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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION –
ACQUISITION OF INTEREST IN A SUBSIDIARY FROM
A CONNECTED PERSON AT THE SUBSIDIARY LEVEL**

The Board wishes to announce that on 9 November 2018 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor whereby the Vendor agreed to sell and assign, and the Purchaser agreed to purchase and accept the assignment of, the Sale Shares and the Sale Loan at the Consideration of CAD1,370,000.00 (equivalent to approximately HK\$8,158,000.00).

As certain applicable percentage ratios calculated in accordance with the Listing Rules are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Further, as at the date of this announcement, the Target Company is owned as to 75% by the Purchaser and as to 25% by the Vendor. Therefore, the Vendor is a connected person of the Company and the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition are less than 25% and the Consideration is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

The Board wishes to announce that on 9 November 2018 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor.

THE AGREEMENT

Date:

9 November 2018

Parties:

Vendor: 1034635 B.C. Ltd., a company incorporated in British Columbia, Canada, is the holder of 25% of all outstanding and issued shares of the Target Company and a connected person of the Company under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an investment holding company.

Purchaser: 1338 Successful Venture Ltd., an indirect wholly-owned subsidiary of the Company and the holder of 75% of all outstanding and issued shares of the Target Company. The principal activity of the Purchaser is investment holding.

Assets to be acquired by the Purchaser:

The assets to be acquired comprise (i) the Sale Shares, representing 25% of all outstanding and issued shares of the Target Company as at the date of this announcement and on Completion; and (ii) the Sale Loan, being the entire amount of the shareholder's loans owing by the Target Company to the Vendor on Completion, which amount as at the date of the Agreement is CAD4,320,523.20 (equivalent to approximately HK\$25,728,000.00).

Consideration

The Consideration is CAD1,370,000.00 (equivalent to approximately HK\$8,158,000.00) and was agreed between the Vendor and the Purchaser after arm's length negotiations taking into account, among other things, the net liabilities of the Target Company.

The Consideration is apportioned as follows:

- (i) CAD23.50 (equivalent to approximately HK\$140.00) is attributable to the Sale Shares; and
- (ii) the balance of the Consideration in the amount of CAD1,369,976.50 (equivalent to approximately HK\$8,158,000.00) is attributable to the Sale Loan.

The Consideration will be satisfied by the Purchaser in cash on Completion. It is expected that the Consideration will be financed by the internal resources of the Group and/or external borrowings.

Conditions precedent

Completion is conditional upon the fulfillment of, inter alia, the following conditions:

- (a) the representations and warranties of the Vendor under the Agreement shall be true and correct at Completion and with the same effect as if made at and as of Completion;
- (b) the representations and warranties of the Purchaser under the Agreement shall be true and correct at Completion and with the same effect as if made at and as of Completion; and
- (c) the Purchaser shall have received from the Vendor and, where applicable, the Target Company certain closing documentation at Completion including but not limited to instrument of transfer duly executed to effect the transfer of the Sale Shares to the Purchaser free from all encumbrances and the assignment of the Sale Loan free from all encumbrances duly executed by the Vendor.

The condition under paragraph (c) cannot be waived by the Vendor and the Purchaser. Conditions under paragraphs (a) and (b) can be waived by either (in connection with paragraph (b) only) the Vendor or (in connection with paragraph (a) only) the Purchaser in writing in whole or in part on or before Completion. If any of the conditions set out in the Agreement has not been fulfilled or waived (as applicable) by Completion, either the Vendor or the Purchaser may rescind the Agreement by giving written notice to the other party whereupon the provisions of the Agreement shall from such date have no further force and effect and no party shall have any liability under them (without prejudice to the rights of the parties in respect of any antecedent breaches).

As at the date of this announcement, none of the conditions set out in the Agreement has been fulfilled or, where applicable, waived.

Completion

Subject to the fulfillment or waiver (as applicable) of the conditions set out in the Agreement, Completion is scheduled to take place on 30 November 2018, or such other date as may be agreed between the Vendor and the Purchaser in writing.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE GROUP

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.

INFORMATION ON THE TARGET COMPANY

The Target Company is an investment holding company which indirectly holds the entire shareholding interests in Jade Travel Ltd. (a corporation incorporated under the laws of Ontario, Canada) which carries on travel agency business in Canada. As at the date of this announcement, the Target Company is owned as to 75% by the Purchaser and as to 25% by the Vendor.

Set out below is a summary of the audited consolidated financial statements of the Target Company for the two years ended 31 December 2016 and 31 December 2017 respectively:

	For the year ended 31 December 2016		For the year ended 31 December 2017	
	<i>CAD'000</i>	<i>HK\$'000 equivalent</i>	<i>CAD'000</i>	<i>HK\$'000 equivalent</i>
Loss before taxation	1,212	7,217	2,408	14,339
Loss after taxation	1,212	7,217	2,408	14,339
Net liabilities	7,309	43,523	9,725	57,910

As advised by the Vendor, the original acquisition cost incurred by it in respect of the interest in the Target Company was approximately CAD2.9 million (equivalent to approximately HK\$17.1 million).

REASONS AND BENEFITS OF THE ACQUISITION

As mentioned in the interim report of the Company for the six months ended 30 June 2018, Jade Travel Ltd. had achieved an encouraging performance with a revenue increase of approximately 76% for the first half of 2018, driven by the substantial growth of the wholesale segment and the stable revenue contributed by the retail segment. Jade Travel Ltd. also continued to work closely with leading regional and international online travel portals, including the most well-known and widely-used portals in the PRC, for the penetration of its broad range of travel products. After Completion, the Group can consolidate its shareholding control of the Target Company and will have greater flexibility in formulating business strategy for Jade Travel Ltd. which will help to improve the value of the travel business of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement, including the Consideration, and the transactions contemplated thereunder, are on normal commercial terms, fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios calculated in accordance with the Listing Rules are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Further, as at the date of this announcement, the Target Company is owned as to 75% by the Purchaser and as to 25% by the Vendor. Therefore, the Vendor is a connected person of the Company and the Acquisition also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Acquisition are less than 25% and the Consideration is less than HK\$10,000,000, the Acquisition is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

To the best of the Directors' knowledge, none of the Directors has any material interest in the Acquisition and therefore none of them is required to abstain from voting on the resolution of the Board approving the Acquisition.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the share purchase agreement dated 9 November 2018 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the Acquisition
“Board”	board of Directors
“CAD”	Canadian dollar(s), the lawful currency of Canada
“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
“Completion”	completion of the Acquisition
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	CAD1,370,000.00 (equivalent to approximately HK\$8,158,000.00), being the total consideration for the Sale Shares and the Sale Loan
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	1338 Successful Venture Ltd., a company incorporated in British Columbia, Canada with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Loan”	the entire amount owing by the Target Company to the Vendor as at the date of Completion, which amount as at the date of the Agreement is CAD4,320,523.20 (equivalent to approximately HK\$25,728,000.00)
“Sale Shares”	2,350 common shares without par value in the capital of the Target Company, representing 25% of all outstanding and issued shares of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	665127 British Columbia Ltd., a company incorporated in British Columbia, Canada with limited liability and an indirect non-wholly owned subsidiary of the Company

“Vendor” 1034635 B.C. Ltd., a company incorporated in British Columbia, Canada with limited liability

“%” per cent

By order of the Board
SUCCESS UNIVERSE GROUP LIMITED
Yeung Hoi Sing, Sonny
Chairman

Hong Kong, 9 November 2018

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.

For the purpose of illustration only, amounts denominated in CAD in this announcement have been translated into HK\$ at the rate of CAD1.00 = HK\$5.95475. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.