



SUCCESS

SUCCESS UNIVERSE GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00487)

2023 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\$101.9 million and gross profit was approximately HK\$16.8 million for 2023
- Profit attributable to owners of the Company was approximately HK\$169.3 million, which was mainly attributable to (i) a fair value gain on the Group's overseas listed equity securities of approximately HK\$95.4 million; and (ii) the Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates") of approximately HK\$143.7 million
- Revenue of the travel business decreased by approximately 12% to approximately HK\$99.2 million, while the gross profit margin increased from approximately 8.7% to approximately 14.2%; segment profit was approximately HK\$4.3 million
- Revenue of the property investment business was approximately HK\$2.7 million; segment loss was approximately HK\$14.2 million, which was mainly due to the recognition of a fair value loss on investment properties and a write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$19.0 million
- Benefitted from the resurgence of visitor arrivals and astonishing annual increase of gross gaming revenue which positively drove the overall recovery of Macau, the Adjusted EBITDA* of Ponte 16, the Group's flagship investment project, increased substantially to approximately HK\$334.1 million; while the Group's shared profit of the associates relating to Ponte 16 was approximately HK\$143.7 million

Key financial data

	For the year ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Revenue from operations	101,897	114,778
Travel business	99,229	112,139
Property investment business	2,668	2,639
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	95,390	(174,113)
Profit/(loss) from operations	51,836	(231,892)
Share of results of associates	143,717	(42,133)
Profit/(loss) for the year attributable to owners of the Company	169,301	(287,072)
Earnings/(loss) per share	3.44 HK cents	(5.83) HK cents



Financial performance by segment

For the year ended 31 December

2023
HK\$'000

2022
HK\$'000

Travel business		
Revenue	99,229	112,139
Segment profit	4,276	3,307
Property investment business		
Revenue	2,668	2,639
Segment (loss)	(14,172)	(15,860)
Ponte 16		
Adjusted EBITDA* profit/(loss)	334,100	(46,200)
Share of results of associates relating to Ponte 16	143,717	(42,133)

Travel business – Jade Travel

Business review and prospects

Business review

- International tourism had made significant strides in recovering from the challenges posed by COVID-19. Many world destinations exceeded pre-pandemic arrival levels in 2023, with the Middle East, Europe and Africa leading the recovery; however, due to a slower reopening to international travel, the Asia Pacific region only reached 65% of pre-pandemic levels in 2023 and lagged behind other regions.
- Although the number of flight routes in the Asia Pacific region had not fully returned to pre-pandemic levels, the Group capitalised on the recovery of domestic and international air travel through Jade Travel's online auto-ticketing system and online ticketing platform, enhancing its service, performance and profitability. Combined with restructuring efforts made in recent years, Jade Travel has continuously improved its financial performance.
- Revenue of the travel business segment for the year ended 31 December 2023 decreased by approximately 12% to approximately HK\$99.2 million (2022: approximately HK\$112.1 million) while gross profit margin increased from approximately 8.7% to approximately 14.2%. Profit of approximately HK\$4.3 million was recorded in this segment (2022: approximately HK\$3.3 million), including a reversal of impairment loss on intangible assets of approximately HK\$2.0 million which was recognised for the year ended 31 December 2023 (2022: approximately HK\$2.8 million).



Prospects

1

The United Nations World Tourism Organisation foresees a return to pre-pandemic international tourist arrivals in 2024, with a potential 2% surpassing of the 2019 Levels. China is actively enhancing its attractiveness as an Asian tourist destination, including 15-day visa-free travel option for tourists from France, Germany, Italy, the Netherlands, Spain and Malaysia; mutual permanent visa-free arrangements with Thailand; a reciprocal 30-day visa-free period for Singapore citizens; and simplifying entry for foreigners, including USA citizens. These initiatives strategically aim to boost inbound tourism and business travel.

2

Jade Travel plans to broaden its product portfolio for leading domestic and international travel platforms and agencies to accommodate surging travel demands. Additionally, Jade Travel will continue to launch tailored tour packages and local itineraries, featuring exotic global destinations and offering unique experiences to catering to diverse interests. The projected recovery of the tourism industry in 2024 is expected to surpass that of 2023, indicating a promising future for both the industry and Jade Travel.



Property investment business

Business review and prospects

Business review

- Throughout 2023, Hong Kong's commercial property market faced challenges from a series of interest rate hikes and a slow recovery, discouraging potential investors. Concerns over a global recession, geopolitical conflicts, and the possibility of further rise in interest rate continued to weigh on market sentiment.
- Nevertheless, the property market in Hong Kong remains resilient, although not without its challenges, as the Greater Bay Area continues to develop. To enhance the city's competitiveness, the Hong Kong government has also introduced initiatives to attract both Mainland China's and international talents, professionals, investors and businesses.
- Revenue of the property investment business for the year ended 31 December 2023 amounted to approximately HK\$2.7 million (2022: approximately HK\$2.6 million). Segment loss was approximately HK\$14.2 million (2022: approximately HK\$15.9 million) which was mainly due to recognition of a fair value loss on investment properties and a write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$19.0 million for the year ended 31 December 2023 (2022: approximately HK\$20.6 million).



