

**Press Release**

[For Immediate Release]

## **Success Universe Announces 2013 Annual Results**

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***Turnaround of Profit Attributable to Owners of the Company  
Remarkable Progress in Ponte 16 and Lottery Business  
Adjusted EBITDA\* of Ponte 16 Surged by Approximately 19%***

### **Overview**

- Turnover achieved approximately HK\$1,584.8 million for 2013
- Profit attributable to owners of the Company realised approximately HK\$18.6 million, making a financial turnaround in 2013
- Earnings per share was 0.42 HK cents for 2013
- For lottery business, sports lottery sales agency services network in China expanded to Heilongjiang province in 2013, in addition to existing network in Jiangxi and Qinghai provinces
- For the flagship investment project, Ponte 16, the adjusted EBITDA\* substantially increased by approximately 19% to approximately HK\$387.3 million. Shared profit relating to Ponte 16 amounted to approximately HK\$51.0 million, representing 444% year-on-year growth

**28 March 2014, Hong Kong** — **Success Universe Group Limited** (“Success Universe” or the “Company”, Stock Code: 00487.HK), today announced the consolidated annual results of the Company for the year ended 31 December 2013 (the “Year”).

For the Year, profit attributable to owners of the Company amounted to approximately HK\$18.6 million, compared with a loss attributable to the owners of the Company of approximately HK\$33.0 million in 2012. This was attributable to a gain recognised on

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

derecognition of a long-term payable as a result of the World Fortune Acquisition (as defined hereinafter), offsetting the loss from the Golden Sun Acquisition (as defined hereinafter), and the improved performance of Ponte 16. For the Year, the turnover of the Company decreased to approximately HK\$1,584.8 million (2012: approximately HK\$1,635.0 million). Gross profit dropped to approximately HK\$83.6 million (2012: approximately HK\$87.9 million). Earnings per share in 2013 was 0.42 HK cents (2012: loss per share of 0.83 HK cents). The directors of the Company do not recommend any payment of a final dividend for the Year (2012: Nil).

Commenting on the Company's performance, Mr. Sonny Yeung, the Chairman of Success Universe said, "Thanks to our diligent effort and persistence over the past few years, I am proud to report that Ponte 16 and our lottery business in China have made remarkable progress during the Year. In particular, the gaming revenue and traveller spending in Ponte 16 have recorded substantial growth. As such, Success Universe achieved encouraging results for the Year. The Company also focused on developing lottery business in 2013, and we have successfully expanded our sports lottery sales agency services to Heilongjiang province. We will proactively penetrate our lottery business into other provinces in China. It is expected the lottery business is going to be another driving force for Success Universe in the near future.

#### **Acquisition of the interest pursuant to the exercise of option by Maruhan Corporation**

The gain, before expenses, on derecognition of a long-term payable of approximately HK\$83.4 million was recognised for the Year, as a result of the Company's acquisition of the entire equity interest in World Fortune Limited ("World Fortune") and related shareholder's loans, pursuant to the exercise of option by Maruhan Corporation (the "World Fortune Acquisition"). Following the completion of this acquisition in May 2013, Success Universe increased its effective beneficial interest in World Fortune from approximately 85.71% to 95.45%.

### **Acquisition of the interest pursuant to the exercise of option by SBI Macau Holdings Limited**

A loss, before expenses, on derecognition of a long-term payable of approximately HK\$71.8 million was recognised for the Year, as a result of the Company's acquisition of the entire equity interest of in Golden Sun Profits Limited ("Golden Sun") and related shareholder's loan, pursuant to the exercise of option by SBI Macau Holdings Limited (the "Golden Sun Acquisition"). Subsequent to the completion of this acquisition in October 2013, Golden Sun and World Fortune became indirect wholly-owned subsidiaries of Success Universe.

### **Acquisition of the interest in Honour Rich China Development Limited**

In December 2013, Success Universe acquired 10% equity interest in Honour Rich China Development Limited (the "JV Company") at a consideration of an amount equivalent to HK\$7.8. After the acquisition, the Company increased its effective beneficial interest in the JV Company from 70% to 80%, which enables Success Universe to capture the enormous growth potential in the lottery business subsequently.

