

**Press Release**

[For Immediate Release]

**Success Universe Announces 2021 Interim Results**

**Overview**

- Revenue was approximately HK\$35.4 million and gross profit was approximately HK\$4.3 million for the first half of 2021
- Loss attributable to owners of the Company decreased by approximately 60% to approximately HK\$52.8 million
- Due to the severe disruptions caused by the COVID-19 pandemic, revenue of the travel business decreased by approximately 90% to approximately HK\$33.4 million; segment loss decreased by approximately 66% to approximately HK\$1.9 million, including an impairment loss recognised on intangible assets of approximately HK\$1.5 million
- Revenue of the property investment business decreased by approximately 66% to approximately HK\$1.9 million, while segment profit was approximately HK\$12.0 million which was mainly due to the recognition of a fair value gain on investment properties
- Supported by market recovery in Macau, the Group's shared loss of the associates relating to Ponte 16, the Group's flagship investment project, decreased by approximately 53% to approximately HK\$30.3 million. An Adjusted EBITDA\* loss of approximately HK\$41.4 million was recorded

**30 August 2021, 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 2021.

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

## RESULTS

For the six months ended 30 June 2021, revenue of the Group was approximately HK\$35.4 million, decreased by approximately 89% from approximately HK\$333.9 million for the same period of 2020. Gross profit was approximately HK\$4.3 million, decreased by approximately 60% from approximately HK\$10.6 million for the last corresponding period. The Group's shared loss of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the first half of 2021 was approximately HK\$30.3 million, decreased by approximately 53% from approximately HK\$64.0 million for the last corresponding period. Loss attributable to owners of the Company for the reporting period decreased by approximately 60% to approximately HK\$52.8 million (2020: approximately HK\$132.3 million), whilst loss per share was 1.07 HK cents (2020: 2.68 HK cents).

The decrease in the loss of the Group for the six months ended 30 June 2021 was mainly attributable to (i) the decrease in the Group's share of loss of the Associates; and (ii) a fair value gain on the Group's investment properties was recorded, while a fair value loss on the Group's investment properties was recorded for the last corresponding period, notwithstanding that a fair value loss on the Group's overseas listed equity securities was recorded while a fair value gain was recorded 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 2021 (2020: nil).

## REVIEW OF OPERATIONS

### *Travel Business*

For the six months ended 30 June 2021, due to the severe disruptions caused by the COVID-19 pandemic, revenue of the travel business segment decreased by approximately 90% to approximately HK\$33.4 million from approximately HK\$328.1 million for the last corresponding period. Loss in this segment decreased by approximately 66% to approximately HK\$1.9 million from approximately HK\$5.5 million for the last corresponding period, including an impairment loss on intangible assets of approximately HK\$1.5 million (2020: approximately HK\$3.3 million) which was recognised for the reporting period. Jade Travel Ltd. ("Jade Travel") continues its cost control measures and streamlines its operating procedures to enhance efficiency.

In the first half of 2021, the international tourism industry remained stagnant due to the volatility of the pandemic, as well as the strict border restrictions and quarantine measures that remained in place in many countries. Despite the progressive development and distribution of vaccines, the travel demands from international students and tourists were still low and thus the tourism business in Canada was still in a slump.

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

Revenue of the property investment business for the reporting period amounted to approximately HK\$1.9 million, representing a decrease of approximately 66% as compared with approximately HK\$5.8 million for the last corresponding period, 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\$12.0 million (2020: segment loss of approximately HK\$58.4 million) which was mainly due to the recognition of a fair value gain on investment properties of approximately HK\$9.6 million (2020: fair value loss of approximately HK\$53.8 million) notwithstanding a write-down of carrying amount of stock of properties amounting to approximately HK\$0.5 million for the six months ended 30 June 2021 (2020: approximately HK\$9.3 million).

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

Supported by market recovery, the gaming and occupancy performance of Ponte 16 saw improvements during the reporting period. The business performance of Ponte 16 recovered to almost half of pre-pandemic levels and the average occupancy rate of Sofitel Macau At Ponte 16 reached over 90% during the Labour Day Golden Week. As at 30 June 2021, the casino of Ponte 16 had 93 gaming tables in operation, consisting of 86 mass gaming tables and 7 high-limit tables. For the six months ended 30 June 2021, an Adjusted EBITDA\* loss of approximately HK\$41.4 million was recorded (2020: approximately HK\$93.3 million).

