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**SUCCESS**

**SUCCESS UNIVERSE GROUP LIMITED**

**實德環球有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00487)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**INTERIM RESULTS**

The board of directors (the “Board”) of Success Universe Group Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2023 together with comparative figures for the corresponding period as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2023*

	<i>Note</i>	<b>Unaudited</b>	
		<b>For the six months ended</b>	
		<b>30/6/2023</b>	<b>30/6/2022</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	3	<b>68,444</b>	54,536
Cost of sales		<u>(60,967)</u>	<u>(49,240)</u>
<b>Gross profit</b>		<b>7,477</b>	5,296
Other revenue and gain	4	<b>1,917</b>	2,492
Fair value gain on investment properties		<b>500</b>	1,100
Gain/(loss) arising on change in fair value of financial assets at fair value through profit or loss		<b>105,520</b>	(97,020)
Administrative expenses		<b>(23,485)</b>	(21,677)
Other operating income/(expenses)	5(c)	<u><b>2,024</b></u>	<u>(1,713)</u>
<b>Profit/(loss) from operations</b>		<b>93,953</b>	(111,522)
Finance costs	5(a)	<b>(12,027)</b>	(4,658)
Share of results of joint ventures		<b>260</b>	320
Share of results of associates		<u><b>71,638</b></u>	<u>(9,605)</u>
<b>Profit/(loss) before taxation</b>	5	<b>153,824</b>	(125,465)
Taxation	6	<u>–</u>	<u>–</u>
<b>Profit/(loss) for the period</b>		<u><b>153,824</b></u>	<u>(125,465)</u>
<b>Profit/(loss) for the period attributable to owners of the Company</b>		<u><b>153,824</b></u>	<u>(125,465)</u>
<b>Earnings/(loss) per share</b>			
– Basic and diluted	8	<u><b>3.12 HK cents</b></u>	<u>(2.55) HK cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2023*

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(loss) for the period</b>	<b>153,824</b>	<b>(125,465)</b>
<b>Other comprehensive income/(loss)</b>		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	<b>238</b>	<b>(323)</b>
Total other comprehensive income/(loss) for the period, net of tax	<b>238</b>	<b>(323)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>154,062</b>	<b>(125,788)</b>
<b>Total comprehensive income/(loss) for the period attributable to owners of the Company</b>	<b>154,062</b>	<b>(125,788)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	<i>Note</i>	Unaudited At 30/6/2023 <i>HK\$'000</i>	Audited At 31/12/2022 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		228,792	234,816
Intangible assets		4,437	3,977
Investment properties		129,300	128,800
Interests in associates		605,957	535,404
Interests in joint ventures		8,210	7,950
		<u>976,696</u>	<u>910,947</u>
<b>Current assets</b>			
Stock of properties		102,400	100,600
Trade and other receivables	9	23,801	18,359
Financial assets at fair value through profit or loss		199,292	93,429
Restricted bank deposits		551	549
Cash and cash equivalents		40,114	147,273
		<u>366,158</u>	<u>360,210</u>
<b>Current liabilities</b>			
Trade and other payables	10	28,773	22,299
Contract liabilities		3,000	108
Bank loans		266,220	312,500
Lease liabilities		392	554
Financial guarantee contract		–	161
		<u>298,385</u>	<u>335,622</u>
<b>Net current assets</b>		<u>67,773</u>	<u>24,588</u>
<b>Total assets less current liabilities</b>		<u>1,044,469</u>	<u>935,535</u>

	<b>Unaudited</b>	Audited
	At	At
	<b>30/6/2023</b>	31/12/2022
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>		
Lease liabilities	42	170
Loan from a director and controlling shareholder	<u>171,000</u>	<u>216,000</u>
	<u>171,042</u>	<u>216,170</u>
<b>Net assets</b>	<u><b>873,427</b></u>	<u>719,365</u>
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	<u>824,162</u>	<u>670,100</u>
<b>Total equity</b>	<u><b>873,427</b></u>	<u>719,365</u>

## NOTES:

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standards (“HKAS(s)”) 34, “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated financial statements do not include all the information and disclosures required for annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022 as contained in the Company’s Annual Report 2022 (the “Annual Report 2022”).

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements are denominated in Hong Kong dollars (“HK\$”). Unless otherwise specifically stated, all amounts are presented in thousand.

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial assets at fair value through profit or loss (“FVTPL”), which measured at fair values.

