

**Press Release**

[For Immediate Release]

## **Success Universe Announces 2024 Interim Results**

### **Overview**

- 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; 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 for the six months ended 30 June 2024
- Revenue of the travel business decreased to approximately HK\$31.2 million, while gross profit margin increased to approximately 24%. Segment profit was approximately HK\$0.4 million
- Revenue of the property investment business was approximately HK\$1.3 million, while 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
- The Adjusted EBITDA\* of Ponte 16, the Group's flagship investment project recorded approximately HK\$134.7 million, while the Group's shared profit of the associates relating to Ponte 16 was approximately HK\$58.2 million

**29 August 2024, 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 unaudited condensed consolidated interim results for the six months ended 30 June 2024.

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

## RESULTS

For the six months ended 30 June 2024, revenue of the Group was approximately HK\$32.5 million, decreased by approximately 52% from approximately HK\$68.4 million for the same period of 2023. Gross profit increased by approximately 19% to approximately HK\$8.9 million (2023: approximately HK\$7.5 million). The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the first half of 2024 was approximately HK\$58.2 million (2023: approximately HK\$71.6 million). Loss attributable to owners of the Company for the six months ended 30 June 2024 was approximately HK\$35.5 million (2023: profit of approximately HK\$153.8 million), whilst loss per share was 0.72 HK cents (2023: earnings per share of 3.12 HK cents).

The shift in profit to loss for the six months ended 30 June 2024 was mainly attributable to (i) a fair value loss on the Group's overseas listed equity securities of approximately HK\$38.4 million was recognised for the six months ended 30 June 2024, whereas a fair value gain of approximately HK\$105.5 million was recognised for the last corresponding period; 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 were recognised for the six months ended 30 June 2024, while 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 were recognised for the last corresponding period.

## INTERIM DIVIDEND

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (2023: nil).

## REVIEW OF OPERATIONS

### *Travel Business*

Jade Travel Ltd. ("Jade Travel"), one of the prominent and leading travel agencies in Canada, continues to provide professional travel products and services to its target customers in both wholesale and retail markets. 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.

During the first quarter of 2024, international tourism witnessed a remarkable growth.

According to the UN Tourism (formerly known as the United Nations World Tourism Organization), over 285 million tourists were recorded globally, representing a 20% Year-On-Year (“YOY”) increase and reaching 97% of pre-pandemic levels in 2019 (“2019 Levels”). 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.

In light of these positive industry developments, the Group has 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).

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

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. According to Jones Lang LaSalle and the CBRE Group, the international commercial real estate services and investment advisors, Grade A office vacancy rate climbed to 13.6% at the end of June 2024, up from 12.6% at the end of June 2023, with ensured rental prices dropped by approximately 2% YOY for the first half of 2024, 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. The Group has been closely monitoring market situation and constantly reviewing to maintain its healthy investment portfolio, while it consistently generating stable rental income.

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).

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

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 Macau's government initiatives, which aimed at enhancing accessibility and convenience in Macau, played a crucial role. Earlier this year, the Central Government extended the individual visit scheme for granting individual travel endorsements for visits to Hong Kong and Macau to eight additional cities in Mainland China, making the number of total eligible cities to 59. In April 2024, the launch of the Hengqin-Macao multiple-entry visa policy allowed Mainland Chinese package tours to use a single group travel permit for multiple round trips within a week. Additionally, infrastructure improvements significantly enhanced connectivity to Macau, making it more accessible to a wider audience and stimulating tourism growth.

Riding the wave of increased visitor arrivals, Macau's gaming sector exhibited a remarkable growth in the first half of 2024, with Macau's gross gaming revenue ("GGR") 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 mass-market continued to contribute the majority of the overall GGR. This aligns with Ponte 16's business approach of focusing on the mass-market segment, being the most promising segment for sustainable growth. At the same time, Ponte 16 also experienced the increase in operating expenses during the first half of 2024.