### **Travel Business**

The unfavourable global economy, especially the unstable economy in North America continued to have negative impact on the performance of the travel business of the Company. In 2013, turnover in this segment decreased to approximately HK\$1,430.2 million (2012: approximately HK\$1,543.9 million), and loss posted approximately HK\$16.1 million (2012: profit of approximately HK\$1.1 million), including an impairment loss on certain assets of approximately HK\$2.8 million in 2013 (2012: approximately HK\$0.4 million).

### **Cruise Ship Business**

The cruise ship business posted a modest growth in revenue during the Year, mainly due to the increase in leasing and management fee income. This segment recorded approximately 4% increase in turnover to approximately HK\$84.0 million in 2013 (2012: approximately HK\$80.4 million), and posted a profit of approximately HK\$0.5 million in 2013 (2012: approximately HK\$2.9 million). The reduction in profit was caused by the increase in operating cost during the Year.

### **Lottery Business**

Success Universe offers sports lottery sales agency services in China through the subsidiaries of the JV Company. In addition to Jiangxi and Qinghai provinces, the Company expanded its existing sports lottery sales agency services network to Heilongjiang province in 2013. Turnover in the lottery business for the Year was approximately HK\$70.6 million, representing a growth of 563% (2012: approximately HK\$10.7 million). As a result, loss for the Year reduced to approximately HK\$13.4 million (2012: approximately HK\$21.9 million). In view of the enormity of the lottery market in China, the Company has increased its investment in the business in 2013. The paid-up share capital of the subsidiary of the JV Company has been enlarged to RMB 50 million.

A technology service platform commenced operation in late 2012, and has since effectively boosted its sports lottery agency sales during the Year. This has significantly contributed to and lifted the lottery commission and service income of Success Universe. In 2013, the Company upgraded its specialised online lottery platform 128cai.com to offer diverse lottery game information, exclusive analysis recommendation and round-the-clock online customer services. Besides, Success Universe further collaborated with Taobao, Jingdong and Netease

, to expand its online lottery platform's exposure further and wider in the mass market. In September 2013, the Company successfully organised a tour to the sports lottery centre in Beijing. This marketing campaign not only enabled the Company to establish dynamic interactions with customers, but also demonstrated the solid foundation of Success Universe in the lottery business.

### **Investment Project — Ponte 16**

Success Universe's flagship investment project Ponte 16 achieved solid growth for the Year. Adjusted EBITDA\* of Ponte 16 substantially increased by approximately 19.0% to approximately HK\$387.3 million (2012: approximately HK\$324.5 million) for the Year. The growth was driven by the rapid increase in gaming revenue arising from the mass market and the greater guest spending at Ponte 16. Shared profit of the associates relating to Ponte 16 for the Year amounted to approximately HK\$51.0 million (2012: approximately HK\$9.4 million).

The casino of Ponte 16 had 109 gaming tables, of which 84 were for mass market, 9 for high-limit and 16 for VIP, as at 31 December 2013. Average occupancy rate of the hotel remained high at over 90% for 2013.

In 2013, Ponte 16 celebrated its fifth anniversary and organised various marketing and cultural initiatives. Housing the first and only Michael Jackson ("MJ") Gallery in Asia, Ponte 16 injected new MJ elements to its facilities and entertainment. In 2013, Ponte 16 launched an indoor reality adventure game "Dangerous" to broaden its entertainment mix. Featuring 5D sensation and MJ elements, the room-escape game has gained overwhelming response from the younger generation and helped capture a different type of customers.

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

Ponte 16 strived to exceed expectation from customers all over the world. In April and September 2013, Ponte 16 enlisted a Michelin Star chef and its executive chef from France to present their exquisite, award-winning cuisine at the French restaurant, Privé. In May 2013, Ponte 16 organised a Burgundy-themed gourmet festival to introduce French specialties; it also proudly presented the cultural programme “Musique Littéraire” which combined the best of Chinese and French culture and affection. In October 2013, Ponte 16 hosted an exclusive photo exhibition of Brigitte Bardot, the iconic star of France. This art exhibition featured photos of Brigitte that were never shown before to the public, and the behind-the-scenes of some of her most famous films. Moreover, Ponte 16 introduced the world famous spa, So SPA with L’Occitane in November 2013; guests can rejuvenate with the French cosmetology in front of the China across Macau Harbour.

