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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)

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 together with comparative figures for the year ended 31 December 2020 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3, 4	151,130	363,831
Cost of sales		<u>(142,298)</u>	<u>(346,369)</u>
Gross profit		8,832	17,462
Other revenue and gain	5	4,649	7,106
Fair value gain/(loss) on investment properties		8,100	(79,400)
Gain arising on change in fair value of financial assets at fair value through profit or loss		87,725	131,119
Loss arising on disposal of financial assets at fair value through other comprehensive income		(143)	–
Administrative expenses		(46,479)	(50,411)
Other operating expenses	6(c)	<u>(1,659)</u>	<u>(16,029)</u>
Profit from operations		61,025	9,847
Finance costs	6(a)	(8,195)	(6,629)
Share of results of joint ventures		683	571
Share of results of associates		<u>(48,654)</u>	<u>(145,725)</u>
Profit/(loss) before taxation	6	4,859	(141,936)
Taxation	7	<u>–</u>	<u>–</u>
Profit/(loss) for the year		<u>4,859</u>	<u>(141,936)</u>
Profit/(loss) for the year attributable to owners of the Company		<u>4,859</u>	<u>(141,936)</u>
Earnings/(loss) per share			
– Basic and diluted	9	<u>0.10 HK cents</u>	<u>(2.88) HK cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the year	4,859	(141,936)
Other comprehensive income/(loss)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	214	249
Profit/(loss) arising on change in fair value of financial assets through other comprehensive income	73	(216)
Release upon derecognition of financial assets at fair value through other comprehensive income	143	–
Total other comprehensive income for the year, net of tax	430	33
Total comprehensive income/(loss) for the year	5,289	(141,903)
Total comprehensive income/(loss) for the year attributable to owners of the Company	5,289	(141,903)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Note</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		247,675	270,008
Intangible assets		9,855	2,464
Investment properties		138,600	130,500
Interests in associates		547,052	556,506
Interests in a joint venture		7,323	6,640
Financial assets at fair value through other comprehensive income		<u>–</u>	<u>7,405</u>
		<u>950,505</u>	<u>973,523</u>
Current assets			
Stock of properties		111,400	110,900
Trade and other receivables	<i>10</i>	9,952	15,311
Financial assets at fair value through profit or loss	<i>11</i>	266,804	169,435
Pledged bank deposits		558	551
Cash and cash equivalents		<u>49,611</u>	<u>117,394</u>
		<u>438,325</u>	<u>413,591</u>
Current liabilities			
Trade and other payables	<i>12</i>	17,282	19,606
Bank loans		302,500	302,500
Lease liabilities		584	773
Financial guarantee contract		<u>322</u>	<u>644</u>
		<u>320,688</u>	<u>323,523</u>
Net current assets		<u>117,637</u>	<u>90,068</u>
Total assets less current liabilities		<u>1,068,142</u>	<u>1,063,591</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	336	911
Loan from a director and controlling shareholder	60,000	60,000
Financial guarantee contract	161	324
	<u>60,497</u>	<u>61,235</u>
Net assets	<u>1,007,645</u>	<u>1,002,356</u>
Capital and reserves		
Share capital	49,265	49,265
Reserves	958,380	953,091
Total equity	<u>1,007,645</u>	<u>1,002,356</u>

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). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investment properties, financial assets at fair value through other comprehensive income (“FVTOCI”), financial assets at fair value through profit or loss (“FVTPL”) and financial guarantee contract are stated at their fair value.

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.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following New HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform – Phase 2
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In addition, the Group has elected to early apply the Amendment to HKFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021”.

In addition, the Group applied the agenda decision of the IFRS Interpretations Committee (the “Committee”) of the International Accounting Standards Board issued in June 2021 which clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories.

Except for described below, the application of the amendments to HKFRS in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on early application of amendment to HKFRS 16 “COVID-19-Related Rent Concessions beyond 30 June 2021” (“2021 Amendment”)

The Group has perviously applied the practical expedient of HKFRS 16 “Leases” such that as lessees it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 Amendment extends this time limit from 30 June 2021 to 30 June 2022. The Group has elected to early apply the 2021 Amendment in this financial year. There is no impact on the opening balance of equity at 1 January 2021.

The application of this amendment has had no material impact on the Group’s financial positions and performance for the current and prior years.

