

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00487)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF 80% INTEREST IN
HONOUR RICH AND THE RELATED LOAN**

The Board announces that on 8 September 2017 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loans at an aggregate consideration of HK\$12,000,000.00. The Sale Shares represent 80% of the total issued share capital of Honour Rich, whereas the Sale Loans represent all amounts owing by Honour Rich and Mr. Wu to the Vendor respectively.

Upon completion of the Disposal which took place on 8 September 2017, the Company ceased to have any interest in Honour Rich and the Group ceased to carry on any lottery related business in the PRC.

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are above 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board announces that the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser on 8 September 2017 (after trading hours). The principal terms of the Disposal Agreement are set out below.

THE DISPOSAL AGREEMENT

Date: 8 September 2017

Parties:

Vendor: Victory Devotion Limited, a direct wholly-owned subsidiary of the Company; and

Purchaser: Wide Fortune Group Limited, a company incorporated in the British Virgin Islands with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is an investment holding company; and (ii) the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Assets to be disposed of

The assets to be disposed of comprise (i) the Sale Shares, being eight (8) shares of par value of US\$1.00 each in the issued share capital of Honour Rich, representing 80% of the total issued share capital of Honour Rich as at the date of the Disposal Agreement; (ii) the Honour Rich Shareholder Loan; and (iii) the Related Loan. The principal amounts of the Honour Rich Shareholder Loan and the Related Loan amounted to HK\$113,320,772.08 and HK\$5,865,080.66 respectively as at the date of the Disposal Agreement.

Consideration

The aggregate consideration for the Sale Shares and the Sale Loans is HK\$12,000,000.00, which has been fully paid by the Purchaser on Completion which also took place on 8 September 2017.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser taking into account (i) sustained losses incurred by the Honour Rich Group including the recorded audited net loss for the two years ended 31 December 2015 and 2016; (ii) the net liabilities of the Honour Rich Group as at 31 December 2015 and 2016; and (iii) the prospect of the lottery business in the PRC.

The Honour Rich Shareholder Loan represented the outstanding amount of shareholder's loan provided by the Vendor to Honour Rich since September 2010 to support the operation of the Honour Rich Group. The carrying amount of such shareholder's loan amounted to HK\$113,320,772.08 at Completion.

The Related Loan represented the outstanding amount of the loans provided by the Vendor to Mr. Wu for onward financing of Up Fly's contribution to Honour Rich. The carrying amount of such loans amounted to HK\$5,865,080.66 at Completion.

INFORMATION ON HONOUR RICH

Honour Rich is an investment holding company incorporated in the British Virgin Islands on 21 September 2010 with limited liability and prior to Completion was owned as to 80% by the Vendor and 20% by Up Fly. The principal business of the PRC subsidiaries of Honour Rich are the provision of technology services platform and related technical support for lottery business and sales agency services of lottery in the PRC.

Audited consolidated financial information of the Honour Rich Group (based on Hong Kong generally accepted accounting principles) for the last two financial years is set out below:

	Year ended 31 December 2015 <i>HK\$'000</i>	Year ended 31 December 2016 <i>HK\$'000</i>
Net loss (before taxation and extraordinary items)	19,142	20,766
Net loss (after taxation and extraordinary items)	19,142	20,766
Net liabilities	69,385	92,755

REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal businesses and investments of the Group include travel-related business, provision of technology services platform and related technical support for lottery business in the PRC (prior to the Disposal) and property investment business and the investment project of Ponte 16, a world-class integrated casino-entertainment resort located in Macau.

As disclosed in the 2015 and 2016 Annual Reports and the announcement of interim results for the six months ended 30 June 2017 of the Company, in view 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》) issued by the Ministry of Finance, the Ministry of Civil Affairs and the General Administration of Sports of China in January 2015, the Group and its lottery business partner, similar to most of its peers, temporarily suspended the paperless lottery sales agency services voluntarily since early 2015, which resulted in significant decrease in operating revenue and increase in loss of the Group's lottery business for the year ended 31 December 2016. Revenue of the lottery business for the year ended 31 December 2016 amounted to approximately HK\$8.3 million, representing a decrease of 88% as compared with approximately HK\$69.6 million for 2015. A loss of approximately HK\$20.8 million was recorded in the segment (2015: approximately HK\$19.1 million).

Such suspension of the paperless lottery sales agency services remained as at the date of this announcement. In view of the uncertainty regarding the paperless lottery business in the PRC, and indirectly also the uncertainty of the recovery of the Related Loan which is due from Mr. Wu, the ultimate beneficial owner of Up Fly, the Directors consider that the Disposal represents an opportunity for the Group to realize its residual investment in the Honour Rich Group (including the Related Loan) as well as relieving the Group from further need to inject working capital to sustain the operation of its business and redeploy of resources to other investment opportunities. Upon Completion, Honour Rich ceased to be a subsidiary of the Company and its financial results will no longer be consolidated into the Group's consolidated financial statements, and the Group ceased to carry on any lottery related business in the PRC.

Based on the Consideration and the audited consolidated net liabilities of the Honour Rich Group as at 31 December 2016 together with the carrying amount of the Related Loan at Completion, the loss arising from the Disposal to be recognised by the Group in its consolidated statement of profit or loss is estimated at approximately HK\$30.8 million. Shareholders and investors should note that the exact amount of loss on the Disposal is subject to review by the Company's auditors. Although the Group will record loss from the Disposal, taking into account the net liabilities of the Honour Rich Group as at 31 December 2016 and the negative outlook of the business of the Honour Rich Group, the Directors consider that the Consideration is fair and reasonable.

The Company intends to apply the net proceeds from the Disposal for the Group's general working capital.

The terms of the Disposal Agreement, including the Consideration, have been determined after arm's length negotiation between the Company and the Purchaser and on normal commercial terms. Taking into account the above factors, the Directors are of the view that the Disposal, including the Consideration, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are above 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Success Universe Group Limited (Stock Code: 00487), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loans pursuant to the Disposal Agreement
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loans pursuant to the terms and conditions of the Disposal Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loans by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 8 September 2017 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loans
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Honour Rich”	Honour Rich China Development Limited, a company incorporated in the British Virgin Islands with limited liability
“Honour Rich Group”	Honour Rich and its subsidiaries

“Honour Rich Shareholder Loan”	all the shareholder’s loans due or owing by Honour Rich to the Vendor as at Completion
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Wu”	Mr. Wu Hong, the ultimate beneficial owner of Up Fly
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Wide Fortune Group Limited, a company incorporated in the British Virgin Islands with limited liability
“Related Loan”	the aggregate amount of all the loans due or owing by Mr. Wu to the Vendor as at Completion
“Sale Loans”	collectively, the Honour Rich Shareholder Loan and the Related Loan
“Sale Shares”	the eight (8) shares of par value of US\$1.00 each in the issued share capital of Honour Rich, representing 80% of the total issued share capital of Honour Rich as at the date of the Disposal Agreement
“Shareholder(s)”	holder(s) of the Share(s)
“Shares(s) ”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Up Fly”	Up Fly Limited, a company incorporated in the British Virgin Islands with limited liability, which holds 20% of the total issued share capital of Honour Rich as at the date of this announcement
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Victory Devotion Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
SUCCESS UNIVERSE GROUP LIMITED
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 8 September 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Dr. Ma Ho Man, Hoffman (Deputy Chairman); one non-executive Director, namely Mr. Choi Kin Pui, Russelle; and three independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Chin Wing Lok, Ambrose and Mr. Chong Ming Yu.