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SUCCESS

SUCCESS UNIVERSE GROUP LIMITED
實德環球有限公司

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

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF TENANCY AGREEMENTS

The Board wishes to announce that on 25 June 2019 after trading hours, the Landlords, Powerful Concept, Good Sun and Famous Capital, all indirect wholly-owned subsidiaries of the Company, entered into the respective Tenancy Agreements with the Tenant, SIMSL, in respect of the renewal of leasing of the Properties.

Since the Tenant is indirect wholly and beneficially owned by Mr. Yeung, who is the Chairman of the Board and an executive Director as well as a controlling shareholder of the Company, the Tenant is a connected person of the Company and the entering into of the Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the largest Annual Cap in respect of the aggregate amounts payable by the Tenant to the Landlords under the Tenancy Agreements for each of the three financial years ending 31 December 2021 exceeds HK\$3,000,000 but all the applicable percentage ratios calculated on an annual basis pursuant to Rule 14.07 of the Listing Rules are less than 5%, the entering into of the Tenancy Agreements are subject to the reporting, announcement and annual review requirements but are exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 26 June 2017, 13 February 2018 and 29 March 2018 respectively as well as the circular of the Company dated 6 April 2018 in respect of, among others, the Existing Tenancy Agreements, all of which will expire on 1 July 2019.

The Board wishes to announce that on 25 June 2019 after trading hours, the respective Landlords entered into the Tenancy Agreements with the Tenant to renew the Existing Tenancy Agreements for a further term of two years, the principal terms of which are set out below.

THE TENANCY AGREEMENTS

Unit 1001A Tenancy Agreement

Date of agreement	:	25 June 2019
Landlord	:	Powerful Concept
Tenant	:	SIMSL
Property	:	Office Unit No. 1001A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
Tenancy term	:	Two (2) years commencing from 2 July 2019 and expiring on 1 July 2021 (both dates inclusive) with an option on the Tenant to renew for a further term of two (2) years at the then open market rent
Rental	:	HK\$93,600 per month (exclusive of government rates, air-conditioning charges and management fees and all other outgoings)
Deposit	:	HK\$200,918, representing two months' rental and two months' air-conditioning charges and management fees

Units 1003 & 4A Tenancy Agreement

Date of agreement	:	25 June 2019
Landlord	:	Good Sun
Tenant	:	SIMSL
Property	:	Office Units Nos. 1003 and 1004A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
Tenancy term	:	Two (2) years commencing from 2 July 2019 and expiring on 1 July 2021 (both dates inclusive) with an option on the Tenant to renew for a further term of two (2) years at the then open market rent
Rental	:	HK\$584,400 per month (exclusive of government rates, air-conditioning charges and management fees and all other outgoings)
Deposit	:	HK\$1,241,590, representing two months' rental and two months' air-conditioning charges and management fees

Unit 1004B Tenancy Agreement

Date of agreement	:	25 June 2019
Landlord	:	Famous Capital
Tenant	:	SIMSL
Property	:	Office Unit No. 1004B on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
Tenancy term	:	Two (2) years commencing from 2 July 2019 and expiring on 1 July 2021 (both dates inclusive) with an option on the Tenant to renew for a further term of two (2) years at the then open market rent
Rental	:	HK\$204,900 per month (exclusive of government rates, air-conditioning charges and management fees and all other outgoings)
Deposit	:	HK\$433,904, representing two months' rental and two months' air-conditioning charges and management fees

The terms under the Tenancy Agreements were negotiated on an arms' length basis and the rentals payable thereunder were determined based on the valuation of the market rental of the Properties in June 2019 conducted by an independent valuer.

ANNUAL CAPS

For the financial years ended 31 December 2017 and 2018, the aggregate amount paid by the Tenant to the Group under the Existing Tenancy Agreements were approximately HK\$1,846,000 and HK\$7,457,000 respectively.

The Annual Cap(s) for the aggregate amount payable by the Tenant to the Landlords were determined with reference to (i) the rentals under the Tenancy Agreements and the Existing Tenancy Agreements for the financial year ending 31 December 2019; and (ii) the rentals stipulated in the Tenancy Agreements for each of the two financial years ending 31 December 2021 and are calculated as follows:

Annual Cap(s)	For the year ending 31 December 2019 (HK\$'000)	For the year ending 31 December 2020 (HK\$'000)	For the year ending 31 December 2021 (HK\$'000)
Rental income from leasing of Unit 1001A	1,007	1,124	565
Rental income from leasing of Units 1003 & 4A	6,296	7,013	3,526
Rental income from leasing of Unit 1004B	<u>2,211</u>	<u>2,459</u>	<u>1,237</u>
Total	<u><u>9,514</u></u>	<u><u>10,596</u></u>	<u><u>5,328</u></u>

Based on the monthly rentals under the Tenancy Agreements, the Directors (including the independent non-executive Directors) consider the Annual Caps to be fair and reasonable.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENTS

As disclosed in the annual report of the Company for the year ended 31 December 2018, the Properties were classified as investment properties and being held for long-term capital growth and rental purposes. The Directors (including the independent non-executive Directors) believe that the Tenancy Agreements would generate steady recurring rental income and strengthen income base of the Group, and considered that the Tenancy Agreements and the terms thereof are fair and reasonable and on normal commercial terms, and the transactions under the Tenancy Agreements are in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

By virtue of the connection between Mr. Yeung, the Chairman of the Board and an executive Director as well as a controlling shareholder of the Company, and the Tenant, Mr. Yeung is considered to have a material interest in the transactions contemplated under the Tenancy Agreements. Further, Dr. Ma Ho Man, Hoffman, the Deputy Chairman of the Board and an executive Director, is the nephew of Mr. Yeung. Both of them have abstained from voting on the resolutions of the Board approving the Tenancy Agreements and the transactions contemplated thereunder.

INFORMATION ON THE GROUP, THE LANDLORDS AND THE TENANT

The principal businesses and investments of the Group include travel-related business, property investment business and the investment project of Ponte 16, a world-class integrated casino-entertainment resort located in Macau.

The Landlords are all indirect wholly-owned subsidiaries of the Company and their principal business is property investment.

The Tenant is indirect wholly and beneficially owned by Mr. Yeung. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, the principal business of the Tenant is provision of management services.

LISTING RULES IMPLICATION

Since the Tenant is indirect wholly and beneficially owned by Mr. Yeung, who is the Chairman of the Board and an executive Director as well as a controlling shareholder of the Company, the Tenant is a connected person of the Company and the entering into of the Tenancy Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the largest Annual Cap in respect of the aggregate amounts payable by the Tenant to the Landlords under the Tenancy Agreements for each of the three financial years ending 31 December 2021 exceeds HK\$3,000,000 but all the applicable percentage ratios calculated on an annual basis pursuant to Rule 14.07 of the Listing Rules are less than 5%, the entering into of the Tenancy Agreements are subject to the reporting, announcement and annual review requirements but exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Annual Cap(s)”	has the same meaning ascribed to it under the section headed “Annual Caps” in this announcement
“Board”	the board of Directors
“Company”	Success Universe Group Limited (Stock Code: 00487), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Tenancy Agreements”	collectively, (i) the tenancy agreement dated 30 June 2017 entered into between Powerful Concept and the Tenant in respect of the leasing of Unit 1001A; (ii) the tenancy agreement dated 26 June 2017 entered into between Good Sun and the Tenant in respect of the leasing of Units 1003 & 4A; and (iii) the tenancy agreement dated 30 June 2017 entered into between Famous Capital and the Tenant in respect of the leasing of Unit 1004B

“Famous Capital”	Famous Capital International Limited, a company incorporated in the British Virgin Islands with limited liability and registered in Hong Kong as a registered non-Hong Kong Company, and an indirect wholly-owned subsidiary of the Company since 4 May 2018
“Good Sun”	Good Sun Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Landlords”	collectively, Powerful Concept, Good Sun and Famous Capital
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mr. Yeung”	Mr. Yeung Hoi Sing, Sonny, the Chairman of the Board and an executive Director as well as a controlling shareholder of the Company
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“Powerful Concept”	Powerful Concept Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company since 4 May 2018
“Properties”	collectively, Unit 1001A, Units 1003 & 4A and Unit 1004B
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“SIMSL” or “Tenant”	Success International Management Services Limited, a company incorporated in the British Virgin Islands with limited liability and registered in Hong Kong as a registered non-Hong Kong company, and indirect wholly and beneficially owned by Mr. Yeung
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	collectively, Unit 1001A Tenancy Agreement, Units 1003 & 4A Tenancy Agreement and Unit 1004B Tenancy Agreement
“Unit 1001A”	Office Unit No. 1001A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
“Unit 1001A Tenancy Agreement”	the tenancy agreement dated 25 June 2019 entered into between Powerful Concept as landlord and SIMSL as tenant in respect of the renewal of leasing of Unit 1001A
“Unit 1004B”	Office Unit No. 1004B on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
“Unit 1004B Tenancy Agreement”	the tenancy agreement dated 25 June 2019 entered into between Famous Capital as landlord and SIMSL as tenant in respect of the renewal of leasing of Unit 1004B
“Units 1003 & 4A”	Office Units Nos. 1003 and 1004A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong
“Units 1003 & 4A Tenancy Agreement”	the tenancy agreement dated 25 June 2019 entered into between Good Sun as landlord and SIMSL as tenant in respect of the renewal of leasing of Units 1003 & 4A
“%”	per cent.

By order of the Board
SUCCESS UNIVERSE GROUP LIMITED
Ma Ho Man, Hoffman
Deputy Chairman

Hong Kong, 25 June 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.