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

Our consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards.

The Group reports its results in 2 business segments: Cruise and Travel

RESULTS

Total turnover of the Group for the year ended 30 September 2006 has increased 2.6% to approximately HK\$103.5 million from approximately HK\$100.9 million in 2005.

The Group's core business demonstrated strong and steady growth during the year under review. Profit attributable to equity shareholders of the Group amounted to approximately HK\$28.4 million, representing an increase of 130.9% compared to approximately HK\$12.3 million in 2005. In addition, through efforts to enhance efficiency, the Group posted strong operating results. Operating profit increased by 53.3% to approximately HK\$48.9 million from approximately HK\$31.9 million in 2005. The operating profit margin reached 47.2% for the year, which compares to 31.6% in 2005. The increase was primarily attributable to effective cost cutting and effective utilisation of resources to develop the Group's gaming and entertainment-related businesses.

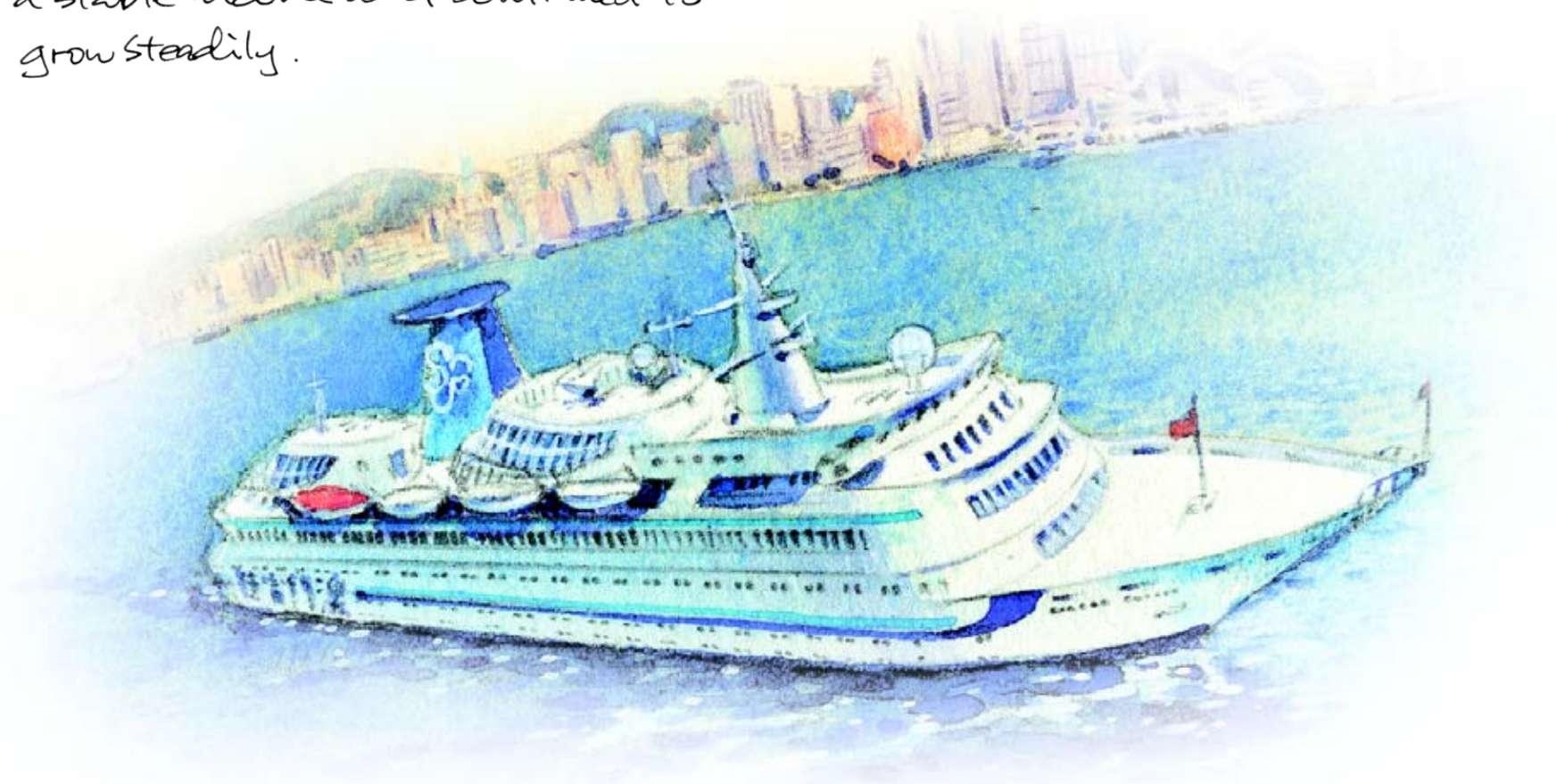
DIVIDEND

An interim dividend of HK0.15 cents per share was paid during the year (2005: HK\$Nil). The directors of the Company (the "Director(s)") do not recommend the payment of a final dividend for the year ended 30 September 2006 (2005: HK\$Nil).



CRUSIE BUSINESS

During the year under review, the cruise business remained the major component of the Group's total revenue. It generated a stable income and continued to grow steadily.



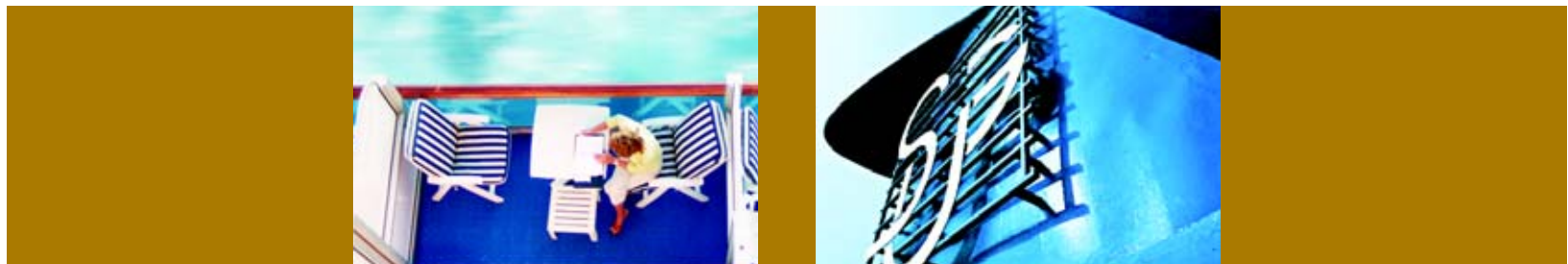
BUSINESS REVIEW

Cruise Business

During the year under review, the cruise business has remained the major component of the Group's total revenue. It generated a stable income and continued to grow steadily. The leasing and management of the cruise, M.V. Macau Success, contributed 92.5% of the total turnover of the Group.

In 2006, turnover from the cruise business was approximately HK\$95.7 million as compared to approximately HK\$95.4 million in 2005. Segment profit from the cruise business was approximately HK\$45.0 million, which was 3.7% higher than approximately HK\$43.4 million in 2005.

