



**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00487)**

## **2019 Interim 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.

Various known and unknown risks, uncertainties and other factors may lead to substantial differences among the actual future results, financial position, development or performance of the Company and the estimates given here. The Company accepts no obligation to continue to report or update these forward-looking statements or adjust them to future events or development.

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# Operational highlights

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- Revenue was approximately HK\$663.2 million and gross profit was approximately HK\$16.6 million for the first half of 2019
- Profit attributable to owners of the Company was approximately HK\$48.7 million
- Revenue of the travel business increased by approximately 37% to approximately HK\$650.3 million; segment loss was substantially decreased by approximately 51% to approximately HK\$1.2 million due to strategic collaborations with leading domestic and international travel portals and the further development on online presence
- Revenue of the property investment business increased by approximately 269% to approximately HK\$13.0 million, while segment profit was approximately HK\$19.6 million mainly due to gain on disposal of properties and recognition of a fair value gain on investment properties
- The Adjusted EBITDA\* of Ponte 16, the Group's flagship investment project, increased by approximately 20% to approximately HK\$206.1 million. The Group's shared profit of the associates relating to Ponte 16 increased by approximately 146% to approximately HK\$56.6 million. Ponte 16 outperformed Macau's gaming industry growth in its gross gaming revenue mainly contributing from its mass market segment

# Key financial data

HK\$'000	For the year ended 31 December	For the six months ended 30 June	
	2018	2019	2018
Revenue from operations	1,120,278	<b>663,243</b>	478,549
Travel business	1,090,196	<b>650,260</b>	475,026
Property investment business	30,082	<b>12,983</b>	3,523
Share of results of associates relating to Ponte 16	68,110	<b>56,595</b>	23,008
Profit for the year/period from operations	54,213	<b>48,704</b>	14,205
Profit for the year/period attributable to owners of the Company	54,464	<b>48,704</b>	14,655
Earnings per share from operations	1.11 HK cents	<b>0.99 HK cents</b>	0.30 HK cents

# Financial performance by segment

HK\$'000	For the year ended 31 December	For the six months ended 30 June	
	2018	2019	2018
<b>Travel business</b>			
Revenue	1,090,196	<b>650,260</b>	475,026
Segment profit/(loss)	2,029	<b>(1,170)</b>	(2,377)
<b>Property investment business</b>			
Revenue	30,082	<b>12,983</b>	3,523
Segment profit	37,679	<b>19,622</b>	24,735
<b>Ponte 16</b>			
Adjusted EBITDA* of Ponte 16	356,700	<b>206,100</b>	171,800
Share of results of associates relating to Ponte 16	68,110	<b>56,595</b>	23,008

# Travel business – Jade Travel

## *Business review and prospects*

### Business review

- Jade Travel has developed its online presence as a primary marketing and booking channel in recent years to keep up with the fast-paced environment of the travel and tourism industry
- Jade Travel introduces specialty packages and local tours to destinations all over the world. Its caring customer services and professional online booking service platform support both traditional and online reservations for travellers worldwide, which expand the reach to new generations of travellers who demand a different vacation experience and 24-hour service
- Jade Travel has expanded its market reach beyond North America and has gone further to Europe as well as the growing markets in Asia Pacific and China, connecting with a wider range of potential customers
- Revenue of the segment increased by approximately 37% to approximately HK\$650.3 million for the six months ended 30 June 2019 (2018: approximately HK\$475.0 million)
- Loss in this segment was substantially decreased by approximately 51% to approximately HK\$1.2 million from approximately HK\$2.4 million for the last corresponding period, including an impairment loss on intangible assets of approximately HK\$0.1 million (2018: approximately HK\$0.2 million) which was recognised for the reporting period



### Prospects

- 1 Jade Travel strives for improvement of its service quality in a comprehensive way in order to capture business opportunities from ever-changing market trends with its prestigious brand name and strategic initiatives in an effort to evolve the business
- 2 With advancement in the automatic ticketing system and establishment of strategic partnerships with leading travel portals, Jade Travel is expected to address travellers' diverse interests and conducive to maintain healthy and sustainable growth over the medium- to long-term



