



# SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

## 2015 Annual Results



# Forward-looking statements

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# Business highlights

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- Revenue achieved approximately HK\$1,010.7 million and loss attributable to owners of the Company was approximately HK\$6.7 million
- Gross profit was approximately HK\$37.2 million
- Revenue of the travel business was approximately HK\$941.1 million. With a strategic move to focus on deepening market penetration in Canada and effective resources reallocation, its operating loss narrowed significantly since the second half of 2015
- Gaming revenue of the Group's flagship investment project – Ponte 16 outperformed the market and its adjusted EBITDA\* was approximately HK\$303.7 million

# Key financial data



For the year ended 31 December

HK\$'000	2015	2014	Change
Revenue from continuing operations	<b>1,010,669</b>	1,304,669	-22.5%
Lottery business	<b>69,591</b>	201,125	-65.4%
Travel Business	<b>941,078</b>	1,103,544	-14.7%
Shared profit of the associates relating to Ponte 16	<b>29,288</b>	88,047	-66.7%
(Loss)/Profit for the year from Continuing operations	<b>(11,643)</b>	73,470	-115.8%
Profit for the year from discontinued operation	--	44,312*	--
(Loss)/Profit attributable to owners of the Company	<b>(6,670)</b>	96,890	-106.9%
(Loss)/Earnings per share from continuing and discontinued operations	<b>(0.14) HK cents</b>	1.97 HK cents	-107.1%
(Loss)/Earnings per share from continuing operations	<b>(0.14) HK cents</b>	1.48 HK cents	-109.5%

# Financial performance by segment



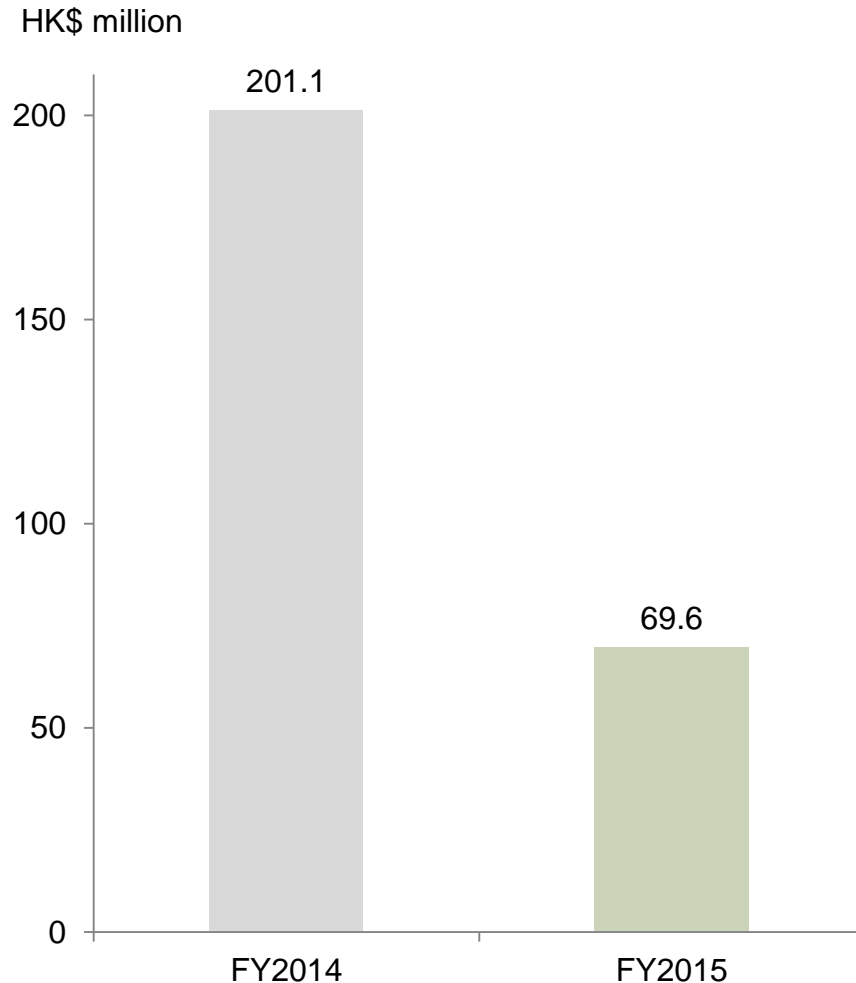
For the year ended 31 December		
HK\$'000	2015	2014
<b>Continuing operations</b>		
<b>Lottery business</b>		
Revenue	69,591	201,125
Segment (loss)/profit	(19,143)	24,506
<b>Travel business business</b>		
Revenue	941,078	1,103,544
Segment (loss)	(6,072)	(27,400)
<b>Ponte 16</b>		
Adjusted EBITDA* of Ponte 16	303,700	461,000
Shared profit of the associates relating to Ponte 16	29,288	88,047

