

**Press Release**

[For Immediate Release]

**Success Universe Announces 2021 Annual Results**

**Overview**

- Revenue was approximately HK\$151.1 million and gross profit was approximately HK\$8.8 million for 2021.
- Profit attributable to owners of the Company was approximately HK\$4.9 million.
- Revenue of the travel business decreased by approximately 58% to approximately HK\$147.9 million due to the lack of international tourism resulted from the unrelieved COVID-19 pandemic and the strict travel restrictions imposed by countries. Loss in this segment decreased by approximately 85% to approximately HK\$1.7 million.
- Revenue of the property investment business amounted to approximately HK\$3.3 million, representing a decrease of approximately 66%, which was mainly due to the change of usage of office units from leasing to self-use. Segment profit was approximately HK\$13.7 million, which was mainly due to the recognition of a fair value gain on investment properties.
- Supported by an encouraging market recovery and resilience, the Group's shared loss of the associates relating to Ponte 16, the Group's flagship investment project, decreased by approximately 67% to approximately HK\$48.7 million. An Adjusted EBITDA\* loss of approximately HK\$57.6 million was recorded.

**30 March 2022, Hong Kong - Success Universe Group Limited** (“Success Universe” or the “Company”, Stock Code: 00487.HK, together with its subsidiaries, collectively the “Group”) today is pleased to announce the consolidated results for the year ended 31 December 2021.

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

## RESULTS

For the year ended 31 December 2021, revenue of the Group was approximately HK\$151.1 million, decreased by approximately 58% from approximately HK\$363.8 million for the last corresponding year. Gross profit decreased by approximately 49% to approximately HK\$8.8 million (2020: approximately HK\$17.5 million). The Group's shared loss of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the year ended 31 December 2021 was approximately HK\$48.7 million, decreased by approximately 67% from approximately HK\$145.7 million for the last corresponding year. Profit attributable to owners of the Company for the year ended 31 December 2021 was approximately HK\$4.9 million (2020: loss of approximately HK\$141.9 million), whilst earnings per share was 0.10 HK cents (2020: loss per share of 2.88 HK cents).

The turnaround from loss to profit was mainly attributable to (i) a fair value gain on the Group's overseas listed equity securities was recorded for the year ended 31 December 2021; (ii) the decrease in the Group's share of loss of the Associates; and (iii) a fair value gain on the Group's investment properties was recorded for the year ended 31 December 2021, while a fair value loss on the Group's investment properties was recorded for the last corresponding year.

## DIVIDENDS

No interim dividend was paid in 2021 (2020: nil). The directors of the Company (do not recommend any payment of a final dividend for the year ended 31 December 2021 (2020: nil).

## REVIEW OF OPERATIONS

### *Travel Business*

Due to the lack of international tourism resulted from the unrelieved COVID-19 pandemic and the strict travel restrictions imposed by countries, revenue of the travel business decreased by approximately 58% to approximately HK\$147.9 million (2020: approximately HK\$354.2 million). Loss in this segment decreased by approximately 85% to approximately HK\$1.7 million, including an impairment loss on intangible assets of approximately HK\$1.1 million which was recognised for the year ended 31 December 2021 (2020: loss in this segment of approximately HK\$11.2 million, including an impairment loss on intangible assets of approximately HK\$4.3 million and allowance for expected credit losses on trade receivables of approximately HK\$2.8 million).

In Canada, the government relaxed border restrictions briefly in August 2021, and a recovery of

travel demand was observed. However, towards December 2021, the discovery and outbreak of the Omicron variant has triggered the retightening of border restrictions which has mounted pressures on the Group's travel business in Canada. Jade Travel is continuing its cost control measures to streamline its operating procedures for the sake of enhancing efficiency.

### ***Property Investment Business***

Revenue of the property investment business for the year ended 31 December 2021 amounted to approximately HK\$3.3 million, representing a decrease of approximately 66% as compared with approximately HK\$9.7 million for the last corresponding year, which was mainly due to the change of the usage of Office Units Nos. 1003 and 1004A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong from leasing to self-use. Segment profit was approximately HK\$13.7 million (2020: segment loss of approximately HK\$80.5 million), which was mainly due to the recognition of a fair value gain on investment properties of approximately HK\$8.1 million for the year ended 31 December 2021 (2020: fair value loss of approximately HK\$79.4 million and write-down of carrying amount of stock of properties of approximately HK\$8.9 million).

In 2021, the overall decline of the commercial property market in Hong Kong had been gradually stabilised. By the end of the year, decline in vacancy rates and rental values for many of the Hong Kong's prime districts became more moderate. The Group will continue to remain steadfast in maintaining financial prudence and keep close monitoring of the commercial property market in search of potential projects, with an aim to optimising its investment portfolio and maintaining asset balance over time. In consideration of Hong Kong's strong fundamentals and its highly developed financial industry, as well as steadily rising vaccination rates, the Group remains cautiously confident about the long-term prospects of the commercial property market in Hong Kong.

### ***Investment Project – Ponte 16***

Supported by an encouraging market recovery and resilience, the Group's shared loss of the Associates, decreased by approximately 67% to approximately HK\$48.7 million. An Adjusted EBITDA\* loss of approximately HK\$57.6 million was recorded (2020: approximately HK\$242.9 million). The average occupancy rate of Sofitel Macau At Ponte 16 had showed an enhancement, which compared to the low occupancy rate in the last corresponding year, and achieved over 50% in 2021. As at 31 December 2021, the casino of Ponte 16 had 101 gaming tables in operation, consisting of 91 mass tables and 10 high-limit tables.

