

**Press Release**

[For Immediate Release]

**Success Universe Announces 2018 Interim Results**

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**Capture the Enormous Business Potential  
Turnaround to Profit with Substantial Market Uptrend**

**Overview**

- Revenue was approximately HK\$478.5 million and gross profit was approximately HK\$12.2 million for the first half of 2018
- Profit attributable to owners of the Company was approximately HK\$14.7 million
- Revenue of the travel business was approximately HK\$475.0 million, with an increase of approximately 76% driven by the substantial growth of the wholesale segment and the stable revenue contributed by the retail segment; segment loss was substantially decreased by approximately 71% to approximately HK\$2.4 million
- Revenue of the property investment business was approximately HK\$3.5 million for the reporting period, while segment profit was approximately HK\$24.7 million due to recognition of a fair value gain on investment properties
- The Adjusted EBITDA\* of Ponte 16, the Group's flagship investment project, increased by approximately 26% to approximately HK\$171.8 million. The Group's shared profit of the associates relating to Ponte 16 increased by approximately 222% to approximately HK\$23.0 million

**30 August 2018, Hong Kong - Success Universe Group Limited** (“Success Universe” or the “Company”, Stock Code: 00487.HK, together with its subsidiaries, collectively the “Group”) today announces the consolidated interim results for the six months ended 30 June 2018.

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

## RESULTS

For the six months ended 30 June 2018, revenue from continuing operations of the Group was approximately HK\$478.5 million, increased by approximately 75% from approximately HK\$273.0 million for the same period of 2017. Gross profit increased by approximately 21% to approximately HK\$12.2 million (2017: approximately HK\$10.1 million). The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group, for the first half of 2018 was approximately HK\$23.0 million, increased by approximately 222% from approximately HK\$7.2 million for the last corresponding period. Profit attributable to owners of the Company from both continuing and discontinued operations for the reporting period amounted to approximately HK\$14.7 million (2017: loss attributable to owners of the Company from both continuing and discontinued operations was approximately HK\$21.1 million), whilst earnings per share from both continuing and discontinued operations was 0.3 HK cents (2017: loss per share from both continuing and discontinued operations was 0.43 HK cents).

Turnaround from loss to profit was mainly attributable to the increase in (i) fair value gain on investment properties of the Group; and (ii) the Group's share of profit of the associates relating to Ponte 16.

### Interim Dividend

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2018 (2017: nil).

## REVIEW OF OPERATIONS

### *Travel Business*

Revenue of the segment increased to approximately HK\$475.0 million for the six months ended 30 June 2018 (2017: approximately HK\$269.7 million). Loss in this segment was substantially decreased by approximately 71% to approximately HK\$2.4 million from approximately HK\$8.3 million for the last corresponding period, including an impairment loss on intangible assets of approximately HK\$0.2 million (2017: approximately HK\$2.2 million) which was recognised for the reporting period.

For the first half of 2018, Jade Travel Ltd. ("Jade Travel") achieved an encouraging performance with a revenue increase of approximately 76%, driven by the substantial growth of the wholesale segment and the stable revenue contributed by the retail segment. During the reporting period, Jade Travel was dedicated in product enrichment and refinement, as well as conducting extensive publicity on various social media platforms. Jade Travel also continued to work closely with leading regional and international online travel portals, including the most well-known and widely-used portals in China, for the penetration of its broad range of travel products. These platforms match Jade Travel's featured and personalised travel packages with travellers who demand for in-depth and unique travel experiences with extra fine delicacies and entertainment arrangements.

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

Revenue of the property investment business for the reporting period amounted to approximately HK\$3.5 million, representing an increase of approximately 7% as compared with approximately HK\$3.3 million for the last corresponding period, while segment profit was approximately HK\$24.7 million (2017: approximately HK\$2.3 million) which was mainly due to recognition of a fair value gain on investment properties of approximately HK\$22.3 million (2017: approximately HK\$0.7 million).

