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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Success Universe Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**MAJOR TRANSACTION IN RELATION TO  
THE PROVISION OF FINANCIAL ASSISTANCE TO  
PIER 16 – PROPERTY DEVELOPMENT LIMITED**

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## DEFINITIONS

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

“2007 Acquisition Circular”	the circular of the Company dated 29 January 2007 in relation to the acquisition by the Group of 12.25% equity interest in, and the related shareholder’s loan of, Pier 16 – Property Development and the possible provision of shareholder’s loan by the Group to Pier 16 – Property Development
“2007 Financial Assistance Announcement”	the announcement of the Company dated 28 June 2007 in relation to the execution of the 2007 SUG Guarantee by the Company
“2007 SUG Guarantee”	the corporate guarantee executed by the Company to guarantee the payment obligation of Pier 16 – Property Development in respect of certain syndicated loan facilities granted by a group of financial institutions on 28 June 2007, details of which are set out in the 2007 Financial Assistance Announcement
“2009 Financial Assistance Circular”	the circular of the Company dated 8 May 2009 in relation to the provision of further financial assistance by the Group to Pier 16 – Property Development
“2010 Financial Assistance Announcement”	the announcement of the Company dated 25 June 2010 in relation to the provision of further financial assistance by the Group to Pier 16 – Property Development
“2012 Financial Assistance Circular”	the circular of the Company dated 18 May 2012 in relation to, inter alia, the provision of further financial assistance by the Group to Pier 16 – Property Development
“2017 Financial Assistance Circular”	the circular of the Company dated 19 July 2017 in relation to, inter alia, the Existing Facilities and the Existing SUG Guarantee
“2020 Financial Assistance”	SUG Shareholder’s Loan in the aggregate amount of HK\$98 million provided by the Group to Pier 16 – Property Development, details of which are set out in the 2020 Financial Assistance Announcement

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## DEFINITIONS

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“2020 Financial Assistance Announcement”	the announcement of the Company dated 15 October 2020 in relation to the provision of the 2020 Financial Assistance
“2021 Financial Assistance”	the Amended and Restated Facility Agreement, the Acknowledgment Letter, the Amended and Restated Share Pledge and the Confirmation of Subordination Agreement, and the respective transactions contemplated thereunder
“Acknowledgment Letter”	an acknowledgment letter dated 23 June 2021 given by the Company in favour of the Security Agent under which the Company has, inter alia, acknowledged and confirmed the continuance of the Composite Confirmation Letter and the Livrança for the purpose of securing the obligations arising from the Amended and Restated Facility Agreement
“Agreement Date”	23 June 2021, being the signing date of the Amended and Restated Facility Agreement
“Amended and Restated Facility Agreement”	the amended and restated facility agreement dated 23 June 2021 entered into between, among others, Pier 16 – Property Development as borrower and the Lender as lender, mandated lead arranger, bookrunner, facility agent and security agent relating to the amendment and restatement of the terms of the Facility Agreement
“Amended and Restated Share Pledge”	the second composite amendment and restatement of share pledges dated 23 June 2021 executed by, among others, World Fortune (as a pledgor) and Pier 16 – Property Development (as company) whereby, inter alia, World Fortune has confirmed that the provisions of the Existing Share Pledge remain in full force and effect
“Announcement”	the announcement of the Company dated 18 June 2021 in relation to the 2021 Financial Assistance
“Board”	the board of Directors
“Company”	Success Universe Group Limited (stock code: 00487), a company incorporated in Bermuda with limited liability whose issued Shares are listed on the main board of the Stock Exchange

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## DEFINITIONS

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“Composite Confirmation Letter”	the composite confirmation letter dated 23 June 2017 given by, among others, the Company in favour of the Security Agent under which, inter alia, the Company confirmed the provisions of the Existing SUG Guarantee remain in full force and effect for the Existing Facilities, details of which are set out in the 2017 Financial Assistance Circular
“Confirmation of Subordination Agreement”	the second confirmation of subordination agreement dated 23 June 2021 executed by, among others, Pier 16 – Property Development and World Fortune under which World Fortune has confirmed that the provisions of the Existing Subordination Agreement remain in full force and effect
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Facilities”	term loan facilities in the aggregate amounts of HK\$735 million and MOP273 million made available to Pier 16 – Property Development pursuant to the Facility Agreement, details of which are set out in the 2017 Financial Assistance Circular
“Existing Share Pledge”	the share pledge over all the shares in Pier 16 – Property Development given by, among others, World Fortune (as a pledgor) and Pier 16 – Property Development (as company) in favour of the Security Agent on 28 June 2012, details of which are set out in the 2012 Financial Assistance Circular, as amended and restated by an amendment and restatement of share pledges dated 23 June 2017 whereby, inter alia, World Fortune confirmed the provisions of the share pledge dated 28 June 2012 remain in full force and effect, details of which are set out in the 2017 Financial Assistance Circular
“Existing SUG Guarantee”	the corporate guarantee executed by the Company to guarantee 49% of the payment obligation of Pier 16 – Property Development in respect of the Existing Facilities granted by a group of financial institutions on 28 June 2012, details of which are set out in the 2012 Financial Assistance Circular, as confirmed by the Composite Confirmation Letter