Impacts on application of amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 “Interest Rate Benchmark Reform – Phase 2”

The Group had applied the amendments for the first time in the current year. The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 “Financial Instruments: Disclosures”.

As at 1 January 2021, the Group has several interest-bearing bank loans denominated in Hong Kong dollars on the Hong Kong Interbank Offered Rate (“HIBOR”), the interests of which are indexed to benchmark rates that may be subject to interest rate benchmark reform. As at reporting date, the relevant counterparties have no intention to change the interest rate benchmark in the interest-bearing bank loans. The transition is subject to the negotiation between the Group and the relevant counterparties.

The amendments do not have an impact on these consolidated financial statements as none of the relevant contracts has been transitioned to the relevant replacement rates during the year.

The Group had certain interest-bearing bank loans denominated in Hong Kong dollars based on the HIBOR as at 31 December 2021. The Group expects that HIBOR will continue to exist and the interest rate benchmark reform has not had an impact on the Group’s HIBOR-based loans. If the interest rates of these loans are replaced by risk-free rates in a future period, the Group will apply the above-mentioned practical expedient upon the modification of these loans provided that the “economically equivalent” criterion is met.

Impacts on application of the agenda decision of the Committee – Costs necessary to sell inventories (HKAS 2 “Inventories”)

In June 2021, the Committee, through its agenda decision, clarified the costs an entity should include as “estimated costs necessary to make the sale” when determining the net realisable value of inventories. In particular, whether such costs should be limited to those that are incremental to the sale. The Committee concluded that the estimated costs necessary to make the sale should not be limited to those that are incremental but should also include costs that an entity must incur to sell its inventories including those that are not incremental to a particular sale.

The Group’s accounting policy prior to the Committee’s agenda decision was to determine the net realisable value of inventories taking into consideration incremental costs only. Upon application of the Committee’s agenda decision, the Group changed its accounting policy to determine the net realisable value of inventories taking into consideration both incremental costs and other costs necessary to sell inventories such as agency commissions and legal fee. This new accounting policy has been applied retrospectively.

The application of the Committee’s agenda decision has had no material impact on the Group’s financial positions and performance.

New HKFRSs that have been issued but not yet effective

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

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies ²
HKAS 8 (Amendments)	Definition of Accounting Estimates ²
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
HKAS 16 (Amendments)	Property, Plant and Equipment – Proceeds before Intended Use ¹
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract ¹
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2018-2020 ¹
HKFRS 3 (Amendments)	Reference to the Conceptual Framework ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 17	Insurance Contracts and the related Amendments ²

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all New HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

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 chief operating decision maker (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, gain arising on change in fair value of financial assets at FVTPL, loss arising on disposal of financial assets at FVTOCI, impairment loss recognised on intangible assets which are allocated to corporate assets 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, 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, financial assets at FVTOCI and financial assets at FVTPL. Unallocated corporate assets mainly include part of the property, plant and equipment as well as intangible assets, together with 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, bank loans, loan from a director and controlling shareholder 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:

	Travel		Property investment		Total	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue from external customers and reportable segment revenue	147,856	354,170	3,274	9,661	151,130	363,831
Reportable segment (loss)/profit	(1,654)	(11,242)	13,667	(80,548)	12,013	(91,790)
Share of results of joint ventures					683	571
Share of results of associates					(48,654)	(145,725)
Gain arising on change in fair value of financial assets at FVTPL					87,725	131,119
Impairment loss recognised on intangible assets					(1,681)	–
Loss arising on disposal of financial assets at FVTOCI					(143)	–
Unallocated corporate income					915	3,980
Unallocated corporate expenses					(37,821)	(36,932)
Finance costs					(8,178)	(3,159)
Consolidated profit/(loss) before taxation					4,859	(141,936)
Taxation					–	–
Consolidated profit/(loss) for the year					4,859	(141,936)
Reportable segment assets	34,662	51,382	250,493	242,483	285,155	293,865
Unallocated corporate assets						
– Interests in associates					547,052	556,506
– Interests in joint ventures					7,323	6,640
– Financial assets at FVTOCI					–	7,405
– Financial assets at FVTPL					266,804	169,435
– Corporate assets					282,496	353,263
					1,388,830	1,387,114
Reportable segment liabilities	11,638	12,213	1,503	1,697	13,141	13,910
Unallocated corporate liabilities						
– Corporate liabilities					368,044	370,848
					381,185	384,758

