



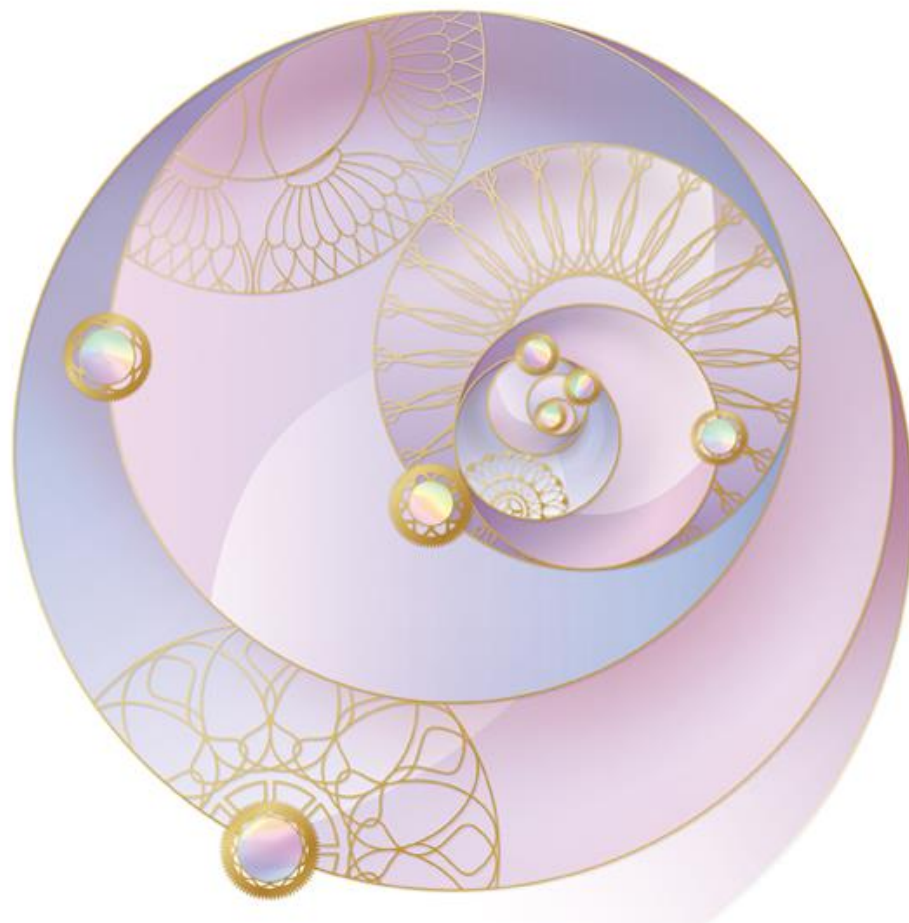
**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00487)**

**2020 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.

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

- Revenue was approximately HK\$363.8 million and gross profit was approximately HK\$17.5 million for 2020
- Loss attributable to owners of the Company was approximately HK\$141.9 million
- Revenue of the travel business decreased by approximately 69% to approximately HK\$354.2 million due to wide spread of the COVID-19 pandemic, which put the global tourism industry almost into a halt
- Revenue of the property investment business decreased by approximately 49% to approximately HK\$9.7 million, while segment loss was approximately HK\$80.5 million, mainly due to recognition of a fair value loss on investment properties and write-down of carrying amount of stock of properties
- Ponte 16, the Group's flagship investment project, recorded an Adjusted EBITDA\* loss of approximately HK\$242.9 million. The financial performance of the associates relating to Ponte 16 was significantly impacted by COVID-19 and the Group shared a substantial loss of approximately HK\$145.7 million



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

# Key financial data

HK\$'000	For the year ended 31 December	
	2020	2019
Revenue from operations	<b>363,831</b>	<b>1,147,371</b>
Travel business	<b>354,170</b>	<b>1,128,574</b>
Property investment business	<b>9,661</b>	<b>18,797</b>
Profit/(loss) for the year from operations	<b>9,847</b>	<b>(34,083)</b>
Share of results of associates relating to Ponte 16	<b>(145,725)</b>	<b>116,757</b>
(Loss)/profit for the year attributable to owners of the Company	<b>(141,936)</b>	<b>74,194</b>
(Loss)/earnings per share	<b>(2.88) HK cents</b>	<b>1.51 HK cents</b>