Due to clusters of COVID-19 infections in certain provinces across Mainland China in early 2021, the Chinese government discouraged the masses from travelling but staying locally during the Chinese New Year holiday, and hence the recovery of Macau's economy was slower than anticipated. Nonetheless, Macau's economy showed steady gradual improvements with its accumulated gross gaming revenue ("GGR") for the first half of 2021 amounted to approximately MOP49.0 billion, representing an increase of 45.4% as compared to the same period of last year, partly attributable to encouraging performance during the Labour Day Golden Week. However, owing to a small outbreak of the Delta variant in Guangdong Province in June 2021 that triggered temporary tightening of the border restrictions between Macau and Guangdong Province, tourist visitation numbers in June 2021 plummeted back to its lowest point since the resumption of the Individual Visit Scheme. As a result of effective quarantine measures which have swiftly put the outbreak in Guangdong Province under control, the Guangdong-Macau border restrictions and the mandatory quarantine have been removed since July 2021.

During the reporting period, the COVID-19 pandemic continued to be a major operating concern. Ponte 16 remained diligent in safeguarding the health and safety of its guests and staff, and proactively implemented a series of precautionary measures. In addition, Ponte 16 implemented cost control measures and streamlined its operating procedures to enhance efficiency.

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

## PROSPECTS

Governments around the globe continue to devote significant efforts in controlling the COVID-19 pandemic, and a gradual recovery can be observed in certain areas of the world. However, the outlook is subject to considerable uncertainties.

The global tourism industry suffered an unprecedented blow and is expected to take time to bounce back to pre-pandemic levels. Stepping into the second half of 2021, this situation will likely improve. The government of Canada announced in July 2021 that they would ease travel restrictions for fully vaccinated US residents starting from August 2021, followed by tentative plans to reopen its border to international travellers from September 2021. With this silver lining, Jade Travel will remain attentive and engage with customers and business partners closely to maintain its market identity as a reliable product and service provider in North America's tourism market. Further, Jade Travel will proactively explore and expand its product offerings in order to cater to the changing travel patterns and consumer demand.

Following its longest and deepest recession in history, the economy of Hong Kong returned to growth in the first half of 2021. The commercial property market showed signs of recovery starting from 2021. The Group believes that long term prospects in the commercial property market still has potential due to Hong Kong's solid fundamentals as an international commercial hub. As such, the Group will remain cautiously attentive towards the market and look for suitable investment opportunities.

In Macau, its economy has steadily improved as Mainland China reopened borders. There have been active discussions recently to kick-start a three-way reopening of borders among Mainland China, Macau and Hong Kong. Unfortunately, after 16 months of zero local cases, Macau reported new Delta variant cases in early August 2021. The pandemic remains a significant drag on Macau's GGR and tourist visitations. Based on the experience of successful and effective measures taken during the outbreak of COVID-19 in the first half of 2020, the Group is confident that the Macau government is capable of coping with the rebound of the pandemic.

In the long run, since the Macau government has been actively enhancing its infrastructure network to align with China's initiative to develop the Greater Bay Area, the Group believes Macau would enjoy a first-mover advantage in the revival of tourism demand. With all the catalysts rolling-in, Ponte 16 will maintain its market share by leveraging on its advantages and the vibrant cultural resources of the Inner Harbour area. Specifically, Ponte 16 will initiate a joint promotion with local retailers, restaurants, and souvenir shops within the Inner Harbour area in order to boost local consumption and promote this beautiful tourist hotspot.

Looking forward, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, “Although it is anticipated that the global business environment will continue to be volatile due to the evolving situation of the COVID-19 pandemic, encouraging news such as border reopening has been released piece by piece. The Group will set its focus on maintaining a high degree of corporate agility and implementing flexible development strategies and financial prudence to maintain resilience against the ever-changing market landscape with the aim of bringing long-term and sustainable returns to its shareholders.”

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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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