SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00487)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

RESULTS

The board of directors (the "Board") of Success Universe Group Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2018 together with comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Continuing operations			
Revenue	3, 4	**1,120,278**	589,935
Cost of sales		**(1,085,924)**	(569,843)
Gross profit		**34,354**	20,092
Other revenue and gains	5	**6,409**	13,285
Fair value gain on investment properties	10	**27,300**	79,185
Administrative expenses		**(78,554)**	(92,662)
Other operating expenses	6(c)	**–**	(4,638)
(Loss)/profit from operations		**(10,491)**	15,262
Finance costs	6(a)	**(4,003)**	(1,541)
Share of results of joint ventures		**597**	527
Share of results of associates		**68,110**	(9,879)
Profit before taxation	6	**54,213**	4,369
Taxation	7	**–**	–
Profit for the year from continuing operations		**54,213**	4,369
Discontinued operation			
Loss for the year from discontinued operation		**–**	(37,825)
Profit/(loss) for the year		**54,213**	(33,456)
Attributable to:			
Owners of the Company		**54,464**	(29,810)
Non-controlling interests		**(251)**	(3,646)
Profit/(loss) for the year		**54,213**	(33,456)
Earnings/(loss) per share			
From continuing and discontinued operations			
– Basic and diluted	9(a)	**1.11 HK cents**	(0.61) HK cents
From continuing operations			
– Basic and diluted	9(b)	**1.11 HK cents**	0.16 HK cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2018

	2018 *HK$'000*	2017 *HK$'000*
Profit/(loss) for the year	**54,213**	(33,456)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Release of exchange difference upon disposal of subsidiaries	**–**	3,169
Exchange differences on translation of financial statements of disposed subsidiaries	**–**	2,126
Exchange differences on translation of financial statements of overseas subsidiaries	**(1,585)**	1,560
Total other comprehensive (loss)/income for the year, net of tax	**(1,585)**	6,855
Total comprehensive income/(loss) for the year	**52,628**	(26,601)
Attributable to:		
Owners of the Company	**53,060**	(22,904)
Non-controlling interests	**(432)**	(3,697)
Total comprehensive income/(loss) for the year	**52,628**	(26,601)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Note	2018 HK$'000	2017 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**26,083**	30,300
Intangible assets		**6,643**	3,927
Investment properties	*10*	**443,600**	292,000
Interests in associates		**605,074**	537,087
Interests in joint ventures		**5,308**	4,411
		1,086,708	867,725
CURRENT ASSETS			
Stock of properties	*11*	**186,218**	–
Trade and other receivables	*12*	**49,139**	18,602
Pledged bank deposits		**9,964**	10,064
Cash and cash equivalents		**50,720**	149,656
		296,041	178,322
CURRENT LIABILITIES			
Trade and other payables	*13*	**49,613**	16,697
Deferred income		**245**	265
Bank loans	*14*	**222,500**	–
Financial guarantee contract		**644**	644
		273,002	17,606
NET CURRENT ASSETS		**23,039**	160,716
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,109,747**	1,028,441
NON-CURRENT LIABILITIES			
Deferred income		**1,014**	1,097
Loans payable		**–**	27,232
Loan from a director and controlling shareholder		**39,000**	–
Financial guarantee contract		**1,612**	2,256
		41,626	30,585
NET ASSETS		**1,068,121**	997,856

	2018	2017
	HK$'000	*HK$'000*
CAPITAL AND RESERVES		
Share capital	**49,265**	49,265
Reserves	**1,018,856**	961,365
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**1,068,121**	1,010,630
NON-CONTROLLING INTERESTS	**–**	(12,774)
TOTAL EQUITY	**1,068,121**	997,856

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS(s)"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKAS(s)") and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and applicable disclosure requirements under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). These consolidated financial statements also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain amendments and interpretations which are or have become effective. It also issued certain new and revised standards, amendments and interpretation ("New HKFRSs"), which are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements included the financial statements of the Group and the Group's interests in associates and joint ventures made up to 31 December each year.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company. All values are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investment properties and financial guarantee contract are stated at their fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

(a) Adoption of New HKFRSs — effective on 1 January 2018

In the current year, the Group has applied for the first time, the following New HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 January 2018.

HKFRS 2 (Amendments)	Classifications and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle
HKAS 40 (Amendments)	Transfers of Investment Property
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration

Except as described below, the application of the New HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

HKFRS 9 "Financial Instruments"

The Group has initially adopted HKFRS 9 "Financial Instruments" from 1 January 2018. HKFRS 9 replaces HKAS 39 "Financial Instruments: Recognition and Measurement". It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

Based on the assessment by the Group, there would be no retrospective item that existed and no significant cumulative effect of the initial application of HKFRS 9 at 1 January 2018 in accordance with the transition requirement.