The accounting policies and methods of computation used in the preparation of the condensed consolidated financial statements are consistent with those used in the Annual Report 2022, except for described below.

#### **Application of Amendments to Hong Kong Financial Reporting Standards (“HKFRS(s)”)**

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2023 for the preparation of the condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
HKAS 8 (Amendments)	Definition of Accounting Estimates
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information are reported to and reviewed by the chief operating decision maker (the “CODM”) for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and service perspective.

The Group has presented the following two reportable segments:

- Travel business: sales of air tickets and provision of travel-related services.
- Property investment business: receiving rental income from leasing office premises in Hong Kong.

#### (a) Segment results, assets and liabilities

In accordance with HKFRS 8 “Operating Segments”, segment information disclosed in these condensed consolidated financial statements has been prepared in a manner consistent with the information used by the Group’s CODM for the purposes of assessing segment performance and allocating resources between segments, the Group’s CODM monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment profit represents the profit from each segment without allocation of corporate administrative costs such as directors’ emoluments, share of results of associates and joint ventures, loss/gain arising on change in fair value of financial assets at FVTPL, impairment loss recognised on intangible assets which are allocated to corporate assets and corporate finance costs. To arrive at reportable segment profit, the management additionally provides segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments. Unallocated corporate income mainly comprises amortisation on financial guarantee contract, interest income, management fee income from an associate and other sundry income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation is not allocated to reportable segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the condensed consolidated statement of profit or loss.

All assets are allocated to reportable segments other than amount due from associates, interests in associates and joint ventures and financial assets at FVTPL. Unallocated corporate assets mainly included part of the property, plant and equipment as well as intangible assets, together with cash and cash equivalents of the central administration companies.

All liabilities are allocated to reportable segments other than corporate liabilities. Unallocated corporate liabilities mainly include financial guarantee contracts, bank loans, loan from a director and controlling shareholder as well as part of other payables borne by the central administration companies.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Travel Unaudited For the six months ended		Property investment Unaudited For the six months ended		Total Unaudited For the six months ended	
	30/6/2023 HK\$'000	30/6/2022 HK\$'000	30/6/2023 HK\$'000	30/6/2022 HK\$'000	30/6/2023 HK\$'000	30/6/2022 HK\$'000
Revenue from external customers and reportable segment revenue	<u>67,142</u>	<u>53,216</u>	<u>1,302</u>	<u>1,320</u>	<u>68,444</u>	<u>54,536</u>
Reportable segment profit	<u>976</u>	<u>3,670</u>	<u>4,728</u>	<u>3,057</u>	<u>5,704</u>	<u>6,727</u>
Share of results of joint ventures					260	320
Share of results of associates					71,638	(9,605)
Gain/(loss) arising on change in fair value of financial assets at FVTPL					105,520	(97,020)
Impairment loss recognised on intangible assets					-	(4,882)
Unallocated corporate income					278	896
Unallocated corporate expenses					(17,554)	(17,247)
Finance costs					(12,022)	(4,654)
<b>Consolidated profit/(loss) before taxation</b>					<b>153,824</b>	<b>(125,465)</b>
Taxation					-	-
<b>Consolidated profit/(loss) for the period</b>					<b><u>153,824</u></b>	<b><u>(125,465)</u></b>

	Travel		Property investment		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	at	at	at	at	at	at
	30/6/2023	31/12/2022	30/6/2023	31/12/2022	30/6/2023	31/12/2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Reportable segment assets</b>	<b>53,870</b>	44,459	<b>232,694</b>	230,047	<b>286,564</b>	274,506
<b>Unallocated corporate assets</b>						
– Interests in associates					<b>605,957</b>	535,404
– Interests in joint ventures					<b>8,210</b>	7,950
– Financial assets at FVTPL					<b>199,292</b>	93,429
– Corporate assets					<b>242,831</b>	359,868
					<b>1,342,854</b>	1,271,157
<b>Reportable segment liabilities</b>	<b>28,328</b>	20,119	<b>1,617</b>	1,587	<b>29,945</b>	21,706
<b>Unallocated corporate liabilities</b>						
– Corporate liabilities					<b>439,482</b>	530,086
					<b>469,427</b>	551,792