(b) Other segment information

	Travel		Property investment		Other corporate entities		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Bank interest income	48	55	-	9	11	83	59	147
Interest income from financial assets at FVTOCI	-	-	-	-	139	842	139	842
Fair value gain/(loss) on investment properties	-	-	8,100	(79,400)	-	-	8,100	(79,400)
Depreciation:								
- owned property,								
plant and equipment	(532)	(573)	-	-	(11,643)	(3,011)	(12,175)	(3,584)
- right-of-use assets	(775)	(530)	-	-	(13)	(4,837)	(788)	(5,367)
Reversal of allowance/ (allowance) for expected credit losses on trade receivables	652	(2,841)	-	-	-	-	652	(2,841)
Impairment loss recognised on intangible assets	(1,130)	(4,338)	-	-	(1,681)	-	(2,811)	(4,338)
Reversal of write-down/ (write-down) of stock of properties	-	-	500	(8,850)	-	-	500	(8,850)
Finance costs	(17)	(13)	-	(3,457)	(8,178)	(3,159)	(8,195)	(6,629)
Additions to non-current assets*	243	188	-	-	462	11,000	705	11,188

* Additions to non-current assets only include the additions to property, plant and equipment but excluded right-of-use assets for both years.

(c) Disaggregation of revenue

	2021	2020
	HK\$'000	HK\$'000
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>		
<u>Travel business:</u>		
Sales of air tickets	145,957	348,950
Travel and related service fee income	1,899	5,220
	147,856	354,170
Revenue from other sources:		
Rental income	3,274	9,661
Total revenue	151,130	363,831

(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, but excluded financial assets at FVTOCI ("Specific non-current assets").

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.

	Revenue from		Specific		
	external customers		non-current assets		
	2021	2020	At 31 December	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong (place of domicile)	3,274	9,661	398,685	392,646	
Macau	–	–	547,052	556,506	
North America	147,856	354,170	4,542	16,586	
The People's Republic of China ("PRC")	–	–	226	380	
	<u>151,130</u>	<u>363,831</u>	<u>950,505</u>	<u>966,118</u>	

(e) **Major customers**

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

	2021	2020
	HK\$'000	HK\$'000
Customer A	N/A*	44,283
Customer B	N/A*	59,495
Customer C	N/A*	48,342
Customer D	<u>85,040</u>	<u>N/A*</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective year.

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 services, 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue from contracts with customers:		
<i>Recognised at a point in time</i>		
Sales of air tickets	145,957	348,950
Travel and related service fee income	1,899	5,220
	<u>147,856</u>	<u>354,170</u>
Revenue from other sources:		
Rental income	3,274	9,661
	<u>151,130</u>	<u>363,831</u>

5. OTHER REVENUE AND GAIN

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other revenue		
Bank interest income	59	147
Interest income from financial assets at FVTOCI	139	842
Government grants (<i>note</i>)	923	2,410
COVID-19-related rent concessions	–	87
Other income	3,043	2,976
	<u>4,164</u>	<u>6,462</u>
Other gain		
Amortisation of financial guarantee contract	485	644
	<u>4,649</u>	<u>7,106</u>

Note: For the year ended 31 December 2021, the Group recognised government grants of approximately HK\$923,000 in respect of COVID-19-related subsidies which are related to several subsidies schemes provided by the Canada government to support the enterprises which are severe disruption caused by the COVID-19 (2020: approximately HK\$2,410,000 in respect of COVID-19-related subsidies which were related to Employment Support Scheme under the Anti-epidemic Fund provided by the Hong Kong government. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees).

6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting) as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
(a) Finance costs		
Interest on bank loans	5,690	6,348
Interest on lease liabilities	17	57
Interest on loan from a director and controlling shareholder	2,488	224
	<u>8,195</u>	<u>6,629</u>
(b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	20,032	22,809
Contributions to defined contribution retirement plan	693	989
	<u>20,725</u>	<u>23,798</u>
(c) Other operating expenses		
(Reversal of write-down)/write-down of stock of properties	(500)	8,850
Impairment loss recognised on intangible assets	2,811	4,338
(Reversal of allowance)/allowance for expected credit losses on trade receivables	(652)	2,841
	<u>1,659</u>	<u>16,029</u>
(d) Other items		
Auditors' remuneration		
– audit services	750	725
– other services	380	280
Depreciation		
– owned property, plant and equipment	12,175	3,584
– right-of-use assets	788	5,367
Operating lease rentals		
– short-term lease	1,595	2,139
– low-value assets	89	219
Net exchange (gain)/loss	(1,398)	109
(Gain)/loss on disposal of property, plant and equipment	(297)	42

7. TAXATION IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax	–	–
Deferred tax	–	–
	<hr/>	<hr/>
Tax charge	<u>–</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% (2020: 16.5%) of the estimated assessable profit for the year. 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% (2020: 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 no assessable profit arising in Canada for the years ended 31 December 2021 and 2020.