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## DEFINITIONS

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“Existing Subordination Agreement”	the subordination agreement entered into between, among others, Pier 16 – Property Development, the Security Agent and World Fortune in respect of subordination of certain indebtedness owing by Pier 16 – Property Development to World Fortune on 28 June 2012, details of which are set out in the 2012 Financial Assistance Circular, as confirmed by a confirmation of subordination agreement dated 23 June 2017 executed by, among others, Pier 16 – Property Development and World Fortune under which World Fortune confirmed the provisions of the subordination agreement dated 28 June 2012 remain in full force and effect for the Existing Facilities, details of which are set out in the 2017 Financial Assistance Circular
“Facility Agreement”	the facility agreement dated 17 April 2012 as amended and restated on 23 June 2017 entered into between, inter alia, Pier 16 – Property Development as borrower and the Lender in relation to the Existing Facilities made available to Pier 16 – Property Development
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons (as defined under the Listing Rules)
“Land Concession”	the leasing of the Property (including the ownership of all structures and buildings erected or to be erected thereon) for a 25 year period from 14 February 2005, renewable, provided by the Macau government to Pier 16 – Property Development according to the terms and conditions set forth on Dispatch 9/2005 in Official Gazette No.6 – II dated 14 February 2005 which is registered with the Macau Land Registry Office (in Portuguese: Conservatória do Registo Predial, and in Chinese: 物業登記局) under no.30269F

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## DEFINITIONS

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“Land Concession Modification”	any modification, variation or waiver of any term or condition of the Land Concession agreeable by the Macau government and (if required) published in Official Gazette
“Land Premium”	the land premium and all other sums (if any) required to be paid to the relevant agency of the Macau government for any Land Concession Modification or, as reasonably determined by the Facility Agent, in connection with the ownership of the Property
“Latest Practicable Date”	9 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Lender” or “Facility Agent” or “Security Agent”	Industrial and Commercial Bank of China (Macau) Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Livrança”	the legally notarized livrança (promissory note) dated 29 June 2017 for a sum of HK\$1,000 million executed by Pier 16 – Property Development and endorsed by, among others, the Company for a sum of not exceeding HK\$490 million in support of the Company’s obligations under the Composite Confirmation Letter, details of which are set out in the 2017 Financial Assistance Circular
“Macau”	the Macau Special Administrative Region of the PRC
“March 2021 Shareholder’s Loan”	further shareholder’s loan of HK\$19.6 million provided by the Group to Pier 16 – Property Development in March 2021
“MOP”	Macau Pataca, the lawful currency of Macau
“Mr. Yeung”	Mr. Yeung Hoi Sing, Sonny, an executive Director and the Chairman of the Board as well as a controlling shareholder of the Company
“New Maturity Date”	24 months from the Agreement Date

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## DEFINITIONS

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“Pier 16 – Property Development”	Pier 16 – Property Development Limited, a company incorporated in Macau with limited liability which is beneficially held as to 51% by SJM-IL, an Independent Third Party, and as to 49% by World Fortune as at the Latest Practicable Date
“Ponte 16”	a world-class integrated casino-entertainment resort situated at the Property comprising a five-star luxury hotel, a casino, a shopping arcade, food and beverage functions as well as recreational facilities
“PRC” or “Mainland China”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong, Taiwan and Macau
“Property”	a piece of land with the area of 23,066 square meters or such area as to be defined in any Land Concession Modification and located at Rua das Lorchas and Rua do Visconde Paço de Arcos, between Pier no.12A and 20, of inner harbour of Macau described in Macau Land Registry Office under number 23151 of Book B, including all structures and buildings erected or to be erected thereon
“Revised Facilities”	transferable term and revolving loan facilities in the aggregate amounts of HK\$500 million and MOP273 million made available to Pier 16 – Property Development pursuant to the Amended and Restated Facility Agreement
“Security Documents”	collectively, the Acknowledgment Letter, the Amended and Restated Share Pledge and the Confirmation of Subordination Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)



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## DEFINITIONS

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“Silver Rich”	Silver Rich Macau Development Limited, a company incorporated in the British Virgin Islands with limited liability which beneficially owns 3,523,190,987 Shares, representing approximately 71.52% of the entire issued share capital of the Company as at the Latest Practicable Date and is direct wholly and beneficially owned by Mr. Yeung
“SJMSA”	SJM Resorts, S.A. (formerly known as Sociedade de Jogos de Macau, S.A.), a company incorporated under the laws of Macau and a subsidiary of SJM Holdings Limited (a company whose issued shares are listed on the main board of the Stock Exchange, stock code: 880)
“SJM-IL”	SJM – Investment Limited, a company incorporated under the laws of Macau with limited liability and a wholly-owned subsidiary of SJMSA
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SUG Shareholder’s Loan”	shareholder’s loans provided by the Group to Pier 16 – Property Development from time to time
“World Fortune”	World Fortune Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“%”	per cent.

