



**SUCCESS**

# **SUCCESS UNIVERSE GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 00487)**

## **2024 Interim 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\$32.5 million and gross profit was approximately HK\$8.9 million for the first half of 2024
- Loss attributable to owners of the Company was approximately HK\$35.5 million, which was mainly due to recognition of (i) a fair value loss on the Group's overseas listed equity securities of approximately HK\$38.4 million; and (ii) a fair value loss on the Group's investment properties as well as write-down / impairment loss of carrying amounts of the Group's stock of properties and leasehold land and building classified under property, plant and equipment in the aggregate amount of approximately HK\$24.9 million
- Revenue of the travel business decreased to approximately HK\$31.2 million, while gross profit margin increased from approximately 9% to approximately 24%; segment profit was approximately HK\$0.4 million
- Revenue of the property investment business amounted to approximately HK\$1.3 million; segment loss was approximately HK\$11.3 million which was mainly due to recognition of a fair value loss on the Group's investment properties and a write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$13.8 million
- The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group, was approximately HK\$58.2 million. An Adjusted EBITDA\* of approximately HK\$134.7 million was recorded

# Key financial data

	For the year ended 31 December	For the six months ended 30 June (Unaudited)	
	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Revenue from operations	101,897	<b>32,518</b>	68,444
Travel business	99,229	<b>31,182</b>	67,142
Property investment business	2,668	<b>1,336</b>	1,302
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	95,390	<b>(38,414)</b>	105,520
(Loss)/profit from operations	51,836	<b>(79,610)</b>	93,953
Share of results of associates	143,717	<b>58,151</b>	71,638
(Loss)/profit for the period attributable to owners of the Company	169,301	<b>(35,473)</b>	153,824
(Loss)/earnings per share	3.44 HK cents	<b>(0.72) HK cents</b>	3.12 HK cents



# Financial performance by segment

	For the year ended 31 December	For the six months ended 30 June (Unaudited)	
	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
<b>Travel business</b>			
Revenue	99,229	31,182	67,142
Segment profit	4,276	388	976
<b>Property investment business</b>			
Revenue	2,668	1,336	1,302
Segment (loss)/profit	(14,172)	(11,291)	4,728
<b>Ponte 16</b>			
Adjusted EBITDA* profit	334,100	134,700	167,800
Share of results of associates relating to Ponte 16	143,717	58,151	71,638



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

# Travel business – Jade Travel

## *Business review and prospects*

### Business review

- According to the UN Tourism, over 285 million tourists were recorded globally during the first quarter of 2024, representing a 20% YOY increase and reaching 97% of pre-pandemic levels in 2019. International arrivals in the Middle East and Europe had surpassed the 2019 Levels, while international arrivals in the America had reached 99% of the 2019 Levels. The Asia-Pacific regions have also made substantial progress, achieving 82% of their 2019 Levels. Additionally, the solid US Dollar relative to most global currencies has enhanced the attractiveness of international travels for North America travellers, thereby further stimulating overall travel demand.
- As the global tourism has been experiencing a significant resurgence driven by the increased travel flexibility and an upsurge in outbound trips, Jade Travel, leveraging its extensive airline network, diverse retail offerings and comprehensive services, has echoed the positive market trend. It has also fortified its online auto-ticketing system and online ticketing platform while expanding its product offerings to enhance overall profitability.
- Revenue of the travel business segment for the six months ended 30 June 2024 decreased by approximately 54% to approximately HK\$31.2 million (2023: approximately HK\$67.1 million) while gross profit margin increased from approximately 9% to approximately 24%. Profit of approximately HK\$0.4 million was recorded in this segment (2023: approximately HK\$1.0 million).

### Prospects

1

International tourism is poised for a full recovery in 2024, with projections indicate a 2% increase in tourist arrivals compared to the 2019 Levels, according to the UN Tourism. Despite persistent economic challenges, the industry has demonstrated resilience and positive trend, contributed by the robust consumer demand, the improved air connectivity and the ongoing recovery of China and other major Asian markets. Furthermore, initiatives such as visa-free arrangements between China and various European and key Asian nations, coupled with expanded flight routes, are expected to significantly boost travel.

2

With a strong brand presence in wholesale operations and an extensive network spanning China and North America, Jade Travel is well-positioned to capture the industry's resurgence. Jade Travel remains committed to enhancing its product offerings and tailoring tour packages to meet the evolving preferences of international travellers. Leveraging its reputation and network within the Asia community, Jade Travel also aims to explore a wider and more diversified customer base, seizing emerging opportunities.





# Property investment business

## *Business review and prospects*

### Business review

- In the first half of 2024, Hong Kong's commercial property has been facing global headwinds triggered by high interest rates and financing costs as well as dampening demands for local commercial real estate incurred by geopolitical uncertainties. Grade A office vacancy rate climbed with ensured rental prices dropped, which was mainly attributed to new office supply and relocation of companies to non-core business areas for cost control amid the global economic recovery.
- Despite these hurdles, the Group remains cautiously optimistic about the commercial property market in the long-term as the Hong Kong's government has been making concerted efforts to attract enterprises and talents worldwide to uphold Hong Kong's position as a key financial hub and its competitive edge.
- Revenue of the property investment business for the six months ended 30 June 2024 amounted to approximately HK\$1.3 million (2023: approximately HK\$1.3 million). Segment loss was approximately HK\$11.3 million (2023: profit of approximately HK\$4.7 million) which was mainly due to recognition of a fair value loss on the Group's investment properties and a write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$13.8 million for the reporting period (2023: recognition of a fair value gain on the Group's 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).