PRC subsidiary is subject to PRC Enterprise Income Tax at 25% (2020: 25%). No provision for PRC Enterprise Income Tax has been made as the Group has no assessable profits arising in the PRC for the years ended 31 December 2021 and 2020.

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 (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).

9. EARNINGS/(LOSS) PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit/(loss):		
Profit/(loss) for the year attributable to owners of the Company	<u>4,859</u>	<u>(141,936)</u>
	 2021 <i>'000</i>	 2020 <i>'000</i>
Number of shares:		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	<u>4,926,491</u>	<u>4,926,491</u>

Diluted earnings/(loss) per share for the years ended 31 December 2021 and 2020 were the same as the basic earnings/(loss) per share. There were no potential dilutive ordinary shares outstanding for both years presented.

10. TRADE AND OTHER RECEIVABLES

	At 31 December 2021 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Trade receivables	7,149	8,460
Less: Allowance for expected credit losses	<u>(2,243)</u>	<u>(2,986)</u>
	4,906	5,474
Other receivables	<u>901</u>	<u>1,556</u>
Trade and other receivables	5,807	7,030
Prepayment and deposits	<u>4,145</u>	<u>8,281</u>
	<u>9,952</u>	<u>15,311</u>

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

Including in trade receivables, the lease receivables of approximately HK\$203,000 (2020: approximately HK\$709,000) arise from properties rental income.

Aging analysis

Included in trade and other receivables, the aging analysis for trade receivables, based on the due date and net of allowance for expected credit losses, is as follows:

	At 31 December 2021 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Current	3,498	2,695
31 to 60 days	552	239
61 to 90 days	135	617
Over 90 days	<u>721</u>	<u>1,923</u>
	<u>4,906</u>	<u>5,474</u>

The Group normally allows an average credit period of 30 days to customers of travel business (2020: average credit period of 30 days). For the customers of property investment business, no credit period was granted.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

As at 31 December 2021, receivables that were past due 90 days or more and is not considered as in default as there relate to a number of independent customers that have a good track record with the Group. The Group does not hold any collateral over these balances.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December 2021 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Listed equity securities in United States of America (the "USA")	<u>266,804</u>	<u>169,435</u>
Analysed for reporting purposes as:		
– Current assets	<u>266,804</u>	<u>169,435</u>

The fair value of the listed securities is determined based on the closing prices quoted in active market in the USA.

12. TRADE AND OTHER PAYABLES

	At 31 December 2021 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Trade payables	5,148	5,722
Accrued charges and other payables	<u>12,134</u>	<u>13,884</u>
	<u>17,282</u>	<u>19,606</u>

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 2021 <i>HK\$'000</i>	At 31 December 2020 <i>HK\$'000</i>
Current	3,587	1,705
31 to 60 days	95	106
61 to 90 days	68	135
Over 90 days	<u>1,398</u>	<u>3,776</u>
	<u>5,148</u>	<u>5,722</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The global economy continued to be deeply challenging during 2021. Despite pooling of resources and efforts from governments around the world, the impacts brought by the COVID-19 pandemic had widely affected the world. The spread of new and more infectious COVID-19 variants has curtailed the efforts of governments for seeking to reopen borders. As a result, the entertainment and hospitality industries, reliant in nature to international travelling, continued to suffer during 2021.

The economy in China has been steadily growing, with the country's national gross domestic product ("GDP") expanded 8.1% year-on-year ("yoy") in 2021. Despite multiple challenges including the flare-ups of the epidemic, severe flooding, commodity price hikes and thermal coal crunch in 2021, China remained as one of the most resilient economic powers. This resilience facilitated the slow but steady recovery of Macau as borders between Mainland China and Macau reopened. It is encouraging that gross gaming revenue ("GGR") of Macau increased by approximately 43.7% yoy, representing a recovery to approximately 30% of the pre-pandemic GGR level in 2019. Meanwhile, the total visitation also recorded an increase of approximately 30.7% yoy in 2021, reaching approximately 20% of the pre-pandemic level in 2019.

