

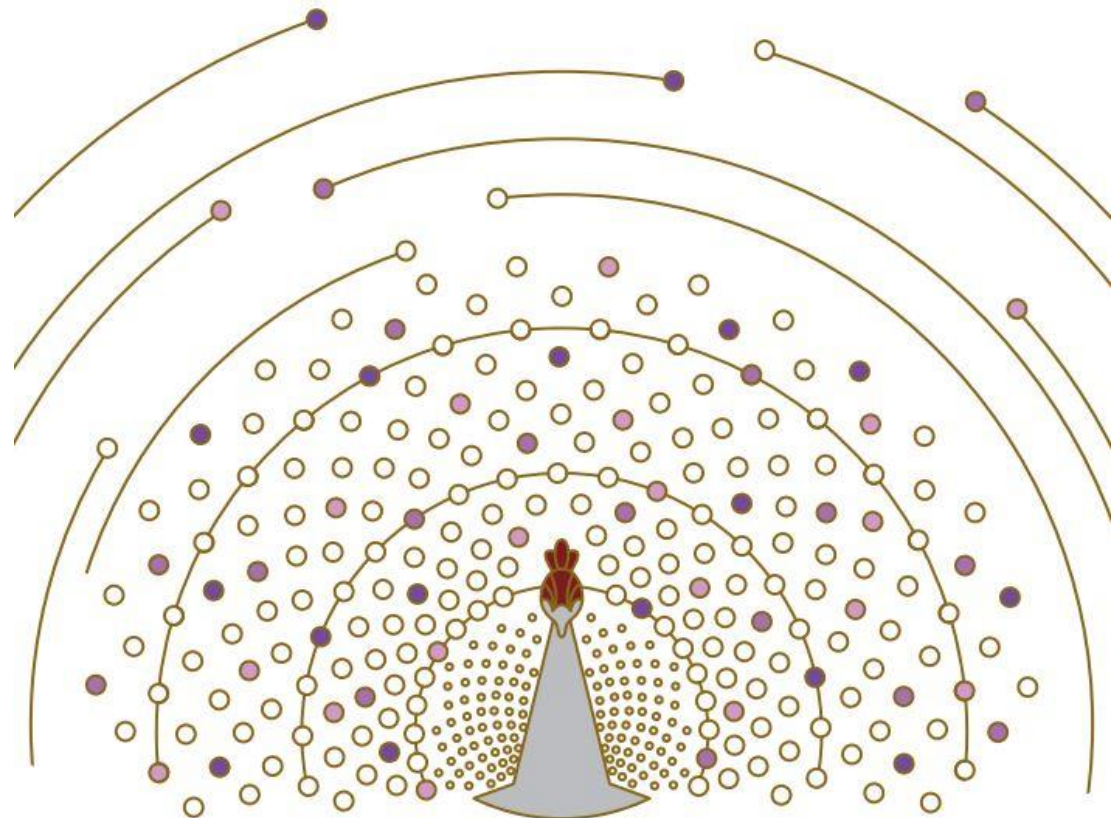


**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

(Stock code: 00487)

## **2018 Annual Results**



# Forward-looking statements

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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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# Business highlights

- Revenue from continuing operations was approximately HK\$1,120.3 million and gross profit was approximately HK\$34.4 million for 2018
- Profit attributable to owners of the Company was approximately HK\$54.5 million
- Revenue of the travel business was substantially increased by approximately 87% to approximately HK\$1,090.2 million; while segment profit amounted to approximately HK\$2.0 million
- Revenue of the property investment business was approximately HK\$30.1 million, while segment profit was approximately HK\$37.7 million
- The Adjusted EBITDA\* of Ponte 16, the Group's flagship investment project, increased by approximately 58% to approximately HK\$356.7 million. The Group's shared profit of the associates relating to Ponte 16 was approximately HK\$68.1 million