**(b) Other segment information**

	Travel		Property investment		Other corporate entities		Total	
	Unaudited		Unaudited		Unaudited		Unaudited	
	For the six months ended		For the six months ended		For the six months ended		For the six months ended	
	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022	30/6/2023	30/6/2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Interest income	55	–	–	–	117	3	172	3
Depreciation:								
– owned property, plant and equipment	(124)	(134)	–	–	(5,682)	(5,823)	(5,806)	(5,957)
– right-of-use assets	(276)	(349)	–	–	–	–	(276)	(349)
Allowance for expected credit losses								
on trade receivables	(130)	(43)	–	–	–	–	(130)	(43)
Reversal of impairment loss/ (impairment losses) recognised on								
intangible assets, net	354	3,612	–	–	–	(4,882)	354	(1,270)
Fair value gain on investment properties	–	–	500	1,100	–	–	500	1,100
Reversal of write-down/(write-down) of								
stock of properties, net	–	–	1,800	(400)	–	–	1,800	(400)
Finance costs	(5)	(4)	–	–	(12,022)	(4,654)	(12,027)	(4,658)
Additions to non-current assets*	10	30	–	–	–	35	10	65

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

(c) Disaggregation of revenue

	Unaudited	
	For the six months ended	
	30/6/2023	30/6/2022
	HK\$'000	HK\$'000
<b>Revenue from contract with customers:</b>		
<i>Recognised at a point in time</i>		
<u>Travel business:</u>		
Sales of air tickets	61,042	48,279
Travel and related service fee income	6,100	4,937
	<u>67,142</u>	<u>53,216</u>
<b>Revenue from other sources:</b>		
Rental income	1,302	1,320
	<u>1,302</u>	<u>1,320</u>
<b>Total revenue</b>	<b><u>68,444</u></b>	<b><u>54,536</u></b>

4. OTHER REVENUE AND GAIN

	Unaudited	
	For the six months ended	
	30/6/2023	30/6/2022
	HK\$'000	HK\$'000
<b>Other revenue:</b>		
Interest income on bank deposits	172	3
Government grants ( <i>note</i> )	–	823
Other income	1,584	1,505
	<u>1,756</u>	<u>2,331</u>
<b>Other gain:</b>		
Amortisation of financial guarantee contract	161	161
	<u>161</u>	<u>161</u>
<b>Total</b>	<b><u>1,917</u></b>	<b><u>2,492</u></b>

*Note:*

For the period ended 30 June 2022, the Group recognised government grant of approximately HK\$823,000 in respect of COVID-19-related subsidies which were related to Employment Support Scheme under the Anti-epidemic Fund provided by the Hong Kong government and several subsidies schemes provided by the Canada government to support the enterprises which had severe disruptions caused by COVID-19.

## 5. PROFIT/(LOSS) BEFORE TAXATION

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

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(a) Finance costs</b>		
Interest on bank loans	8,504	3,053
Interest on loan from a director and controlling shareholder	3,518	1,601
Interest on lease liabilities	5	4
	<u>12,027</u>	<u>4,658</u>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits (including directors' emoluments)	10,718	10,457
Contributions to defined contribution retirement plan	428	431
	<u>11,146</u>	<u>10,888</u>
<b>(c) Other operating (income)/expenses</b>		
(Reversal of write-down)/write-down of stock of properties, net	(1,800)	400
(Reversal of impairment loss)/impairment losses on intangible assets, net	(354)	1,270
Allowance for expected credit losses on trade receivables	130	43
	<u>(2,024)</u>	<u>1,713</u>
<b>(d) Other items</b>		
Auditors' remuneration	504	504
Depreciation:		
– owned property, plant and equipment	5,806	5,957
– right-of-use assets	276	349
Gross rental income from investment properties	(1,302)	(1,320)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	177	154
Operating lease rentals		
– short-term lease	443	395
– low-value assets	21	37
Net exchange gain	(625)	(1,302)
	<u>(625)</u>	<u>(1,302)</u>

## 6. TAXATION IN THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax	<u>–</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% (for the six months ended 30 June 2022: 16.5%) of the estimated assessable profit for the period. No Hong Kong Profits Tax, in which the subsidiaries operate, has been provided for the six months ended 30 June 2023 and 2022 as the Group has no estimated assessable profits for the periods.

Canadian subsidiaries are subject to Canadian Corporate Income Tax which comprises federal and provincial income taxes. The net federal income tax is calculated at 15% (for the six months ended 30 June 2022: 15%) and the provincial income tax is calculated at the rates prevailing in the relevant provinces. No provision for Canadian Corporate Income Tax has been made for the periods ended 30 June 2023 and 2022 as the Group has sufficient tax losses brought forward available to offset the current period's estimated assessable profits in Canada.