As affected by the recent spread of more transmissible variants of the COVID-19 pandemic including Omicron and Delta, a full economic recovery will likely take more time. Rising geopolitical tensions across the world also put pressure on the market. In addition, the publication of the Macau Government's draft bill on amendments to Law no. 16/2001 "Legal Framework for the Operations of Casino Games of Fortune" has imposed certain new changes on the prospects of the Macau gaming industry. Facing this ever-evolving business environment, the Group will embrace the changes and remain its discipline and prudence in all of its businesses with stringent cost control measures to continue improving its efficiency, optimising its product and service offerings for the ongoing market recovery.

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 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.

The Group purchased an aggregate of approximately 23.4 units of Bitcoin, a cryptocurrency, at an aggregate consideration of approximately USD1.3 million (equivalent to approximately HK\$10.1 million) during the year. For further details, please refer to the announcement dated 10 May 2021 issued by the Company. An impairment loss of approximately HK\$1.7 million was recognised for the year ended 31 December 2021 (2020: nil) in the consolidated statement of profit or loss of the Group.

Dividends

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

Review of Operations

Travel Business

The Group operates one of the largest travel agencies in Canada, Jade Travel Ltd. (“Jade Travel”), which has dedicated segments targeting the wholesale and retail markets respectively to provide customers with professional travel solutions.

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.

For the year ended 31 December 2021, 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). Jade Travel is continuing its cost control measures to streamline its operating procedures for the sake of enhancing efficiency.

Property Investment Business

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.

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).

Investment Project – Ponte 16

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 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.

Nevertheless, Macau maintained the highest degree of vigilance regarding public health and safety. The effective pandemic preventive and control measures imposed in the Mainland China and Macau bore fruit during the year and no widespread infection occurred in Macau. This strategy aided the overall gaming performance of Macau, with GGR recovering to over 30% of pre-pandemic levels in six out of twelve months in 2021. For the whole year, GGR grew by approximately 43.7% yoy, signifying an encouraging market recovery and resilience.

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.

To ensure the health and safety of its employees and visitors, Ponte 16 continued to be diligent and has adopted comprehensive measures including frequent disinfections, temperature checks, wearing facemasks, compulsory health declaration as well as checking the health code of all visitors including its employees before entering its properties and casino. Ponte 16 also implemented an incentive program to encourage its employees to get vaccinated. The vaccination rate of its employees has reached over 90%. Additionally, Ponte 16 remained committed towards cost saving and operation streamlining, placing efficiency as its top priority during the year.

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. 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. For the year ended 31 December 2021, an Adjusted EBITDA* loss of approximately HK\$57.6 million was recorded (2020: approximately HK\$242.9 million).

Despite facing strong market headwinds, Ponte 16 leveraged its vast resources to continually deliver outstanding service. Such efforts were widely acknowledged and Sofitel Macau At Ponte 16 received six awards from reputable organisations. The awards include the “Green Hotel Award – Bronze 2020-2022” by the Macau Environmental Protection Bureau, “Best Excellent Service Hotel of China of 2021” by 21st China Hotel Golden Horse Awards, “Best Resort Hotel” by the Luxury Hotel Awards of 2021, “Best Resort Hotel” and “Best Executive Lounge” by the 2021 Travel & Leisure Industry Awards, and “Best City Resort” by the “2022 Enjoyable Travel Awards”.

For the purposes of, among others, refinancing the existing loan facilities in the aggregate amounts of HK\$735 million and MOP273 million (the “Existing Loan Facilities”) made available to Pier 16 – Property Development Limited (“Pier 16 – Property Development”, an associate of the Group and is principally engaged in the investment, development and through its subsidiaries, operation of Ponte 16) by a bank pursuant to an amended and restated facility agreement dated 23 June 2017 (the “Existing Loan Agreement”) and financing the general working capital for non-gaming operation of Pier 16 – Property Development, Pier 16 – Property Development entered into an amended and restated facility agreement (the “Amended Facility Agreement”) with a bank as lender on 23 June 2021. Pursuant to the Amended Facility Agreement, the maturity date under the Existing Loan Agreement was extended to 23 June 2023 and the amounts of the Existing Loan Facilities were revised to the aggregate amounts of HK\$500 million and MOP273 million (the “Revised Loan Facilities”).

