the Company, at an agreed issued price of HK\$0.80 per share. On 28 February 2007, the acquisition was completed and 60,000,000 shares of the Company had been issued to Joy Idea. Ponte 16 is now 51% and 49% owned by SJM - Investimentos Limitada and World Fortune respectively.

Staffing

As at 31 March 2007, the Group had approximately 360 employees. Remuneration is determined by reference to qualifications, experience, responsibility and performance. Apart from the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options might also be granted to eligible employees of the Group as a long-term incentive.

Prospects

The management is positive towards the Group's future. In addition to the cruise and travel businesses which have been generating stable income for years. Ponte 16 is expected to bring substantial revenue when it opens in the second half of 2007.

The management has great confidence on the future economic growth and the tourist industry of Macau as well as the opportunities brought by the enclave to the Group. According to the Macau SAR Government, the number of tourists visited Macau in the first quarter of 2007 reached 6,369,664, increased by 21.4% over the corresponding period in 2006. As over 50% of the tourists are from the mainland, the economic development in China will further enhance Macau's economy. Gaming revenue reached MOP17.9 billion for the first quarter of 2007. The booming economy and flourishing tourism in Macau is going to provide a favourable environment for the development of Ponte 16.

Ponte 16

Ponte 16 is a world-class integrated resort comprising a five-star hotel, casino (subject to Macau SAR Government's approval), shopping arcade, food and beverage functions as well as recreational facilities. Featuring a unique Southern European theme, the development is located at Pier 16, which commenced operation in the beginning of the last century and has now become a famous historical landmark. Also, the two-minute ferry connection between Ponte 16 and Zhuhai has provided a convenient alternative for tourists.

The Group has accomplished a number of milestones since the debut of the project. In October 2005, the preliminary design of Ponte 16 was confirmed. The Jerde Partnership, Inc., an internationally renowned architecture firm, was appointed to manage the overall planning and design of Ponte 16.

In February 2006, AAPC Hong Kong Limited (trading as "Accor Asia Pacific") ("Accor"), a well-known French hotel management company, was appointed to manage the hotel facilities of the Ponte 16 complex under Accor's deluxe brand "Sofitel". The name of the new hotel was confirmed to be "Sofitel Macau at Ponte 16".

In April 2006, the Group announced the approval of an increase of the gross floor area from 63,584 square metres to 126,500 square metres by the Macau SAR Government, which has raised the business value of the venture as well as the Group. The total development cost of the project is expected to be approximately HK\$2.4 billion.

The first phase of Ponte 16, including the casino (subject to Macau SAR Government's approval) and most of the hotel facilities, was topped out in April 2007. It is expected to commence operation in the second half of 2007, while the rest of the Ponte 16 complex will be completed by the first half of 2008.

Conclusion

The steady business growth of the Group's core businesses plus the substantial business value of its project under development allow the Group to ascertain its optimistic future. With a vision to become one of the leading gaming and entertainment-related companies in the region, the management will seek every business opportunity in Macau and beyond in order to strengthen the synergies of the Group.

DISCLOSURE OF INTERESTS

Interests of Directors

As at 31 March 2007, the Directors or chief executives 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")) which were recorded in the register required to be kept under section 352 of the SFO; or which were otherwise required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Name of Director	Long position/ Short position	Nature of interest	Number of shares of the Company held	Approximate percentage of shareholding					
					Mr. Yeung Hoi Sing,	Long position	Corporate	987,841,432	44.91%
					Sonny (Note)		interest		

Mr. Yeung Hoi Sing, Sonny is deemed to have corporate interest in 987,841,432 shares of the Note: Company 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 Hoi Sing, Sonny.