Prospects

- 1 In the near term, the Hong Kong property market is projected to experience decreasing demands, primarily attributed to the current high interest rates. Nevertheless, as global interest rates have likely reached their peak, a good basis exists for a resurgence in commercial property demand, particularly in prime areas.
- 2 The Group maintains a positive outlook regarding the enduring potential of Hong Kong's commercial property market. It holds confidence that its current investment portfolio will consistently yield stable returns. With a vigilant approach to monitoring market dynamics, the Group is implementing a prudent strategy to adeptly navigate current challenges while positioning itself to seize future opportunities to optimise its investment portfolio.



Ponte 16 Resort, Macau

Business review and prospects

Business review

- Macau's remarkable recovery journey in 2023 brought with it a wave of optimism and vitality. The official lifting of COVID-19-related restrictions by the Macau government in January 2023 unleashed a torrent of visitors, especially during key Chinese travel seasons.
- Data from the Macau government revealed a staggering approximately 28.2 million visitor arrivals in 2023, representing a resurgence to approximately 70% of the 2019 Levels. Macau's gross gaming revenue ("GGR"), which skyrocketed to approximately MOP183.1 billion in 2023, marking an astonishing annual increase of approximately 334%. Notably, the recovery in mass-market GGR not only reached pre-pandemic levels but also played a crucial role in driving Macau's overall resurgence, becoming a fundamental element that supplements the Macau government's vision of further developing Macau as a World Center of Tourism and Leisure with increasing diversity.
- Ponte 16 continuously improved and expanded its "OLA澳優遊" ("OLA"), the all-in-one platform featuring travel information and promotions within Macau's community, and collaborated with local businesses, including merchants and hotels, to offer discounts and privileges to customers via OLA. Capitalising on its proximity and connectivity, OLA's reach extended to encompass enterprises in the Greater Bay Area, notably in Zhuhai.
- As at 31 December 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 83% for the year ended 31 December 2023 (2022: approximately 48%), considering the substantial 23.5% increase in overall hotel room supply in Macau during the year. For the year ended 31 December 2023, an Adjusted EBITDA* of approximately HK\$334.1 million was recorded (2022: Adjusted EBITDA* loss of approximately HK\$46.2 million).



Prospects

1

Macau's tourism sector continues to thrive in 2024. For the first two months of 2024 combined, Macau's GGR increased 72.7% year-on-year to approximately MOP37.8 billion, signalling a strong start to 2024. The Macao Government Tourism Office (MGTO) recorded almost 1.4 million visitor arrivals to Macau during the eight-day Chinese New Year holidays beginning on 10 February 2024, returning to approximately 98.8% of the level recorded during the same holiday period in 2019.

2

Leveraging this resurgence in visitor numbers from both Mainland China and abroad, Ponte 16 is committed to providing guests with an exceptional accommodation experience infused with unique cultural elements. To enhance its presence among Asian visitors, Ponte 16 will keep on implementing targeted marketing campaigns across various popular social media and online platforms in Asia.





Appendix

Consolidated statement of profit or loss

	For the year ended 31 December	
	2023 HK\$'000	2022 HK\$'000
Revenue	101,897	114,778
Cost of sales	(85,119)	(102,354)
Gross profit	16,778	12,424
Other revenue and gain	3,942	5,765
Fair value loss on investment properties	(7,300)	(9,800)
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss	95,390	(174,113)
Administrative expenses	(50,490)	(49,575)
Other operating expenses	(6,484)	(16,593)
Profit/(loss) from operations	51,836	(231,892)
Finance costs	(26,770)	(13,674)
Share of results of joint ventures	518	627
Share of results of associates	143,717	(42,133)
Profit/(loss) before taxation	169,301	(287,072)
Taxation	-	-
Profit/(loss) for the year	169,301	(287,072)
Profit/(loss) for the year attributable to owners of the Company	169,301	(287,072)
Earnings/(loss) per share – Basic and diluted	3.44 HK cents	(5.83) HK cents

Consolidated statement of financial position

	As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
Non-current assets	1,037,538	910,947
Property, plant and equipment	223,241	234,816
Intangible assets	6,102	3,977
Investment properties	121,500	128,800
Interests in associates	678,227	535,404
Interests in joint ventures	8,468	7,950
Current assets	351,017	360,210
Stock of properties	88,900	100,600
Trade and other receivables	15,727	18,359
Financial assets at fair value through profit or loss	188,453	93,429
Restricted bank deposits	549	549
Cash and cash equivalents	57,388	147,273
Current liabilities	327,907	335,622
Trade and other payables	20,294	21,676
Contract liabilities	802	731
Bank loans	306,500	312,500
Lease liabilities	311	554
Financial guarantee contract	-	161



Consolidated statement of financial position *(cont.)*

	As at 31 December 2023 <i>HK\$'000</i>	As at 31 December 2022 <i>HK\$'000</i>
Non-current liabilities	173,284	216,170
Lease liabilities	284	170
Loan from a director and controlling shareholder	173,000	216,000
Net assets	887,364	719,365
Capital and reserves		
Share capital	49,265	49,265
Reserves	838,099	670,100
Total equity attributable to owners of the Company	887,364	719,365



Thank you

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