



SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

SUCCESS

2014 Interim Results



Operational highlights

- Turnover achieved approx. HK\$730.6 million
- Gross profit increased by approx. 60% to approx. HK\$62.5 million
- Profit attributable to owners of the Company was approx. HK\$47.7 million
- Earnings per share was 0.97 HK cents
- Lottery business recorded a turnover of approx. HK\$67.6 million, which was partly driven by the FIFA World Cup 2014; expanded into the telephone agency sales services of welfare lottery in Shanghai and Tianjin
- Adjusted EBITDA* of Ponte 16 increased by approx. 51% to approx. HK\$260.0 million, benefiting from the steady growth in the number of visitors and increase in gaming revenue from the mass market in Macau

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



Business overview



Travel business

Focused on high-end market

- The travel business was affected by the sluggish sentiment in North America where the Company's travel business operates
- This segment recorded a turnover of approx. HK\$618.5 million (2013: approx. HK\$769.4 million)
- Loss in this segment posted approx. HK\$11.9 million (2013: approx. HK\$9.8 million), including an impairment loss on intangible assets of approx. HK\$3.9 million and bad debts written off of approx. HK\$2.2 million (2013: impairment loss on goodwill of approx. HK\$1.9 million)



Cruise ship business

Remained as a steady revenue contributor

- Turnover of the cruise ship, M.V. Macau Success was approx. HK\$44.5 million (2013: approx. HK\$42.0 million)
- This segment recorded a profit of approx. HK\$0.9 million (2013: approx. HK\$2.1 million)
- On 2 July 2014, the Company announced the disposal of the cruise ship at a consideration of HK\$93.0 million



Lottery business

Tapped into welfare lottery business in China

- Turnover was approx. HK\$67.6 million, representing an increase of approx. 190% (2013: approx. HK\$23.3 million), partly driven by the FIFA World Cup 2014
- This segment recorded a profit of approx. HK\$7.8 million (2013: loss of approx. HK\$9.1 million)
- Expanded into the telephone agency sales services of welfare lottery in Shanghai and Tianjin in addition to sports lottery sales agency services in Heilongjiang, Jiangxi and Qinghai provinces



Investment project – Ponte 16

Achieved substantial growth in the shared profit

- Adjusted EBITDA* of Ponte 16 increased by approx. 51% to approx. HK\$260.0 million (2013: approx. HK\$172.5 million)
- Shared profit of the associates relating to Ponte 16 for the first half of 2014 was approx. HK\$56.3 million, representing an increase of approx. 366% (2013: approx. HK\$12.1 million)
- A series of marketing events, for example:
 - A new Cantonese restaurant, Le Chinois was opened in January 2014
 - Launch of an online travel magazine “Macau Hot Spot P16” in April 2014

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



Results highlights



Key financials

<i>HK\$ '000</i>	FY2013	1H2013	1H2014	Change
Turnover	1,584,800	834,700	730,600	-12%
Gross profit	83,600	38,900	62,500	+60%
Shared profit of the associates relating to Ponte 16	51,000	12,100	56,300	+366%
One-off gain from acquisitions	11,600	83,400	--	--
Profit/(loss) attributable to owners of the Company	18,600	70,900	47,700	-33%
Earnings/(loss) per share	0.42 HK cents	1.69 HK cents	0.97 HK cents	-43%



Financial performance by segment

HK\$ '000	FY2013	1H2013	1H2014	Change
Travel				
Revenue from external customers	1,430,200	769,400	618,500	-20%
Segment profit/(loss)	(16,100)	(9,800)	(11,900)	--
Cruise ship leasing and management				
Revenue from external customers	84,000	42,000	44,500	+6%
Segment profit/(loss)	500	2,100	900	-57%
Lottery				
Revenue from external customers	70,600	23,300	67,600	+190%
Segment profit/(loss)	(13,400)	(9,100)	7,800	-ve to +ve
Ponte 16				
Adjusted EBITDA* of Ponte 16	387,300	172,500	260,000	+51%
Shared profit of the associates relating to Ponte 16	51,000	12,100	56,300	+366%