### Prospects

1

Although the Hong Kong property market remains uncertain in the short term due to the exertion of the considerable pressure from the prevailing high interest rate environment and increased commercial property supply, the enduring resilience and exceptional value of commercial property assets in Hong Kong are rooted from the city's intrinsic strengths and unparalleled global connectivity as well as the esteemed status as a preeminent financial hub in the Asia-Pacific region.

2

The Group remains positive that its current investment portfolio is healthy and will continue to yield stable and resilient returns, even amidst short-term market turbulences, and will prudently navigate evolving market dynamics.



# Ponte 16 Resort, Macau

## *Business review and prospects*

### Business review

- Macau's tourism sector demonstrated robust growth in the first half of 2024, with a substantial increase of visitor arrivals by approximately 44% YOY to approximately 16.7 million, representing approximately 82% of the 2019 Levels. The gaming sector also exhibited a remarkable growth, with Macau's gross gaming revenue reached approximately MOP113.8 billion, representing an approximately 42% YOY surge and approximately 76% recovery compared to the 2019 Levels. Notably, the mass-market segment emerged as a key driver, generating approximately MOP69.2 billion and setting a historic record in May 2024.
- The Central Government's extension of the individual visit scheme for granting individual travel endorsements for visits to Hong Kong and Macau to eight additional cities in Mainland China, the launch of the Hengqin-Macao multiple-entry visa policy, and the infrastructure improvements significantly enhanced connectivity to Macau, making it more accessible to a wider audience and stimulating tourism growth.
- Ponte 16 has continuously refined its comprehensive platform, "OLA 澳優遊" ("OLA"), providing travel information and exclusive promotions to encourage diversified spending and consumption. Beyond Macau, OLA has expanded into the Greater Bay Area, engaging with businesses in other cities, particularly in Zhuhai, to further intensify its influence and reinforce Ponte 16's strong market presence within Macau's tourism landscape and contribute to the overall economy of the Macau Peninsula.
- As at 30 June 2024, 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 was approximately 85% for the first half of 2024 (2023: approximately 85%). For the six months ended 30 June 2024, an Adjusted EBITDA\* of approximately HK\$134.7 million was recorded (2023: approximately HK\$167.8 million).



### Prospects

1

Macau's tourism sector is thriving continuously in 2024. The upcoming festive seasons, coupled with various events such as concerts and sports events, and the introduction of increased duty-free shopping allowance to RMB12,000 for Mainland Chinese tourists, as well as the opening of the Shenzhen-Zhongshan Bridge in the end of June 2024, are expected to drive a significant visitor influx in the latter half of the year. The innovative tourism elements, diversification of tourism offerings and an expanding international visitor base are expected to boost GGR, visitation and visitor spending.

2

Ponte 16 has secured its growth momentum with satisfactory hotel bookings for the summer holidays this year. Ponte 16 is set to intensify collaborations with local communities and leverage various platforms including social media to further promote Macau's vibrant tourism industry.







## Appendix

# Consolidated statement of profit or loss

	For the six months ended 30 June (unaudited)	
	2024 HK\$'000	2023 HK\$'000
Revenue	32,518	68,444
Cost of sales	(23,627)	(60,967)
<b>Gross profit</b>	<b>8,891</b>	<b>7,477</b>
Other revenue, gain and loss	783	1,917
Fair value (loss)/gain on investment properties	(8,600)	500
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss	(38,414)	105,520
Administrative expenses	(26,006)	(23,485)
Other operating (expenses)/income	(16,264)	2,024
<b>(Loss)/profit from operations</b>	<b>(79,610)</b>	<b>93,953</b>
Finance costs	(14,313)	(12,027)
Share of results of joint ventures	299	260
Share of results of associates	58,151	71,638
<b>(Loss)/profit before taxation</b>	<b>(35,473)</b>	<b>153,824</b>
Taxation	-	-
<b>(Loss)/profit for the period</b>	<b>(35,473)</b>	<b>153,824</b>
<b>(Loss)/profit for the period attributable to owners of the Company</b>	<b>(35,473)</b>	<b>153,824</b>
<b>(Loss)/earnings per share</b> – Basic and diluted	<b>(0.72) HK cents</b>	<b>3.12 HK cents</b>

# Consolidated statement of financial position

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 HK\$'000
<b>Non-current assets</b>	<b>1,046,545</b>	<b>1,037,538</b>
Property, plant and equipment	207,285	223,241
Intangible assets	5,906	6,102
Investment properties	112,900	121,500
Interests in associates	711,687	678,227
Interests in joint ventures	8,767	8,468
<b>Current assets</b>	<b>313,373</b>	<b>351,017</b>
Stock of properties	83,700	88,900
Trade and other receivables	18,092	15,727
Financial assets at fair value through profit or loss	150,067	188,453
Restricted bank deposits	–	549
Cash and cash equivalents	61,514	57,388
<b>Current liabilities</b>	<b>291,750</b>	<b>327,907</b>
Trade and other payables	23,155	20,294
Contract liabilities	1,561	802
Bank loans	266,500	306,500
Lease liabilities	534	311



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

	As at 30 June 2024 (Unaudited) HK\$'000	As at 31 December 2023 HK\$'000
<b>Non-current liabilities</b>	<b>217,373</b>	173,284
Lease liabilities	773	284
Loan from a director and controlling shareholder	216,600	173,000
<b>Net assets</b>	<b>850,795</b>	887,364
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	801,530	838,099
<b>Total equity attributable to owners of the Company</b>	<b>850,795</b>	887,364



# Thank you



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