

Press Release

[For Immediate Release]

Success Universe Announces 2019 Annual Results

Profit Attributable to Owners of The Company for The Year Rose Approximately 36%

Overview

- Revenue was approximately HK\$1,147.4 million and gross profit was approximately HK\$30.3 million for 2019
- Profit attributable to owners of the Company was approximately HK\$74.2 million
- Revenue of the travel business increased to approximately HK\$1,128.6 million due to strategic collaborations with leading domestic and international travel portals and the further development on online presence
- Revenue of the property investment business was approximately HK\$18.8 million
- The Adjusted EBITDA* of Ponte 16, the Group's flagship investment project, increased by approximately 6% to approximately HK\$377.5 million, with the average occupancy rate of Sofitel Macau At Ponte 16 achieved over 90%.

30 March 2020, 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 consolidated annual results for the year ended 31 December 2019.

RESULTS

For the year ended 31 December 2019, revenue of the Group was approximately HK\$1,147.4 million, increased by approximately 2% from approximately HK\$1,120.3 million for the last corresponding year. Gross profit decreased by approximately 12% to approximately HK\$30.3 million 2018: approximately HK\$34.4 million. The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the year of 2019 was approximately HK\$116.8 million, increased by approximately 71% from approximately HK\$68.1 million for the last year. Profit attributable to owners of the Company for the reporting year amounted to approximately HK\$74.2 million (2018: approximately HK\$54.5 million), whilst earnings per share was 1.51 HK cents (2018: earnings per share was 1.11 HK cents).

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

The increase in profit was mainly attributable to the increase in the Group's share of profit of the Associates, notwithstanding the decrease in fair value gain on the Group's investment properties as well as the write-down of carrying amount of the Group's stock of properties.

Dividends

No interim dividend was paid in 2019 (2018: nil). The directors of the Company ("Director(s)") do not recommend any payment of a final dividend for the year ended 31 December 2019 (2018: nil).

REVIEW OF OPERATIONS

Travel Business

For the reporting year, revenue of the travel business segment increased to approximately HK\$1,128.6 million, increased by approximately 4% for the year ended 31 December 2019 (2018: approximately HK\$1,090.2 million). Although Jade Travel Ltd. ("Jade Travel") has been responding to the market dynamics swiftly in order to stay ahead of the competition, trade disputes and geo-political tensions created pressures on the tourism market worldwide as discretionary spending in corporate and personal travels was suppressed. Loss in this segment amounted to approximately HK\$3.9 million (2018: profit of approximately HK\$2.0 million including reversal of impairment loss on intangible assets of approximately HK\$3.2 million).

The Group operates Jade Travel, one of the largest travel agencies in Canada, which has dedicated segments targeting wholesale and retail markets respectively to provide customers with satisfying and professional services. Jade Travel has been working closely with leading regional and international online travel portals to keep track of the latest market dynamics and to offer competitive and comprehensive products, and the online ticketing fulfilment services for travel agencies maintained a steady growth in 2019. Responding to the changes in market conditions, Jade Travel has been making continuous efforts in exploration and improvement to develop its online presence with technological upgrades and marketing strategies.

Jade Travel remains steadfast in providing more personalised travel packages to alternative and exotic destinations all around the world, from long haul excursion to exceptional local tours. Through the international online travel portals and the widely-used portals in China, Jade Travel's leading products are able to reach all travellers in the global travel market, including the growing markets in Asia Pacific and China.

Property Investment Business

Revenue of the property investment business for the reporting year amounted to approximately HK\$18.8 million, representing a decrease of approximately 38% as compared with approximately HK\$30.1 million for the last corresponding year. Segment profit decreased by

approximately 71% to approximately HK\$11.0 million (2018: approximately HK\$37.7 million), which was mainly due to the decrease in fair value gain on investment properties to approximately HK\$1.2 million (2018: approximately HK\$27.3 million) as well as write-down of carrying amount of stock of properties amounting to approximately HK\$14.5 million (2018: nil), despite gain on disposal of properties of approximately HK\$18.4 million (2018: approximately HK\$6.0 million).

The overall property market in Hong Kong has been clouded by local social incidents and economic uncertainties since mid-2019, but the leasing demand for office premises remained solid in prime locations during the year. Capital value of Grade A office buildings in Central and Admiralty remained stable, while the ongoing decentralisation trend stimulated the rents of office buildings in sub-prime locations.

