

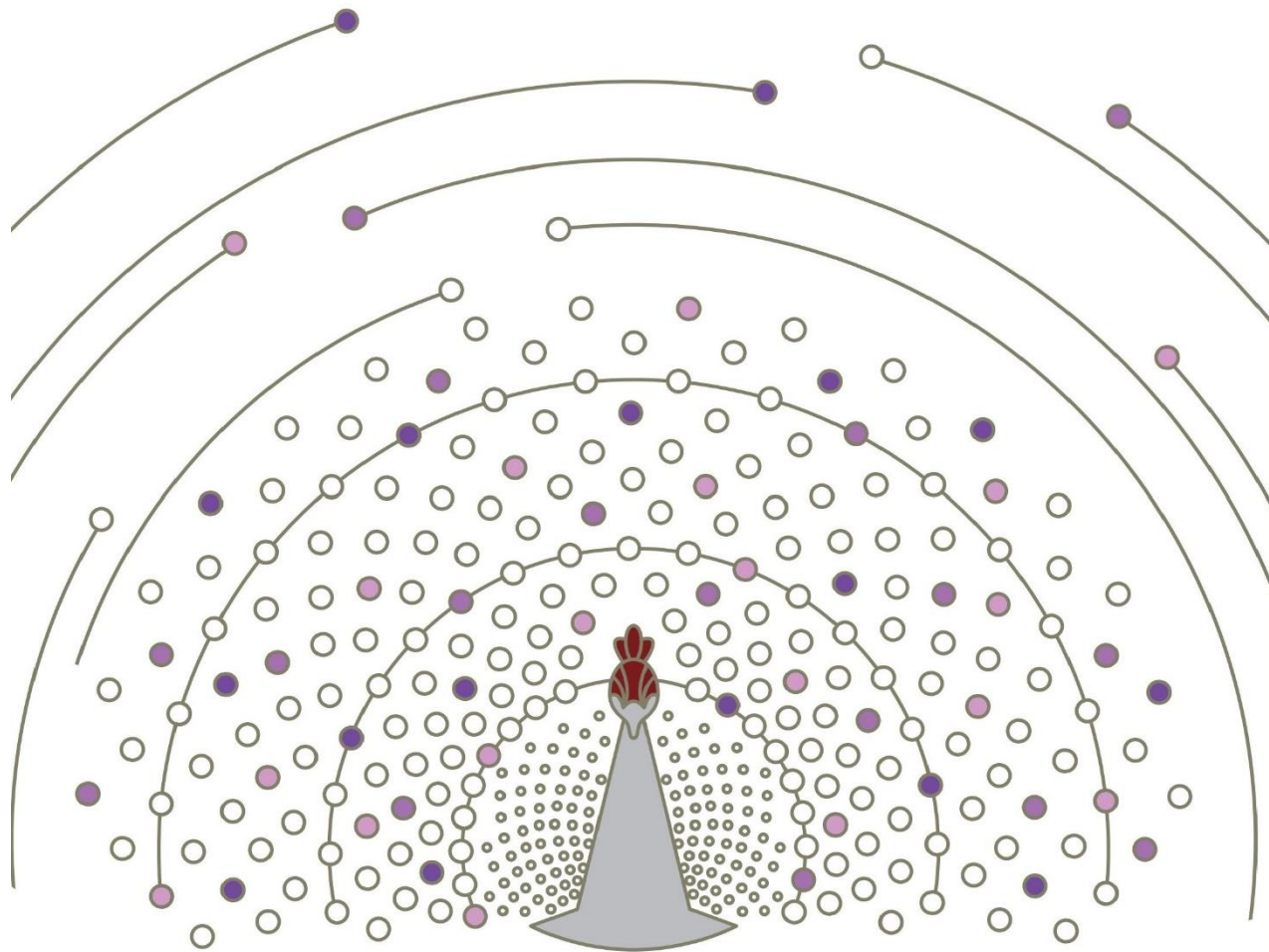


SUCCESS

SUCCESS UNIVERSE GROUP LIMITED

(Stock code: 00487)

2018 Interim Results



Forward-looking statements

This material is for information purposes only. This presentation may contain forward-looking statements based on current assumptions and forecasts made by the management of SUCCESS UNIVERSE GROUP LIMITED.