*Note: Unless otherwise specified, conversions of HK\$ into MOP in this circular are based on the exchange rate of HK\$1.00 = MOP1.03 for illustration purpose only.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Yeung Hoi Sing, Sonny (*Chairman*)  
Mr. Ma Ho Man, Hoffman (*Deputy Chairman*)

*Non-executive Director:*

Mr. Choi Kin Pui, Russelle

*Independent non-executive Directors:*

Ms. Yeung Mo Sheung, Ann  
Mr. Chin Wing Lok, Ambrose  
Mr. Chong Ming Yu

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place  
of business in Hong Kong:*

Units 1003-04A, 10/F.  
Tower 1, Admiralty Centre  
18 Harcourt Road  
Hong Kong

12 July 2021

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO  
THE PROVISION OF FINANCIAL ASSISTANCE TO  
PIER 16 – PROPERTY DEVELOPMENT LIMITED**

**A. INTRODUCTION**

References are made to the 2007 Acquisition Circular, the 2007 Financial Assistance Announcement, the 2009 Financial Assistance Circular, the 2010 Financial Assistance Announcement, the 2012 Financial Assistance Circular, the 2017 Financial Assistance Circular, the 2020 Financial Assistance Announcement and the Announcement.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide the Shareholders with further details of the 2021 Financial Assistance.

### **B. 2021 FINANCIAL ASSISTANCE**

The Group has been providing financial assistance to Pier 16 – Property Development for the development and operation of Ponte 16 by way of the SUG Shareholder’s Loan and the Existing SUG Guarantee which was executed by the Company to guarantee 49% of the payment obligation of Pier 16 – Property Development in respect of the Existing Facilities. As at 22 June 2021, being the date immediately before execution of the Security Documents by the Group (the “**Relevant Date**”), the outstanding balance of the SUG Shareholder’s Loan amounted to approximately HK\$337 million (which included the March 2021 Shareholder’s Loan) and the maximum liability of the Company under the Existing SUG Guarantee was HK\$490 million.

The total outstanding principal amount of the loan under the Existing Facilities as at the Relevant Date was approximately HK\$185 million and the Existing Facilities would mature on 29 June 2022. For the purposes of, among others, refinancing the Existing Facilities, Pier 16 – Property Development proposed to enter into the Amended and Restated Facility Agreement with the Lender, pursuant to which the Lender would agree to extend the maturity date under the Facility Agreement to the New Maturity Date and revise the facility amount under the Facility Agreement such that the Revised Facilities would be in the aggregate amounts of HK\$500 million and MOP273 million subject to the terms of the Amended and Restated Facility Agreement. As one of the conditions precedent for the utilisation of the Revised Facilities, the Group was required to execute the Security Documents as security for Pier 16 – Property Development’s obligations under the Amended and Restated Facility Agreement.

The Amended and Restated Facility Agreement and the Security Documents were executed on 23 June 2021.

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## LETTER FROM THE BOARD

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A brief summary of the Revised Facilities are set out below:

Facility	Information on the facility	Purposes of the facility
Term Loan	<p>Facility amount: HK\$200 million</p> <p>Repayment term for principal: end of 12th month from the Agreement Date, in quarterly instalments until the New Maturity Date</p> <p>Effective interest rate: HIBOR plus a margin of 2.50% per annum, which is subject to adjustment as provided in the Amended and Restated Facility Agreement</p>	<p>To refinance the facilities under the Existing Facilities in full and use the balance thereof as general working capital for non-gaming operation of Pier 16 – Property Development</p>
Revolving Loan	<p>Facility amount: HK\$300 million</p> <p>Repayment term for principal: the Borrower can drawdown, repay and redraw the revolving loan until one month before the New Maturity Date and full repayment on the New Maturity Date</p> <p>Effective interest rate: HIBOR plus a margin of 2.50% per annum, which is subject to adjustment as provided in the Amended and Restated Facility Agreement</p>	<p>General working capital for non-gaming operation of Pier 16 – Property Development</p>
Term Loan	<p>Facility amount: MOP273 million</p> <p>Repayment term for principal: end of 12th month from the Agreement Date, in quarterly instalments until the New Maturity Date</p> <p>Effective interest rate: the rate for the relevant period displayed on Thomson Reuters page “HKABHIBOR” plus a margin of 2.50% per annum, which is subject to adjustment as provided in the Amended and Restated Facility Agreement</p>	<p>To finance the payment of the Land Premium and the related costs for the Land Concession Modification</p>

In connection with the Amended and Restated Facility Agreement, the Group has entered into the following Security Documents in favour of the Security Agent:

- (i) the Acknowledgment Letter given by the Company whereby the Company has, inter alia, acknowledged and confirmed the continuance of the Composite Confirmation Letter and the Livrança for the purpose of securing the obligations arising from the Amended and Restated Facility Agreement;

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## LETTER FROM THE BOARD

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- (ii) the Amended and Restated Share Pledge executed by, among others, World Fortune (as a pledgor) and Pier 16 – Property Development (as company) whereby, inter alia, World Fortune has confirmed that the provisions of the Existing Share Pledge remain in full force and effect; and
- (iii) the Confirmation of Subordination Agreement executed by, among others, Pier 16 – Property Development and World Fortune under which World Fortune has confirmed that the provisions of the Existing Subordination Agreement remain in full force and effect.