# Property investment business

## *Business review and prospects*

### Business review

- The Group has been strategically managing its investment portfolio of commercial properties in prime locations in Hong Kong, staying close to the property market to make swift decisions in the best interests of the Group
- The Group continued to record a steady rental income and capital appreciation during the reporting period with the refined portfolio of commercial properties in prime strategic locations
- Revenue of the property investment business for the reporting period amounted to approximately HK\$13.0 million, representing an increase of approximately 269% as compared with approximately HK\$3.5 million for the last corresponding period
- Segment profit was approximately HK\$19.6 million (2018: approximately HK\$24.7 million) which was mainly due to gain on disposal of properties of approximately HK\$10.5 million (2018: nil) and recognition of a fair value gain on investment properties of approximately HK\$7.1 million (2018: approximately HK\$22.3 million)



### Prospects

- 1 Ongoing developments in the Greater Bay Area would create new growth drivers for Hong Kong's real estate sector and breed new demands for office, retail and industrial properties
- 2 The Group will continue to seek acquisition opportunities that provide satisfactory returns in capital appreciation of properties and stable recurrent income





# Ponte 16 Resort, Macau

## *Business review and prospects*

### Business review

- Ponte 16 outperformed Macau's gaming industry growth with a growth of approximately 6% in its gross gaming revenue for the reporting period which was mainly contributing from its mass market segment
- Ponte 16 has been restlessly exploring new experiences and enhancing its non-gaming entertainment facilities, and introduced Macau's first Angry Birds-themed playground — Angry Birds Play Center @ Ponte 16
- Average occupancy rate of Sofitel Macau At Ponte 16 maintained at a high level at around 90% for the first half of 2019
- Adjusted EBITDA\* for the reporting period increased by approximately 20% to approximately HK\$206.1 million (2018: approximately HK\$171.8 million)
- The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group, for the first half of 2019 was approximately HK\$56.6 million, increased by approximately 146% from approximately HK\$23.0 million for the last corresponding period



### Prospects

- 1 The Group will seize the opportunities in the development of a world-class city cluster in the Guangdong-Hong Kong-Macao Bay Area, and the opening of the Hong Kong-Zhuhai-Macao Bridge that further enhances the accessibility to Macau for both Chinese and international visitors
- 2 Ponte 16 will continue to leverage on its position as an integrated resort offering premium hospitality and unique Macau experiences, enhancing the competitiveness of comprehensive entertainment offerings, in particular non-gaming and family-friendly entertainment



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



# Appendix



# Consolidated statement of profit or loss

HK\$'000	For the six months ended 30 June	
	2019	2018
<b>Revenue</b>	663,243	478,549
Cost of sales	(646,626)	(466,319)
<b>Gross profit</b>	16,617	12,230
Other revenue and gain	9,537	415
Fair value gain on investment properties	7,100	22,300
Administrative expenses	(36,806)	(43,253)
Other operating expenses	(60)	(236)
<b>Loss from operations</b>	(3,612)	(8,544)
Finance costs	(4,660)	(591)
Share of results of joint ventures	381	332
Share of results of associates	56,595	23,008
<b>Profit before taxation</b>	48,704	14,205
Taxation	-	-
<b>Profit for the period</b>	48,704	14,205
<b>Profit for the period attributable to owners of the Company</b>	48,704	14,655
Non-controlling interests	-	(450)
<b>Earnings per share</b> – Basic and diluted	0.99 HK cents	0.30 HK cents

# Consolidated statement of financial position

HK\$'000	As at 30 June 2019	As at 31 December 2018
<b>Non-current assets</b>	<b>1,157,677</b>	<b>1,086,708</b>
Property, plant and equipment	32,427	26,083
Intangible assets	6,835	6,643
Investment properties	450,700	443,600
Interests in associates	662,026	605,074
Interests in joint ventures	5,689	5,308
<b>Current assets</b>	<b>277,941</b>	<b>296,041</b>
Stock of properties	158,994	186,218
Trade and other receivables	33,677	49,139
Pledged bank deposits	10,320	9,964
Cash and cash equivalents	74,950	50,720
<b>Current liabilities</b>	<b>267,836</b>	<b>273,002</b>
Trade and other payables	29,384	49,613
Deferred income	254	245
Lease liabilities	5,054	-
Bank loans	232,500	222,500
Financial guarantee contract	644	644

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

HK\$'000	As at 30 June 2019	As at 31 December 2018
<b>Non-current liabilities</b>	<b>48,914</b>	41,626
Deferred income	1,052	1,014
Lease liabilities	2,572	-
Loan from a director and controlling shareholder	44,000	39,000
Financial guarantee contract	1,290	1,612
<b>Net assets</b>	<b>1,118,868</b>	1,068,121
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	1,069,603	1,018,856
<b>Total equity attributable to owners of the Company</b>	<b>1,118,868</b>	1,068,121

# Thank you

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