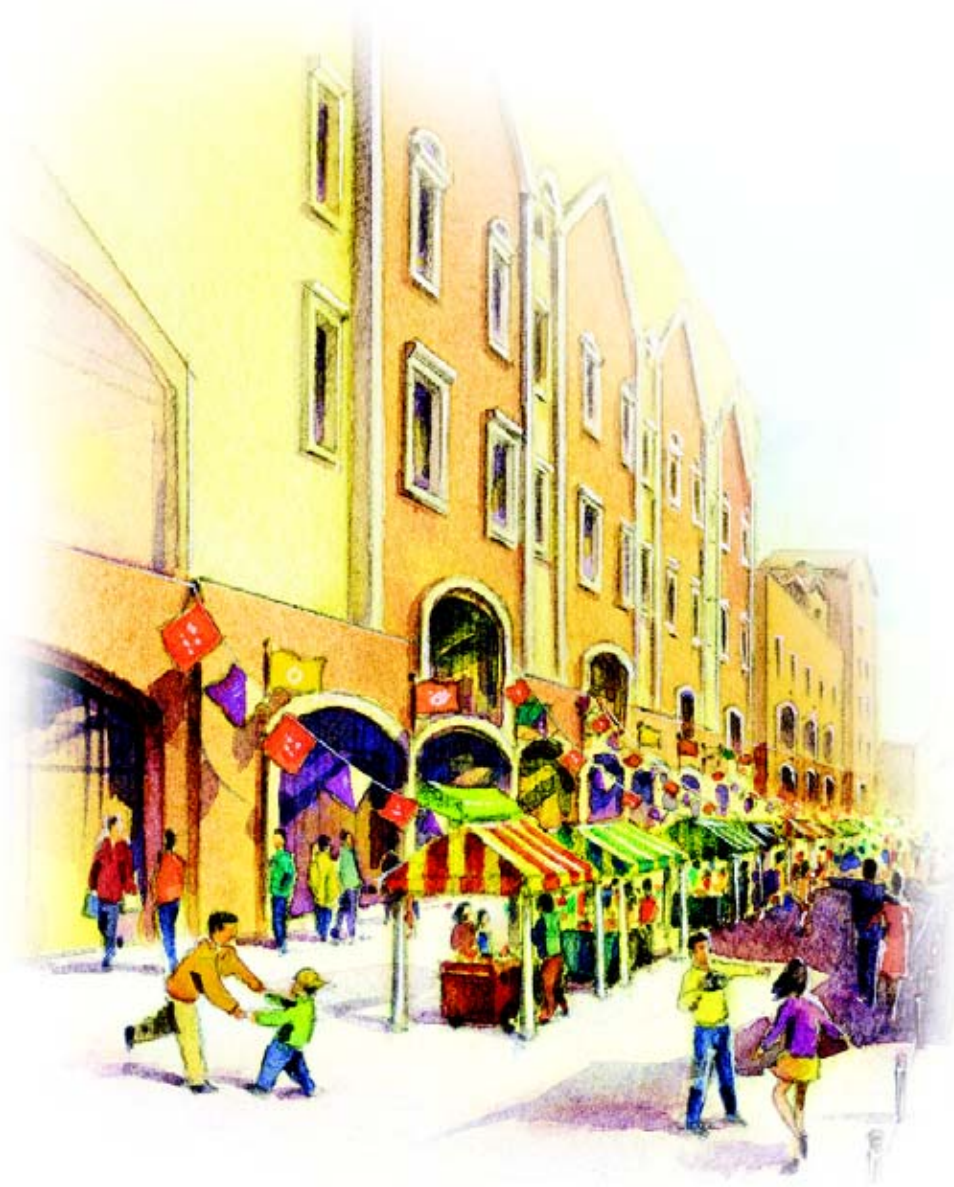
The cruise business not only acts as the principal income stream for the Group but also operates in line with the Group's strategy to develop the gaming and entertainment-related business. The cruise business provides valuable synergies that would not exist as stand-alone businesses.



TRAVEL BUSINESS

The travel agency aims to provide professional travel consulting services to favoured tourists and VIP clients. Management believes that it can become an exclusive channel to bring direct traffic to the cruise M.V. Macau Success, and Ponte 16.

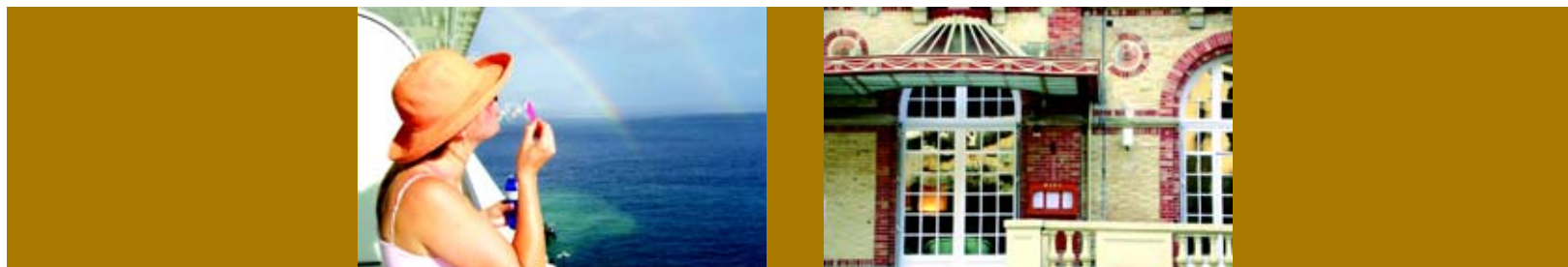
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Travel Business

During the year under review, the turnover of the travel business was approximately HK\$7.8 million, which compares to approximately HK\$5.5 million in 2005 and accounts for 7.5% of the total turnover. As revenue increased and the Group effectively applied cost optimisation strategies, the net loss narrowed to approximately HK\$0.5 million. The Group will continue to apply various measures to reduce costs and expects to generate net profit for the segment in the near future.