### **Acknowledgment Letter**

Pursuant to the Acknowledgment Letter, the Company has acknowledged and confirmed the acceptance of the terms and conditions of the Amended and Restated Facility Agreement and the continuance of the Composite Confirmation Letter and the Livrança for the purpose of securing the obligations arising from the Amended and Restated Facility Agreement. The Composite Confirmation Letter was given by, among others, the Company in favour of the Security Agent to confirm the continuance of the Existing SUG Guarantee. The liability of the Company under the Composite Confirmation Letter and the Livrança in respect of Pier 16 – Property Development’s obligations under the Amended and Restated Facility Agreement is limited to 49% thereof. If the Company has duly paid and discharged in full 49% of Pier 16 – Property Development’s obligations, no further demand shall be made on the Company. Further details of the Composite Confirmation Letter and the Livrança are set out in the 2017 Financial Assistance Circular.

### **Amended and Restated Share Pledge**

Pursuant to the Existing Share Pledge, among others, World Fortune has pledged (in the form of first priority pledge) and assigned as collateral to the Security Agent all of its interests in the shares of Pier 16 – Property Development to secure the payment and discharge of the liabilities and obligations of Pier 16 – Property Development (actual and contingent) under the Existing Facilities. World Fortune (as a pledgor) and Pier 16 – Property Development (as company) have executed the Amended and Restated Share Pledge whereby, inter alia, World Fortune has confirmed that the provisions of the Existing Share Pledge remain in full force and effect.

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## LETTER FROM THE BOARD

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### Confirmation of Subordination Agreement

Pursuant to the Existing Subordination Agreement, so long as any liability or obligation (present or future, actual or contingent) under the Existing Facilities (“**Priority Indebtedness**”) is outstanding, among others, all sums (whether of principal, interest or otherwise) payable and all obligations owing to World Fortune and SJM-IL by Pier 16 – Property Development, whether present or future, actual or contingent (“**Subordinated Indebtedness**”), and the claims of World Fortune and SJM-IL in respect of the Subordinated Indebtedness shall be subordinated to the Priority Indebtedness. Further details of the Existing Subordination Agreement are set out in the 2012 Financial Assistance Circular. World Fortune, among others, has executed the Confirmation of Subordination Agreement confirming that the provisions of the Existing Subordination Agreement remain in full force and effect.

The estimated total exposure of the Company under the provision of the 2021 Financial Assistance is approximately HK\$509 million, which has taken into account the Livrança endorsed by, among others, the Company for a sum of not exceeding HK\$490 million and 49% of the estimated total interest payable on the Revised Facilities of approximately HK\$19 million. Notwithstanding the fact that the amount of the Revised Facilities is less than the amount of the Existing Facilities, the Lender required the Company to execute the Acknowledgment Letter to, inter alia, confirm the continuance of the Composite Confirmation Letter and the Livrança for the purpose of securing the obligations arising from the Amended and Restated Facility Agreement and thus the maximum liability of the Company under the Livrança remains the same, i.e. HK\$490 million. As disclosed in the annual report of the Company for the year ended 31 December 2020, the total equity attributable to owners of the Company as at 31 December 2020 was approximately HK\$1,002 million. As at 31 December 2020, the audited consolidated total assets of the Group were approximately HK\$1,387 million, of which approximately HK\$557 million was interests in associates, and the cash and cash equivalents of the Group were approximately HK\$117 million.

As mentioned in the 2007 Acquisition Circular, the Group might have to provide shareholder’s loan to Pier 16 – Property Development up to a maximum amount of approximately HK\$1.19 billion, which represented 49% (being World Fortune’s shareholding in Pier 16 – Property Development) of the then total expected investment amount to be made by Pier 16 – Property Development for its development of Ponte 16 of approximately HK\$2.43 billion. The possible provision of such shareholder’s loan up to a maximum amount of approximately HK\$1.19 billion by the Group (“**Approved Financial Assistance**”) was previously approved by the Shareholders.

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## LETTER FROM THE BOARD

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Subsequent to the approval of the Approved Financial Assistance, the Group provided further financial assistances by virtue of its 49% shareholding to Pier 16 – Property Development from time to time, which financial assistances were (where required) duly approved by the Shareholders and details of which are set out in the 2007 Financial Assistance Announcement, the 2009 Financial Assistance Circular, the 2010 Financial Assistance Announcement, the 2012 Financial Assistance Circular, the 2017 Financial Assistance Circular and the 2020 Financial Assistance Announcement. Further, at the request of Pier 16 – Property Development, the Group provided the March 2021 Shareholder’s Loan in proportion to the Group’s 49% shareholding in Pier 16 – Property Development for the operation cost of Pier 16 – Property Development. The March 2021 Shareholder’s Loan did not trigger any disclosure obligation of the Company under Rule 13.14 of the Listing Rules.

