

Press Release

[For Immediate Release]

Success Universe Announces 2015 Annual Results

Strong Resilient and Diversified Business Portfolio

Overview

- Gross profit was approximately HK\$37.2 million
- Revenue achieved approximately HK\$1,010.7 million and loss attributable to owners of the Company was approximately HK\$6.7 million
- Revenue of the travel business was approximately HK\$941.1 million. The Group focused on deepening market penetration in Canada and its operating loss narrowed significantly since the second half of 2015 due to effective resources reallocation
- Gaming revenue of the Group's flagship investment project – Ponte 16 outperformed the market, and its adjusted EBITDA* was approximately HK\$303.7 million

30 March 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 annual results for the year ended 31 December 2015.

RESULTS

For the year ended 31 December 2015, revenue of the Group was approximately HK\$1,010.7 million, decreased by approximately 23% from approximately HK\$1,304.7 million for the same period of 2014. Gross profit dropped by approximately 55% to approximately HK\$37.2 million (2014: approximately HK\$82.7 million). The Group's shared profit of the associates relating to Ponte 16 for the year ended 31 December 2015 amounted to approximately HK\$29.3 million, decreased by approximately 67% from approximately HK\$88.1 million for the last corresponding year.

Loss attributable to owners of the Company of approximately HK\$6.7 million was recorded for the reporting year (2014: profit attributable to owners of the Company of approximately HK\$96.9 million), whilst loss per share was 0.14 HK cents (2014: earnings per share from continuing operations of 1.48 HK cents).

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

Dividends

The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2015 (2014: nil).

Tackle Challenges and Capture the Right Opportunities

Commenting on the Group's performance, **Mr. Sonny Yeung, the Chairman of Success Universe Group Limited** said, "The global economy underwent a challenging year in 2015 and is likely to face a number of uncertainties in the year ahead. The Group's solid foundation and diversified portfolio will safeguard us to stand tight in the headwinds, and we will continue to strengthen the competitiveness of our core business portfolio and to explore new opportunities."

REVIEW OF OPERATIONS

Travel Business

The Group's travel business ("Jade Travel") mainly focuses on providing travel packages and arrangement services for the high-end MICE and FIT segments, and has been actively exploring new business opportunities to capture the improving consumer sentiment. Jade Travel has expanded its retail business in Canada since the second half of 2015, and has ceased the operation in New York, the United States of America in late 2015 which was aligned with the Group's business strategy that focused on deepening market penetration in Canada. With effective resources reallocation, the travel business's operating loss narrowed significantly since the second half of 2015.

Revenue of the segment decreased by approximately 15% to approximately HK\$941.1 million for the year ended 31 December 2015 (2014: approximately HK\$1,103.5 million). Loss in this segment posted approximately HK\$6.1 million, decreased by approximately 78% as compared with approximately HK\$27.4 million for the last corresponding year, including impairment loss on certain assets of approximately HK\$2.2 million (2014: impairment loss on intangible assets of approximately HK\$16.4 million and bad debts written off of approximately HK\$2.2 million) were recognised for the reporting year.

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 (the "Suspension") 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 Sports of China which was issued in January 2015. 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.

Revenue of the lottery business amounted to approximately HK\$69.6 million for the year ended 31 December 2015, representing a decrease of approximately 65% as compared with approximately HK\$201.1 million for the last corresponding year, which was attributable to (i) the non-recurrence of the FIFA World Cup 2014 effect that stimulated the revenue of the lottery business for 2014, and (ii) the Suspension. Loss of approximately HK\$19.1 million was recorded for the year in this segment (2014: profit of approximately HK\$24.5 million).

Investment Project – Ponte 16

Macau gaming sector started its downward trend since the second half of 2014, while the Macau's gross gaming revenue (the "GGR") of 2015 decreased by approximately 34% year-on-year. However, the tourist visitation recorded a merely small decline of approximately 3% year-on-year in 2015, proving Macau remained to be one of the favourite tourist destinations in Asia. During the reporting year, Ponte 16 has timely response to the change in tourist mix by allocating resources to serve the mass market and its revenue outperformed the market.

As at 31 December 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. Adjusted EBITDA* was approximately HK\$303.7 million (2014: approximately HK\$461.0 million) for the reporting year. Average occupancy rate of Sofitel Macau At Ponte 16 was recorded over 89% in 2015.

Ponte 16 continued to leverage its geographical and historical advantages to target at the growing mass market, by offering comprehensive entertainments experience in the Inner Harbour of Macau. The first large-scale 3D museum in Macau, Pier 16 Macau 3D World, was opened in 2015 which offers a virtual experience to the tourists and introduces a new attraction to Macau. Ponte 16 has also strategically introduced the unique culture, heritage, restaurants and attractions through the monthly online travel magazine "Macau Hot Spot P16", encouraging travellers to recognise and explore the entertainment experience around Ponte 16.

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

PROSPECTS

Coming to the 40th anniversary of Jade Travel in 2016, the Group has made a step forward in its travel agency business. With a strategic move to focus on the business development in Canada, the Group collaborated with various airline partners to establish retail outlets and provide travel package and services to mass population in order to capture the improving travel sentiment in the region. The Group also plans to set up more retail outlets in shopping malls in Canada in 2016, and to enhance the Jade Travel's online booking platform to provide retail and corporate customers with seamless travel solutions. These approaches will energise with Ponte 16 by offering Macau travel recommendations directly to the end-consumers in Canada.

The GGR recorded in early 2016 showed the sign of stabilisation in Macau gaming industry, together with the infrastructure and other supporting facilities opening soon in and nearby Macau, the Group believes Macau visitation will increase at a steady pace, which will support the growth of mass market gaming and tourist-related industries. Ponte 16 will continue to implement effective strategies and introduce new excitements to visitors during their stay in Macau.

Lottery sales in China going paperless become an irresistible trend according to the central government's internet plus strategy, thus a regulated and comprehensive mechanism is essential for the viable and sustainable development of the entire paperless lottery market. The Group will continue to closely monitor the development and do our utmost to grasp the opportunities with its established network and resources, aiming at achieving another breakthrough along with the healthy lottery industry trends.

Looking ahead, the Group stays cautious and prudent towards the formulation and implementation of corporate strategies, whereas constantly stretches out its arms to a more diversifying business portfolio. The Group believes that such strategic initiatives will lead it 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 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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