

Press Release

[For Immediate Release]

Success Universe Announces 2016 Interim Results

**Seize Opportunity to Sustainable Development
Well Equipped to Move On**

Overview

- Revenue was approximately HK\$347.1 million and loss attributable to owners of the Company was approximately HK\$12.6 million
- Gross profit was approximately HK\$12.5 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

30 August 2016, 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 interim results for the six months ended 30 June 2016.

RESULTS

For the six months ended 30 June 2016, revenue of the Group was approximately HK\$347.1 million, decreased by approximately 42% from approximately HK\$595.6 million for the same period of 2015. Gross profit decreased by approximately 50% to approximately HK\$12.5 million (2015: approximately HK\$25.3 million). The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group, of approximately HK\$10.6 million was recorded for the first half of 2016, decreased by approximately 31% from approximately HK\$15.3 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 for the reporting period amounted to approximately HK\$12.6 million (2015: approximately HK\$1.9 million), whilst loss per share was 0.26 HK cents (2015: 0.04 HK cents).

The decline in results was mainly attributable to (i) the decrease of the Group's shared profit of the associates relating to Ponte 16 as a result of the continuous downside of Macau gaming sector; (ii) the significant decrease in operating revenue and increase in loss of the Group's lottery business resulting from the voluntary and temporary suspension of its paperless lottery sales agency services; and (iii) the impairment loss on the carrying value of the trademark of the Group's travel business.

Acquisition of Property

An indirect wholly-owned subsidiary of the Company entered into a preliminary sale and purchase agreement with an independent third party to acquire a property in Admiralty Centre, Hong Kong at a consideration of HK\$175.0 million, as announced on 11 May 2016. The acquisition was completed in August 2016. The Group believed that the value and rental level for office premises in the central business district generally will outperform in the next few years, and the property will generate steady recurring rental income and strengthen income base, as well as will provide capital appreciation potential to the Group.

Interim Dividend

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2016 (2015: nil).

REVIEW OF OPERATIONS

Travel Business

In 2016, the Group formulated a strategy to deepen its operations in Canada by providing travel packages and services to retail customers. During the first half of 2016, the Group has been enhancing its online booking service platform in order to support the increasing demand for round-the-clock travel enquiries and bookings by both corporate and retail customers.

Revenue of the segment decreased to approximately HK\$344.0 million for the six months ended 30 June 2016 (2015: approximately HK\$525.5 million). Loss in this segment was approximately HK\$3.6 million (2015: approximately HK\$4.5 million), including an impairment loss on intangible assets of approximately HK\$3.3 million (2015: approximately HK\$0.4 million) was recognised for the reporting period.

Lottery Business

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》) in China, the Group and its lottery business partners, similar to most of its peers, continued to temporarily suspend the paperless lottery sales agency services voluntarily (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. The Group believes that, through strengthening the regulations and optimising the online lottery system, the lottery industry will become healthier and more reliable in the long run.

For the six months ended 30 June 2016, revenue of the lottery business amounted to approximately HK\$3.0 million, representing a decrease of approximately 96% as compared with approximately HK\$70.1 million for the last corresponding period. Loss of approximately HK\$10.8 million was recorded in the segment (2015: approximately HK\$5.1 million).

Investment Project – Ponte 16

The Macau’s total gross gaming revenue started stabilising in the first half of 2016, the overall operating environment in Macau is still challenging. To be well-equipped in confronting the upcoming uncertainties, Ponte 16 exerted effort in streamlining its operation and implementing stringent cost control while maintaining its top-class hospitality. With the operational efficiencies and cost control measures throughout gaming and non-gaming sectors, decrease of the Adjusted EBITDA* of Ponte 16 significantly narrowed to approximately 8% (2015: approximately 40%), and the Adjusted EBITDA* of approximately HK\$143.2 million was recorded for the first half of 2016 (2015: approximately HK\$155.4 million). As at 30 June 2016, the casino of Ponte 16 had 109 gaming tables, consisting of 94 mass gaming tables, 9 high-limit tables and 6 VIP tables. Average occupancy rate of Sofitel Macau At Ponte 16 was approximately 84% for the first half of 2016.

As a world-class integrated casino-entertainment resort located in the Inner Harbour of Macau, Ponte 16 insisted on upholding its high quality services to the valuable customers. During the reporting period, Ponte 16 started the refurbishment of hotel rooms, bringing a new level of visualisation and comfort to its premium guests. Noticing the demand for mobile and personalised travel recommendations from travellers, Ponte 16 moved ahead and introduced Macau’s first handy travel smartphone service to hotel room guests, allowing the guests to conveniently enjoy a variety of personalised functions and assistance services with a handy smartphone, ranging from unlimited local and international calls to certain countries, unlimited 3G internet access, interactive mapping to travel guide assistance, as well as gastronomical recommendations and privilege offers, providing customers the most thoughtful and all-rounded travel experience in Macau.

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

Through consistently providing first class resort experience to its customers, Sofitel Macau At Ponte 16 was highly recognised by the industry of its world-class facilities and attentive services. A total of 10 international and regional accolades were achieved in the first half of 2016.

PROSPECTS

According to the plan formulated in early 2016 for the travel business, two online booking platforms – a business to consumer (B2C) and a business to business (B2B) will gain further exposure in both retail and corporate markets. The Group will also set up a 24-hour customer hotline service to support both online and offline enquiries and reservations across different time zones, and will extend the business coverage with integrated travel solutions to capture the improving sentiment. These new moves will certainly create synergy with the Group's operation in Ponte 16 by providing Macau travel recommendations directly to the end-consumers in Canada.

With the determination to transform Macau into the “World Centre of Tourism and Leisure” and the upcoming infrastructure and entertainment facilities in and nearby Macau, the visitation is expected to steadily increase, supporting the growth of mass market gaming and tourist-related industries. Ponte 16 will exert tenacious endeavours to implement effective strategies to stay in pace with the enhancement of Macau tourism as well as to contribute to the industry.

Under the central government's internet plus strategy, lottery sales in China going paperless become the strong growth momentum of the industry. A sound regulatory system is essential to restore the sustainable development of this massive paperless lottery market. The Group is actively seeking for business opportunities during the Suspension period and preparing to re-tap into the lottery market with its established network and resources, such as the physical sales channels in certain cities.

Going forward, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, “In the face of the political and economic uncertainties, we expect the global economy performance will continue to grow at a modest pace in the second half of 2016 arising from softer monetary policies by global central banks. The Group will stay cautious and prudent towards the formulation and implementation of corporate strategies, whereas constantly identifies suitable business opportunities to achieve a long term growth. We believe that such strategies will lead the Group to a stronger foothold in the gaming, entertainment and tourist-related industries in the Asia-Pacific region.”

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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, lottery businesses and property investment, 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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