



**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00487)**



**2022**  
**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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# Operational highlights

- Revenue was approximately HK\$114.8 million and gross profit was approximately HK\$12.4 million for 2022
- Loss attributable to owners of the Company was approximately HK\$287.1 million, which was mainly attributable to the recognition of (i) a substantial fair value loss on the Group's overseas listed equity securities of approximately HK\$174.1 million; and (ii) a fair value loss on the Group's investment properties as well as write-down of carrying amount of the Group's stock of properties (\*Write-down of the Stock of Properties") in the aggregate amount of approximately HK\$ 20.6 million
- Revenue of the travel business segment decreased to approximately HK\$112.1 million while the gross profit margin increased from 3.8% to 8.7%. Profit of approximately HK\$3.3 million was recorded in this segment
- Revenue of the property investment business amounted to approximately HK\$2.6 million; segment loss was approximately HK\$15.9 million which was mainly due to recognition of a fair value loss on investment properties of approximately HK\$9.8 million and the Write-down of the Stock of Properties of approximately HK\$10.8 million
- The adjusted EBITDA\* loss of the associates relating to Ponte 16, the Group's flagship investment project, recorded approximately HK\$46.2 million. The Group's shared loss of approximately HK\$42.1 million was recorded



# Key financial data

	For the year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
Revenue from operations	114,778	151,130
Travel business	112,139	147,856
Property investment business	2,639	3,274
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	(174,113)	87,725
(Loss)/profit from operations	(231,892)	61,025
Share of results of associates relating to Ponte 16	(42,133)	(48,654)
(Loss)/profit for the year attributable to owners of the Company	(287,072)	4,859
(Loss)/earnings per share	(5.83) HK cents	0.10 HK cents



# Financial performance by segment

	For the year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
<b>Travel business</b>		
Revenue	112,139	147,856
Segment profit/(loss)	3,307	(1,654)
<b>Property investment business</b>		
Revenue	2,639	3,274
Segment (loss)/profit	(15,860)	13,667
<b>Ponte 16</b>		
Adjusted EBITDA* loss	(46,200)	(57,600)
Share of results of associates relating to Ponte 16	(42,133)	(48,654)



# Travel business – Jade Travel

## *Business review and prospects*

### Business review

- In 2022, the international tourism industry began to show signs of recovery as many tourist destinations in the Western countries eased or even removed entry restrictions and quarantine measures to welcome visitors. The government of Canada further relaxed its border control measures in April 2022 and subsequently removed all its entry restrictions in October 2022. Consequently, pent-up travel demand from business travellers and international students had been gradually unleashed throughout the year.
- Supported by the well-established network with all airlines operating in Canada and its online platform providing round-the-clock customer service, Jade Travel was able to meet the growing demand for air tickets and its sales volume in 2022 recovered to almost pre-pandemic level.
- Jade Travel maintained stringent cost control and reducing manpower, continuing to enlarge the implementation of its online auto-ticketing system and online ticketing platform to certain online ticketing agencies (OTA).
- Revenue of the travel business segment for the year ended 31 December 2022 decreased by approximately 24% to approximately HK\$112.1 million (2021: approximately HK\$147.9 million) while the gross profit margin increased from 3.8% to 8.7%.
- Profit of approximately HK\$3.3 million was recorded in this segment (2021: loss of approximately HK\$1.7 million), including a reversal of impairment loss on intangible assets of approximately HK\$2.8 million which was recognised for the year ended 31 December 2022 (2021: an impairment loss on intangible assets of approximately HK\$1.1 million).



### Prospects

**1** Following the resumption of cross-border travel in most Asian countries, Jade Travel's business is starting to recover. With a strong brand reputation in both retail and wholesale businesses in North America, Jade Travel is well-prepared to capture the growing opportunities.

**2** Jade Travel has received approval from IATA to expand its wholesale ticketing business in China and plans to further explore strategic collaborations with leading domestic and international travel portals. This will help Jade Travel better serve the recovering tourism market in China and widen its revenue streams.





# Property investment business

## Business review and prospects

### Business review

- In 2022, the property market in Hong Kong faced a significant slowdown due to the new wave of COVID-19 outbreaks and the hiking interest rate. Investor sentiment was dampened and demand for commercial property in Hong Kong was weakened. The market saw declines in transactions and rental values as well as an increase in office vacancy rates in all major office leasing markets in Hong Kong.
- Revenue of the property investment business for the year ended 31 December 2022 amounted to approximately HK\$2.6 million (2021: approximately HK\$3.3 million).
- Segment loss was approximately HK\$15.9 million (2021: segment profit of approximately HK\$13.7 million) which was mainly due to recognition of a fair value loss on investment properties of approximately HK\$9.8 million (2021: fair value gain on investment properties of approximately HK\$8.1 million) and Write-down of the Stock of Properties of approximately HK\$10.8 million (2021: reversal of Write-down of the Stock of Properties of approximately HK\$0.5 million).



### Prospects

- 1 Hong Kong's strong fundamentals and highly developed financial industry contribute to the Group's confidence in the city's potential to resume its role as a bustling business hub connecting Mainland China and abroad. As such, the Group holds a positive outlook for the long-term prospects of the commercial property market in Hong Kong and believes that its investment portfolio will consistently contribute stable returns.
- 2 The property market in Hong Kong is still expected to be impacted by high interest rate in the short term. However, the reopening of borders provides a solid ground for the recovery of commercial property demand, especially in prime districts.
- 3 The Group remains confident in Hong Kong's position as a leading international financial centre and will continue to closely monitor the commercial property market. The Group is committed to reviewing all available options to constantly optimise its investment portfolio.