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

Macau's economy fluctuated during 2021 as the COVID-19 pandemic evolved throughout the year. Fortunately, effective pandemic prevention measures adopted by Mainland China and Macau had stabilised the situation to allow visitation from Mainland China, which culminated in an encouraging performance in accumulated gross gaming revenue ("GGR") during the first half of the year with a peak recorded during the Labour Day Golden Week. Despite the outbreak of the Delta variant in Guangdong Province in June 2021, and later the discovered local COVID-19 infections in Macau in September 2021, which cooled sentiments to some extent, tourist visitation to Macau generally resumed a steady recovery during the fourth quarter of the year. For the whole year, GGR grew by approximately 43.7% year on year ("yoy"), signifying an encouraging market recovery.

In line with the market recovery, Ponte 16 achieved better results yoy in 2021 and maintained its core competitiveness as a key visitation spot in Macau resulted from its strong cultural resources in the Inner Harbour area. During 2021, Ponte 16 leveraged its resources and launched the "OLA 澳優遊" ("OLA"), a one-stop platform featuring travel information and promotions in Macau, which was collaborated with local small and medium enterprises, including merchants, hotels and hostels to provide discounts and privileges to the consumers. It has stimulated more business opportunities for the participating merchants and jointly promotes the economy of Macau Peninsula and encouraged cross-sector spending. Since the launch of OLA in November 2021, approximately 70 merchant partners and over 50,000 online viewers from the website and social media were recorded. This has helped Ponte 16 in strengthening its market presence, and firmly secured itself on the fast track to recovery once the COVID-19 pandemic is under control.

## PROSPECTS

The global tourism industry has been impacted by an unprecedented scale since the start of the pandemic. Yet, despite the new wave of more contagious pandemic sweeping through many major countries, the full recovery of the industry back to pre-pandemic levels is still on the right track. With the global rising vaccination rate, the Government of Canada will open the border to all fully vaccinated travelers effective from 1 April 2022. According to the latest research from the World Travel & Tourism Council suggested that if global vaccination continues at a steady pace and restrictions to international travel are eased around the world in 2022, the travel industry's contribution to global economy could reach USD8.6 trillion in 2022 (pre-pandemic year of 2019: approximately USD9.2 trillion). With such hope, Jade Travel will remain its highly efficient operation and be responsive to changes in border policies and tourist demands, including local tours and travel bubbles, to maintain its market position as one of the leading travel service

and product providers in North America. In addition, Jade Travel is also in close and frequent discussions with its business partners in Asia and China to continue to explore and expand its product offerings in preparation for the returning of international travel. The Group will focus on improving Jade Travel's core competitiveness to facilitate its long-term growth in the post pandemic period.

Despite significant market disruptions, Hong Kong's economy grew by approximately 6.4% in 2021, which marked its first annual rise following two years of recession and demonstrated Hong Kong's economic resilience and gradual recovery. Considering this and coupled with Hong Kong's strong fundamentals as a central economic hub in Asia, the Group is cautiously optimistic about the outlook of Hong Kong's office property market.

The outbreak of Omicron variant incited brief pessimism for the gaming and hospitality industry in Macau during the start of 2022. However, diligent and continued efforts in pandemic prevention by the Macau Government soon improved market sentiments over the Chinese New Year holidays. In consideration of Macau's impressive track record at pandemic control, the Group is confident in the gradual recovery of the Macau's economy. In the long run, aligning with the Central Government's initiative to develop the Greater Bay Area, Macau has been actively developing local infrastructure and diversifying its tourism offerings. Therefore, Macau is well-equipped to be one of the first tourist hotspots to enjoy the revitalisation of the tourism industry. Ponte 16 will ride on such market opportunities by continuing to leverage the rich cultural resources of the Inner Harbour area and coordinating more local promotional activities including the OLA to strengthen its market presence while committing its part to promote Macau as a premium travel destination.

The recent announcement of the amendments to Macau's gaming regulations has shed light on uncertain facets to the gaming industry and reflected the Macau Government to take the lead in facilitating a healthy and sustainable development. As discussions regarding the amendments continues, Ponte 16 and the Group will remain in close communications with the Macau Government and formulate its strategies accordingly.

Looking forward, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, "The global outbreak of the Omicron variant which began at the end of 2021 have undoubtedly triggered new uncertainties and challenges for the global economy. However, China has showcased impressive ability to control this pandemic. The Group is optimistic that the concerted efforts made by governments of Mainland China, Macau, and Hong Kong will soon tame this new wave of pandemic, which would bring forth economic revival for

the regions in the long run. The Group will be continually attentive to market changes and explore any suitable investment opportunities to diversify the Group’s investment portfolio, in order to create sustainable value for its shareholders, partners and customers.”

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### **About Success Universe Group Limited**

Success Universe Group Limited (together with its subsidiaries, collectively the “Group”) is a listed company on The Stock Exchange of Hong Kong Limited (Stock Code: 00487.HK) and is the listed arm of Success Universe Group. The Group operates travel and property investment businesses, and is involved in entertainment-related sector through its flagship investment project – Ponte 16. The Group endeavours to create long-term value for stakeholders through the balanced and diversified business portfolio, while adhering to a high standard of corporate governance.

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