



SUCCESS

SUCCESS UNIVERSE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00487)

2019 Annual 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\$1,147.4 million and gross profit was approximately HK\$30.3 million for 2019
- Profit attributable to owners of the Company was approximately HK\$74.2 million
- Revenue of the travel business increased to approximately HK\$1,128.6 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 was approximately HK\$18.8 million
- The Adjusted EBITDA* of Ponte 16, the Group's flagship investment project, increased by approximately 6% to approximately HK\$377.5 million, with the average occupancy rate of Sofitel Macau At Ponte 16 achieved over 90%



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

Key financial data

HK\$'000	For the year ended 31 December	
	2019	2018
Revenue from operations	1,147,371	1,120,278
Travel business	1,128,574	1,090,196
Property investment business	18,797	30,082
Share of results of associates relating to Ponte 16	116,757	68,110
Profit for the year from operations	74,194	54,213
Profit for the year attributable to owners of the Company	74,194	54,464
Earnings per share from operations	1.51 HK cents	1.11 HK cents



Financial performance by segment

For the year ended 31 December		
HK\$'000	2019	2018
Travel business		
Revenue	1,128,574	1,090,196
Segment (loss)/profit	(3,935)	2,029
Property investment business		
Revenue	18,797	30,082
Segment profit	10,968	37,679
Ponte 16		
Adjusted EBITDA* of Ponte 16	377,500	356,700
Share of results of associates relating to Ponte 16	116,757	68,110



Travel business – Jade Travel

Business review and prospects

Business review

- Jade Travel has been working closely with leading regional and international online travel portals to keep track of the latest market dynamics and to offer competitive and comprehensive products, and the online ticketing fulfilment services for travel agencies maintained a steady growth in 2019
- Jade Travel has been making continuous efforts in exploration and improvement to develop its online presence with technological upgrades and marketing strategies
- Jade Travel remains steadfast in providing more personalised travel packages to alternative and exotic destinations all around the world, from long haul excursion to exceptional local tours
- Revenue of the segment increased by approximately 4% to approximately HK\$1,128.6 million for the year ended 31 December 2019 (2018: approximately HK\$1,090.2 million)
- Loss in this segment amounted to approximately HK\$3.9 million (2018: profit of approximately HK\$2.0 million including reversal of impairment loss on intangible assets of approximately HK\$3.2 million)



Prospects

- 1 The full extent and duration of the COVID-19 impact on the global tourism industry is still hard to predict, Jade Travel will closely monitor the tourism market and explore new services, revenue streams and retail locations, as well as enhancing operational efficiency and cost management
- 2 With advancement in the automatic ticketing system and establishment of strategic partnerships with leading travel portals, Jade Travel will continue 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 overall property market in Hong Kong has been clouded by local social incidents and economic uncertainties since mid-2019, but the leasing demand for office premises remained solid in prime locations during the year
- The Group remained resilient in the face of challenges and enjoyed steady rental income from its investment portfolio of commercial properties in prime locations in Hong Kong
- Revenue of the property investment business for the reporting year amounted to approximately HK\$18.8 million, representing a decrease of approximately 38% as compared with approximately HK\$30.1 million for the last corresponding year
- Segment profit decreased by approximately 71% to approximately HK\$11.0 million (2018: approximately HK\$37.7 million), which was mainly due to the decrease in fair value gain on investment properties to approximately HK\$1.2 million (2018: approximately HK\$27.3 million)



Prospects

- 1 As a premier international hub for finance, business and trade, the Group believes that Hong Kong's property investment market will regain strong momentum with the city's solid fundamentals, together with the new demands for office, retail and industrial properties arising from the ongoing developments in the Greater Bay Area
- 2 The Group will continue to leverage on its property investment portfolio for a steady recurring income stream, and scale up its portfolio when opportunities arise



Ponte 16 Resort, Macau

Business review and prospects

Business review

- With the effective allocation of resources to reach the mass market segment, Ponte 16's growth of revenue outperformed the market
- Average occupancy rate of Sofitel Macau At Ponte 16 maintained at a high level at around 90% in 2019
- In April 2019, Ponte 16 introduced Macau's first Angry Birds-themed playground —The Angry Birds Play Center @ Ponte 16, which has been well-received by locals and tourists
- Adjusted EBITDA* for the reporting year increased by approximately 6% to approximately HK\$377.5 million (2018: approximately HK\$356.7 million)
- The Group's shared profit of the associates relating to Ponte 16 was approximately HK\$116.8 million, increased by approximately 71% from approximately HK\$68.1 million for the year of 2018



Prospects

- 1 The Group believes that consumers' confidence will rebound after the ease of COVID-19, as the infrastructure will continue to improve the accessibility to and within Macau
- 2 With its solid and dependable management team and the unwavering commitment of its dedicated staff, Ponte 16 will overcome the prevailing challenges and continue to stably develop its premium hospitality services and entertainment to attract a wider visitor mix once the pandemic is over



Appendix



Consolidated statement of profit or loss

HK\$'000	For the year ended 31 December	
	2019	2018
Revenue	1,147,371	1,120,278
Cost of sales	(1,117,066)	(1,085,924)
Gross profit	30,305	34,354
Other revenue and gains	4,103	6,409
Gain on disposal of subsidiaries	15,970	-
Fair value gain on investment properties	1,200	27,300
Administrative expenses	(71,137)	(78,554)
Other operating expenses	(14,524)	-
Loss from operations	(34,083)	(10,491)
Finance costs	(9,241)	(4,003)
Share of results of joint ventures	761	597
Share of results of associates	116,757	68,110
Profit before taxation	74,194	54,213
Taxation	-	-
Profit for the year	74,194	54,213
Profit for the year attributable to owners of the Company	74,194	54,464
Non-controlling interests	-	(251)
Earnings per share – Basic and diluted	1.51 HK cents	1.11 HK cents

Consolidated statement of financial position

HK\$'000	As at 31 December	
	2019	2018
Non-current assets	1,113,351	1,086,708
Property, plant and equipment	31,402	26,083
Intangible assets	6,892	6,643
Investment properties	444,800	443,600
Interests in associates	624,188	605,074
Interests in joint ventures	6,069	5,308
Current assets	271,684	296,041
Stock of properties	119,750	186,218
Trade and other receivables	42,827	49,139
Pledged bank deposits	10,355	9,964
Cash and cash equivalents	98,752	50,720
Current liabilities	239,387	273,002
Trade and other payables	39,424	49,613
Deferred income	-	245
Bank loans	194,000	222,500
Lease liabilities	5,319	-
Financial guarantee contract	644	644



Consolidated statement of financial position *(cont.)*

HK\$'000	As at 31 December	
	2019	2018
Non-current liabilities	1,389	41,626
Deferred income	-	1,014
Lease liabilities	421	-
Loan from a director and controlling shareholder	-	39,000
Financial guarantee contract	968	1,612
Net assets	1,144,259	1,068,121
Capital and reserves		
Share capital	49,265	49,265
Reserves	1,094,994	1,018,856
Total equity	1,144,259	1,068,121



Thank you

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