With a primary focus on commercial real estate investment, the Group has built a portfolio of commercial properties in prime locations in Hong Kong for capital appreciation potential and steady rental income. Hong Kong's office market continues to witness robust demand, enabling the Group to record promising results benefited from fair value gain on the commercial portfolio. In April 2018, the Group further enriched its portfolio with the completion of acquisition of several commercial properties in Wanchai. In addition, in May 2018, the Group completed the acquisition of the entire issued share capital of and the related shareholders' loans to two companies which hold indirectly two commercial properties in Admiralty Centre.

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

The gaming market in Macau continued its thriving rebound momentum for the first half of 2018, while the total visitations were up by approximately 8% year-on-year (“yoy”) to approximately 16.8 million. Macau's gross gaming revenue also achieved a substantial growth of approximately 19% yoy, with patrons returning to the tables across both the VIP and mass market segments. This improving market provided a positive environment for the operations of Ponte 16.

While the opening of new projects in Cotai Strip have attracted higher volume of visitors to Macau, Ponte 16's exclusive location next to the World Heritage Site recognised by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) and its easy accessibility to tourism clusters constantly attracts travellers who love embracing Macau's prolific local cultures and history. The average occupancy rate of Sofitel Macau At Ponte 16 maintained at a high level at over 90% for the first half of the year.

As at 30 June 2018, the casino of Ponte 16 had 109 gaming tables, consisting of 96 mass gaming tables, 7 high-limit tables and 6 VIP tables, maintaining a balanced mix. Adjusted EBITDA\* for the reporting period increased by approximately 26% to approximately HK\$171.8 million (2017: approximately HK\$136.3 million).

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

## PROSPECTS

In the second half of 2018, uncertainties over the global economy continue to linger and cast shadows over consumer sentiments, in particular of volatility in the financial markets, monetary policies, restrictive trade measures, Brexit negotiation and the tension between China and the United States of America (“USA”). Under such complicated conditions of the global economy, the Group will stay cautious and prudent towards the formulation and implementation of long-term corporate strategies.

On the back of its favourable economic conditions, China is expected to keep its economy on a stable and healthy track, and the Group remains confident in the outlook for Macau. With its unique geographical advantages and transportation network, the opening of the Hong Kong-Zhuhai-Macau Bridge will significantly improve the accessibility for travellers from Hong Kong, Southern and Eastern China, while the Belt and Road Initiative and the Greater Bay Area integration plan will further increase the visitation to Macau from worldwide tourists. The Group believes the demand for leisure, tourism and travel from both Asia and China will continue to grow, driving the increase of overnight visitors with higher spending power and longer length of stay. In order to capture the growing momentum, Ponte 16 will continue to maintain its competitiveness by delivering comprehensive entertainment experiences during their stay in Macau.

This year, along with the celebration of the 10th anniversary of Ponte 16, a series of promotions and privilege offers have been rolled out in the first half of 2018 to recognise the loyalty and support of its customers. Moving on, Ponte 16 is devoted to promote the historical and cultural heritage of Macau whilst offering preeminent accommodation experience with distinctive cultural connotation. Ponte 16 will uphold its leading position as casino-entertainment resort located in the exclusive Inner Harbour of Macau.

To enhance Jade Travel’s business development, the Group plans to explore business opportunities in the USA, on top of its existing market in Canada. Taking advantage of its online business platform, Jade Travel will continue to explore the strategic collaboration opportunities with the leading domestic and international online travel portals, and put more weight on designing packages to destinations all over the world aiming at responding to the diverse interests of customers.

Supported by the solid demand from the business sector, the property market in Hong Kong continued to achieve modest growth in rental in most area and recorded upward trend of properties value. Under this positive environment, the Group’s property investment portfolio is expected to generate a steady growing income stream and provide capital appreciation potential to the Group. In August 2018, the Group entered into a preliminary sale and purchase agreement with an independent third party to acquire a commercial property in Wanchai. The said acquisition is expected to be completed in October 2018.

Looking forward, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, “Although the global economic conditions in the near term are likely to be challenging, the Group remains cautiously optimistic about the medium-to-long-term outlook of the economy. Adhering to its prudent financial management discipline, the Group will closely monitor the market movements and keep up with the evolving marketplace, with an endeavour to create long-term value for its stakeholders through its balanced and diversified business portfolio.”

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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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