



SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

2013 Annual Results



Forward looking statements

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Operational Highlights

- Turnover achieved approximately HK\$1,584.8 million for 2013
- Profit attributable to owners of the Company realised approximately HK\$18.6 million, making a financial turnaround in 2013
- Earnings per share was 0.42 HK cents for 2013
- For lottery business, sports lottery sales agency services network in China expanded to Heilongjiang province in 2013, in addition to existing network in Jiangxi and Qinghai provinces
- For the flagship investment project, Ponte 16, the adjusted EBITDA* substantially increased by approximately 19% to approximately HK\$387.3 million. Shared profit relating to Ponte 16 amounted to approximately HK\$51.0 million, representing 444% year-on-year growth

**Adjusted EBITDA: Earnings before interest, taxes, depreciation and amortisation (and excluded interest income from the pledged deposit)*



Key financials

	For the year ended 31 December		
<i>HK\$ '000</i>	FY 2013	FY 2012	Change
Turnover	1,584,800	1,635,000	-3.1%
Gross profit	83,600	87,900	-4.9%
Shared profit of the associates relating to Ponte 16	51,000	9,400	+443.7%
One-off gain from acquisitions	11,600	–	–
Profit/(loss) attributable to owners of the Company	18,600	(33,000)	–
Earnings/(loss) per share	0.42 HK cents	(0.83) HK cents	–



Financial performance by segment

	For the year ended 31 December		
HK\$ '000	FY2013	FY2012	Change
Travel			
Revenue from external customers	1,430,200	1,543,900	-7.4%
Segment profit/(loss)	(16,100)	1,100	–
Cruise ship leasing and management			
Revenue from external customers	84,000	80,400	+4.5%
Segment profit/(loss)	500	2,900	-83.5%
Lottery			
Revenue from external customers	70,600	10,700	+562.7%
Segment profit/(loss)	(13,400)	(21,900)	–
Ponte 16			
Adjusted EBITDA* of Ponte 16	387,300	324,500	+19.4%
Shared profit of the associates relating to Ponte 16	51,000	9,400	+443.7%

- Unstable economy in North America
- Impairment loss on certain assets of approx. HK\$2.8m

- Increase in operating cost

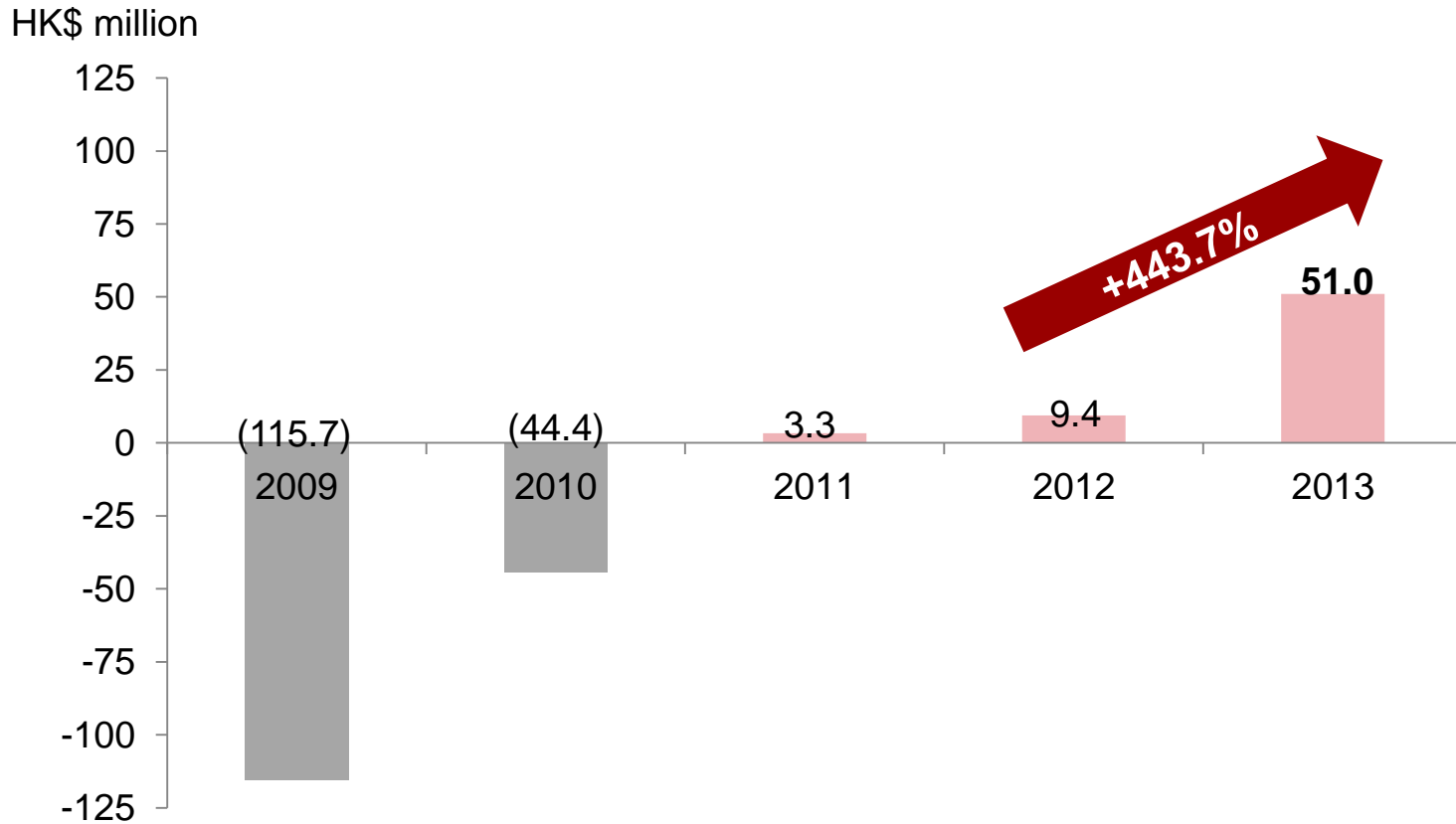
- The technology service platform commenced operation in late 2012 boosting lottery agency sales