# Key financial data

HK\$'000	For the year ended 31 December	
	2018	2017
Revenue from continuing operations	1,120,278	589,935
Travel business	1,090,196	583,425
Property investment business	30,082	6,510
Share of results of associates relating to Ponte 16	68,110	(9,879)
Profit for the year from continuing operations	54,213	4,369
Loss for the year from discontinued operations*	-	(37,825)
Profit/(loss) attributable to owners of the Company	54,464	(29,810)
Earnings/(loss) per share from continuing and discontinued operations	1.11 HK cents	(0.61) HK cents
Earnings per share from continuing operations	1.11 HK cents	0.16 HK cents

\*Disposal of lottery business was completed in September 2017 and a loss of approximately HK\$37.9 million was recognised by the Group

# Financial performance by segment

HK\$'000	For the year ended 31 December	
	2018	2017
<b>Travel business</b>		
Revenue	1,090,196	583,425
Segment profit/(loss)	2,029	(15,656)
<b>Property investment business</b>		
Revenue	30,082	6,510
Segment profit	37,679	83,415
<b>Ponte 16</b>		
Adjusted EBITDA* of Ponte 16	356,700	225,300
Share of results of associates relating to Ponte 16	68,110	(9,879)

# Travel business – Jade Travel

## *Business review and prospects*

### Business review

- Jade Travel has been enhancing its online booking service platform to cater more retail and corporate customers' needs and working closely with the leading regional and international online travel portals, including the most well-known and widely-used portals in China
- Jade Travel is constantly enhancing its travel product mix which can be tailored to customers' specific needs, including in-depth and unique travel experiences
- Revenue of the segment increased to approximately HK\$1,090.2 million, substantially increased by approximately 87% for the year ended 31 December 2018 (2017: approximately HK\$583.4 million)
- Profit in this segment amounted to approximately HK\$2.0 million (2017: loss of approximately HK\$15.7 million), including reversal of impairment loss on intangible assets of approximately HK\$3.2 million (2017: impairment loss on intangible assets of approximately HK\$4.6 million) which was recognised for the reporting year

### Prospects

- 1 Jade Travel has been extending its business footprints to possible geographical locations via its own online platform
- 2 For the wholesale business, Jade Travel with the ongoing advancement of the automated ticketing system and exploration of strategic collaborations with leading domestic and international travel portals
- 3 For the retail business, Jade Travel will put more weight on designing packages and local tours to destinations all over the world, addressing the retail travellers' diverse interests



# Property investment business

## *Business review and prospects*

### Business review

- During the reporting year, the Group completed the acquisitions of several commercial properties in Eastern Commercial Centre, Wanchai, two commercial properties in Admiralty Centre and a commercial property in Sunshine Plaza, Wanchai
- In late 2018, the Group disposed of certain commercial properties in Eastern Commercial Centre (“Disposal of the Properties”)
- Revenue of the segment amounted to approximately HK\$30.1 million, representing an increase of approximately 362% (2017: approximately HK\$6.5 million)
- Segment profit was approximately HK\$37.7 million (2017: approximately HK\$83.4 million) which was mainly due to gain on Disposal of the Properties of approximately HK\$6.0 million (2017: nil) and recognition of a fair value gain on investment properties of approximately HK\$27.3 million (2017: approximately HK\$79.2 million)



### Prospects

- 1 Given its role as a world-class business hub, the growing momentum of commercial property value and rental in Hong Kong is expected to continue, particularly in the key districts
- 2 The Group will continue to explore good opportunity to build up its investment property portfolio in prime locations, generating a steadily growing income stream and capital appreciation potential to the Group