(i) Classification of financial assets and financial liabilities

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

– Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method;

– FVOCI (recycling), if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or

– FVPL, if the investment does not meet the criteria for being measured at amortise cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated from the host. Instead, the hybrid instrument as a whole is assessed for classification.

There is no reclassification or remeasurement of the financial assets, including cash and cash equivalent, pledged bank deposits as well as trade and other receivables for the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same.

The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

(ii) Credit losses

HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" ("ECL(s)") model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the "incurred loss" accounting model in HKAS 39.

The Group applies the new ECL model to financial assets measured at amortised cost (including cash and cash equivalents, pledged bank deposits as well as trade and other receivables).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expect cash shortfalls are discounted using the effective interest rate determined at initial recognition or an approximation thereof for fixed rate financial assets as well as trade and other receivables where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

– 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and

– Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognised a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 180 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– Failure to make payments of principal or interest on their contractually due dates;

– An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);

– An actual or expected significant deterioration in the operating results of the debtor; and

– Existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

As at 1 January 2018, no additional credit loss allowance has been recognised in the consolidated financial statements.

Basis of calculation of interest income on credit-impaired financial assets

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired included the following observable events:

– Significant financial difficulties of the debtor;

– A breach of contract, such as a default or delinquency interest or principal payments;

– It becomes probable that the borrower will enter into bankruptcy or other financial reorganisation;

– Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– The disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iii) Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below:

– Information relating to comparative periods has not been restated.

– The assessments have been made on the basis of the facts and circumstances that exist at 1 January 2018 (the date of initial application of HKFRS 9 by the Group) for the determination of the business model within which a financial asset is held.

– If, at the date of initial application, the assessment of whether there has been a significant increase in credit risk since initial recognition would have involved undue cost or effort, a lifetime ECL has been recognised for that financial instrument.

HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to the contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared with HKAS 18 "Revenue" and HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following sources which arise from contracts with customers:

• Sale of air tickets

• Travel and related service fee income; and

• Sale of properties

There is no impact on retained earnings for transition to HKFRS 15 at 1 January 2018.

Amendments to HKAS 40 "Transfers of Investment Property"

The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by evidence that a change in use has occurred. The amendments further clarify that situations other than the ones listed in HKAS 40 may evidence a change in use, and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).

At the date of initial application, the Group assessed the classification of certain properties based on conditions existing at that date. There is no impact to the classification at 1 January 2018.

(b) New HKFRSs that have been issued but are not yet effective

The Group has not early applied the following New HKFRSs that have been issued but are not yet effective:

HKAS 1 and HKAS 8 (Amendments)	Definition of Material[3]
HKAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement[1]
HKAS 28 (Amendments)	Long-term interests in Associates and Joint Ventures[1]
HKFRS (Amendments)	Annual Improvements to HKFRSs 2015–2017 Cycle[1]
HKFRS 3 (Amendments)	Definition of a Business[2]
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation[1]
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
HKFRS 16	Leases[1]
HKFRS 17	Insurance Contracts[4]
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments[1]

[1] *Effective for annual periods beginning on or after 1 January 2019.*

[2] *Effective for business combination and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.*

[3] *Effective for annual periods beginning on or after 1 January 2020.*

[4] *Effective for annual periods beginning on or after 1 January 2021.*

[5] *Effective for annual periods beginning on or after a date to be determined.*

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information are reported to and reviewed by the CODM for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and service perspective.

The Group has presented the following two reportable segments:

– Travel business: sales of air tickets and provision of travel-related services.

– Property investment business: receiving rental streams from leasing office premises and sales of properties in Hong Kong.

(a) Segment results, assets and liabilities

The travel reportable operating segment derives their revenue primarily from sales of air tickets and provision of travel-related services. Geographically, management considers the performance of the travel business in North America.

The property investment reportable operating segment derives their revenue from leasing office premises and sales of properties in Hong Kong.

In accordance with HKFRS 8, segment information disclosed in these consolidated financial statements has been prepared in a manner consistent with the information used by the Group's CODM for the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors' emoluments, share of results of associates and joint ventures and corporate finance costs. To arrive at reportable segment profit, the management additionally provides segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments. Unallocated corporate income mainly comprises amortisation on financial guarantee contract, management fee income from an associate, interest income and other sundry income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation is not allocated to reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the consolidated statement of profit or loss.

All assets are allocated to reportable segments other than amount due from an associate, interests in associates and joint ventures. Unallocated corporate assets mainly include part of the property, plant and equipment as well as cash and cash equivalents of the central administration companies.

