

**Press Release**

[For Immediate Release]

## **Success Universe Announces 2014 Annual Results**

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### **Significant Increase in Profit Driven by Dual Growth Drivers**

#### **Overview**

- Turnover from continuing operations achieved approximately HK\$1,304.7 million for 2014
- Profit attributable to owners of the Company realised approximately HK\$96.9 million, representing a substantial increase of approximately 420%, which was mainly due to the improved performance of the Group's lottery business and Ponte 16 together with a gain recognised from the disposal of the cruise ship
- Earnings per share from continuing operations was 1.48 HK cents for 2014
- Lottery business expanded into the welfare lottery market by providing telephone agency sales services in Shanghai and Tianjin in China
- Adjusted EBITDA\* of the flagship investment project Ponte 16 increased by approximately 19% to approximately HK\$461.0 million. Shared profit relating to Ponte 16 amounted to approximately HK\$88.1 million, representing approximately 73% growth year-on-year

**30 March 2015, Hong Kong - Success Universe Group Limited** ("Success Universe" or The "Company", Stock Code: 00487.HK, together with its subsidiaries collectively the "Group") today announced the consolidated annual results for the year ended 31 December 2014 (the "reporting year").

#### **RESULTS**

Profit attributable to owners of the Company of approximately HK\$96.9 million (2013: approximately HK\$18.6 million) was recorded for 2014, representing an increase of approximately 420%, which was mainly due to the improved performance of the Group's lottery business and Ponte 16 together with a gain recognised from the disposal of the cruise ship "Macau Success".

#### **Continuing Operations**

During the reporting year, the Group recorded a turnover of approximately HK\$1,304.7 million, decreased by approximately 13% from approximately HK\$1,500.8 million for the same period of 2013. Gross profit amounted to approximately HK\$82.7 million, increased by approximately 168% from approximately HK\$30.9 million in 2013. Shared profit of the associates relating to Ponte 16 for the year ended 31 December 2014 was approximately HK\$88.1 million, increased by approximately 73% as compared with approximately HK\$51.0 million for 2013. Earnings per share was 1.48 HK cents (2013: 0.41 HK cents).

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

### **Discontinued Operation**

In 2014, turnover from the cruise ship business was approximately HK\$56.1 million (2013: approximately HK\$84.0 million) and the segment profit was approximately HK\$44.3 million (2013: approximately HK\$0.5 million), including the gain of approximately HK\$45.2 million on the disposal of the cruise ship “Macau Success”. Profit attributable to the owners of the Company from the discontinued operation of approximately HK\$24.4 million (2013: approximately HK\$0.3 million) was recorded for the reporting year. The operation of the cruise ship business was discontinued at the end of 2014.

### **Dividends**

The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2014 (2013: nil).

### **Encouraging Results Generated by Dual Growth Drivers**

Commenting on the Group’s performance, Mr. Sonny Yeung, the Chairman of Success Universe Group Limited said, “With continuous commitment to building a sustainable and diversified platform of gaming, entertainment and tourist-related businesses, the Group is well-placed to seize opportunities and achieved an encouraging performance in 2014. Our dual growth drivers of the Group, namely the lottery business in China and flagship investment project in Macau, Ponte 16 were capable to capture the opportunities and recognised consistent growth and achievements. During the reporting year, we successfully seized the golden opportunities for sports lottery sales agency services during the FIFA World Cup 2014 event and achieved remarkable results with our established online portal - 128cai.com. In view of the ongoing structural change towards the mass market in gaming and tourism industries of Macau, Ponte 16 continues to target the emerging middle class from China and Southeast Asian countries by offering diverse and all-inclusive travel experience, which bring us positive results amidst all the external uncertainties in 2014.”

## **REVIEW OF KEY OPERATIONS**

### **Lottery Business**

The Group has a well-established sports lottery sales agency services network covering Jiangxi, Qinghai and Heilongjiang provinces in China. In 2014, the Group has successfully expanded into the welfare lottery market to provide the telephone agency sales services in Shanghai and Tianjin in China. Driven by the FIFA World Cup 2014 and the Group’s strategic marketing programmes, turnover for the lottery business amounted to approximately HK\$201.1 million for the year ended 31 December 2014, representing an increase of approximately 185% as compared with approximately HK\$70.6 million for the last corresponding year. Accordingly, an encouraging segment profit of approximately HK\$24.5 million was recorded, representing a turnaround from the loss of approximately HK\$13.4 million in 2013.

The global event FIFA World Cup 2014 not only brought additional revenue from sports lottery sales

agency services to the Group, it also proved the capability of the Group's lottery service system and network in handling massive transaction volume during the event. For the new venture in telephone agency sales services for welfare lottery in Shanghai and Tianjin, the brand new technology service platform is currently under trial run and the final testing stage is expected to be completed in the first half of 2015. With the solid foundation and experience in sports lottery, the Group is confident that this new business line will soon make positive contributions to its revenue.

