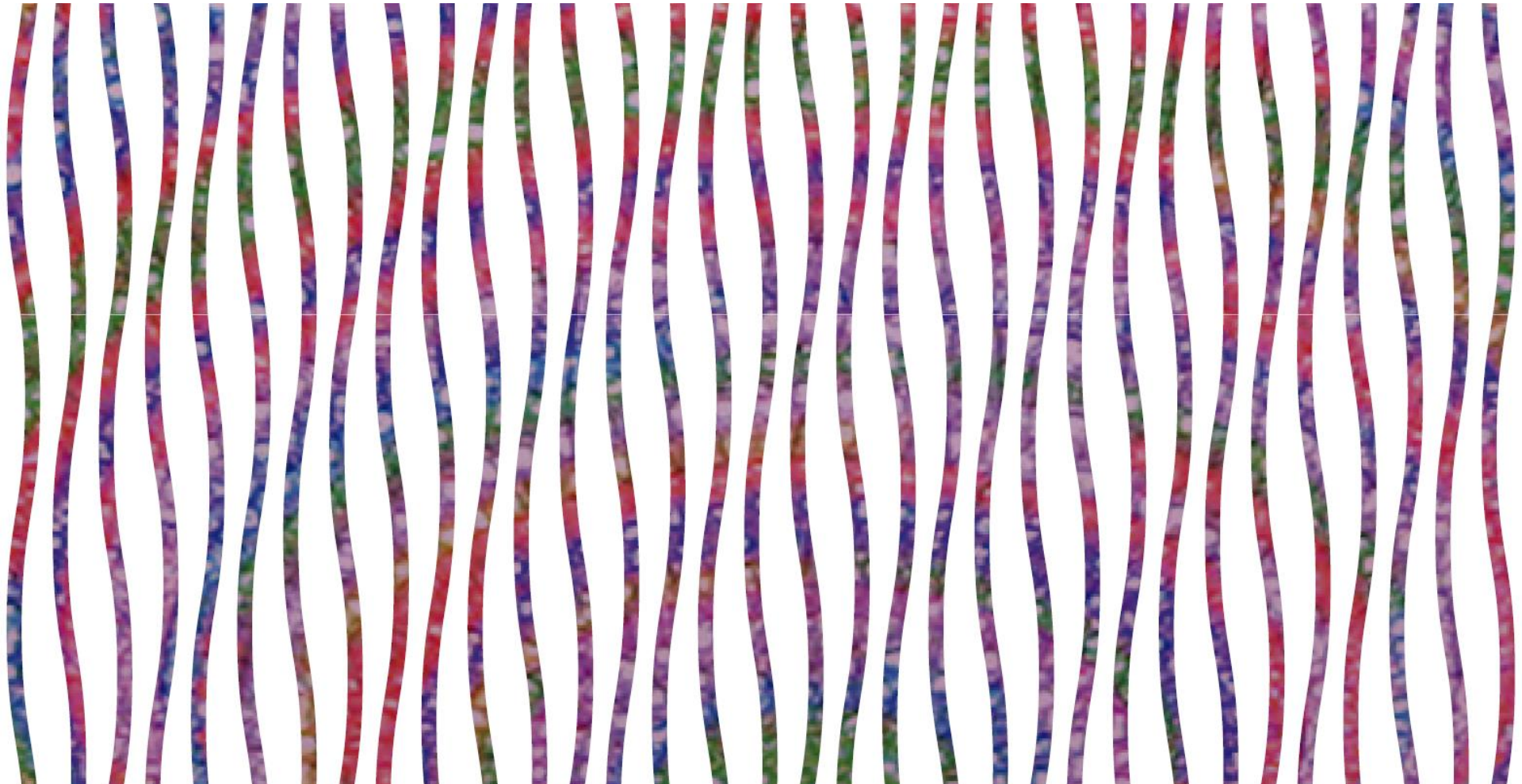




SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

2016 Interim Results



Forward-looking statements

This material is for information purposes only. This presentation may contain forward-looking statements based on current assumptions and forecasts made by the management of SUCCESS UNIVERSE GROUP LIMITED.

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Business highlights

- Revenue was approximately HK\$347.1 million and gross profit was approximately HK\$12.5 million for the first half of 2016
- Loss attributable to owners of the Company was approximately HK\$12.6 million
- Revenue of the travel business was approximately HK\$344.0 million. The Group strengthened travel services to retail customers aiming at deepening its operations in Canada, and has been enhancing its online booking service platform to cater more retail and corporate customers' needs
- The Adjusted EBITDA* of Ponte 16, the Group's flagship investment project was approximately HK\$143.2 million, and decrease of the Adjusted EBITDA* was significantly narrowed to approximately 8% due to operational efficiencies and cost control measures in the first half of 2016



*Adjusted EBITDA: Earnings Before Interest, Taxation, Depreciation and Amortisation (and excluded interest income from the pledged bank deposit)

Key financial data

HK\$'000	For the year ended 31 December	For the six months ended 30 June	
	2015	2016	2015
Revenue	1,010,669	347,059	595,562
Travel business	941,078	344,019	525,471
Lottery business	69,591	3,040	70,091
Shared profit of the associates relating to Ponte 16	29,288	10,592	15,270
Loss for the year/period	(11,643)	(15,684)	(3,830)
Loss attributable to owners of the Company	(6,670)	(12,613)	(1,878)
Loss per share	(0.14) HK cents	(0.26) HK cents	(0.04) HK cents