Save as disclosed above, as at 31 March 2007, none of the Directors or chief executives of the Company, or their 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) which were recorded in the register required to be kept under section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Option Scheme and Directors' and Chief Executives' Rights to Acquire Shares or Debentures

Pursuant to the share option scheme adopted by the shareholders of the Company on 20 August 2004 (the "Share Option Scheme"), the board of Directors (the "Board") may for a consideration of HK\$1 offer to selected eligible persons to subscribe for shares of the Company as incentive or rewards for their contribution to the Group. The subscription price will be determined by the Board at its absolute discretion, but in any event shall not be less than the highest of the nominal value for the time being of each share of the Company; the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date on which the relevant option is granted; and the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date on which the relevant option is granted.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme and any other schemes of the Company must not, in aggregate, exceed 30% of the total number of shares of the Company in issue from time to time.

The Share Option Scheme became effective on 8 November 2004 and, unless otherwise cancelled or amended, will remain in force for ten years from that date.

No options under the Share Option Scheme had been granted to any person since its adoption.

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

Interests of Substantial Shareholders

As at 31 March 2007, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of the Company, being 5% or more of the Company's issued share capital, as recorded in the register required to be kept under section 336 of the SFO:

	Long position/		Number of shares/underlying shares of the	Approximate percentage
Name	Short position	Capacity	Company held	of shareholding
Silver Rich Macau Development Limited	Long position	Beneficial owner	987,841,432	44.91%
Penta Investment Advisers Ltd	Long position	Investment manager	188,414,000 (Note 1)	8.81%
Mr. John Zwaanstra	Long position	Interest in controlled corporation	188,414,000 (Note 2)	8.81%
Joy Idea Investments Limited	Long position	Beneficial owner	180,000,000	8.41%
Mr. Li Chi Keung (Note 3)	Long position	Interest in controlled corporation	180,000,000	8.41%
Ms. Wong Hoi Ping (Note 3)	Long position	Interest in controlled corporation	180,000,000	8.41%
Mr. Li Chu Kwan (Note 3)	Long position	Interest in controlled corporation	180,000,000	8.41%
Ms. Lau Man Wing, Catherine (Note 4)	Long position	Family interest	180,000,000	8.41%

Notes:

These include (i) an interest in 153,414,000 shares of the Company; and (ii) an interest in 1) unlisted cash settled derivatives, giving rise to an interest in 35,000,000 underlying shares of the Company.

- Penta Investment Advisers Ltd is wholly-owned by Mr. John Zwaanstra and therefore he was 2) deemed to have the same interests in 153,414,000 shares of the Company and a total of 35,000,000 underlying shares of the Company held by Penta Investment Advisers Ltd.
- 3) Joy Idea Investments Limited is owned as to one-third by each of Mr. Li Chi Keung, Ms. Wong Hoi Ping and Mr. Li Chu Kwan and therefore they were deemed to have interest in 180,000,000 shares of the Company.
- 4) Ms. Lau Man Wing. Catherine is the spouse of Mr. Li Chu Kwan.

Save as disclosed above, as at 31 March 2007, no other person had, or was deemed or taken to have, interests or short positions in the shares and underlying shares of the Company which were recorded in the register required to be kept under section 336 of the SEO

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

During the six months ended 31 March 2007, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six months ended 31 March 2007.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

Having made specific enquiry with all Directors, each of whom has confirmed compliance with the required standard set out in the Code of Conduct and the Model Code.

AUDIT COMMITTEE

The Audit Committee of the Company comprises the non-executive Director, Mr. Choi Kin Pui, Russelle, and the three independent non-executive Directors, Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann, with terms of reference prepared in accordance with the requirements of the Listing Rules. The Audit Committee is chaired by Mr. Yim Kai Pung who possesses appropriate professional accounting qualification. The principal duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company.

REVIEW OF INTERIM RESULTS

The unaudited interim results for the six months ended 31 March 2007 have been reviewed by the Audit Committee and Messrs. CCIF CPA Limited, the auditors of the Company, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

> On behalf of the Board Yeung Hoi Sing, Sonny Chairman

Hong Kong, 20 June 2007