### **Investment Project – Ponte 16**

In virtue of the acceleration of the structural change, Ponte 16, a world-class integrated casino-entertainment resort in Macau, timely implemented effective strategies to capture the growing mass market, which outperformed the market by achieving an Adjusted EBITDA\* of approximately HK\$461.0 million for the year ended 31 December 2014, representing an increase of approximately 19% year-on-year (2013: approximately HK\$387.3 million).

As at 31 December 2014, the casino of Ponte 16 had 109 gaming tables, 88 of which were mass gaming tables, 11 were high-limit tables and 10 were VIP tables. Average occupancy rate of Sofitel Macau At Ponte 16 stayed at over 90% in 2014.

To cater the spending pattern of the new generation travellers, Ponte 16 has been pursuing a more comprehensive entertainment mix by actively seeking new and diverse elements. With the dedication to be a preferred resort with top notch entertainment and upscale culinary experience, Sofitel Macau At Ponte 16 earned more than ten reputable industry awards for 2014. All these awards have recognised the superior international standard and quality offered by Sofitel Macau At Ponte 16.

### **Travel Business**

Even though the economy in the United States of America had shown signs of recovery in 2014, the industry competition was intense. This had virtually led to prolonged financial difficulties in a number of downstream travel agencies in the market. Under such circumstance, turnover of the segment recorded approximately HK\$1,103.5 million for 2014 (2013: approximately HK\$1,430.2 million). Loss in this segment posted approximately HK\$27.4 million (2013: approximately HK\$16.1 million) including an impairment loss on intangible assets of approximately HK\$16.4 million and bad debts written off of approximately HK\$2.2 million (2013: impairment loss recognised on certain assets of approximately HK\$2.8 million and bad debts written off of approximately HK\$0.4 million) which were recognised for the reporting year.

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

## PROSPECTS

Macau gaming industry remains challenging in 2015 arising from the structural change and policies reviewed by the Macau Government. However, with the support of a solid economic development, entertainment and tourist-related industries in China are expected to grow steadily and the Group will actively enhance its business portfolio in the future.

The Group's lottery business will strive to penetrate into more provinces and cities in China to broaden the geographical coverage, and will carry forward marketing programmes on 128cai.com to accumulate an even larger pool of loyal customers and strengthen its position as the preferred website for lottery players in China. In order to co-operate with The Notice on Issues Regarding Conducting Self-examination and Self-correction Activities of the Unauthorised Sale of Lottery through Internet (《關於開展擅自利用互聯網銷售彩票行為自查自糾工作有關問題的通知》, the "Notice") issued by Chinese government authorities in January 2015, the Group and its lottery business partners have, similar to most of its peers, temporarily suspended their paperless lottery sales agency services voluntarily while awaiting further notice from the Chinese government authorities. The Group considers that the Notice is to crack down those unauthorised sales of lottery through internet so as to provide a healthier and a more reliable market for further growth of lottery business.

As an integrated casino-entertainment resort located in the culturally rich Inner Harbour of Macau, Ponte 16 is dedicated to offering versatile amenities and programmes to accommodate different needs from travellers around the world. As part of the efforts to continue enhancing its entertainment mix in 2015, Ponte 16 has co-organised the first and only large-scale 3D Museum in Macau with Hong Kong 3D Museum Limited. Spanning over 18,000 square feet, Pier 16 Macau 3D Museum will feature more than 150 photography points in various theme zones; amongst which, the iconic "MJ in 3D" zone will be a special exhibition incorporating exclusive MJ collectibles with 3D elements. The Group is confident that Pier 16 Macau 3D Museum will become one of Macau's new tourist attractions when it is open to public in mid-2015. In addition, Ponte 16 will open an indoor Taiwanese food hall with a diverse range of mouth-watering delicacies to enrich travellers' culinary experience during their stay in Macau.

With an existing network of global customers, the Group will utilise every cross-selling opportunity to establish synergies between both business segments and Ponte 16. Looking ahead, Mr. Sonny Yeung concluded, "After years of efforts, Ponte 16 and our lottery business in China are gradually making a significant contribution to the Group since 2013, and prompted encouraging results in 2014. With a steady portfolio and comprehensive strategies, we will continue to expand our business, and strive to maximise returns for shareholders."

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## About Success Universe Group Limited

Success Universe Group Limited (together with its subsidiaries, collectively the “Group”) is a listed company on The Stock Exchange of Hong Kong Limited (Stock Code: 00487.HK) and is the listed arm of Success Universe Group. The Group operates travel and lottery businesses, and is involved in gaming and entertainment-related sector through its flagship investment project Ponte 16. Riding on a strong foundation and the tremendous synergies across business segments and the flagship investment project, the Group aims to become a leading player in the gaming, entertainment and tourist-related industries.

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