Although the travel business only accounts for a small portion of total turnover, the Group will continue to develop its business given its natural fit with the gaming and entertainment-related business. The travel agency aims to provide professional travel consulting services to favoured tourists and VIP clients. Management believes that it can become an exclusive channel to bring direct traffic to the cruise, M.V. Macau Success, and Ponte 16.





The Group is determined to concentrate on the development of Ponte 16.

Others

King Seiner Loan Arrangement

The Group generated approximately HK\$10.0 million interest income from King Seiner during the year under review.

In order to concentrate on the development of Ponte 16, the Group terminated its HK\$50 million loan agreement with King Seiner effective from 29 September 2006. The termination of the loan agreement will not affect the Group's strategy of developing gaming and entertainment-related business in Macau.

FINANCIAL REVIEW

Pledge of Assets

As at 30 September 2006 and 30 September 2005, the Group had pledged time deposits of approximately HK\$0.7 million to certain banks for the issuance of several bank guarantees of approximately HK\$0.7 million.



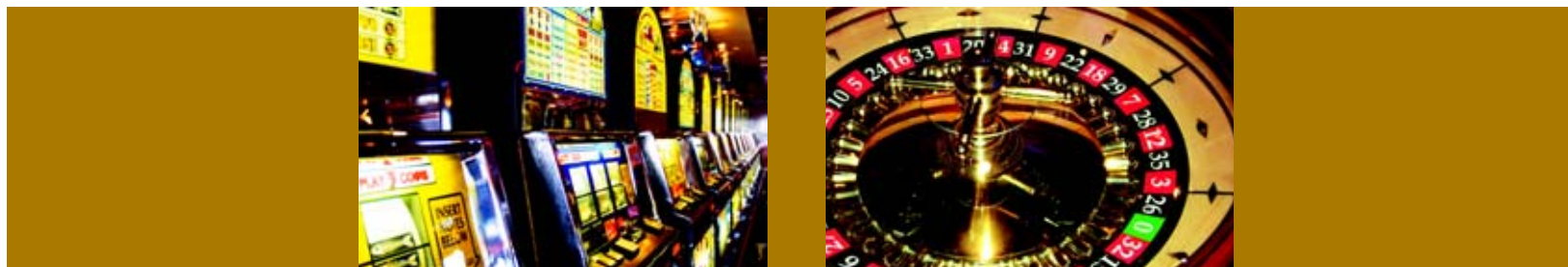
Contingent Liabilities

As at 30 September 2006, the Group had no contingent liabilities (2005: HK\$Nil).

Liquidity, Financial Resources and Gearing

As at 30 September 2006, the Group had net current assets of approximately HK\$478.1 million, which compares to approximately HK\$199.5 million in 2005. The Group had net assets of approximately HK\$966.9 million compared to approximately HK\$680.7 million in 2005.

As at 30 September 2006 and 30 September 2005, the Group did not have any interest-bearing borrowings and financial lease obligations.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

OTHERS

As at 30 September 2006, there were loans from minority shareholders of approximately HK\$5.1 million, which compares to approximately HK\$26.2 million in 2005. The loans are interest-free, unsecured and do not have fixed repayment terms.

The Group did not have any bank loans as at 30 September 2006 and 30 September 2005. Equity attributable to equity shareholders of the Company as at 30 September 2006 was approximately HK\$926.6 million, compared to approximately HK\$649.5 million in 2005. 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 year and last year.

Capital Structure

On 10 April 2006, the Company announced that Joy Idea, has acquired 120,000,000 shares of the Company (“Share(s)”) from the family of Mr. Chan William, a former executive Director, and Joy Idea became a strategic shareholder of the Company, holding a 5.6% stake of the Company.