All liabilities are allocated to reportable segments other than corporate liabilities. Unallocated corporate liabilities mainly include financial guarantee contracts and part of other payables borne by the central administration companies.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below:

Continuing operations	**Travel**		**Property investment**		**Total**	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue from external customers and reportable segment revenue	**1,090,196**	583,425	**30,082**	6,510	**1,120,278**	589,935
Reportable segment profit/(loss)	**2,029**	(15,656)	**37,679**	83,415	**39,708**	67,759
Share of results of joint ventures					**597**	527
Share of results of associates					**68,110**	(9,879)
Unallocated corporate income					**2,569**	11,137
Unallocated corporate expenses					**(55,068)**	(65,069)
Finance costs					**(1,703)**	(106)
Consolidated profit before taxation					**54,213**	4,369
Taxation					**–**	–
Consolidated profit for the year					**54,213**	4,369
Reportable segment assets	**90,219**	51,089	**631,507**	294,142	**721,726**	345,231
Unallocated corporate assets						
– Interests in associates					**605,074**	537,087
– Interests in joint ventures					**5,308**	4,411
– Corporate assets					**50,641**	159,318
					1,382,749	1,046,047
Reportable segment liabilities	**40,972**	39,873	**128,517**	1,015	**169,489**	40,888
Unallocated corporate liabilities						
– Corporate liabilities					**145,139**	7,303
					314,628	48,191

(b) Other segment information

Continuing operations	Travel		Property investment		Other corporate entities		Total	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income	**42**	35	**1**	9	**150**	184	**193**	228
Fair value gain on investment properties	**–**	–	**27,300**	79,185	**–**	–	**27,300**	79,185
Depreciation on owned property, plant and equipment	**(554)**	(684)	**–**	–	**(3,248)**	(3,472)	**(3,802)**	(4,156)
Reversal of impairment loss recognised on:								
– intangible assets	**3,164**	–	**–**	–	**–**	–	**3,164**	–
– amount due from a joint venture	**–**	–	**–**	–	**1,500**	–	**1,500**	–
Impairment loss recognised on:								
– intangible assets	**–**	(4,557)	**–**	–	**–**	–	**–**	(4,557)
– trade receivables	**–**	(81)	**–**	–	**–**	–	**–**	(81)
Finance costs	**(39)**	–	**(2,261)**	(1,435)	**(1,703)**	(106)	**(4,003)**	(1,541)
Additions to non-current assets*	**117**	209	**148,000**	21,107	**351**	42	**148,468**	21,358

* Additions to non-current assets only include the additions to property, plant and equipment and investment properties during the year.

(c) An analysis of the Group's revenue from all services is as follows:

Continuing operations	**2018**	2017
	HK$'000	*HK$'000*
Travel business		
Sales of air tickets	**1,038,733**	531,746
Travel and related service fee income	**51,463**	51,679
	1,090,196	583,425
Property Investment business		
Rental income	**8,006**	6,510
Sales of properties	**22,076**	–
	30,082	6,510
	1,120,278	589,935

(d) Geographical information

The following is an analysis of geographical location of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets. The geographical location of customers refers to the location at which the services were provided. The Group's non-current assets included property, plant and equipment, investment properties, intangible assets, interests in associates and joint ventures.

The geographical location of property, plant and equipment and investment properties is based on the physical location of the asset under consideration. In the case of intangible assets, it is based on the location of operations to which these intangibles are allocated. In the case of interests in associates and joint ventures, it is based on the location of operations of such associates and joint ventures.

Continuing operations	**Revenue from external customers**		**Non-current assets**	
			At 31 December	At 31 December
	2018	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**30,082**	6,510	**464,214**	314,614
Macau	**–**	–	**605,074**	537,087
North America	**1,090,196**	583,425	**17,292**	15,873
The People's Republic of China ("PRC")	**–**	–	**128**	151
	1,120,278	589,935	**1,086,708**	867,725

(e) Major customer

Revenue from customer arising from travel business segment who over 10% of the total revenue of the Group is set out as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A *(Note)*	**132,333**	–

Note:

The corresponding revenue did not contribute over 10% of the total revenue of the Group in 2017.

4. REVENUE

The principal activities of the Group are engaged in the travel-related and property investment businesses.

Revenue represents sales of air tickets, service fee income from provision of travel-related service, rental income as well as sales of properties. The amount of each significant category of revenue recognised in revenue during the year is as follows:

Continuing operations	**2018** ***HK$'000***	2017 *HK$'000*
Revenue from contracts with customers:		
Recognised at a point in time		
Sales of air tickets	**1,038,733**	531,746
Travel and related service fee income	**51,463**	51,679
Sales of properties	**22,076**	–
	1,112,272	583,425
Revenue from other sources:		
Rental income	**8,006**	6,510
	1,120,278	589,935

