

Press Release

[For Immediate Release]

Success Universe Announces 2015 Interim Results

***Weather Headwinds with Solid Foundation
Amid the Challenging Business Environment***

Overview

- Turnover from continuing operations was approximately HK\$595.6 million and gross profit was approximately HK\$25.3 million for the first half of 2015
- Loss attributable to owners of the Company (continuing and discontinued operations) was approximately HK\$1.9 million
- Turnover of the lottery business amounted to approximately HK\$70.1 million, representing an increase of approximately 4% as compared with the last corresponding period
- Adjusted EBITDA* of the Group's flagship investment project – Ponte 16 decreased by approximately 40% to approximately HK\$155.4 million as a result of slowdown in Macau gaming industry

28 August 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 interim results of the Group for the six months ended 30 June 2015 (the “reporting period”).

Interim Results

For the six months ended 30 June 2015, the Group recorded a turnover from continuing operations of approximately HK\$595.6 million, decreased by approximately 13% from approximately HK\$686.1 million for the corresponding period of 2014. Gross profit decreased by approximately 23% to approximately HK\$25.3 million (2014: approximately HK\$32.8 million). The Group's shared profit of the associates relating to Ponte 16 amounted to approximately HK\$15.3 million, decreased by approximately 73% from approximately HK\$56.3 million for the last corresponding period.

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

Loss attributable to owners of the Company (continuing and discontinued operations) of approximately HK\$1.9 million was recorded for the reporting period (2014: profit of approximately HK\$47.7 million), whilst loss per share (continuing and discontinued operations) was 0.04 HK cents (2014: earnings per share of 0.97 HK cents).

Interim Dividend

The directors of the Company do not recommend the payment of an interim dividend for the reporting period (2014: nil).

Review of Operations

Travel Business

The economy in the United States of America continued to show signs of recovery with improving consumer sentiment in the first half of 2015, but the travel business of the Group was still impacted by the ripple effect from the consolidation of the downstream travel agencies in the market. Turnover of the segment was approximately HK\$525.5 million for the reporting period (2014: approximately HK\$618.5 million). Loss in this segment posted approximately HK\$4.5 million (2014: approximately HK\$11.9 million) including an impairment loss on intangible assets of approximately HK\$0.4 million (2014: impairment loss on intangible assets of approximately HK\$3.9 million and bad debts written off of approximately HK\$2.2 million) was recognised for the reporting period.

Lottery Business

The Group and its lottery business partners have, similar to most of its peers, temporarily suspended 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 (《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》) by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sport of China which was issued in January 2015 (the “Suspension”). The Group will closely monitor the development and wait for further announcement on the resumption date of paperless lottery sales from the Chinese government authorities.

For the six months ended 30 June 2015, turnover of the lottery business generated before the Suspension amounted to approximately HK\$70.1 million, representing an increase of approximately 4% as compared with approximately HK\$67.6 million for the last corresponding period. Loss of approximately HK\$5.1 million was recorded in this segment (2014: profit of approximately HK\$7.8 million).

During the reporting period, the testing stage of the new technology service platform for the welfare lottery was completed, and is ready for operation.

Investment Project – Ponte 16

The Macau gaming industry has recorded a noticeable slowdown starting from the second half of 2014, which was caused by several major factors, including, among others, the structural change in the composition of tourists to Macau, tighter transit visa restrictions, implementation of full smoking ban on mass market gaming areas in casinos and the tighter controls on spending with UnionPay cards.

During the reporting period, Adjusted EBITDA* of the Group's flagship investment project – Ponte 16 decreased by approximately 40% to approximately HK\$155.4 million (2014: approximately HK\$260.0 million). As at 30 June 2015, the casino of Ponte 16 had 108 gaming tables, consisting of 92 mass gaming tables, 9 high-limit tables and 7 VIP tables, and also had 13 mah-jong tables. Average occupancy rate of Sofitel Macau At Ponte 16 was recorded over 85% during the reporting period.

The first large-scale 3D museum in Macau, Pier 16 Macau 3D World, was opened in May 2015. With a total area of over 18,000 square feet, the museum features more than 150 photography points in different theme zones, where visitors can interact with various themed 3D paintings and memorable MJ collections. In addition, in recognition of its outstanding quality and world-class services, Sofitel Macau At Ponte 16 achieved a number of honourable industry awards from reputable media, delicacy and travelling magazines during the reporting period.

Prospects

With China's supportive policies on Macau's industry fundamentals, the Group believes that the structural changes towards mass market gaming industry and the change in the composition of tourists will sustain in a longer term. Ponte 16 will continue to implement effective strategies to capture such market trend, including the introduction of live multi game terminals to provide new gaming excitement to players, and an indoor Taiwanese food hall to further enrich travellers' culinary experience during their stay in Macau.

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

Having recognised the gradual economic recovery and the increasing demand for leisure travel in the North America, the Group will continue to leverage on its well-connected network and experience in high-end MICE and FIT segments to explore the business potential in expansion of retail market. With an existing network of global customers, the Group plans to restructure the current outlets to gain more market exposure on the retail segment and utilises every cross-selling opportunity with Ponte 16 to establish synergies between its travel business and flagship investment project.

The Group sees the determination of China to regulate and professionalise the lottery industry in China, and also believe that through building a more transparent operating mechanism, the lottery industry will resume its enormous growth potential in a sustainable manner.

Looking ahead to the second half of 2015, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** said, “The increasing competition and market changes will remain influential in the operating environment and the Group’s performance. During this challenging period, we will stay prudent in the formulation and implementation of corporate strategies, striking to enhance our product and service qualities and strengthen the diversified business platform. The Group will continue to weather the headwinds ahead and stay on track to pave the way for future growth amid the changing business environment.”

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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.

For investor and media enquiries, please contact:

Success Universe Group Limited

Gloria Chan

Email: gloria.chan@successug.com

Tel: 852-3101 8175

Stephanie Chen

Email: stephanie.chen@successug.com

Tel: 852-3101 3046

DLK Advisory Limited

Skye Shum

Email: skyeshum@dlkadvisory.com

Tel: 852-2854 8722

Maggie Lee

Email: maggielee@dlkadvisory.com

Tel: 852-2854 8720