The People Republic of China ("PRC") subsidiary is subject to PRC Enterprise Income Tax at 25% (for the six months ended 30 June 2022: 25%). No provision for PRC Enterprise Income Tax has been made for the periods ended 30 June 2023 and 2022 as the Group has no assessable profits arising in the PRC.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

## 7. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil).

No dividend payable to owners of the Company attributable to the previous financial year was approved and paid during the period.

## 8. EARNINGS/(LOSS) PER SHARE

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

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2023</b>	<b>30/6/2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(loss):</b>		
Profit/(loss) for the period attributable to the owners of the Company	<u>153,824</u>	<u>(125,465)</u>
	<i>'000</i>	<i>'000</i>
	<i>shares</i>	<i>shares</i>
<b>Number of shares:</b>		
Weighted average number of shares for the purpose of basic earnings/(loss) per share	<u>4,926,491</u>	<u>4,926,491</u>

Diluted earnings/(loss) per share for the periods ended 30 June 2023 and 2022 was the same as the basic earnings/(loss) per share. There were no potential dilutive ordinary shares outstanding for both periods presented.

## 9. TRADE AND OTHER RECEIVABLES

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

	<b>Unaudited</b>	Audited
	At	At
	<b>30/6/2023</b>	31/12/2022
	<b>HK\$'000</b>	HK\$'000
Current	<b>11,572</b>	10,152
31 to 60 days	<b>1,611</b>	35
61 to 90 days	<b>184</b>	460
Over 90 days	<b>431</b>	–
	<hr/>	<hr/>
Trade receivables	<b>13,798</b>	10,647
Other receivables	<b>895</b>	870
Prepayments and deposits	<b>9,108</b>	6,842
	<hr/>	<hr/>
	<b>23,801</b>	18,359
	<hr/> <hr/>	<hr/> <hr/>

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

Included in trade receivables, the lease receivables of approximately HK\$704,000 (31 December 2022: approximately HK\$407,000) arise from properties rental income.

The Group normally allows an average credit period of 30 days to customers of travel business (31 December 2022: average credit period of 30 days). For the customer of property investment business, no credit period was granted.

## 10. TRADE AND OTHER PAYABLES

Included in trade and other payables, the aging analysis for trade payables, based on the due dates, is as follows:

	<b>Unaudited</b>	Audited
	At	At
	<b>30/6/2023</b>	31/12/2022
	<b>HK\$'000</b>	HK\$'000
Current	<b>17,714</b>	12,483
31 to 60 days	<b>60</b>	398
61 to 90 days	<b>36</b>	134
Over 90 days	<b>511</b>	447
	<hr/>	<hr/>
Trade payables	<b>18,321</b>	13,462
Accrued charges and other payables	<b>10,452</b>	8,837
	<hr/>	<hr/>
	<b>28,773</b>	22,299
	<hr/> <hr/>	<hr/> <hr/>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

The first half of 2023 witnessed a series of significant developments that contributed to the global economy's recovery. The reopening of Mainland China, Hong Kong, Macau and other parts of Asia played an important role in revitalising economic activity. China, in particular, made remarkable progress in its economic recovery and experienced a resurgence in various sectors, including a robust rebound in domestic tourism and a gradual increase in international travel. Notably, Hong Kong and Macau, being closely tied to Mainland China, benefitted from the removal of COVID-19-related restrictions and the reopening of borders. Macau's entertainment and hospitality industries, in particular, showed promising signs of recovery.

However, the global economy has also been facing multiple challenges during the first half of the year. Aggressive interest rate hikes by major central banks to combat persistent inflation tightened financial conditions and elevated debt vulnerabilities. Additionally, ongoing conflicts, such as the protracted war in Ukraine and rapidly shifting geopolitical dynamics, added further complexities to the global outlook.

Despite these uncertainties, the Group remains vigilant by adopting a cautious and prudent approach in formulating and executing its corporate strategies. Furthermore, the Group is committed to maintaining operational excellence and consolidating its position in the entertainment and tourist-related industries to capitalise on the opportunities that arise in an evolving economic landscape.