5. OTHER REVENUE AND GAINS

Continuing operations	**2018** ***HK$'000***	2017 *HK$'000*
Other revenue		
Bank interest income	**193**	228
Management fee income from an associate	**274**	632
Write back of long-outstanding trade payables	**–**	161
Gain on disposal of property, plant and equipment	**–**	875
Other income	**634**	21
	1,101	1,917
Other gains		
Amortisation on financial guarantee contract	**644**	10,322
Reversal of impairment loss recognised on:		
– intangible assets	**3,164**	–
– amount due from a joint venture	**1,500**	–
Net exchange gain	**–**	1,046
	5,308	11,368
Total	**6,409**	13,285

6. PROFIT BEFORE TAXATION

Continuing operations	2018	2017
	HK$'000	*HK$'000*
(a) Finance costs		
Interest on bank loans	**3,651**	1,435
Interest on other loan	**39**	–
Interest on loan from a director and controlling shareholder	**313**	106
	4,003	1,541
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	**35,330**	38,448
Contributions to defined contribution retirement plan	**1,206**	1,327
	36,536	39,775
(c) Other operating expenses		
Impairment loss recognised on:		
– intangible assets	**–**	4,557
– trade receivables	**–**	81
	–	4,638
(d) Other items		
Auditors' remuneration		
– Audit services	**925**	925
– Other services	**260**	400
Depreciation on owned property, plant and equipment	**3,802**	4,156
Operating lease rentals		
– properties	**8,012**	7,663
– plant and equipment	**471**	532
Net exchange loss	**245**	–

7. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Taxation in the consolidated statement of profit or loss represents:

Continuing operations	**2018**	2017
	HK$'000	*HK$'000*
Current tax	**–**	–
Deferred tax	**–**	–
Tax charge	**–**	–

The Group is subjected to Hong Kong Profits Tax at a rate of 16.5% for the year ended 31 December 2017.

On 21 March 2018, the Legislative Council of the Hong Kong Special Administrative Region of the PRC passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of the corporations will be taxed at 8.25% and assessable profits above HK$2 million will be taxed at 16.5%.

No provision for Hong Kong Profits Tax has been made for both years as the Group has no assessable profits in Hong Kong.

Canadian subsidiaries are subject to Canadian Corporate Income Tax which comprises federal and provincial income taxes. The net federal income tax is calculated at 15% (2017: 15%) and the provincial income tax is calculated at the rates prevailing in the relevant provinces. No provision for Canadian Corporate Income Tax has been made as the Group has utilised tax loss for the year ended 31 December 2018 (2017: no provision has been made as the Group has no assessable profit arising in Canada).

PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2017: 25%). No provision for PRC Enterprise Income Tax has been made for both years as the Group has no assessable profits arising in the PRC.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. DIVIDENDS

No interim dividend was paid during the year (2017: nil). The directors of the Company do not recommend any payment of a final dividend for the year ended 31 December 2018 (2017: nil).

9. EARNINGS/(LOSS) PER SHARE

(a) From continuing and discontinued operations:

The calculation of the basic earnings/(loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Profit/(loss):		
Profit/(loss) for the year attributable to the owners of the Company	**54,464**	(29,810)

	2018	2017
	'000	*'000*
	Shares	*Shares*
Number of shares:		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	**4,926,491**	4,926,491

Diluted earnings/(loss) per share for the years ended 31 December 2018 and 2017 was the same as the basic earnings/(loss) per share. There were no potential dilutive ordinary shares outstanding for both years presented.

(b) From continuing operations:

The calculation of the basic earnings/(loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Profit/(loss):		
Profit/(loss) for the year attributable to the owners of the Company	**54,464**	(29,810)
Add: Loss for the year attributable to the owners of the Company from discontinued operation	**–**	37,851
	54,464	8,041

The denominators used are the same as those detailed above for both basic and diluted earnings/(loss) per share.

Diluted earnings/(loss) per share for the years ended 31 December 2018 and 2017 was the same as the basic earnings/(loss) per share. There were no potential dilutive ordinary shares outstanding for both years presented.

(c) From discontinued operation:

The calculation of the basic loss per share from discontinued operation attributable to the owners of the Company is based on the following data:

	2018	2017
	HK$'000	*HK$'000*
Loss:		
Loss for the year attributable to the owners of the Company from discontinued operation	**–**	(37,851)

The denominators used are the same as those detailed above for both basic and diluted loss per share.

Diluted loss per share for the year ended 31 December 2017 was the same as the basic loss per share. There were no potential dilutive ordinary shares outstanding for that year presented.