# Lottery business

## Business review and prospects



### SUGL's lottery sales performance



### Business review

- “Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet” issued in January 2015 (the “Notice”)
- Crack down the unauthorised sales of lottery through Internet
- Provide a healthier & more reliable market in the long run
- Temporary and voluntary suspension of paperless lottery sales agency services pursuant to the Notice
- Revenue decreased from approximately HK\$201.1 million to approximately HK\$69.6 million due to non-recurrence of the FIFA World Cup 2014 effect that stimulated the revenue of the lottery business for 2014, and the temporarily suspension of paperless lottery sales agency services voluntarily
- Segment loss was approximately HK\$19.1 million in 2015

### Prospects

- 1 Lottery sales in China going paperless become an irresistible trend
- 2 Closely monitor the development and grasp opportunities with established network and resources
- 3 The new technology service platform for the welfare lottery is ready for operation

# Travel business

## *Business review and prospects*

### Business review

- Jade Travel has ceased the operation in New York, USA in late 2015, which was aligned with the Group's business strategy that focused on deepening market penetration in Canada
- Revenue of the segment recorded approximately HK\$941.1 million for 2015 (2014: approximately HK\$1,103.5 million)
- Loss in this segment posted approximately HK\$6.1 million (2014: approximately HK\$27.4 million, including impairment loss on certain assets of approx. HK\$2.2 million)

### Prospects

- 1 Focusing on the business development in Canada, the Group collaborated with various airline partners to establish retail outlets and provide travel packages and related services to the mass population
- 2 Plan to set up more retail outlets in shopping malls in Canada in 2016
- 3 Enhance Jade Travel's online booking platform to provide retail and corporate customers with seamless travel solutions
- 4 Energies with Ponte 16 by offering Macau travel recommendations directly to the end-customers in Canada



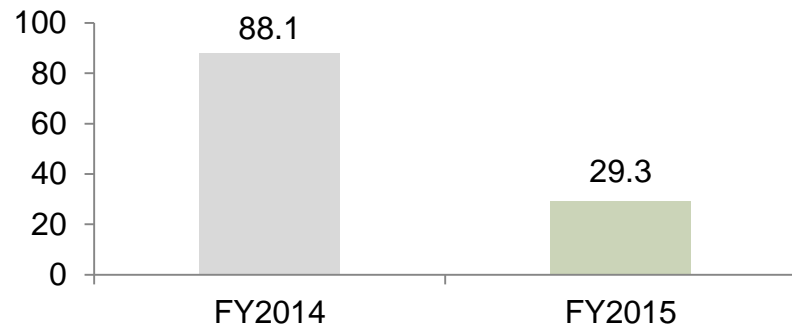
# Ponte 16

## Business review and prospects



### Shared profit of Ponte 16

HK\$ million



### Prospects

- 1 Structural change in Macau is expected to be persistent over the medium to long term
- 2 Macau visitation will increase at a steady pace, along with the infrastructure and other supporting facilities opening soon in and nearby Macau
- 3 Continue to implement effective strategies and introduce new excitements to visitors during their stay in Macau