# Financial performance by segment

For the year ended 31 December		
HK\$'000	2020	2019
<b>Travel business</b>		
Revenue	354,170	1,128,574
Segment loss	(11,242)	(3,935)
<b>Property investment business</b>		
Revenue	9,661	18,797
Segment (loss)/profit	(80,548)	10,968
<b>Ponte 16</b>		
(Adjusted EBITDA loss) / Adjusted EBITDA* of Ponte 16	(242,900)	377,500
Share of results of associates relating to Ponte 16	(145,725)	116,757



# Travel business – Jade Travel

## *Business review and prospects*

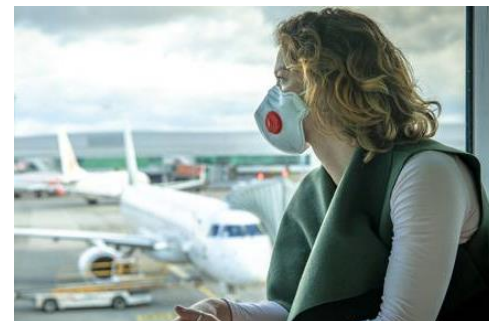
### Business review

- The year 2020 brought unparalleled challenges to the global tourism industry with the outbreak of COVID-19. Many countries adopted stringent policies to control the pandemic, leading to closures of tourist attractions, significant reduction of flights and regional lockdowns
- Jade Travel has been closely communicating with its customers since the start of the pandemic, offering its professional services and utmost assistance to support changes of customers' travel plans
- Jade Travel has committed to support local government's efforts to control the spread of COVID-19 and has adopted all necessary measures to ensure a safe environment for its customers and employees.
- Revenue of the travel business amounted to approximately HK\$354.2 million, decreased by approximately 69% for the year ended 31 December 2020 (2019: approximately HK\$1,128.6 million)
- Loss in this segment increased by approximately 186% to approximately HK\$11.2 million (2019: approximately HK\$3.9 million), which was mainly due to the severe disruptions to the tourism industry caused by the pandemic and impairment loss on intangible assets of approximately HK\$4.3 million and allowance for expected credit losses on trade receivables of approximately HK\$2.8 million recognised for the year ended 31 December 2020 (2019: both nil)



### Prospects

- 1 COVID-19 has decimated the global tourism and travel industries. Many countries remain in full or partial lockdown, which greatly limit visitation levels. A full recovery of market sentiments takes time and will be heavily dependent on the reopening of international borders and the widespread rollout of effective vaccines
- 2 For the time being, Jade Travel will closely monitor the global tourism market and engage with customers and partners closely to strengthen itself as a reliable brand and service provider. In addition, Jade Travel will continue to explore different available travel products and options to enrich its competitive offerings to cater the changing customers' needs



# Property investment business

## *Business review and prospects*

### Business review

- During 2020, the Hong Kong commercial property market was under significant pressure as an economic downturn was incurred from the pandemic. Falling rental values, decline in transactions and increasing vacancy in office space had been recorded across all major office submarkets in Hong Kong
- Revenue of the property investment business for the year ended 31 December 2020 amounted to approximately HK\$9.7 million, representing a decrease of approximately 49% as compared with approximately HK\$18.8 million for the last corresponding year
- Segment loss was approximately HK\$80.5 million (2019: segment profit of approximately HK\$11.0 million), which was mainly due to recognition of a fair value loss on investment properties of approximately HK\$79.4 million as well as write-down of carrying amount of stock of properties amounting to approximately HK\$8.9 million for the year ended 31 December 2020



### Prospects

- 1 Decline of the Grade-A office rental in Hong Kong showed signs of further softening in November 2020. However, with the evolving pandemic condition and rising unemployment rate, it is hard to estimate whether the rental decline trend will continue
- 2 The Group remains cautiously positive in the commercial property market for its solid foundation as office buildings in prime areas exhibited resilience for decades