During the first half of 2024, Ponte 16 maintained its growth trajectory, propelled by a resurgence in tourist arrivals and GGR. With its unwavering commitment to enhancing Macau's travel and entertainment sectors, Ponte 16 has continuously refined its comprehensive platform, "OLA 澳優遊" ("OLA"), providing Macau tourists with travel information and exclusive promotions from local communities 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. Currently, OLA boasts approximately 220 merchant partners, spanning nearly 270 merchant outlets, and serves around 35,300 registered members, which reinforce Ponte 16's strong market presence within Macau's tourism landscape and contribute to the overall economy of the Macau Peninsula.

The year 2024 marks the 16th anniversary of Ponte 16's resort opening and the 60th anniversary of the Sofitel hotel brand. To celebrate these joint anniversaries, a photo contest named "Precious Moment with Ponte 16 Photo Contest" will be held in the second half of 2024. Over the past 16 years, Ponte 16 has not only become a landmark of the Inner Harbour area, but has also played a crucial role in driving the transformation and growth of Macau's tourism industry. Committed to fostering Macau's cultural, travel and entertainment sectors, Ponte 16 fully supports the charitable activities and actively engaged in various initiatives to promote local

art and cultural events, aiding in the transformation of Macau into a World Centre of Tourism and Leisure. This extensive involvement includes collaborations with the local communities and Macau Government on diverse exhibitions and events aiming at revitalising the neighbouring area and reinforcing Ponte 16's commitment to creating social values.

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

Stepping into the second half of 2024, while geopolitical tensions and high interest rates continue to cast shadows over the global economy, there are promising signs on the horizon. The World Bank has revised its global economic growth forecast from 2.4% to 2.6%, reflecting its growing confidence in the world's economic resilience. Additionally, a slight decline in inflation and the possibility of interest rate cuts contribute to this positive outlook. China, a major player in the global economy, is steadily progressing on the path to recovery. The International Monetary Fund has made an upward adjustment to its 2024 economic growth projection for China from 4.6% to 5%, underscoring its potential to propel global economic momentum and foster a more favourable business environment.

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. These efforts further fuel the anticipated recovery in international tourism. 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. It 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.

Although the Hong Kong property market remains uncertain in the short term due to the

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

exertion of the considerable pressure from the prevailing high interest rate environment and increased commercial property supply, the Group maintains a positive outlook for Hong Kong's commercial property market. 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. 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.

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 Macao Government Tourism Office (MGTO) forecasts a substantial 20% surge in visitor arrivals, projecting over 33 million visitors to Macau throughout the year. Concurrently, with more innovative tourism elements and an expanding international visitor base, the GGR is expected to continue its upward trend. The Macau Government's target of MOP216 billion in annual GGR appears well within reach, with the first half of the year already achieved approximately 53% of this projection. Macau's strategic efforts to diversify its tourism offerings and broaden its international customer base are proving fruitful, boosting GGR, visitation and visitor spending. Entering the second half of the year, Ponte 16 has secured its growth momentum with satisfactory hotel bookings for the summer holidays this year. Committed to delivering exceptional guest experiences infused with unique cultural elements, 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.

Looking ahead, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, "While the entertainment and tourism industry continues to thrive, we are well-equipped to navigate the resilient recovery in the second half of 2024. Striking a delicate balance between optimism and caution, we are poised to steer through the market landscape while vigilantly monitoring and adjusting strategies to overcome macro challenges. Our unwavering dedication remains focused on enriching our business portfolio, preserving our dedication to achieve sustainable growth and seizing forthcoming opportunities."

-END-

### **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.

For investor and media enquiries, please contact:

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

Corporate Communications Department

Email: [corpcom@successug.com](mailto:corpcom@successug.com)

Tel: 852-3101 8668

#### **DLK Advisory Limited**

Maggie Lee

Email: [maggielee@dlkadvisory.com](mailto:maggielee@dlkadvisory.com)

Tel: 852-2854 8720

Connie Tsang

Email: [connietsang@dlkadvisory.com](mailto:connietsang@dlkadvisory.com)

Tel: 852-2854 8716