### Business review

- Decline of Macau's gross gaming revenue (the "GGR") due to structural change in the composition of tourists, tighter transit visa restrictions, implementation of total smoking ban in mass market gaming areas in casinos, tighter controls on spending with UnionPay cards and lower Chinese visitation sentiment led by the Renminbi depreciation
- Adjusted EBITDA\* dropped from approximately HK\$461.0 million to approximately HK\$303.7 million
- Shared profit of the associates relating to Ponte 16 decreased by approximately 67% to approximately HK\$29.3 million
- Pier 16 Macau 3D World, the first large-scale 3D museum in Macau, opened in May 2015, offering a virtual experience to the tourists and introducing a new attraction to Macau



# Appendix



# Consolidated statement of profit or loss



	For the year ended 31 December	
HK\$'000	2015	2014
<b>Continuing operations</b>		
<b>Revenue</b>	1,010,669	1,304,669
Cost of sales	(973,492)	(1,221,959)
<b>Gross profit</b>	37,177	82,710
Other revenue and gains	26,216	30,013
Administrative expenses	(95,507)	(95,407)
Selling expenses	(6,496)	(13,697)
Other operating expenses	(2,247)	(16,380)
<b>Loss from operations</b>	(40,857)	(12,761)
Finance costs	(601)	(2,162)
Share of results of joint ventures	527	346
Share of results of associates	29,288	88,047
<b>(Loss)/Profit before taxation</b>	(11,643)	73,470
Taxation	-	-
<b>(Loss)/Profit for the year from continuing operations</b>	(11,643)	73,470
<b>Profit for the year from discontinued operation</b>	--	44,312
<b>(Loss)/Profit for the year attributable to Owners of the Company</b>	(6,670)	96,890
Non-controlling interests	(4,973)	20,892
<b>(Loss)/Profit for the year</b>	(11,643)	117,782
(Loss)/Earnings per share from continuing and discontinued operations – Basic and diluted	(0.14) HK cents	1.97 HK cents
(Loss)/Earnings per share from continuing operations – Basic and diluted	(0.14) HK cents	1.48 HK cents

# Consolidated statement of financial position



As at 31 December

HK\$'000	2015	2014
<b>Non-current assets</b>	<b>1,004,168</b>	<b>980,806</b>
Property, plant and equipment	22,138	26,097
Intangible assets	10,833	15,327
Interests in associates	967,108	937,820
Interests in joint ventures	4,089	1,562
<b>Current assets</b>	<b>149,111</b>	<b>224,931</b>
Trade and other receivables	56,832	142,954
Tax recoverable	897	7
Pledged bank deposits	9,598	10,396
Cash and cash equivalent	81,784	71,574
<b>Current liabilities</b>	<b>49,817</b>	<b>59,045</b>
Trade and other payables	29,483	38,317
Deferred income	339	135
Bank loans – due within one year	-	598
Financial guarantee contract	19,995	19,995

# Consolidated statement of financial position (cont.)

	As at 31 December	
HK\$'000	2015	2014
<b>Non-current liabilities</b>	<b>57,790</b>	<b>57,125</b>
Deferred income	1,075	–
Bank loans – due after one year	-	9,746
Loans payables	26,306	16,896
Financial guarantee contract	10,000	29,995
Deferred tax liabilities	409	488
Loan from a director and controlling shareholder	20,000	–
<b>Net assets</b>	<b>1,045,672</b>	<b>1,089,567</b>
<b>Capitals and reserves</b>		
Share capital	49,265	49,265
Reserves	1,016,923	1,028,937
Total equity attributable to Owners of the Company	1,066,188	1,078,202
Non-controlling interests	(20,516)	11,365
<b>Total equity</b>	<b>1,045,672</b>	<b>1,089,567</b>

# Thank you

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