



**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00487)**

## **2023 Interim Results**

# Forward-Looking Statements

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# Operational Highlights

- Revenue was approximately HK\$68.4 million and gross profit was approximately HK\$7.5 million for the first half of 2023
- Profit attributable to owners of the Company was approximately HK\$153.8 million, which was mainly attributable to (i) the recognition of a substantial fair value gain on the Group's overseas listed equity securities of approximately HK\$105.5 million; and (ii) the Group's share of a profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates") of approximately HK\$71.6 million
- Revenue of the travel business increased by approximately 26% to approximately HK\$67.1 million; segment profit was approximately HK\$1.0 million
- Revenue of the property investment business was approximately HK\$1.3 million; segment profit was approximately HK\$4.7 million, including a recognition of a fair value gain on investment properties and a reversal of write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$2.3 million
- Benefitted from the impressive surge in visitor arrivals which positively drove the overall recovery of Macau, an Adjusted EBITDA\* of approximately HK\$167.8 million was recorded for Ponte 16 and the Group shared a profit of the Associates of approximately HK\$71.6 million

# Key Financial Data

	For the year ended 31 December	For the six months ended 30 June (Unaudited)	
	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Revenue from operations	114,778	<b>68,444</b>	54,536
Travel business	112,139	<b>67,142</b>	53,216
Property investment business	2,639	<b>1,302</b>	1,320
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	(174,113)	<b>105,520</b>	(97,020)
Profit/(loss) from operations	(231,892)	<b>93,953</b>	(111,522)
Share of results of associates relating to Ponte 16	(42,133)	<b>71,638</b>	(9,605)
Profit/(loss) for the period attributable to owners of the Company	(287,072)	<b>153,824</b>	(125,465)
Earnings/(loss) per share	(5.83) HK cents	<b>3.12 HK cents</b>	(2.55) HK cents



# Financial Performance by Segment

	For the year ended 31 December	For the six months ended 30 June	
	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Travel business</b>			
Revenue	112,139	<b>67,142</b>	53,216
Segment profit	3,307	<b>976</b>	3,670
<b>Property investment business</b>			
Revenue	2,639	<b>1,302</b>	1,320
Segment profit/(loss)	(15,860)	<b>4,728</b>	3,057
<b>Ponte 16</b>			
Adjusted EBITDA*/(EBITDA* loss)	(46,200)	<b>167,800</b>	(1,000)
Share of results of associates relating to Ponte 16	(42,133)	<b>71,638</b>	(9,605)

# Travel Business – Jade Travel

## Business Review and Prospects

### Business Review

- The recovery in air passenger traffic, which was observed in 2022 and continued in the first half of 2023. Such improvements across the regions demonstrated the resilience of recovery in the global tourism. The Asia Pacific region played a significant role in driving the momentum, as a result of the reopening of borders of China and certain countries in the region. Despite that the number of international flight routes had not fully returned to pre-pandemic levels, the market continued to witness an increasing travel demand from business travellers and international students during the reporting period.
- In late 2022, the Group secured an approval from the International Air Transport Association (IATA) to expand its ticketing business in China, paving the way for Jade Travel to capitalise on the opportunities presented by the recovery of domestic and international air travels. This approval has enabled the Group to prepare for the roll-out of relevant product offerings, which will be instrumental in driving business development once the ramp-up phase is completed.
- The implementation of Jade Travel's online auto-ticketing system and online ticketing platform to online ticketing agencies (OTA) contributed to its improved performance and profitability. Coupled with stringent cost control measures carried out in the past few years, Jade Travel has seen steady improvements in its financial performance.
- Revenue of the travel business segment for the six months ended 30 June 2023 increased by approximately 26% to approximately HK\$67.1 million (2022: approximately HK\$53.2 million). Profit of approximately HK\$1.0 million was recorded in this segment (2022: approximately HK\$3.7 million), including a reversal of impairment loss on intangible assets of approximately HK\$0.4 million (2022: approximately HK\$3.6 million).



### Prospects

1 In 2023, international tourism is expected to consolidate its recovery, driven by the pent-up travel demand, particularly from Asia Pacific, and the reopening of destinations and markets. With Jade Travel's strong brand reputation in wholesale business and well-established relationships with airlines in North America and China, it is well-prepared to capitalise on these growing opportunities.

2 Jade Travel aims to expand its offerings and provide a broader range of products to leading domestic and international travel portals. Furthermore, Jade Travel will be relaunching bespoke packages and local tours to exotic destinations worldwide, such as specialised small group tours to Cuba and South America, to cater for the diverse interests of retail travellers who seek unique and exceptional experiences. Jade Travel will continue leveraging its enhanced online capabilities to expand its global presence and improve profitability.



# Property Investment Business

## Business Review and Prospects

### Business Review

- During the first half of 2023, the commercial property market in Hong Kong faced challenges and remained weak amidst a global economic slowdown and consecutive interest rate hikes that curbed investment activities. While the worldwide relaxation of anti-pandemic measures and the reopening of borders are expected to usher in resuming to full normalcy, concerns relating to a global recession, geopolitical tensions and potential further rate hikes have continued to cloud the market's momentum.
- Hong Kong's strategic position as a bustling business hub, connecting Mainland China and other international markets, has also had a positive impact on its commercial property market. Furthermore, the Hong Kong Government has implemented various initiatives aimed at attracting overseas investments and enterprises while supporting the city's efforts to regain competitiveness.
- Revenue of the property investment business for the six months ended 30 June 2023 amounted to approximately HK\$1.3 million (2022: approximately HK\$1.3 million).
- Segment profit was approximately HK\$4.7 million (2022: approximately HK\$3.1 million) which was mainly due to recognition of a fair value gain on investment properties and a reversal of write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$2.3 million for the reporting period (2022: a fair value gain on investment properties and partially offset by a write-down of carrying amount of the Group's stock of properties in the net amount of approximately HK\$0.7 million).