10. INVESTMENT PROPERTIES

Fair value	*HK$'000*
At 1 January 2017	191,708
Addition	21,107
Increase in fair value recognised in the consolidated statement of profit or loss	79,185
At 31 December 2017 and 1 January 2018	292,000
Acquisition of assets through acquisition of subsidiaries	148,000
Increase in fair value recognised in the consolidated statement of profit or loss	27,300
Transfer to stock of properties *(note 11)*	(23,700)
At 31 December 2018	**443,600**

11. STOCK OF PROPERTIES

	HK'$000
At 1 January 2017, 31 December 2017 and 1 January 2018	–
Acquisition of assets through acquisition of subsidiaries	58,180
Additions during the year	120,416
Transfer from investment properties *(note 10)*	23,700
Disposal during the year	(16,078)
At 31 December 2018	**186,218**

12. TRADE AND OTHER RECEIVABLES

	Note	At 31 December 2018 HK$'000	At 31 December 2017 HK$'000
Trade receivables		**42,267**	7,344
Less: Impairment loss recognised on trade receivables		**–**	(81)
	(a)	**42,267**	7,263
Other receivables		**657**	651
Trade and other receivables		**42,924**	7,914
Prepayments and deposits		**6,215**	10,688
		49,139	18,602

All of the trade and other receivables are expected to be recovered within one year.

(a) Aging analysis

Included in trade and other receivables, the aging analysis for trade receivables, based on the due date and net of impairment loss, is as follows:

	At 31 December 2018 HK$'000	At 31 December 2017 HK$'000
Current	**37,848**	4,921
31 to 60 days overdue	**3,920**	834
61 to 90 days overdue	**234**	962
Over 90 days overdue	**265**	546
	42,267	7,263

The Group normally allows an average credit period of 30 days to customers of travel business (2017: average credit period of 30 days). For the customers of property investment business, no credit period was granted.

13. TRADE AND OTHER PAYABLES

	Note	At 31 December 2018 HK$'000	At 31 December 2017 HK$'000
Trade payables	*(a)*	**32,592**	5,821
Accrued charges and other payables		**17,021**	10,876
		49,613	16,697

(a) Aging analysis

Included in trade and other payables, the aging analysis of trade payables, based on the due date, is as follows:

	At 31 December 2018 HK$'000	At 31 December 2017 HK$'000
Current	**31,248**	4,562
31 to 60 days	**435**	325
61 to 90 days	**243**	211
Over 90 days	**666**	723
	32,592	5,821

14. BANK LOANS

	At 31 December 2018 HK$'000	At 31 December 2017 HK$'000
Bank loans, secured	**222,500**	–
Carrying amount repayable:		
On demand or within one year	**222,500**	–
	222,500	–
Less: Amount shown under current liabilities	**(222,500)**	–
Amounts shown under non-current liabilities	**–**	–

As at 31 December 2018, the Group had pledged all (31 December 2017: one) of its investment properties to secure the bank loans granted to the Group (note 10). The bank loans are carrying an interest rate at Hong Kong interbank offered rate (HIBOR) plus 1.7% to 1.75% per annum. The weighted average effective interest rate on the bank loans was approximately 3.39% per annum for the year ended 31 December 2018 (2017: approximately 2.46% per annum).

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Despite several significant headwinds occurred in 2018, including trade wars, volatility in the financial markets, monetary policies and Brexit negotiation, which undermined the global economic growth momentum, the Macau gaming industry has recorded a sustainable healthy growth, and the global tourism sector also reported a positive growth in 2018. On the back of these positive market developments, the Group remains confident in the outlook of the economy and will continue to stay at the forefront of the market against a rapidly changing and challenging business environment to drive sustainable growth and profit for the Group.

The following discussion should be read in conjunction with the consolidated financial statements and the related notes included in this announcement.

Results

For the year ended 31 December 2018, revenue from continuing operations of the Group was approximately HK$1,120.3 million, increased by approximately 90% from approximately HK$589.9 million for the last corresponding year. Gross profit increased by approximately 71% to approximately HK$34.4 million (2017: approximately HK$20.1 million). The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the year of 2018 was approximately HK$68.1 million, whereas a loss of the Associates of approximately HK$9.9 million was shared by the Group for the last year. Profit attributable to owners of the Company for the reporting year amounted to approximately HK$54.5 million (2017: loss of approximately HK$29.8 million), whilst earnings per share was 1.11 HK cents (2017: earnings per share from continuing operations was 0.16 HK cents).

Turnaround from loss to profit was mainly attributable to (i) the Group shared a profit of the Associates for the year while a loss of the Associates was shared by the Group for the last corresponding year; and (ii) the non-recurrence of a loss from discontinued operation for the last corresponding year due to the disposal of the lottery business in 2017, notwithstanding that there was a decrease in fair value gain on investment properties of the Group.

Dividends

No interim dividend was paid in 2018 (2017: nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the year ended 31 December 2018 (2017: nil).