During the reporting year, the Group remained resilient in the face of challenges and enjoyed steady rental income from its investment portfolio of commercial properties in prime locations in Hong Kong. Despite the pressure on the property market in the short term, the Group will closely monitor the commercial property market and review available options to enhance its investment portfolio for steady rental income and capital appreciation potential in a longer term.

Investment Project — Ponte 16

Macau's gross gaming revenue (GGR) contracted 3.4% year-on-year in 2019, amounted to approximately MOP292.4 billion. With the effective allocation of resources to reach the mass market segment, Ponte 16's growth of revenue outperformed the market. As at 31 December 2019, the casino of Ponte 16 had 109 gaming tables, consisting of 98 mass gaming tables, 7 high-limit tables and 4 VIP tables, maintaining a competitive mix for the current market trend of Macau. Adjusted EBITDA* for the reporting year increased by approximately 6% to approximately HK\$377.5 million (2018: approximately HK\$356.7 million). The average occupancy rate of Sofitel Macau At Ponte 16 achieved over 90% in 2019 (2018: over 90%).

The openings of Hong Kong - Zhuhai - Macau Bridge and The Macau Light Rapid Transit further enhance the accessibility to and within Macau for both Chinese and international visitors, and the Group believes that families and the up-rising middle class will continue to be the significant drive for Macau tourism. Positioning as a world-class integrated casino entertainment resort, Ponte 16 is able to leverage on its unique geographical location in the vibrant cultural site of the Inner Harbour near a World Heritage Site, recognised by the United Nations Educational, Scientific and Cultural Organisation (UNESCO), to constantly discover new and entertaining experiences for visitors. In April 2019, Ponte 16 introduced Macau's first Angry Birds-themed playground — The Angry Birds Play Center @ Ponte 16, which has been well-received by locals and tourists.

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

PROSPECTS

Stepping into 2020, the global economic conditions are expected to be clouded by the trade disputes and geo-political tension, as well as the impacts of the ongoing novel coronavirus (COVID-19) crisis. The pandemic has brought further pressure on worldwide business sectors, in particular of gaming, tourism and entertainment industries, and it is not possible to predict the full extent of the impact at this point of time. Nevertheless, the Chinese government has dedicated significant resources to fight the pandemic, while the U.S. Federal Reserve has been cutting its interest rate since March 2020. With such swift implementation of stabilisation measures taken by the major nations, the global economy is expected to weather the present difficulties and the Group will continuously enhance its operational efficiency and maintain a well-balanced business portfolio.

Ponte 16 is committed to the health and safety of all its guests and employees, thus it has adopted all necessary protective measures and supported the Macau government's prevention and control measures. During the temporary suspension of operations for 15 days since 5 February 2020, Ponte 16 has optimised the hygiene and sanitisation measures to ensure a safe and comfortable environment for visitors. It is believed that consumers' confidence will rebound after the ease of COVID-19, as the infrastructure will continue to improve the accessibility to and within Macau. The Greater Bay Area integration plan will further tighten economic links with China, spurring Macau's economic benefits. With its solid and dependable management team and the unwavering commitment of its dedicated staff, Ponte 16 will overcome the prevailing challenges and continue to stably develop its premium hospitality services and entertainment to attract a wider visitor mix once the pandemic is over.

Due to the spread of COVID-19, governments in all large countries are closing borders to foreign nationals, both inward and outward, in order to minimise travel and public movement. The full extent and duration of the impact on the global tourism industry is still hard to predict, Jade Travel will closely monitor the tourism market and explore new services, revenue streams and retail locations, as well as enhancing operational efficiency and cost management. The Group remains cautiously optimistic about the outlook of the travel and tourism industry. With advancement in the automatic ticketing system and establishment of strategic partnerships with leading travel portals, Jade Travel will continue to address travellers' diverse interests and conducive to maintain healthy and sustainable growth over the medium- to long-term.

As a premier international hub for finance, business and trade, the Group believes that Hong Kong's property investment market will regain strong momentum with the city's solid fundamentals, together with the new demands for office, retail and industrial properties arising from the ongoing developments in the Greater Bay Area. The Group will continue to leverage on its property investment portfolio for a steady recurring income stream, and scale up its portfolio when opportunities arise.

Looking forward, **Mr. Yeung Hoi Sing, Sonny, Chairman of Success Universe Group Limited** commented, “The Group has always been cautious and prudent towards the formulation of corporate strategy and financial discipline. Although the operating environment is challenging amid persistent global economic uncertainties, the Group will adopt a forward-looking approach to overcome the difficulties and remains cautiously proactive about its future plans in accordance with corporate direction in maintaining diversified business portfolio.”

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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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