- Rapid increase in gaming revenue and greater guest spending in Ponte 16



*Adjusted EBITDA: Earnings before interest, taxes, depreciation and amortisation (and excluded interest income from the pledged deposit)

Solid growth in shared profits relating to Ponte 16



Business review

Travel business

Focused on high-end market

- The travel business was affected by the unfavourable global economy, especially in North America where the Company's travel business operates
- This segment posted a turnover of approx. HK\$1,430.2 million (2012: approx. HK\$1,543.9 million)
- Loss in this segment amounted to approx. HK\$16.1 million (2012: profit of approx. HK\$1.1 million), including an impairment loss on certain assets of approx. HK\$2.8 million



Business review

Cruise ship business

Remained as a steady revenue contributor

- The cruise ship business posted a modest growth in revenue due to the increase in the leasing and management fee income
- Turnover of the cruise ship, M.V. Macau Success was approx. HK\$84.0 million (2012: approx. HK\$80.4 million)
- This segment posted a profit of approx. HK\$0.5 million (2012: approx. HK\$2.9 million), the reduction in profit was attributable to the increase in operating cost



Business review

Lottery business

Expanded the sports lottery sales agency services network in China

- Turnover was approx. HK\$70.6 million (2012: approx. HK\$10.7 million), **up 563% year-on-year**
- Expanded existing sports lottery sales agency services network to Heilongjiang province in addition to Jiangxi and Qinghai provinces
- This segment recorded reduction in loss to approx. HK\$13.4 million (2012: approx. HK\$21.9 million)



Business review

Investment project - Ponte 16

Achieved substantial growth in adjusted EBITDA

- Adjusted EBITDA* of Ponte 16 surged by approx. **19%** to approx. **HK\$387.3 million** (2012: approx. HK\$324.5 million)
- Solid growth in mass market with growing number of mainland visitors to Macau
- Shared profit of the associates relating to Ponte 16 for 2013 was approx. HK\$51.0 million (2012: HK\$9.4 million), **up by 443.7% year-on-year**
- Organised various marketing and cultural initiatives, for example:
 - Indoor reality adventure game “Dangerous”
 - Award-winning cuisine at Privé by Michelin star chef and its executive chef from France
 - Cultural programme “Musique Littéraire”
 - Exclusive photo exhibition of Brigitte Bardot

**Adjusted EBITDA: Earnings before interest, taxes, depreciation and amortisation (and excluded interest income from the pledged deposit)*



Prospects

Travel business

- Seek every cross selling opportunity with Ponte 16 and initiate collaborations and business programmes targeting the high end markets

Cruise ship business

- Remain stable and make contribution to the Company's revenue

Lottery business

- Tap into the welfare lottery business in Shanghai in the first half of 2014
- Lottery business is set to be another driving force for the Company

Ponte 16

- Continue to add new elements to enrich guest experience, such as new Chinese restaurant
- The Phase 3 of the Ponte 16 development project, at CAPEX of approx. HK\$700-800 million, will open another revenue source for the Company
- Marketing strategy includes an online travel magazine showcasing the unique culture of Macau, which will help to enhance the brand awareness of Ponte 16



Thank you

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