Review of Operations

Travel Business

The Group operates Jade Travel Ltd. ("Jade Travel"), one of the largest travel agencies in Canada, which has developed dedicated segments to better serve the needs of wholesale and retail markets, as well as to provide the most suitable services and products to customers. This allows Jade Travel to better allocate resources and support both leisure travel business and corporate travel segments.

With the growth of internet and emerging travel trends, Jade Travel has been enhancing its online booking service platform to cater more retail and corporate customers' needs and working closely with the leading regional and international online travel portals, including the most well-known and widely-used portals in China. This is helpful to the penetration of Jade Travel's broad range of travel products and expansion of its business footprints. To capitalise on the increasing demand for leisure travel, Jade Travel is constantly enhancing its travel product mix which can be tailored to customers' specific needs, including in-depth and unique travel experiences with extra fine delicacies and entertainment arrangements. During the reporting year, the travel business was able to turn loss into profit, which is attributable to strategic initiatives deployed by management in an effort to evolve the business and focus on the market needs.

Revenue of the segment increased to approximately HK$1,090.2 million, substantially increased by approximately 87% for the year ended 31 December 2018 (2017: approximately HK$583.4 million). Profit in this segment amounted to approximately HK$2.0 million (2017: loss of approximately HK$15.7 million), including reversal of impairment loss on intangible assets of approximately HK$3.2 million (2017: impairment loss on intangible assets of approximately HK$4.6 million) which was recognised for the reporting year.

In November 2018, 1338 Successful Venture Ltd. ("1338 SV"), an indirect wholly-owned subsidiary of the Company, as purchaser, entered into a share purchase agreement with a company, as vendor, which is the holder of 25% of all outstanding and issued shares of 665127 British Columbia Ltd. ("665127 BC" being a company indirectly holds the entire shareholding interests in Jade Travel) to purchase and accept the assignment of (i) 25% of all outstanding and issued shares of 665127 BC; and (ii) the entire amount of the shareholder's loans owing by 665127 BC to the vendor at a total consideration of CAD1,370,000 (equivalent to approximately HK$8,184,000) ("Acquisition of 25% of 665127 BC"). The said acquisition was completed in end of November 2018 and Jade Travel became an indirect wholly-owned subsidiary of the Company upon completion. Details please refer to the announcement dated 9 November 2018 issued by the Company.

Property Investment Business

The Group has built an investment portfolio of commercial properties in prime locations in Hong Kong for steady rental income and capital appreciation potential in a longer term. During the reporting year, the Group completed the acquisitions of several commercial properties in Eastern Commercial Centre, Wanchai, two commercial properties in Admiralty Centre (the "Properties in Admiralty Centre") and a commercial property in Sunshine Plaza, Wanchai (the "Property in Sunshine Plaza"). For details of the acquisition of the Properties in Admiralty Centre, please refer to the announcement dated 13 February 2018 and the circular dated 6 April 2018 both issued by the Company. For details of the acquisition of the Property in Sunshine Plaza, please refer to the announcement dated 23 August 2018 issued by the Company. In late 2018, the Group disposed of certain commercial properties in Eastern Commercial Centre ("Disposal of the Properties").

Revenue of the property investment business for the reporting year amounted to approximately HK$30.1 million, representing an increase of approximately 362% as compared with approximately HK$6.5 million for the last corresponding year, while segment profit was approximately HK$37.7 million (2017: approximately HK$83.4 million) which was mainly due to gain on Disposal of the Properties of approximately HK$6.0 million (2017: nil) and recognition of a fair value gain on investment properties of approximately HK$27.3 million (2017: approximately HK$79.2 million).

Investment Project — Ponte 16

The Macau gaming industry continued to rebound with gross gaming revenue in the sector reaching approximately MOP302.9 billion for the year ended 31 December 2018, representing an approximately 14% increase year-on-year ("yoy"). The Macao Government Tourism Office reported that the overall visitation in 2018 was up by approximately 10% yoy to approximately 35.8 million. The opening of the Hong Kong — Zhuhai — Macau Bridge is expected to further enhance the accessibility to Macau, attracting visitors from Hong Kong, including international visitors using the Hong Kong International Airport, and visitors from the eastern part of Guangdong province.

With the significant increase in the number of tourists visiting Macau, Ponte 16 has been able to maintain its competitiveness and deliver comprehensive entertainment experiences, as well as to uphold its leading position in the Inner Harbour of Macau. Ponte 16's exclusive location next to the World Heritage Site recognised by the United Nations Educational, Scientific and Cultural Organisation and its easy accessibility to tourism clusters constantly attract travellers who love embracing Macau's prolific local cultures and history.

As at 31 December 2018, the casino of Ponte 16 had 109 gaming tables, consisting of 97 mass gaming tables, 7 high-limit tables and 5 VIP tables, maintaining a balanced mix to cater for the need of the market. Adjusted EBITDA* for the reporting year increased by approximately 58% to approximately HK$356.7 million (2017: approximately HK$225.3 million). The average occupancy rate of Sofitel Macau At Ponte 16 achieved over 90% in 2018.