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Operational highlights

- Revenue was approximately HK\$478.5 million and gross profit was approximately HK\$12.2 million for the first half of 2018
- Profit attributable to owners of the Company was approximately HK\$14.7 million
- Revenue of the travel business was approximately HK\$475.0 million, with an increase of approximately 76% driven by the substantial growth of the wholesale segment and the stable revenue contributed by the retail segment; segment loss was substantially decreased by approximately 71% to approximately HK\$2.4 million
- Revenue of the property investment business was approximately HK\$3.5 million for the reporting period, while segment profit was approximately HK\$24.7 million due to recognition of a fair value gain on investment properties
- The Adjusted EBITDA* of Ponte 16, the Group's flagship investment project, increased by approximately 26% to approximately HK\$171.8 million. The Group's shared profit of the associates relating to Ponte 16 increased by approximately 222% to approximately HK\$23.0 million



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

Key financial data

HK\$'000	For the year ended 31 December	For the six months ended 30 June	
	2017	2018	2017
Revenue from continuing operations	589,935	478,549	272,971
Travel business	583,425	475,026	269,673
Property investment business	6,510	3,523	3,298
Share of results of associates relating to Ponte 16	(9,879)	23,008	7,153
Profit/(loss) for the year/period from continuing operations	4,369	14,205	(22,091)
Loss from discontinued operation*	(37,825)	-	(1,170)
Profit/(loss) for the year/period	(33,456)	14,205	(23,261)
Attributable to owners of the Company	(29,810)	14,655	(21,073)
Earnings/(loss) per share from continuing and discontinued operations	(0.61) HK cents	0.30 HK cents	(0.43) HK cents
Earnings/(loss) per share from continuing operations	0.16 HK cents	0.30 HK cents	(0.40) HK cents



Financial performance by segment

HK\$'000	For the year ended	For the six months ended	
	31 December	30 June	
	2017	2018	2017
Travel business			
Revenue	583,425	475,026	269,673
Segment loss	(15,656)	(2,377)	(8,312)
Property investment business			
Revenue	6,510	3,523	3,298
Segment profit	83,415	24,735	2,257
Ponte 16			
Adjusted EBITDA* of Ponte 16	225,300	171,800	136,300
Share of results of associates relating to Ponte 16	(9,879)	23,008	7,153

Travel business – Jade Travel

Business review and prospects

Business review

- Dedicated in product enrichment and refinement, as well as conducting extensive publicity on various social media platforms
- Continued to work closely with leading regional and international online travel portals, including the most well-known and widely-used portals in China, for the penetration of its broad range of travel products
- Revenue of the segment increased to approximately HK\$475.0 million (1H2017: approximately HK\$269.7 million)
- Loss was substantially decreased by approximately 71% to approximately HK\$2.4 million (1H2017: approximately HK\$8.3 million), including an impairment loss on intangible assets of approximately HK\$0.2 million (1H2017: approximately HK\$2.2 million) recognized for the period

Prospects

- 1 The Group plans to explore business opportunities in the USA, on top of its existing market in Canada
- 2 Continue to explore the strategic collaboration opportunities with the leading domestic and international online travel portals
- 3 Put more weight on designing packages to destinations all over the world aiming at responding to the diverse interests of customers



Property investment business

Business review and prospects

Business review

- Further enriched the Group's portfolio with the completion of acquisition of several commercial properties in Wanchai in April 2018
- Completed the acquisition of the entire issued share capital of and the related shareholders' loans to two companies which hold indirectly two commercial properties in Admiralty Centre in May 2018
- Revenue of the segment amounted to approximately HK\$3.5 million (1H2017: approximately HK\$3.3 million)
- Segment profit was approximately HK\$24.7 million (1H2017: approximately HK\$2.3 million), which was mainly due to recognition of a fair value gain on investment properties of approximately HK\$22.3 million (1H2017: approximately HK\$0.7 million)