The Directors are of the view that, based on the information currently available to the Group and barring unforeseen circumstances, the Group may not have to actually repay the estimated total exposure of approximately HK\$509 million under the 2021 Financial Assistance, after taking into account, among others:

- (i) the Revised Facilities are secured by, among others, a first mortgage over the Property in favour of the Security Agent and the Security Documents, and in case of any occurrence of event of default under the Revised Facilities, the Lender may recover the outstanding indebtedness of Pier 16 – Property Development under the Amended and Restated Facility Agreement through the aforesaid security of the Revised Facilities; and
- (ii) as disclosed in the annual report of the Company for the last five years ended 31 December 2020, Ponte 16 recorded profit before interest, taxation, depreciation and amortisation (and excluded interest income from the bank deposit) of approximately HK\$277.4 million, HK\$225.3 million, HK\$356.7 million and HK\$377.5 million for the year ended 31 December 2016, 2017, 2018 and 2019 respectively while recorded loss before interest, taxation, depreciation and amortisation (and excluded interest income from the bank deposit) of approximately HK\$242.9 million for the year ended 31 December 2020. Besides, a total amount of approximately HK\$538.5 million SUG Shareholder’s Loan was repaid by Pier 16 – Property Development during the years from 2016 to 2019. The turnaround from earnings to loss was mainly due to the outbreak of COVID-19 in early 2020 which seriously disrupted Macau’s economy during the first half of 2020. As the pandemic was more controlled towards the end of 2020 in Macau and the Mainland China, ease of travel restrictions was paved for the gradual recovery of the industries. Macau tourist arrivals and monthly gross gaming revenue (the “GGR”) both steadily increased following the removal of 14-day quarantine measures between Macau and Guangdong Province in July 2020 and the subsequent full nationwide resumption of the Individual Visit Scheme in September 2020. Comparing the period between 1 February 2020 (the month that Macau government implemented the border restrictions, quarantine arrangements and

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## LETTER FROM THE BOARD

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temporary suspension of all casino operations for 15 days to prevent and control the pandemic) and 31 May 2020 to the period between 1 February 2021 and 31 May 2021, Macau's tourist arrivals has grown from approximately 0.4 million to approximately 2.8 million (being an increase by approximately 618%) whereas the GGR has grown from approximately MOP10,878 million to approximately MOP34,463 million (being an increase by approximately 217%). The Group believes that further recovery of Macau's hospitality and gaming activities would rely strongly on the further relaxing border restrictions as well as the recent promising vaccination progress in the region and which would be beneficial to the performance of Ponte 16.

On the aforesaid basis, the Directors consider that Pier 16 – Property Development will be able to finance the repayment of its indebtedness under the Amended and Restated Facility Agreement by, among others, the business operations of Ponte 16.

Further, as disclosed in the paragraph headed “2021 Financial Assistance” above, the outstanding loan under the Existing Facilities has been repaid upon utilisation of term loan facility in the sum of HK\$200 million under the Revised Facilities while term loan facility in the sum of MOP273 million under the Revised Facilities will be applied towards financing of the payment of the Land Premium and the related costs for the Land Concession Modification. Given the aforesaid and as the Acknowledgment Letter was executed by the Company to, inter alia, acknowledge and confirm the continuance of the Composite Confirmation Letter and the *Livrança* for the purpose of securing the obligations arising from the Amended and Restated Facility Agreement, and under the Composite Confirmation Letter, the Company confirmed that the provisions of the Existing SUG Guarantee remain in full force and effect which in turn guarantee the payment obligation of Pier 16 – Property Development, the Directors consider that following the aforesaid repayment of the Existing Facilities, the exposure of default risk towards the Group in respect of the Existing SUG Guarantee is low.

The 2021 Financial Assistance provided by the Group to Pier 16 – Property Development is lesser than the limit of the financial assistance provided by the Group to Pier 16 – Property Development as previously approved by the Shareholders. Taking into account: (i) the outstanding balance of the SUG Shareholder's Loan of approximately HK\$337 million (which included the March 2021 Shareholder's Loan) as at the Relevant Date; and (ii) the estimated total exposure of approximately HK\$509 million under the provision of the 2021 Financial Assistance as stated above, the aggregate financial assistance provided by the Group to Pier 16 – Property Development is approximately HK\$846 million. In the event that the aggregate financial assistance to be provided by the Group to Pier 16 – Property Development exceeds the aforesaid estimated aggregate financial assistance of approximately HK\$846 million, the Company will comply with the relevant requirements under Chapter 13 and/or Chapter 14 of the Listing Rules.



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## LETTER FROM THE BOARD

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### **C. INFORMATION ON PIER 16 – PROPERTY DEVELOPMENT AND PONTE 16**

As at the Latest Practicable Date, Pier 16 – Property Development is beneficially held as to 49% by World Fortune and as to 51% by SJM-IL. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Pier 16 – Property Development, SJM-IL and SJM Holdings Limited are Independent Third Parties. SJM Holdings Limited is a company whose issued shares are listed on the main board of the Stock Exchange. Pier 16 – Property Development is the registered and beneficial owner of the Property and is principally engaged in the investment, development and through its subsidiaries, operation of Ponte 16, a world-class integrated casino-entertainment resort situated at the Property comprising a five-star luxury hotel, a casino, a shopping arcade, food and beverage functions as well as recreational facilities.