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

Significant Investment

The Group continued to hold overseas listed equity securities during the year to diversify its investment portfolio. As at 31 December 2021, the Group held the following significant investment which was classified as financial assets at fair value through profit or loss:

Name of investment	Trading symbol	Number of common stock held		Approximate percentage of stockholding		Investment cost		Fair value		Approximate percentage to the Group's total assets	
		as at 31 December 2021	as at 31 December 2020	as at 31 December 2021	as at 31 December 2020	as at 31 December 2021	as at 31 December 2020	as at 31 December 2021	as at 31 December 2020	as at 31 December 2021	as at 31 December 2020
				%	%	Equivalent to HK\$ million	%	%			
Tesla, Inc. ("Tesla")	TSLA	32,250	30,850	0.003	0.003	47	38	267	169	19	12

Tesla was incorporated in the State of Delaware, the United States of America with its common stock traded on The Nasdaq Global Select Market and became a Standard & Poor's 500 constituent officially in December 2020. Tesla is principally engaged in designing, developing, manufacturing and selling high-performance fully electric vehicles and energy generation and storage systems, and offering services related to its sustainable energy products. As disclosed in Tesla's audited consolidated financial statements for the year ended 31 December 2021, total revenues of Tesla was increased by approximately 71% to approximately USD53,823 million (equivalent to approximately HK\$421,353 million) for the year ended 31 December 2021 as compared with that for the last corresponding year, and its net income attributable to common stockholders for the year ended 31 December 2021 was increased by approximately 6.7 times to approximately USD5,519 million (equivalent to approximately HK\$43,205 million) (2020: approximately USD 721 million (equivalent to approximately HK\$5,624 million)), which were primarily due to the increase in automotive sales revenue from increased deliveries and deployments of its products.

Beginning in the first quarter of 2021, there has been a trend in many parts of the world of increasing availability and administration of vaccines against COVID-19, as well as an easing of restrictions on social, business, travel and government activities and functions. On the other hand, infection rates and regulations continue to fluctuate in various regions and there are ongoing global impacts resulting from the pandemic, including challenges and increases in costs for logistics and supply chain issues, such as increased port congestion, intermittent supplier delays and a shortfall of semiconductor supply. Tesla has also previously been affected by temporary manufacturing closures, employment and compensation adjustments, and impediments to administrative activities supporting its product deliveries and deployments.

Ultimately, Tesla cannot predict the duration of the COVID-19 pandemic. Tesla will continue to monitor macroeconomic conditions to remain flexible and to optimise and evolve its business as appropriate, and Tesla will have to accurately project demand and infrastructure requirements globally and deploy its production, workforce and other resources accordingly.

A fair value gain of approximately HK\$87.7 million was recognised for the year ended 31 December 2021 in the consolidated statement of profit or loss of the Group (2020: approximately HK\$131.1 million). During the year, Tesla did not declare any dividend.

The significant investment is held for trading. The Group will review its investment strategy regularly in response to the changes in market situation.

Financial review

Liquidity, Financial Resources and Gearing

As at 31 December 2021, the Group had net current assets of approximately HK\$117.6 million (31 December 2020: approximately HK\$90.1 million) and net assets of approximately HK\$1,007.6 million (31 December 2020: approximately HK\$1,002.4 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 currencies are Hong Kong dollars and Canadian dollars as substantially all the revenues are in Hong Kong dollars and Canadian dollars. 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 2022 to 31 October 2024 by a supplemental letter of agreement dated 30 September 2021. As at 31 December 2021, the Company owed HK\$60.0 million to Mr. Yeung under the Revised Mr. Yeung's Loan Facility (31 December 2020: HK\$60.0 million).

As at 31 December 2021, the Group's secured bank facilities were HK\$339.5 million (31 December 2020: HK\$339.5 million) which bear interest at Hong Kong interbank offered rate (HIBOR) plus a margin that was ranged from 1.7% to 1.75% per annum (2020: 1.7% to 1.75% per annum). In addition, the Group had secured general bank facilities for issuance of standby letters of credit of (i) CAD2.0 million (31 December 2020: CAD2.0 million) which carries a commission rate of 1.2% per annum; and (ii) approximately USD0.1 million (31 December 2020: approximately USD0.1 million). The proceeds of the facilities were for the Group's general operation. As at 31 December 2021, the outstanding bank loans were HK\$302.5 million (31 December 2020: HK\$302.5 million).