# Ponte 16 Resort, Macau

## Business review and prospects

### Business review

- The outbreak of Omicron variant in 2022 had a significant impact on Macau's economy. Prompt prevention and control measures were implemented in both Mainland China and Macau resulted in a decline in visitor traffic from Mainland China. In July 2022, the Macau government took further steps to contain the spread of COVID-19 by temporarily suspending casinos and non-essential businesses in the community for two weeks. The resurgence of the outbreak over the year took a toll on Macau's gaming and hospitality industries as well as the overall economy.
- The number of visitors to Macau in 2022 decreased by 26.0% year-on-year to approximately 5.7 million, and the Macau's gross gaming revenue ("GGR") for the year 2022 was approximately MOP42.2 billion, representing a 51.4% decrease compared with 2021 and a new record low. The year 2022 closed with a monthly GGR of approximately MOP3.5 billion in December, decreased by 56.3% year-on-year.
- Ponte 16 continued to operate and upgrade the "OLA" platform. Leveraging the strong cultural resources of the Inner Harbour area and its surrounding areas, Ponte 16 collaborated with local enterprises, including merchants and hotels, to provide discounts and privileges to customers via OLA. This created more business opportunities for those participated merchants, also encouraged cross-sector spending and jointly promoted the economy of the Macau Peninsula. The coverage of OLA has been extended to include enterprises in the Greater Bay Area, in particular in Zhuhai.
- As at 31 December 2022, the casino of Ponte 16 had 109 gaming tables in operation, consisting of 101 mass tables and 8 high-limit tables. The average occupancy rate of Sofitel Macau At Ponte 16 was approximately 48% for the year ended 31 December 2022 (2021: approximately 52%). For the year ended 31 December 2022, an Adjusted EBITDA\* loss of approximately HK\$46.2 million was recorded (2021: approximately HK\$57.6 million).



### Prospects

- 1 Macau's casinos have started to show signs of recovery. The Group is optimistic about Macau's future due to its positive recovery momentum, infrastructure developments, and government policies. The ongoing development of the Greater Bay Area Initiative, combined with the continuous growth of Mainland China's outbound tourism, will support Macau's position as a global tourism destination.
- 2 The Group believes that the mass market holds the most potential for sustainable growth and Ponte 16 will continue to offer a superior accommodation experience with a distinctive cultural connotation, in addition to enriching its comprehensive entertainment facilities and initiatives. As a casino-entertainment resort located in the exclusive Inner Harbour area of Macau, Ponte 16 will maintain its leading position with the support of its neighbouring partners.



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





# Appendix

# Consolidated statement of profit or loss

	For the year ended 31 December	
	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>	114,778	151,130
Cost of sales	(102,354)	(142,298)
<b>Gross profit</b>	12,424	8,832
Other revenue and gains	5,765	4,649
Fair value (loss)/gain on investment properties	(9,800)	8,100
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	(174,113)	87,725
Loss arising on disposal of financial assets at fair value through other comprehensive income	-	(143)
Administrative expenses	(49,575)	(46,479)
Other operating expenses	(16,593)	(1,659)
<b>(Loss)/profit from operations</b>	(231,892)	61,025
Finance costs	(13,674)	(8,195)
Share of results of joint ventures	627	683
Share of results of associates	(42,133)	(48,654)
<b>(Loss)/profit before taxation</b>	(287,072)	4,859
Taxation	-	-
<b>(Loss)/profit for the year</b>	(287,072)	4,859
<b>(Loss)/profit for the year attributable to owners of the Company</b>	(287,072)	4,859
<b>(Loss)/earnings per share</b> – Basic and diluted	(5.83) HK cents	0.10 HK cents

# Consolidated statement of financial position

	As at 31 December	
	2022 HK\$'000	2021 HK\$'000
<b>Non-current assets</b>	<b>910,947</b>	<b>950,505</b>
Property, plant and equipment	234,816	247,675
Intangible assets	3,977	9,855
Investment properties	128,800	138,600
Interests in associates	535,404	547,052
Interests in joint ventures	7,950	7,323
<b>Current assets</b>	<b>360,210</b>	<b>438,325</b>
Stock of properties	100,600	111,400
Trade and other receivables	18,359	9,952
Financial assets at fair value through profit or loss	93,429	266,804
Restricted/pledged bank deposits	549	558
Cash and cash equivalents	147,273	49,611
<b>Current liabilities</b>	<b>335,622</b>	<b>320,688</b>
Trade and other payables	22,407	17,282
Bank loans	312,500	302,500
Lease liabilities	554	584
Financial guarantee contract	161	322



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

	As at 31 December	
	2022 HK\$'000	2021 HK\$'000
<b>Non-current liabilities</b>	<b>216,170</b>	60,497
Lease liabilities	170	336
Loan from a director and controlling shareholder	216,000	60,000
Financial guarantee contract	-	161
<b>Net assets</b>	<b>719,365</b>	1,007,645
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	670,100	958,380
<b>Total equity</b>	<b>719,365</b>	1,007,645



# Thank you

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