### **D. REASONS FOR AND BENEFITS OF THE PROVISION OF THE 2021 FINANCIAL ASSISTANCE**

The Company is an investment holding company and the principal businesses and investments of the Group include travel-related business, property investment business and the investment project of Ponte 16.

As mentioned in the annual report of the Company for the year ended 31 December 2020, Macau's economy was seriously disrupted due to the outbreak of COVID-19 during the first half of 2020. The gaming and occupancy performance of Ponte 16 for 2020 were inevitably affected under this circumstance. To alleviate the financial pressure brought by COVID-19, Ponte 16 has been carrying out a series of cost containment measures, streamlining operational efficiency with flexible manpower arrangement. In addition, bringing its full support to the Macau government's pandemic prevention measures, Ponte 16 has adopted a series of high standard precautionary hygiene measures to ensure a safe environment for its staff and guests. To prepare for Macau's economic revival, as well as to generate greater market exposure amidst a recovering market, Ponte 16 strategically participated in a Global Purchase Events during November and December 2020, where famous key opinion leaders in Taobao set up livestreams on media platforms to promote the facilities and services at Sofitel Macau At Ponte 16, along with signature brands and goods in Macau inner harbour. The Group's shared loss of the associates relating to Ponte 16 for the year 2020 was approximately HK\$146 million.

As the pandemic was more controlled towards the end of 2020 in Macau and the Mainland China, ease of travel restrictions was paved for the gradual recovery of the industries. After the resumption of Macau's Individual Visit Scheme across the Mainland China in late September 2020, monthly visitor arrivals of Macau have been increasing steadily. The Group believes that further recovery of Macau's hospitality and gaming activities would rely strongly on the further relaxing border restrictions. Ponte 16 will prioritise the maintenance of its operational advantages including its professional and dependable management team, diverse and comprehensive entertainment mix and its all-round hospitality services that emerge with the essence of local beauty and culture in the Inner Harbour area. Meanwhile, Ponte 16 will continue to support government pandemic prevention policies, overcome prevailing challenges and be ready to capture new opportunities once the travel restriction begins to lift.

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## LETTER FROM THE BOARD

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For operation cost of Pier 16 – Property Development, from 2020 and up to the Latest Practicable Date, the Group has provided to Pier 16 – Property Development (i) the 2020 Financial Assistance in the aggregate amount of HK\$98 million; and (ii) the March 2021 Shareholder’s Loan.

The Existing Facilities would mature on 29 June 2022. Part of the Revised Facilities have been applied towards refinancing the Existing Facilities and general working capital for non-gaming operation of Pier 16 – Property Development, and balance thereof will be applied towards financing the payment of the Land Premium and the related costs for the Land Concession Modification as well as for non-gaming working capital.

As Pier 16 – Property Development is a 49% owned associate of the Group, the Directors consider that the provision of the 2021 Financial Assistance, which will facilitate the development and operation of Ponte 16, is beneficial to the Group.

Having considered the historical performance and future prospects of Ponte 16 and that the Security Documents are the requisite documents for the utilisation of the Revised Facilities, the Directors consider that the exposure of default risk of the 2021 Financial Assistance is low and the provision of the 2021 Financial Assistance is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **E. LISTING RULES IMPLICATIONS**

The provision of the 2021 Financial Assistance will constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders’ approval requirements.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Amended and Restated Facility Agreement, the Security Documents and the respective transactions contemplated thereunder and accordingly, no Shareholder or its/his associate(s) is required to abstain from voting if the Company were to convene a Shareholders’ meeting for approving the Security Documents and the respective transactions contemplated thereunder.

On 18 June 2021, the Company obtained the written Shareholders’ approval from Silver Rich in respect of the execution of the Security Documents by the Group and its performance of the respective transactions contemplated thereunder. Silver Rich has further confirmed that their approval in respect of the Security Documents shall include any amendment, alterations, additions, supplement or restatement thereto respectively as may be approved by the Board and entered into between the parties to the Security Documents respectively from time to time and the respective transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Silver Rich has been accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting would be held by the Company to approve the Security Documents and the respective transactions contemplated thereunder.

In addition, as the assets ratio as defined under Rule 14.07(1) of the Listing Rules has exceeded 8% for the 2021 Financial Assistance, the 2021 Financial Assistance would give rise to a general disclosure obligation of the Company under Rules 13.13 and 13.16 of the Listing Rules.

### **F. FINANCIAL EFFECTS OF THE 2021 FINANCIAL ASSISTANCE ON THE GROUP**

In relation to the 2021 Financial Assistance, the Group's interest in associates and financial guarantee liabilities may be both increased by the fair value of the financial guarantee contracts measured for the changes of terms and conditions of the Existing SUG Guarantee by independent professional valuer on the Agreement Date. There is no immediate effect on profit or loss on the date of provision of the 2021 Financial Assistance. Financial guarantees are contracts that require the issuer to make specified payments to reimburse the beneficiary of the contracts (the "Holder") for a loss the Holder incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Subsequent to the measurement on the fair value of the financial guarantee contracts for the changes of terms and conditions, the amount of the financial guarantee liabilities will be amortised in profit or loss over the terms of the guarantee as income from financial guarantee issued. In addition, provisions are recognised if and when (i) it becomes probable that the holder of the guarantee will call upon the Company under the guarantee, and (ii) the amount of that claim on the Company is expected to exceed the amount currently carried in financial guarantee liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

The Company considers that there will not be any material effect on the earnings and assets and liabilities of the Group immediately after the execution of the Security Documents.