Prospects

- 1 Supported by the solid demand from the business sector, the property market in Hong Kong continued to achieve modest growth in rental in most area and recorded upward trend of properties value
- 2 Expected to generate a steady growing income stream and provide capital appreciation potential from the Group's property investment portfolio
- 3 In August 2018, the Group entered into a preliminary sale and purchase agreement with an independent third party to acquire a commercial property in Wanchai. The acquisition is expected to be completed in October 2018



Ponte 16 Resort, Macau

Business review and prospects

Business review

- The opening of new projects in Cotai Strip have attracted higher volume of visitors to Macau, Ponte 16's exclusive location next to the World Heritage Site recognised by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and its easy accessibility to tourism clusters constantly attracts travellers who love embracing Macau's prolific local cultures and history
- The average occupancy rate of Sofitel Macau At Ponte 16 maintained at a high level at over 90% for the first half of the year
- Adjusted EBITDA* increased by approximately 26% to approximately HK\$171.8 million (1H2017: approximately HK\$136.3 million)
- The Group's shared profit of the associates relating to Ponte 16 increased by approximately 222% to approximately HK\$23.0 million



Prospects

- 1 The opening of the Hong Kong-Zhuhai-Macau Bridge will significantly improve the accessibility for travellers to Macau, while the Belt and Road Initiative and the Greater Bay Area integration plan will further increase the visitation to Macau from worldwide tourists
- 2 The demand for leisure, tourism and travel from both Asia and China will continue to grow, driving the increase of overnight visitors with higher spending power and longer length of stay
- 3 Ponte 16 will continue to maintain its competitiveness by delivering comprehensive entertainment experiences during visitors' stay in Macau



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

Appendix



Consolidated statement of profit or loss

HK\$'000	For the six months ended 30 June	
	2018	2017
Revenue from continuing operations	478,549	272,971
Cost of sales	(466,319)	(262,838)
Gross profit	12,230	10,133
Other revenue and gains	415	10,124
Fair value gain on investment properties	22,300	692
Administrative expenses	(43,253)	(46,911)
Other operating expenses	(236)	(2,202)
Loss from operations	(8,544)	(28,164)
Finance costs	(591)	(1,349)
Share of results of joint ventures	332	269
Share of results of associates	23,008	7,153
Profit/(loss) before taxation	14,205	(22,091)
Taxation	-	-
Profit/(loss) for the period from continuing operations	14,205	(22,091)
Loss from discontinued operation	-	(1,170)
Profit/(loss) for the period	14,205	(23,261)
Profit/(loss) for the period attributable to owners of the Company	14,655	(21,073)
Loss for the period attributable to non-controlling interests	(450)	(2,188)
Earnings/(loss) per share from continuing and discontinued operations – Basic and diluted	0.30 HK cents	(0.43) HK cents
Earnings/(loss) per share from continuing operations – Basic and diluted	0.30 HK cents	(0.40) HK cents

Consolidated statement of financial position

HK\$'000	As at 30 June 2018	As at 31 December 2017
Non-current assets	1,035,278	867,725
Property, plant and equipment	28,296	30,300
Intangible assets	3,544	3,927
Investment properties	438,600	292,000
Interests in associates	560,095	537,087
Interests in joint ventures	4,743	4,411
Current assets	140,085	178,322
Stock of properties	81,880	-
Trade and other receivables	19,898	18,602
Pledged bank deposits	9,697	10,064
Cash and cash equivalents	28,610	149,656
Current liabilities	134,489	17,606
Trade and other payables	18,997	16,697
Deferred income	254	265
Bank loan	114,500	-
Financial guarantee contract	644	644
Tax payable	94	-

Consolidated statement of financial position *(cont.)*

HK\$'000	As at 30 June 2018	As at 31 December 2017
Non-current liabilities	29,159	30,585
Deferred income	1,054	1,097
Loan payable	26,171	27,232
Financial guarantee contract	1,934	2,256
Net assets	1,011,715	997,856
Capitals and reserves		
Share capital	49,265	49,265
Reserves	975,739	961,365
Total equity attributable to owners of the Company	1,025,004	1,010,630
Non-controlling interests	(13,289)	(12,774)
Total equity	1,011,715	997,856



Thank you

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