As at 31 December 2021, the Group had current and non-current lease liabilities of approximately HK\$0.6 million and HK\$0.3 million (31 December 2020: approximately HK\$0.8 million and HK\$0.9 million) respectively.

As at 31 December 2021, total equity attributable to owners of the Company was approximately HK\$1,007.6 million (31 December 2020: approximately HK\$1,002.4 million). The net gearing ratio, which was measured on the basis of the interest-bearing borrowings (including lease liabilities), net of cash and cash equivalents, of the Group over total equity attributable to owners of the Company, was approximately 31% as at 31 December 2021 (31 December 2020: approximately 25%).

Provision of Financial Assistance to Pier 16 – Property Development

References were made to the announcement dated 18 June 2021 (the “Announcement”) and the circular dated 12 July 2021 (the “Circular”) both issued by the Company in relation to the provision of financial assistance to Pier 16 – Property Development (the “2021 Financial Assistance”). The estimated total exposure of the Company under the provision of the 2021 Financial Assistance was approximately HK\$509 million.

The provision of the 2021 Financial Assistance constituted a major transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). On 18 June 2021, the Company obtained a written shareholder’s approval from a shareholder, which held approximately 71.52% of the entire issued share capital of the Company as at the date of such written approval, in respect of the provision of the 2021 Financial Assistance.

For further details of the 2021 Financial Assistance, please refer to the Announcement and the Circular.

Pledge of Assets

As at 31 December 2021, the Group had secured the following assets:

- (a) the Group pledged all of its investment properties, one of its stock of properties as well as the leasehold land and building totally with the carrying amount of approximately HK\$461.0 million (31 December 2020: approximately HK\$459.8 million) to secure against the loan facilities of approximately HK\$339.5 million and a standby letter of credit of CAD2.0 million, totally equivalent to approximately HK\$351.9 million (31 December 2020: approximately HK\$339.5 million and CAD2.0 million, totally equivalent to approximately HK\$351.8 million) granted to the Group;
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2020: all) of its shares in Pier 16 – Property Development to a bank in respect of the loan facilities granted to Pier 16 – Property Development; and

- (c) the Group pledged the time deposits of approximately USD0.1 million, equivalent to approximately HK\$0.6 million (31 December 2020: approximately USD0.1 million, equivalent to approximately HK\$0.6 million) to a bank for the issuance of a standby letter of credit of approximately USD0.1 million, equivalent to approximately HK\$0.5 million (31 December 2020: approximately USD0.1 million, equivalent to approximately HK\$0.5 million) for the operation of the Group.

Contingent Liabilities

The Company gave a corporate guarantee (the “Guarantee”) to a bank in respect of the loan facilities granted to Pier 16 – Property Development. The maximum guarantee amount borne by the Company under the Guarantee was HK\$490.0 million.

The outstanding loan under the Revised Loan Facilities as at 31 December 2021 was approximately HK\$230.0 million (31 December 2020: outstanding loan under the Existing Loan Facilities was approximately HK\$185.0 million).

Human Resources

As at 31 December 2021, the Group had a total of 64 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

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, research from the World Health Organisation has showed that despite its higher transmissibility, the symptoms induced by Omicron are relatively milder. In the two years since the start of the COVID-19 outbreak, 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 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 and will be continually attentive to market changes and explore any suitable investment opportunities to diversify the Group's investment portfolio.

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.

Due to the persisting and ever-developing COVID-19 pandemic and intensifying geopolitical tensions, it is anticipated that the global business environment would remain volatile and the outlook for 2022 would be subject to the considerable uncertainties. Under such a background, the Group believes that operational resilience and agility will still be the key to success, and will react to the market changes accordingly while maintaining financial prudence and discipline.

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

During the year ended 31 December 2021, 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 set out in the Corporate Governance Code which were in force as contained in Appendix 14 of the Listing Rules during the year ended 31 December 2021.

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company will be held on Friday, 10 June 2022 (the "2022 AGM"). For the purpose of determining the shareholders who are entitled to attend and vote at the 2022 AGM, the register of members of the Company will be closed from Tuesday, 7 June 2022 to Friday, 10 June 2022, 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 2022 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Monday, 6 June 2022 for registration.

REVIEW OF FINAL RESULTS

The consolidated results for the year ended 31 December 2021 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, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 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, 30 March 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Mr. 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.