### **G. RECOMMENDATION**

The Directors are of the view that the terms of the Security Documents and the respective transactions contemplated thereunder are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### H. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
For and on behalf of the Board of  
**Success Universe Group Limited**  
**Yeung Hoi Sing, Sonny**  
*Chairman*

## 1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes to the audited consolidated financial statements for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 December 2020 has been set out in pages 123 to 300 of the annual report 2020 of the Company which was posted on 29 April 2021 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2020:

<http://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901477.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2019 has been set out in pages 114 to 292 of the annual report 2019 of the Company which was posted on 28 April 2020 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2019:

<http://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801550.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2018 has been set out in pages 114 to 310 of the annual report 2018 of the Company which was posted on 29 April 2019 on the Stock Exchange's website (<http://www.hkexnews.hk>). Please also see below quick link to the annual report 2018:

<http://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn201904291050.pdf>

## 2. INDEBTEDNESS

### Borrowings

As at the close of business on 31 May 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, apart from intra-group liabilities, the Group had outstanding secured and unsecured borrowings of approximately HK\$352.5 million as follows:

	<i>HK\$'000</i>
<b>Secured:</b>	
Bank loans, secured	302,500
<b>Unsecured:</b>	
Loan from a director and controlling shareholder	<u>50,000</u>
<b>Total outstanding secured and unsecured borrowings</b>	<u><u>352,500</u></u>

**Lease liabilities**

As at 31 May 2021, the Group had current and non-current lease liabilities of approximately HK\$0.8 million and HK\$0.6 million respectively.

**Guarantee**

As at 31 May 2021, the Existing SUG Guarantee executed by the Company for the Existing Facilities granted to Pier 16 – Property Development, which is beneficially held as to 49% by World Fortune, was outstanding. The maximum guarantee principal amount borne by the Company under the Existing SUG Guarantee was HK\$490.0 million.

The total loan outstanding from the Existing Facilities regarding the Existing SUG Guarantee as at 31 May 2021 was approximately HK\$185.0 million.

**Pledge of assets**

As at 31 May 2021, the Group has pledged the following assets:

- (a) the Group pledged the time deposit of approximately HK\$0.6 million to a bank for the issuance of banking facility of approximately HK\$0.5 million for the operations of the Group;
- (b) World Fortune pledged all of its shares in Pier 16 – Property Development to a bank in respect of the Existing Facilities; and
- (c) the Group's all of investment properties, the leasehold land and building as well as one of its stock of properties totally with carrying amount of approximately HK\$461.0 million were pledged to secure against bank loans and a standby letter of credit granted to the Group.

Save as aforesaid and apart from intra-group liabilities, as at the close of business on 31 May 2021, the Group had no debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, distinguishing between guaranteed, unguaranteed, secured and unsecured, bank borrowings including bank loans and overdrafts or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase or finance lease commitments, mortgages, charges, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account of its present available financial resources and the loan facilities granted by the banks to the Group, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of publication of this circular.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Governments around the world have dedicated significant efforts in combating COVID-19, and signs of recovery can be seen in certain regions, including Mainland China and Macau. Moreover, recent progress of vaccine development has been promising. Nevertheless, the pandemic has caused severe disruptions to all aspects of the global economy and its impacts may last for an unknown period. Stepping into 2021, the Group will maintain operational resilience, keep a firm awareness of market trends, and allocate assets and resources precisely.

COVID-19 has decimated the global tourism and travel industries. Many countries remain in full or partial lockdown, which greatly limit visitation levels. A full recovery of market sentiments takes time and will be heavily dependent on the reopening of international borders and the widespread rollout of effective vaccines. For the time being, Jade Travel Ltd., (an indirect wholly-owned subsidiary of the Company which was incorporated in Canada) (“**Jade Travel, Canada**”) will closely monitor the global tourism market and engage with customers and partners closely to strengthen itself as a reliable brand and service provider. In addition, Jade Travel, Canada will continue to explore different available travel products and options to enrich its competitive offerings to cater the changing customers’ needs. Leveraging its core strengths, Jade Travel, Canada will be well-positioned to capture the returning demand while the industry begins to recover.

Decline of the Grade-A office rental in Hong Kong showed signs of further softening since November 2020. However, with the evolving pandemic condition and rising unemployment rate, it is hard to estimate whether the rental decline trend will continue. The Group remains cautiously positive in the commercial property market for its solid foundation as office buildings in prime areas exhibited resilience for decades.