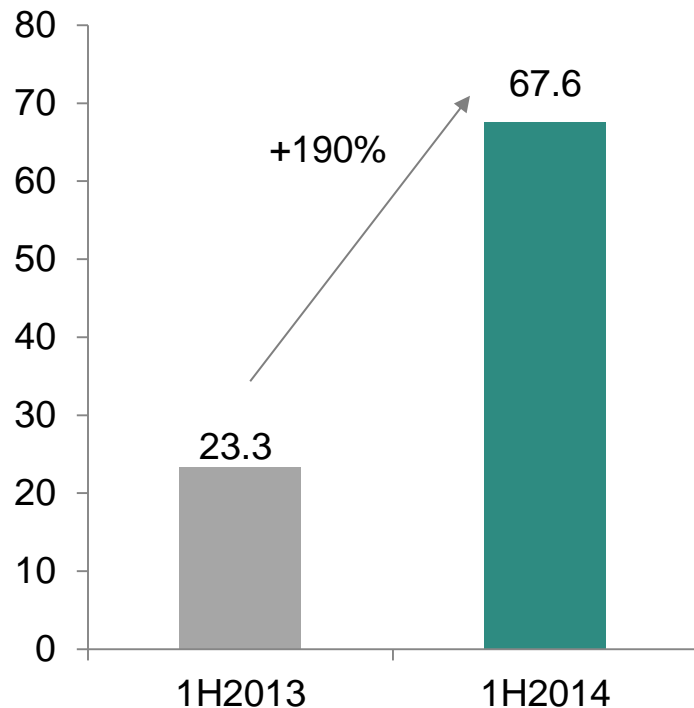
*Adjusted EBITDA: Earnings before interest, taxes, depreciation and amortisation (and excluded interest income from the pledged deposit)