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

Sofitel Macau At Ponte 16 received 20 honourable international and regional awards as of 31 December 2018, including "Luxury Romantic Hotel" by 2018 World Luxury Hotel Awards, "Certificate of Excellence 2018" by TripAdvisor, "Most Wanted Award" by Hotels.com Loved by Guests Awards 2018, "Customer Satisfaction Award" by Rakuten Travel, "Certificate of Popularity for the Year 2017 — Mistral Restaurant" by Mei Tuan and Dian Ping, and "Unique Luxury Hotel of the Year — China" by The Luxury Travel Guide Awards 2018 and more. Privé was awarded "Ctrip Gourmet Award" by Ctrip and "U Favorite Food Awards 2018 — My Favorite Hotel Restaurant Award (Macau)" by U Magazine, and So SPA was awarded with "Asia's Top Wellness Spa" and "Asia's Top Spa Hotel & Resort" by NOW Travel Asia Awards 2018, and "Spa Hotel of the Year" by Sohu Hotel Award 2018. The above awards highly recognised the superior international standard and quality offered by Sofitel Macau At Ponte 16.

With the deep roots in the local community, Ponte 16 takes a proactive approach to address the challenges in sustainability faced by its hotel and entertainment businesses, and is committed to improving its environmental performance along the sustainability journey. Sofitel Macau At Ponte 16 has been following the hotel's Environmental Policy that compliance with the requests of ISO 14001 standard, aiming at continuous improvement in energy usage, water consumption, waste and emissions reduction. It has earned wide recognition for environmental performance and was granted "Environmental Performance — Gold Award" by Business Awards of Macau 2018. Ponte 16 is also committed to enlivening the arts and cultural scene in Macau, by hosting online magazine "Macau Hotspot P16" which guides travellers to discover the inner beauty of Macau, and setting up the "Youth's Stage" at its outdoor plaza for young performers to showcase their talents.

To comply with the full enactment of smoking ban on casinos starting from 1 January 2019, Ponte 16 was the first property to have a smoking lounge approved by the Macau government authorities, establishing an industry benchmark. It also supports in developing a culture of responsible gaming in accordance with the rules and regulations of Macau, by upholding related policies and practices during daily operations.

Financial Review

Liquidity, Financial Resources and Gearing

As at 31 December 2018, the Group had net current assets of approximately HK$23.0 million (31 December 2017: approximately HK$160.7 million) and net assets of approximately HK$1,068.1 million (31 December 2017: approximately HK$997.9 million). The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by monitoring the trade receivables of its customers on an ongoing basis. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements. Presently, there is no hedging policy with respect to the foreign exchange exposure. The Group's transactional currency are Hong Kong dollars ("HK$") and Canadian dollars ("CAD") as substantially all the revenues are in HK$ and CAD. The Group's transactional foreign exchange exposure was insignificant.

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny ("Mr. Yeung", being the Chairman of the Board, an executive Director and a controlling shareholder of the Company) provided a HK$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK$290 million on 14 April 2009 (the "Revised Mr. Yeung's Loan Facility") and the final repayment date of the loan and all other sums owing to Mr. Yeung under the Revised Mr. Yeung's Loan Facility was further extended from 31 October 2018 to 31 October 2020 by a supplemental letter of agreement dated 12 September 2018. As at 31 December 2018, the Company had owed to Mr. Yeung under the Revised Mr. Yeung's Loan Facility in amount of HK$39.0 million (31 December 2017: nil).

The Group's secured bank facility in the amount of HK$122.5 million bears interest at Hong Kong interbank offered rate (HIBOR) plus a margin that was reduced from 2% per annum to 1.7% per annum during the year. In addition, the Group further obtained a secured bank facility in the amount of HK$100.0 million which bears interest at Hong Kong interbank offered rate (HIBOR) plus 1.75% per annum. The proceeds of the facilities were for the Group's general operation. As at 31 December 2018, the outstanding bank loans were approximately HK$222.5 million (31 December 2017: nil).

Referring to aforesaid Acquisition of 25% of 665127 BC, a loan from non-controlling shareholder of approximately CAD4.3 million, equivalent to approximately HK$25.2 million had been assigned to 1338 SV during the reporting year, details please refer to the announcement dated 9 November 2018 issued by the Company. For the last corresponding year, a loan from non-controlling shareholder was approximately CAD4.3 million, equivalent to approximately HK$27.2 million. That loan was interest-free and unsecured.

As at 31 December 2018, total equity attributable to owners of the Company was approximately HK$1,068.1 million (31 December 2017: approximately HK$1,010.6 million). The gearing ratio, which was measured on the basis of the interest-bearing borrowings of the Group over total equity attributable to owners of the Company, was approximately 25% as at 31 December 2018 (31 December 2017: 0%).