# Ponte 16 Resort, Macau

## *Business review and prospects*

### Business review

- The pandemic nearly ceased all tourism activities, which posed significant pressure to the gaming and hospitality industries
- As the pandemic was more controlled towards the end of the year in Macau and the Mainland China, ease of travel restrictions was paved for the gradual recovery of the industries
- Certain COVID-19 precautionary measures such as limiting the number of gaming tables allowed to operate and the number of seats available per table, temperature checks, compulsory wearing of mask and health declaration have remained in effect
- As at 31 December 2020, the casino of Ponte 16 had 88 gaming tables in operation, consisting of 82 mass gaming tables and 6 high-limited tables
- An Adjusted EBITDA\* loss of approximately HK\$242.9 million was recorded for the year ended 31 December 2020, whereas the Adjusted EBITDA\* was HK\$377.5 million for the last corresponding year



### Prospects

- 1 After the resumption of Macau's IVS across the Mainland China in late September 2020, monthly visitor arrivals of Macau have been increasing steadily. The Group believes that further recovery of Macau's hospitality and gaming activities would rely strongly on the further relaxing border restrictions
- 2 Ponte 16 will prioritise the maintenance of its operational advantages including its professional and dependable management team, diverse and comprehensive entertainment mix and its all-round hospitality services that emerge with the essence of local beauty and culture in the Inner Harbour area





# Consolidated statement of profit or loss

## Appendix



# Consolidated statement of profit or loss

HK\$'000	For the year ended 31 December	
	2020	2019
<b>Revenue</b>	<b>363,831</b>	1,147,371
Cost of sales	<b>(346,369)</b>	(1,117,066)
<b>Gross profit</b>	<b>17,462</b>	30,305
Other revenue and gains	<b>7,106</b>	4,103
Gain on disposal of subsidiaries	-	15,970
Fair value (loss)/gain on investment properties	<b>(79,400)</b>	1,200
Gain arising on change in fair value of financial assets at fair value through profit or loss	<b>131,119</b>	-
Administrative expenses	<b>(50,411)</b>	(71,137)
Other operating expenses	<b>(16,029)</b>	(14,524)
<b>Profit/(loss) from operations</b>	<b>9,847</b>	(34,083)
Finance costs	<b>(6,629)</b>	(9,241)
Share of results of joint ventures	<b>571</b>	761
Share of results of associates	<b>(145,725)</b>	116,757
<b>(Loss)/profit before taxation</b>	<b>(141,936)</b>	74,194
Taxation	-	-
<b>(Loss)/profit for the year</b>	<b>(141,936)</b>	74,194
<b>(Loss)/profit for the year attributable to owners of the Company</b>	<b>(141,936)</b>	74,194
<b>(Loss)/earnings per share</b> – Basic and diluted	<b>(2.88) HK cents</b>	1.51 HK cents

# Consolidated statement of financial position

HK\$'000	As at 31 December	
	2020	2019
<b>Non-current assets</b>	<b>973,523</b>	<b>1,113,351</b>
Property, plant and equipment	270,008	31,402
Intangible assets	2,464	6,892
Investment properties	130,500	444,800
Interests in associates	556,506	624,188
Interests in joint ventures	6,640	6,069
Financial assets at fair value through other comprehensive income	7,405	-
<b>Current assets</b>	<b>413,591</b>	<b>271,684</b>
Stock of properties	110,900	119,750
Trade and other receivables	15,311	42,827
Financial assets at fair value through profit or loss	169,435	-
Pledged bank deposits	551	10,355
Cash and cash equivalents	117,394	98,752
<b>Current liabilities</b>	<b>323,523</b>	<b>239,387</b>
Trade and other payables	19,606	39,424
Bank loans	302,500	194,000
Lease liabilities	773	5,319
Financial guarantee contract	644	644



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

HK\$'000	As at 31 December	
	2020	2019
<b>Non-current liabilities</b>	<b>61,235</b>	<b>1,389</b>
Lease liabilities	911	421
Loan from a director and controlling shareholder	60,000	-
Financial guarantee contract	324	968
<b>Net assets</b>	<b>1,002,356</b>	<b>1,144,259</b>
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	953,091	1,094,994
<b>Total equity</b>	<b>1,002,356</b>	<b>1,144,259</b>



# Thank you

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