



SUCCESS

SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

Embrace Infinite
SUCCESS
成就 無限 商機

2017 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 HK\$284.8 million and gross profit was HK\$21.0 million for the first half of 2017
- Loss attributable to owners of the Company was HK\$21.1 million for the first half of 2017
- The Group's flagship investment project, Ponte 16, continued to strengthen its entertainment mix and the Adjusted EBITDA* was HK\$136.3 million in the first half of 2017
- A new commercial property in Wanchai was acquired during the first half of 2017, in accordance with the Group's strategy of generating steady recurring rental income to broaden its revenue stream



*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	
	2016	2017	2016
Revenue	573,132	284,844	347,059
Travel business	562,676	269,673	344,019
Lottery business	8,284	11,873	3,040
Property investment business	2,172	3,298	--
Shared profit of the associates relating to Ponte 16	17,513	7,153	10,592
Loss for the year/period	(37,065)	(23,261)	(15,684)
Loss attributable to owners of the Company	(30,977)	(21,073)	(12,613)
Loss per share	(0.63) HK cents	(0.43) HK cents	(0.26) HK cents



Financial performance by segment

HK\$'000	For the year ended	For the six months ended	
	31 December	30 June	
	2016	2017	2016
Major operations/investment			
Travel business			
Revenue	562,676	269,673	344,019
Segment loss	(7,896)	(8,312)	(3,618)
Lottery business			
Revenue	8,284	11,873	3,040
Segment loss	(20,766)	(1,170)	(10,830)
Property investment business			
Revenue	2,172	3,298	-
Segment profit	1,293	2,257	-
Ponte 16			
Adjusted EBITDA* of Ponte 16	277,400	136,300	143,200
Shared profit of the associates relating to Ponte 16	17,513	7,153	10,592

Travel business – Jade Travel

Business review and prospect

Business review

- Jade Travel deepened its operations in Canada
 - Expanded its products offerings and penetrated into the retail segment, in order to capture business opportunities arising from the economic recovery and the growing demand for leisure travel
- Revenue of the segment decreased to HK\$269.7 million (1H2016: HK\$344.0 million)
- Loss in this segment amounted to HK\$8.3 million (1H2016: HK\$3.6 million), including an impairment loss on tangible assets of HK\$2.2 million (1H2016: HK\$3.3 million)



Prospect

- 1 To enrich its online booking offerings by strategical collaboration with several leading domestic and international online travel portals and directories
- 2 To provide individual travellers with more comprehensive travel solutions



Lottery business

Business review and prospect

Business review

- Continued to temporarily suspend the paperless lottery sales agency services voluntarily 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
- Revenue amounted to HK\$11.9 million, representing an increase of 291% as compared with HK\$3.0 million for the same period of 2016
- Loss of HK\$1.2 million was recorded in the segment (1H2016: HK\$10.8 million)



Prospect

1

Since the relevant policies relating to the online lottery sales have not yet been issued, there are still high degree of uncertainties in the future of online lottery market condition. The Group will continue to closely monitor the future development of the lottery business



Property investment business

Business review and prospect

Business review

- To acquired a property in Sing-Ho Finance Building, Wanchai at a consideration of HK\$19.5 million in February 2017 and the acquisition was completed in April 2017
- Revenue of the segment amounted to HK\$3.3 million
- Segment profit was HK\$2.3 million



Prospect

- 1 Market demand of prime office premises in the central commercial location will stay thriving in the upcoming years
- 2 Strategical expansion of the Group's property investment portfolio to generate steady recurring rental income and strengthened the Group's income base to support its further development, as well as provided capital appreciation potential to the Group



Ponte 16 Resort Macau

Business review and prospects

Business review

- Completion of renovation and upgrades of hotel rooms in 2017, the average occupancy rate of Sofitel Macau At Ponte 16 achieved 89% for the first half of the year
- Actively enhancing its entertainment portfolio
 - Introduced a new game zone “G Racing Simulators” that offers 16 stations of 4K racing simulation of the Macau Grand Prix Racing Event
 - Invited quality street performers to share their passion for creativity and performance at the outdoor plaza of Sofitel Macau At Ponte 16
- Adjusted EBITDA* for the reporting period decreased by 5% to HK\$136.3 million (1H2016: HK\$143.2 million).
- Shared profit of the associates relating to Ponte 16 was HK\$7.2 million



Prospect

- 1 The Macau and China governments have been highly supportive towards the long-term development of the tourist-related industries
- 2 The visitation to Macau is expected to steadily increase, supporting the growth of mass market gaming and tourist-related industries
- 3 Ponte 16 will continue its efforts to create value by providing more innovative excitements to visitors



*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	
	2017	2016
Revenue	284,844	347,059
Cost of sales	(263,886)	(334,540)
Gross profit	20,958	12,519
Other revenue and gains	10,825	13,265
Administrative expenses	(57,837)	(47,868)
Selling expenses	(1,078)	(623)
Other operating expenses	(2,202)	(3,289)
Loss from operations	(29,334)	(25,996)
Finance costs	(1,349)	(530)
Share of results of joint ventures	269	250
Share of results of associates	7,153	10,592
Loss before taxation	(23,261)	(15,684)
Taxation	-	-
Loss for the period	(23,261)	(15,684)
Loss for the period attributable to Owners of the Company	(21,073)	(12,613)
Non-controlling interests	(2,188)	(3,071)
Loss per share		
– Basic and diluted	(0.43) HK cents	(0.26) HK cents

Consolidated statement of financial position

HK\$'000	As at 30 June 2017	As at 31 December 2016
Non-current assets	813,739	785,138
Property, plant and equipment	36,001	37,904
Intangible assets	6,082	8,021
Investment properties	213,507	191,708
Interests in associates	553,996	543,621
Interests in joint ventures	4,153	3,884
Current assets	328,235	403,296
Amount due from an associate	196,000	294,420
Trade and other receivables	71,568	35,014
Pledged bank deposits	9,708	9,353
Cash and cash equivalents	50,959	64,509
Current liabilities	119,928	150,349
Trade and other payables	45,028	17,604
Deferred income	256	245
Bank loan	74,000	122,500
Financial guarantee contract	644	10,000



Consolidated statement of financial position (cont.)

HK\$'000	As at 30 June 2017	As at 31 December 2016
Non-current liabilities	37,248	31,728
Deferred income	1,059	1,060
Loans payables	33,611	30,668
Financial guarantee contract	2,578	-
Net assets	984,798	1,006,357
Capitals and reserves		
Share capital	49,265	49,265
Reserves	964,980	984,269
Total equity attributable to Owners of the Company	1,014,245	1,033,534
Non-controlling interests	(29,447)	(27,177)
Total equity	984,798	1,006,357



Thank you

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