# Ponte 16 Resort, Macau

## *Business review and prospects*

### Business review

- The Macau gaming industry continued to rebound in 2018, Ponte 16 has been able to maintain its competitiveness and deliver comprehensive entertainment experiences, as well as to uphold its leading position in the Inner Harbour of Macau
- The average occupancy rate of Sofitel Macau At Ponte 16 achieved over 90% in 2018
- Adjusted EBITDA\* increased by approximately 58% to approximately HK\$356.7 million (2017: approximately HK\$225.3 million)
- The Group's shared profit of the associates relating to Ponte 16 (the "Associates") was approximately HK\$68.1 million (2017: loss of the Associates approximately HK\$9.9 million was shared by the Group)



### Prospects

- 1 The opening of the Hong Kong — Zhuhai — Macau Bridge and ongoing developments of Cotai and Hengqin Island, together with the continuous growth of China outbound tourism, would support the development of Macau as a global tourism destination
- 2 Mass market will be the most potential for a sustainable growth in the future, and Ponte 16 will continue to offer preeminent accommodation experience with distinctive cultural connotation, as well as to enrich the spectrum of its comprehensive entertainment facilities and initiatives





# Appendix



# Consolidated statement of profit or loss

HK\$'000	For the year ended 31 December	
	2018	2017
<b>Revenue from continuing operations</b>	1,120,278	589,935
Cost of sales	(1,085,924)	(569,843)
<b>Gross profit</b>	<b>34,354</b>	20,092
Other revenue and gains	6,409	13,285
Fair value gain on investment properties	27,300	79,185
Administrative expenses	(78,554)	(92,662)
Other operating expenses	-	(4,638)
<b>(Loss)/profit from operations</b>	<b>(10,491)</b>	15,262
Finance costs	(4,003)	(1,541)
Share of results of joint ventures	597	527
Share of results of associates	68,110	(9,879)
<b>Profit before taxation</b>	<b>54,213</b>	4,369
Taxation	-	-
<b>Profit for the year from continuing operations</b>	<b>54,213</b>	4,369
<b>Loss for the year from discontinued operation</b>	-	(37,825)
<b>Profit/(loss) for the year</b>	<b>54,213</b>	(33,456)
<b>Profit/(loss) for the year attributable to owners of the Company</b>	<b>54,464</b>	(29,810)
Loss for the year attributable to non-controlling interests	(251)	(3,646)
<b>Earnings/(loss) per share from continuing and discontinued operations</b> – Basic and diluted	<b>1.11 HK cents</b>	(0.61) HK cents
<b>Earnings per share from continuing operations</b> – Basic and diluted	<b>1.11 HK cents</b>	0.16 HK cents

# Consolidated statement of financial position

HK\$'000	As at 31 December	
	2018	2017
<b>Non-current assets</b>	<b>1,086,708</b>	<b>867,725</b>
Property, plant and equipment	26,083	30,300
Intangible assets	6,643	3,927
Investment properties	443,600	292,000
Interests in associates	605,074	537,087
Interests in joint ventures	5,308	4,411
<b>Current assets</b>	<b>296,041</b>	<b>178,322</b>
Stock of properties	186,218	-
Trade and other receivables	49,139	18,602
Pledged bank deposits	9,964	10,064
Cash and cash equivalents	50,720	149,656
<b>Current liabilities</b>	<b>273,002</b>	<b>17,606</b>
Trade and other payables	49,613	16,697
Deferred income	245	265
Bank loans	222,500	-
Financial guarantee contract	644	644

# Consolidated statement of financial position *(cont.)*

HK\$'000	As at 31 December	
	2018	2017
<b>Non-current liabilities</b>	<b>41,626</b>	30,585
Deferred income	1,014	1,097
Loans payable	-	27,232
Loan from a director and controlling shareholder	39,000	-
Financial guarantee contract	1,612	2,256
<b>Net assets</b>	<b>1,068,121</b>	997,856
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	1,018,856	961,365
<b>Total equity attributable to owners of the Company</b>	<b>1,068,121</b>	1,010,630
<b>Non-controlling interests</b>	-	(12,774)
<b>Total equity</b>	<b>1,068,121</b>	997,856



# Thank you

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