All these events were met with huge success in terms of bringing its guests and the Macau tourism with the world-class lifestyle and horizons. This successfully helped differentiate Ponte 16 from peers with its global vision and connections, as well as expand its customer base. Furthermore, Sofitel Macau At Ponte 16 received a number of reputable awards in 2013, these accolades approved Ponte 16’s commitment of being one of the finest five-star resorts in Macau in all aspects.

### **Prospect**

Success Universe is optimistic about the prospect of the lottery market. On top of the existing sports lottery sales agency services network in Jiangxi, Qinghai and Heilongjiang provinces, the Company has been seeking opportunities to expand to other provinces in China and tap into the welfare lottery business. In March 2014, the Company cooperated with Shanghai Welfare Lottery Issuance Centre (“Shanghai Welfare Lottery Centre”) to jointly launch the telephone sales of welfare lottery in Shanghai. Success Universe Group Limited has become an official business partner of Shanghai Welfare Lottery Centre and has been authorised to provide the telephone agency sales services of welfare lottery through the Company’s technology service platform.

As compared with the sports lottery, the welfare lottery is an even bigger market. With the comprehensive sports and welfare lottery sales agency services as well as its specialised online lottery platform 128cai.com, the Company believes that the lottery business is going to be another driving force for Success Universe in the near future.

Other than developing the sales network, Success Universe plans to upgrade its online lottery platform 128cai.com by introducing multimedia programmes. The first foray is to launch a broadcasting channel to provide football commentary as soon as practical to get prepared for the upcoming FIFA World Cup in June 2014. Live programmes will also be introduced in the near future to provide interactive services to customers.

As the only integrated casino-entertainment resort located in the Inner Harbour of Macau, Ponte 16 infuses with top notch entertainment, upscale culinary experience and the rich culture of Macau, and offers unforgettable travelling experience to families. In 2014, Ponte 16 will further strengthen its position as an integrated cultural, leisure and entertainment destination for the affluent middle-class Chinese. In January 2014, a new Chinese restaurant, Le Chinois Cantonese Restaurant opened in Ponte 16. In addition, Ponte 16 will be launching a karaoke featuring MJ elements in 2014.

As part of its marketing strategy in 2014, Ponte 16 prepares to launch an online travel magazine guiding travellers to discover the inner beauty of Macau. By showcasing the unique culture, heritage and local attractions that Macau has to offer, the online travel magazine will distribute through various online channels including social networking platforms, which in turn will enhance the brand awareness of Ponte 16.

Occupying gross floor area of approximately 40,000 square meters, the phase 3 of the Ponte 16 development project will consist of a shopping arcade, an entertainment and recreation complex as well as space for gaming expansion. Currently, the construction plan is under

reviewing process by the Macau Government. Upon its completion, it will open another revenue source for Ponte 16.

Success Universe will continue to seek sustainable growth in the travel and cruise ship businesses. The Company will seize every cross-selling opportunity with Ponte 16 and initiate collaborations and business programmes targeting the high-margin MICE (Meeting, Incentive, Convention and Exhibition) and FIT (Free Independent Traveller) markets. In March 2014, the Company increased its interest in its travel business arm from 80% to approximately 85.1%. Success Universe is confident that the travel and cruise ship businesses will remain stable and make contribution to the Company's revenue.

Commenting on the prospects of the Company, Mr. Yeung concludes, "With various encouraging signs from the outlook of Macau gaming industry, and flourishing lottery market in China, we are well-positioned to seize the plentiful opportunities in the future. Success Universe is determined to be a leading player in the gaming, entertainment and tourist-related industries. We will strive to maximise the synergies among our existing businesses and further strengthen our business platform. Leveraging on our well-established business portfolio and sound business strategy, the Company will continue to expand the businesses to generate greater returns for shareholders.

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## **About Success Universe Group Limited**

Success Universe Group Limited is listed on The Stock Exchange of Hong Kong Limited (Stock Code: 00487.HK) and is the flagship of Success Universe Group. The Company, through its subsidiaries, operates travel, cruise ship leasing and management and lottery businesses. It also actively involves in gaming, entertainment and tourist-related industries through its investment project Ponte 16, a world-class integrated casino-entertainment resort located in the Inner Harbour of Macau.

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