Share Placement and Subscription of New Shares

On 12 April 2006, Silver Rich Macau Development Limited (“Silver Rich”), a substantial shareholder of the Company, entered into a placing agreement (the “Placing Agreement”) with placing agent, Grand Vinco Capital Limited, and a top-up subscription agreement (the “Subscription Agreement”) with the Company. Pursuant to the Placing Agreement, the placing agent, agreed to place 235,000,000 Shares to not less than six independent individuals, corporate and/or institutional investors, at a price of HK\$1.09 per Share. At the same



time, pursuant to the Subscription Agreement, Silver Rich conditionally agreed to subscribe the newly issued shares of the Company with the same number of Shares that successfully placed at a price of HK\$1.09 per Share (the “Subscription”). The Shares placed represent approximately 12.34% of the then issued share capital of the Company and approximately 10.98% of the enlarged share capital of the Company. The net proceeds derived from the Subscription amounted to approximately HK\$252 million applied as general working capital of the Company.

Staffing

As at 30 September 2006, the Group had approximately 340 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

In response to the challenges faced in the industry, management has established clear strategies that are expected to allow the Group to sustain a leading position in the gaming and entertainment-related industry in Macau.

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PROSPECTS

Management is optimistic about the Group's future. It is expected that not only the current core businesses, including the leasing and management of the cruise, and travel business will bring a stable stream of income. In addition, the new flagship project of the Group – Ponte 16 should be earnings accretive in 2007.

On 30 November 2006, the Group entered into a Sale and Purchase Agreement with Joy Idea to increase its shareholding in the joint venture project – Ponte 16 through an indirect wholly-owned subsidiary of the Company, World Fortune Limited (“World Fortune”). Under the agreement, World Fortune will take the stake of 12.25% in Pier 16 – Property Development from Joy Idea at a consideration of HK\$200 million. Upon completion of the acquisition, Pier 16 – Property Development will be 51% and 49% owned by SJM–Investimentos Limitada and World Fortune respectively. The consideration will be settled by HK\$152 million in cash from internal resources, as well as by HK\$48 million from the allotment and issuance of 60,000,000 new shares of the Company, at an agreed price of HK\$0.80 per share (the “Consideration Shares”). Completion of the said acquisition is subject to, inter alia, the approval by the shareholders of the Company and the listing of, and permission to deal in, the Consideration Shares granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

Management is confident that the economy of Macau will continue to grow at a rapid pace, and the number of tourists will continue to increase. Given that visitors from China comprised of over 50% of the total number of tourists in Macau, continued strong economic development in China will also help to bring further growth to Macau economy. According to the Macau SAR government, the number of tourists that visited Macau in the first eleven months of 2006 reached 19.8 million, an increase of 16.4% compared to the

same period last year, which have surpassed the annual total 18.7 million of 2005. Gaming revenue increased by 19% to MOP49.9 billion in the first eleven months compared to the same period of last year. The booming economic environment in Macau is expected to provide favourable conditions for the Group's flagship project – Ponte 16.

Ponte 16

Ponte 16 is a world-class integrated resort that is comprised of a five-star hotel, casino (subject to Macau SAR Government's approval), shopping arcade and recreation facilities featuring European theme promenade. The development is located at Pier 16, a famous historical landmark of Macau that surrounds Clock Tower, a central tourist attraction. Since Ponte 16 is located on the bank of the Inner Harbour in Macau, it is the only resort with a waterfront that resembles a European Riviera. Additionally, Ponte 16 provides a convenient and luxurious alternative to tourists that is only a 2-minute ferry ride away from Zhuhai.

Throughout the development of the project, the Group has accomplished a number of milestones. In October 2005, the preliminary design of Ponte 16 was confirmed. It was set to be built to reflect the unique cultural and historical architecture of Macau and Southern Europe at the turn of the 20th Century. To ensure the quality of design, Pier 16 – Property Development appointed the renowned architecture firm, The Jerde Partnership, Inc., to manage the overall planning and design of the project.