Pledge of Assets

As at 31 December 2018, the Group had secured the following assets:

(a) the Group pledged the time deposits of approximately CAD1.6 million and USD0.1 million, totally equivalent to approximately HK$10.0 million (31 December 2017: approximately CAD1.5 million and USD0.1 million, totally equivalent to approximately HK$10.1 million) to certain banks for the issuance of a standby letter of credit and overdraft facility of approximately CAD1.5 million and a standby letter of credit of approximately USD0.1 million, totally equivalent to approximately HK$9.3 million (31 December 2017: a standby letter of credit and overdraft facility of approximately CAD1.5 million and a standby letter of credit of approximately USD0.1 million, totally equivalent to approximately HK$10.0 million) for the operation of the Group;

(b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2017: all) of its shares in Pier 16 — Property Development Limited ("Pier 16 — Property Development", an associate of the Group) to a bank in respect of the loan facilities granted to Pier 16 — Property Development (the "Loan Facilities"); and

(c) the Group pledged all (31 December 2017: one) of its investment properties with a carrying amount of approximately HK$443.6 million (31 December 2017: approximately HK$269.0 million) to secure against the bank loans granted to the Group.

Contingent Liabilities

The Company gave a corporate guarantee (the "Guarantee") to a bank in respect of the Loan Facilities. The maximum guarantee amount borne by the Company under the Guarantee was HK$490 million.

The outstanding loan under the Loan Facilities as at 31 December 2018 was approximately HK$435.0 million (31 December 2017: approximately HK$635.0 million).

Human Resources

As at 31 December 2018, the Group had a total of 109 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits. Share options may also be granted to eligible employees of the Group as a long-term incentive.

Prospects

Although pressures from external uncertainties may pose downside risks to the projection of economic growth, China is expected to have proactive policies that alleviate economic downside risks arising from international trade issues and maintain its economy on a stable and healthy track. Leveraging the extensive experience in entertainment and tourist-related industries, the Group will adopt a forward-looking approach to the formulation and implementation of corporate strategy, and do its utmost to grasp the opportunities.

Given Macau's growth momentum, infrastructure developments and sound government policies, the Group is confident of the prospects of the city. The opening of the Hong Kong — Zhuhai — Macau Bridge and ongoing developments of Cotai and Hengqin Island, together with the continuous growth of China outbound tourism, would support the development of Macau as a global tourism destination. In view of this, the Group believes the mass market will be the most potential for a sustainable growth in the future, and Ponte 16 will continue to offer preeminent accommodation experience with distinctive cultural connotation, as well as to enrich the spectrum of its comprehensive entertainment facilities and initiatives. Ponte 16 will uphold its leading position as a casino-entertainment resort located in the exclusive Inner Harbour of Macau.

With the strong brand reputation in both retail and wholesale businesses, Jade Travel has been extending its business footprints to possible geographical locations via its own online platform. For the wholesale business, Jade Travel's online ticketing fulfilment services for travel agencies is expected to maintain a steady growth in 2019, with the ongoing advancement of the automated ticketing system and exploration of strategic collaborations with leading domestic and international travel portals. In addition, Jade Travel will put more weight on designing packages and local tours to destinations all over the world, addressing the retail travellers' diverse interests.

Given its role as a world-class business hub, the growing momentum of commercial property value and rental in Hong Kong is expected to continue, particularly in the key districts. The Group has further disposed of certain commercial properties in Eastern Commercial Centre in January 2019. The Group will continue to explore good opportunity to build up its investment property portfolio in prime locations, generating a steadily growing income stream and capital appreciation potential to the Group.

Looking forward to 2019, the Group will continue to strengthen its competitiveness in the entertainment and tourist-related industries and review its investment property portfolio, with an endeavor to create long-term value for its stakeholders. The Group will also react confidently to the market's movements and take more proactive steps to keep up with the evolving marketplace, in order to create long-term sustainable value for shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2018, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2018.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, 14 June 2019 (the "2019 AGM"). For the purpose of determining the shareholders who are entitled to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 11 June 2019 to Friday, 14 June 2019, both days inclusive, during such period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the 2019 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 10 June 2019 for registration.

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2018 have been audited by the Group's auditors, HLB Hodgson Impey Cheng Limited, and reviewed by the audit committee of the Board, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

On behalf of the Board of
SUCCESS UNIVERSE GROUP LIMITED
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 28 March 2019

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Dr. Ma Ho Man, Hoffman (Deputy Chairman); one non-executive Director, namely Mr. Choi Kin Pui, Russelle; and three independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Chin Wing Lok, Ambrose and Mr. Chong Ming Yu.