Encouraging results from lottery business

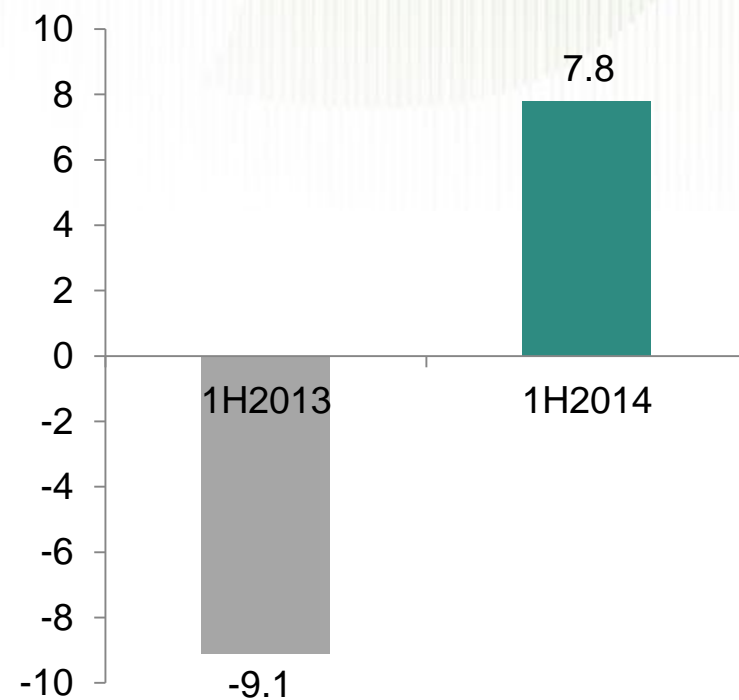
Turnover

HK\$ million



Profit

HK\$ million

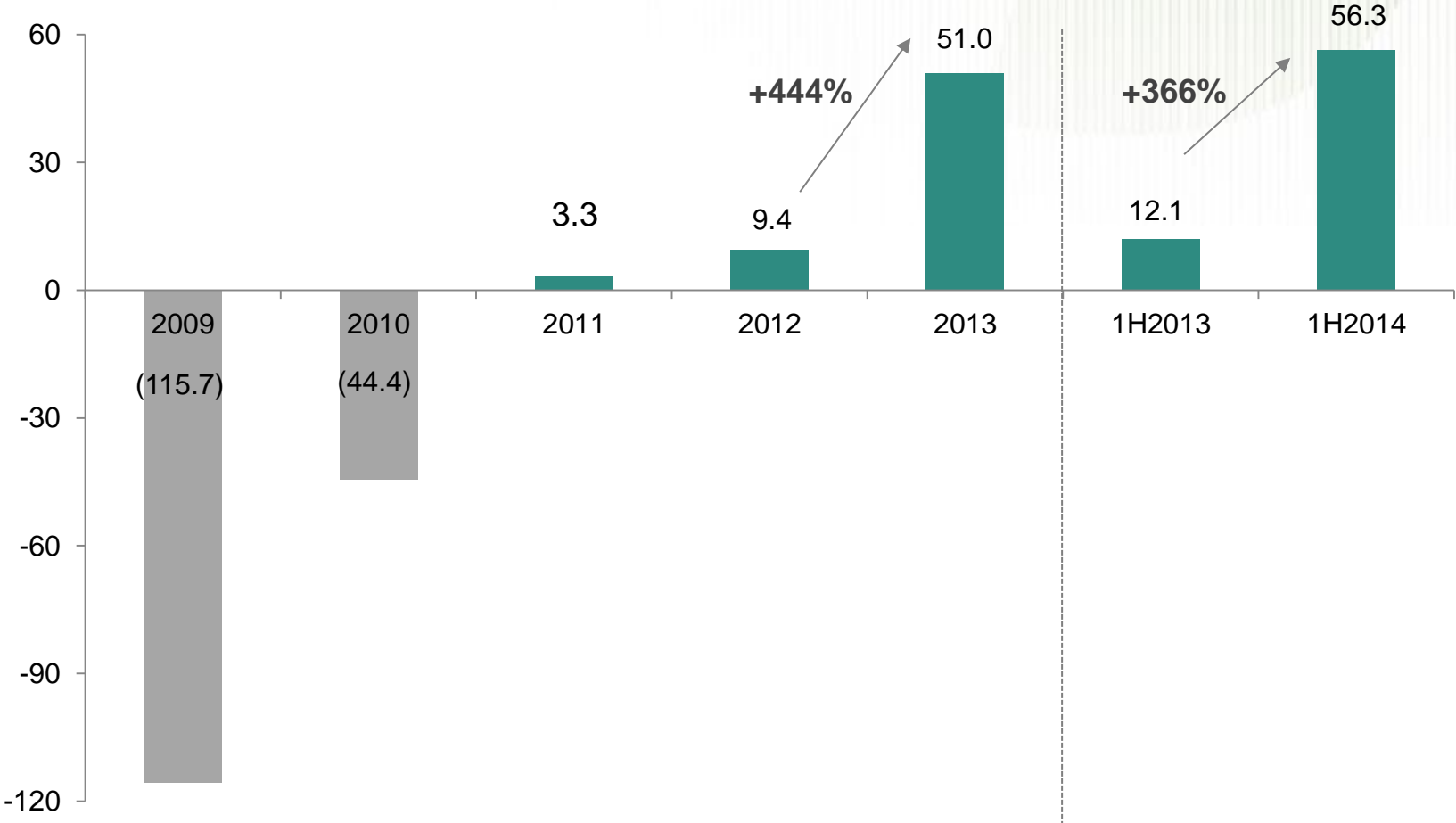


- Strong sales growth was partly attributable to the FIFA World Cup 2014



Solid growth in shared profits relating to Ponte 16

HK\$ million



Prospects

Travel business

- Seek sustainable growth opportunities by capturing every cross selling opportunity with Ponte 16 and its extensive clientele in China and Macau

Lottery business

- New technology service platform for welfare lottery is currently under test run, and the Company is aiming to have it completed in the second half of 2014
- Expand lottery business footprint to other areas in China

Ponte 16

- Continue to add new elements to enrich guest experience
- The Phase 3 of the Ponte 16 development project, at CAPEX of approx. 700-800 million, will be another growth driver in the future
- Marketing events will be implemented in the second half of 2014 to attract customers, such as Wedding Fair, Guest Chef Promotion and Sofitel Wine Days

Cruise ship business

- Completed the disposal in August 2014
- Unaudited pre-tax gain of approx. HK\$44.2 million will be recognised in the second half of 2014
- Realise investment in the cruise ship with a gain and enhance working capital



Thank you

Success Universe Group Limited

16/F, Great Eagle Centre,
23 Harbour Road, Wanchai, Hong Kong

Tel: 852 3101 8668

Fax: 852 3102 9078

Website: www.successug.com



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