Financial performance by segment

HK\$'000	For the year ended 31 December	For the six months ended 30 June	
	2015	2016	2015
Major operations/investment			
Travel business			
Revenue	941,078	344,019	525,471
Segment loss	(6,072)	(3,618)	(4,497)
Lottery business			
Revenue	69,591	3,040	70,091
Segment loss	(19,143)	(10,830)	(5,094)
Ponte 16			
Adjusted EBITDA* of Ponte 16	303,700	143,200	155,400
Shared profit of the associates relating to Ponte 16	29,288	10,592	15,270

*Adjusted EBITDA: Earnings Before Interest, Taxation, Depreciation and Amortisation (and excluded interest income from the pledged bank deposit)



Travel business – Jade Travel

Business review and prospects

Business review

- Jade Travel has been enhancing its online booking service platform
 - Support the increasing demand for round-the-clock travel enquiries and bookings by both corporate and retail customers
- Revenue of the segment recorded approximately HK\$344.0 million for 1H2016 (2015: approximately HK\$525.5 million)
- Loss in this segment posted approximately HK\$3.6 million (2015: approximately HK\$4.5 million), including impairment loss on certain assets of approx. HK\$3.3 million (2015: approximately HK\$0.4 million)

Prospects

- 1 Launching two online platforms – a business to consumer (B2C) and a business to business (B2B) to gain further exposure in both retail and corporate markets
- 2 Setting up a 24-hour customer hotline service to support both online and offline enquiries and reservations across different time zones
- 3 Extending business coverage with integrated travel solutions to capture the improving sentiment



Lottery business

Business review and prospects

Business review

- In response to the promulgation of the “Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet”, the paperless lottery sales agency services is temporarily and voluntarily suspended
- Revenue decreased from approximately HK\$70.1 million to approximately HK\$3.0 million due to the voluntarily suspension of paperless lottery sales agency services
- Segment loss was approximately HK\$10.8 million in 1H2016



Prospects

- 1 Lottery sales in China going paperless become a strong growth momentum of the industry
- 2 Actively seeking business opportunities to re-tap into the lottery market, such as physical sales channels



Ponte 16 Resort Macau

Business review and prospects

Business review

- Exerted effort in streamlining operation and implementing stringent cost control
- Started refurbishment of hotel rooms, bringing a new level of visualisation and comfort to its premium guests
- Introduced Macau's first handy smartphone service to hotel room guests, offering customers an all-rounded travel experience
- Adjusted EBITDA* dropped from approximately HK\$155.4 million to approximately HK\$143.2 million
- Shared profit of the associates relating to Ponte 16 decreased by approximately 31% to approximately HK\$10.6 million



Prospects

- 1 Macau will be transformed to become the “World Centre of Tourism and Leisure”, Ponte 16 will implementing effective measures to fit the government policy, to stay in pace with the enhancement of Macau tourism and contribution to the industry, in order to capture the business opportunity



*Adjusted EBITDA: Earnings Before Interest, Taxation, Depreciation and Amortisation (and excluded interest income from the pledged bank deposit)

Appendix



Consolidated statement of profit or loss

HK\$'000	For the six months ended 30 June	
	2016	2015
Revenue	347,059	595,562
Cost of sales	(334,540)	(570,303)
Gross profit	12,519	25,259
Other revenue and gains	13,265	12,589
Administrative expenses	(47,868)	(50,117)
Selling expenses	(623)	(5,449)
Other operating expenses	(3,289)	(405)
Loss from operations	(25,996)	(18,123)
Finance costs	(530)	(301)
Share of results of joint ventures	250	259
Share of results of associates	10,592	15,270
Loss before taxation	(15,684)	(2,895)
Taxation	-	(935)
Loss for the period	(15,684)	(3,830)
Loss for the period attributable to Owners of the Company	(12,613)	(1,878)
Non-controlling interests	(3,071)	(1,952)
Loss for the period	(15,684)	(3,830)
Loss per share – Basic and diluted	(0.26) HK cents	(0.04) HK cents



Consolidated statement of financial position

HK\$'000	As at 30 June 2016	As at 31 December 2015
Non-current assets	916,431	1,004,168
Property, plant and equipment	41,388	22,138
Intangible assets	8,329	10,833
Interests in associates	830,700	967,108
Interests in joint ventures	3,639	4,089
Deposit paid for acquisition of property, plant and equipment	32,375	-
Current assets	229,979	149,111
Trade and other receivables	45,823	56,832
Tax recoverable	195	897
Pledged bank deposits	10,236	9,598
Cash and cash equivalents	173,725	81,784
Current liabilities	45,348	49,817
Trade and other payables	24,988	29,483
Deferred income	364	339
Financial guarantee contract	19,996	19,995



Consolidated statement of financial position (cont.)

HK\$'000	As at 30 June 2016	As at 31 December 2015
Non-current liabilities	71,279	57,790
Deferred income	1,094	1,075
Loans payables	28,443	26,306
Financial guarantee contract	-	10,000
Loan from a director and controlling shareholder	41,742	20,000
Deferred tax liabilities	-	409
Net assets	1,029,783	1,045,672
Capitals and reserves		
Share capital	49,265	49,265
Reserves	1,004,598	1,016,923
Total equity attributable to Owners of the Company	1,053,863	1,066,188
Non-controlling interests	(24,080)	(20,516)
Total equity	1,029,783	1,045,672



Thank you

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