After the resumption of Macau’s Individual Visit Scheme across the Mainland China in late September 2020, monthly visitor arrivals of Macau have been increasing steadily. The Group believes that further recovery of Macau’s hospitality and gaming activities would rely strongly on the further relaxing border restrictions. Ponte 16 will prioritise the maintenance of its operational advantages including its professional and dependable management team, diverse and comprehensive entertainment mix and its all-round hospitality services that emerge with the essence of local beauty and culture in the Inner Harbour area. Meanwhile, Ponte 16 will continue to support government pandemic prevention policies, overcome prevailing challenges and be ready to capture new opportunities once the travel restriction begins to lift.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this circular misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

### Interest in the Shares

Name of Director	Long position/ Short position	Nature of interest	Number of Shares interested or deemed to be interested	Approximate percentage of issued voting Shares as at the Latest Practicable Date
Mr. Yeung <i>(Note)</i>	Long position	Corporate interest	3,523,190,987	71.52%

*Note:*

*Mr. Yeung, an executive Director and the Chairman of the Company, had a corporate interest in 3,523,190,987 Shares by virtue of the interest of the Shares held by Silver Rich, which is direct wholly and beneficially owned by Mr. Yeung. Mr. Yeung is also a director of Silver Rich.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.



### 3. DISCLOSURE OF OTHER INTERESTS

#### (a) Directors' service contracts

As at the Latest Practicable Date, none of the Directors had, or was proposed to have, a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation)).

#### (b) Interests in competing business

As at the Latest Practicable Date, the interests of a Director in a business, apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with the Group's businesses were as follows:-

Mr. Yeung, an executive Director and the Chairman of the Company, has the following interests in the companies listed below whose business may compete or is likely to compete with the Group's property investment business (the "**Competing Business**") pursuant to the Listing Rules:

Name of company	Nature of competing business	Nature of interest
Active Profit Investment Limited	Property investment in Hong Kong (commercial building)	director and ultimate beneficial owner
Asia City Holdings Limited	Property investment in Hong Kong (commercial building)	owned as to 50% beneficial interest
Crownpeak International Investment Limited	Property investment in Hong Kong (commercial building)	director and ultimate beneficial owner
Lucky Hero Limited	Property investment in Hong Kong (commercial building)	ultimate beneficial owner
Super Genius Investments Limited	Property investment in Hong Kong (commercial building)	ultimate beneficial owner

Since any significant business decision of the Group is to be determined by the Board in which half of the members are independent non-executive Directors, the Group is capable of carrying on its business independently of, and at arm's length from, the Competing Business.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business, apart from the Group's businesses, which competes or is likely to compete, either directly or indirectly, with the Group's businesses, other than those businesses where the Directors were appointed as directors to represent the interests of the Group.

**(c) Directors' interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**(d) Directors' interests in contracts or arrangements**

The following contract(s) or arrangement(s) in which a Director is materially interested and which are significant in relation to the business of the Group subsisted as at the Latest Practicable Date:

- the loan facility letter dated 1 December 2008 as amended by the letters dated 14 April 2009, 25 June 2009, 23 June 2010, 15 March 2012, 18 March 2013, 21 March 2014, 15 March 2016, 12 September 2018 and 20 September 2019 were signed between the Company as borrower and Mr. Yeung as lender for the grant of a term loan facility up to HK\$290 million by Mr. Yeung to the Company.

Save as disclosed above, no contract or arrangement in which any of the Directors was materially interested and which was significant in relation to the business of the Group subsisted as at the Latest Practicable Date.

**4. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

## 5. MATERIAL CONTRACTS

The members of the Group had, within the two years immediately preceding the Latest Practicable Date, entered into the following contracts (other than contracts in the ordinary course of business of the Group) which were or might be material:

- (a) the deed of surrender dated 15 September 2020 entered into between Good Sun Development Limited (“**Good Sun**”, an indirect wholly-owned subsidiary of the Company) as landlord and Success International Management Services Limited (“**SIMSL**“, a company indirect wholly and beneficially owned by Mr. Yeung) as tenant in relation to the early termination of the tenancy agreement dated 25 June 2019 entered into between Good Sun as landlord and SIMSL as tenant in respect of the renewal of leasing of the premises situated at Office Units Nos. 1003 and 1004A on the 10th Floor of Tower 1 of Admiralty Centre, No. 18 Harcourt Road, Hong Kong (“**Units 1003 & 04A**”) on and with effect from 1 October 2020 and the surrender of Units 1003 & 04A thereunder, details of which are set out in the announcement of the Company dated 15 September 2020;
- (b) the Acknowledgment Letter;
- (c) the Amended and Restated Share Pledge; and
- (d) the Confirmation of Subordination Agreement.

## 6. GENERAL

- (a) The secretary of the Company is Ms. Chiu Nam Ying, Agnes. Ms. Chiu is a qualified solicitor and an associate member of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute respectively. She holds a Master degree of Laws from The University of Sheffield, United Kingdom.
- (b) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Units 1003-04A, 10/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Units 1003-04A, 10/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong from the date of this circular up to and including 26 July 2021:

- (i) the memorandum of association and the bye-laws of the Company;
- (ii) the material contracts as referred to in the paragraph headed “Material Contracts” above in this appendix; and
- (iii) the annual reports of the Company for each of the two years ended 31 December 2020.