In February 2006, the naming of the hotel complex of Ponte 16 was confirmed to be “Sofitel Macau @ Ponte 16”. “Sofitel” is a deluxe hotel brand that is managed by AAPC Hong Kong Limited, a prominent french hotel management company. With its extensive hotel management experience, strong exposure and extensive hotel network in Mainland China, the Group is confident that Sofitel Macau @ Ponte 16 will be highly prosperous to shareholders.



PROSPECTS

In April 2006, the Group announced that the Macau SAR Government had approved the expansion of the total gross floor area of Ponte 16 from 63,584 square metres to 126,500 square metres. This approval further raised the business value of the Group. With the increase of the total gross floor area, the total development cost of the project is expected to be approximately HK\$2.4 billion. Ponte 16 is currently being rapidly constructed. The first phase of Ponte 16, including the casino (subject to Macau SAR Government's approval), is scheduled to start operations by June of 2007, while the other phases of Ponte 16 are expected to be completed by March 2008.

Challenges and Opportunities

Management has a clear goal to further develop the Group in the gaming, entertainment and tourist-related business in fast-growing Macau and beyond. Despite the challenges inherent in the business and the region, management is confident that the Group can take advantage of the significant opportunities that are available and maximise the returns for shareholders.

Given that the number of concession and sub-concession holders of gaming in Macau increased to a total of six and there is a growing number of casinos in the region, competition is expected to intensify in the industry. The sharp increase in table supply will lower the average net win per table. However, this situation is believed to be offset by robust tourist growth in the region.

In addition, the aggressive expansion in Macau may lead to insufficient infrastructure. Traffic congestion is becoming a problem in the region. The Group's flagship project – Ponte 16, is situated near the onsite immigration checkpoint, which should make it convenient for Chinese tourists to access. Additionally, the Group is considering to set up a unique bus program to carry tourists from Zhuhai of China. This would further enhance the flow of tourists to Ponte 16.

By June 2007, the first phase of Ponte 16 will be completed and there will be a number of other casino resorts opening at the same time. By then, there are expected to be around 4,200 gaming tables and 15,100 hotel rooms available in Macau. Location, branding, service quality and facility quality will become important factors that will dictate the winners in such a competitive market. Management is confident that the Group's flagship project – Ponte 16 will become one of the most splendid and profitable integrated resorts in Macau.

Strategic development of the Group

In response to the challenges faced in the industry, management has established clear strategies that are expected to allow the Group to sustain a leading position in the gaming and entertainment-related industry in Macau.

Over the past few years, the Group has built a fine reputation in the gaming and entertainment, and tourist-related industry. The Ponte 16 project has only helped to further enhance the brand awareness. Management believes that through effective consumer marketing, the "Macau Success" brand will become identified as one of the most professional, luxurious and experienced offerings in the market. This should increase the Group's attractiveness towards business partners and consumers, and is expected to help introduce further business developments.

In order to strengthen the tourist-related business of the Group, management is determined to provide a one-stop-solution to customers, from travel arrangements to gaming. The investment of the Group's flagship project – Ponte 16 is expected to strategically enhance the Group's synergies with its current cruise and travel agency business. The travel agency acts as an exclusive platform to serve high-end tourists and builds a direct network and alliance with travel agencies in Mainland China, bringing direct traffic to the cruise and Ponte 16. Management firmly believes that Ponte 16 will serve as a distinctive integrated resort in Macau upon its completion due to its unique architectural design, superb location and premium services. It will stand as the focal point in Old Macau.

It is forecasted that tourists from Mainland China will remain the largest group of visitors to Macau in terms of total visitor numbers and average spending. With extensive experience in serving Mainland Chinese customers and possessing a strong understanding of their needs and their cultural background, we aim to offer tailor-made tourist services. This will allow us to attract an increasing number of affluent tourists from Mainland China to Ponte 16 and will help assure a stable income for the Group in the future.

Throughout the years, management has set up vital networks in the market. Management not only has developed a good working relationship with the Macau SAR Government, industry practitioners and other market players, but has also established a broad network of customers. The Group plans to leverage these extensive networks to gain significant share in the market.

In conclusions, management is optimistic about the Group's future and is determined to build and solidify its leading position in Macau's gaming and entertainment-related industry. The Group will take every opportunity to strengthen the synergies of the Group while creating stable returns to shareholders.