### Prospects

- 1 In the immediate term, it is anticipated that the demand for the property market in Hong Kong will be restrained by high interest rates. However, the reopening of borders provides a solid foundation for the recovery of commercial property demand, particularly in prime districts.
- 2 The Group maintains an optimistic outlook towards the commercial property market in Hong Kong and firmly believes that its investment portfolio will continue to generate stable returns. By closely monitoring market developments and leveraging Hong Kong's strategic position, the Group remains prudent to navigate current challenges and future opportunities in the commercial property sector.



# Ponte 16 Resort, Macau

## Business Review and Prospects

### Business Review

- Macau has made remarkable strides in its recovery journey. Since the Macau Government officially announced the end of COVID-19 restrictions in early January 2023, the market has witnessed a significant influx of visitors the Chinese New Year holidays in January and the Labour Day holidays in May 2023. The momentum in visitor arrivals continued throughout June 2023, with a notable increase in visitors from Hong Kong and Mainland China, which constituted the majority of Macau's visitor base.
- Based on the Macau Government's data, Macau welcomed a daily average of over 64,000 visitor arrivals, reaching approximately 11.6 million in the first half of 2023, increased 236.1% year-on-year. This resurgence in visitation has positively impacted Macau's gross gaming revenue ("GGR"), increased more than 200% year-on-year to approximately MOP80.1 billion for the first half of 2023. Particularly, the mass market's GGR successfully recovered to pre-pandemic level, playing a pivotal role in driving the overall recovery of Macau.
- Along with Macau's integration into China's national development plan for the Greater Bay Area, Ponte 16's "OLA 澳優遊", the one-stop platform featuring travel information and promotions in Macau's local community, continued to expand its presence in Macau and Zhuhai during the first half of 2023, fostering stronger interconnectedness within the Greater Bay Area.
- As at 30 June 2023, the casino of Ponte 16 had 109 gaming tables in operation, consisting of 103 mass tables and 6 high-limit tables. The average occupancy rate of Sofitel Macau At Ponte 16 reached approximately 85% for the first half of 2023 (2022: approximately 46%). For the six months ended 30 June 2023, an Adjusted EBITDA\* of approximately HK\$167.8 million was recorded (2022: Adjusted EBITDA\* loss of approximately HK\$1.0 million).



### Prospects

1

Macau demonstrated a strong momentum in tourism recovery as it progresses into the second half of the year. With several festive seasons approaching in the second half of the year, including the National Day holidays and Christmas holidays, it is anticipated that the actual GGR will surpass the Macau Government's estimated GGR of MOP130 billion for 2023.

2

Leveraging the remarkable resurgence of visitors to Macau, the Group perceives the mass market as the most promising segment for sustainable growth. Ponte 16, situated in the exclusive Inner Harbour area of Macau, will continue to offer an exceptional accommodation experience enriched with a distinctive cultural connotation, along with its enhanced comprehensive entertainment facilities and initiatives. As a casino-entertainment resort, Ponte 16 maintains its leading position, supported by strong partnerships with neighbouring communities.







# Appendix

# Consolidated Statement of Profit or Loss

	For the six months ended 30 June (Unaudited)	
	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	68,444	54,536
Cost of sales	(60,967)	(49,240)
<b>Gross profit</b>	7,477	5,296
Other revenue and gains	1,917	2,492
Fair value gain on investment properties	500	1,100
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	105,520	(97,020)
Administrative expenses	(23,485)	(21,677)
Other operating expenses	2,024	(1,713)
<b>Profit/(loss) from operations</b>	93,953	(111,522)
Finance costs	(12,027)	(4,658)
Share of results of joint ventures	260	320
Share of results of associates	71,638	(9,605)
<b>Profit/(loss) before taxation</b>	153,824	(125,465)
Taxation	-	-
<b>Profit/(loss) for the period</b>	153,824	(125,465)
<b>Profit/(loss) for the period attributable to owners of the Company</b>	153,824	(125,465)
<b>Earnings/(loss) per share</b> – Basic and diluted	3.12 HK cents	(2.55) HK cents

# Consolidated Statement of Financial Position

	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 HK\$'000
<b>Non-current assets</b>	<b>976,696</b>	910,947
Property, plant and equipment	228,792	234,816
Intangible assets	4,437	3,977
Investment properties	129,300	128,800
Interests in associates	605,957	535,404
Interests in joint ventures	8,210	7,950
<b>Current assets</b>	<b>366,158</b>	360,210
Stock of properties	102,400	100,600
Trade and other receivables	23,801	18,359
Financial assets at fair value through profit or loss	199,292	93,429
Restricted bank deposits	551	549
Cash and cash equivalents	40,114	147,273
<b>Current liabilities</b>	<b>298,385</b>	335,622
Trade and other payables	28,773	22,299
Contract liabilities	3,000	108
Bank loans	266,220	312,500
Lease liabilities	392	554
Financial guarantee contract	-	161



# Consolidated Statement of Financial Position *(cont.)*

	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>	171,042	216,170
Lease liabilities	42	170
Loan from a director and controlling shareholder	171,000	216,000
<b>Net assets</b>	<b>873,427</b>	719,365
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	824,162	670,100
<b>Total equity</b>	<b>873,427</b>	719,365



# Thank You

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