## Results

For the six months ended 30 June 2023, revenue of the Group was approximately HK\$68.4 million, increased by approximately 26% from approximately HK\$54.5 million for the same period of 2022. Gross profit increased by approximately 41% to approximately HK\$7.5 million (2022: approximately HK\$5.3 million). The Group's shared profit of the associates relating to Ponte 16, the flagship investment project of the Group (the "Associates"), for the first half of 2023 was approximately HK\$71.6 million (2022: share of loss of approximately HK\$9.6 million). Profit attributable to owners of the Company for the six months ended 30 June 2023 was approximately HK\$153.8 million (2022: loss of approximately HK\$125.5 million), whilst earnings per share was 3.12 HK cents (2022: loss per share of 2.55 HK cents).

The turnaround from loss to profit for the six months ended 30 June 2023 was mainly attributable to (i) the recognition of a substantial fair value gain on the Group's overseas listed equity securities of approximately HK\$105.5 million; and (ii) the Group's share of a profit of the Associates of approximately HK\$71.6 million.

## **Interim Dividend**

The directors of the Company (“Director(s)”) do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: nil).

## **Review of Operations**

### ***Travel Business***

The Group operates Jade Travel Ltd. (“Jade Travel”), one of the largest travel agencies in Canada specialising in providing professional travel solutions to customers through dedicated segments targeting the wholesale and retail markets. The recovery in air passenger traffic, which was observed in 2022 and continued in the first half of 2023, heralded a solid start to the year. Such improvements across the regions demonstrated the resilience of recovery in the global tourism. The Asia Pacific region played a significant role in driving the momentum, as a result of the reopening of borders of China and certain countries in the region. In spite of the fact that the number of international flight routes had not fully returned to pre-pandemic levels, the market continued to witness an increasing travel demand from business travellers and international students during the reporting period.

In late 2022, the Group secured an approval from the International Air Transport Association (IATA) to expand its ticketing business in China, paving the way for Jade Travel to capitalise on the opportunities presented by the recovery of domestic and international air travels. This approval has enabled the Group to prepare for the roll-out of relevant product offerings, which will be instrumental in driving business development once the ramp-up phase is completed. The implementation of Jade Travel’s online auto-ticketing system and online ticketing platform to online ticketing agencies (OTA) contributed to its improved performance and profitability. Coupled with stringent cost control measures carried out in the past few years, Jade Travel has seen steady improvements in its financial performance. Revenue of the travel business segment for the six months ended 30 June 2023 increased by approximately 26% to approximately HK\$67.1 million (2022: approximately HK\$53.2 million). Profit of approximately HK\$1.0 million was recorded in this segment (2022: approximately HK\$3.7 million), including a reversal of impairment loss on intangible assets of approximately HK\$0.4 million which was recognised for the reporting period (2022: approximately HK\$3.6 million).

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

During the first half of 2023, the commercial property market in Hong Kong faced challenges and remained weak amidst a global economic slowdown and consecutive interest rate hikes that curbed investment activities. While the worldwide relaxation of anti-pandemic measures and the reopening of borders are expected to usher in resuming to full normalcy, concerns relating to a global recession, geopolitical tensions and potential further rate hikes have continued to cloud the market’s momentum.

Despite the headwinds confronting the market, Hong Kong's strategic position as a bustling business hub, connecting Mainland China and other international markets, has also had a positive impact on its commercial property market. Furthermore, the Hong Kong Government has implemented various initiatives aimed at attracting overseas investments and enterprises while supporting the city's efforts to regain competitiveness.

Revenue of the property investment business for the six months ended 30 June 2023 amounted to approximately HK\$1.3 million (2022: approximately HK\$1.3 million). Segment profit was approximately HK\$4.7 million (2022: approximately HK\$3.1 million) which was mainly due to recognition of a fair value gain on investment properties and a reversal of write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$2.3 million for the reporting period (2022: a fair value gain on investment properties and partially offset by a write-down of carrying amount of the Group's stock of properties in the net amount of approximately HK\$0.7 million).

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

Macau has made remarkable strides in its recovery journey, emerging from the shadow of the pandemic. Since the Macau Government officially announced the end of COVID-19 restrictions in early January 2023, the market has witnessed a significant influx of visitors during the two high-travel seasons for Chinese tourists, namely the Chinese New Year holidays in January and the Labour Day holidays in May 2023. The momentum in visitor arrivals continued throughout June 2023, with a notable increase in visitors from Hong Kong and Mainland China, which constituted the majority of Macau's visitor base.

Overall, Macau experienced an impressive surge in visitor arrivals. Based on the Macau Government's data, Macau welcomed a daily average of over 64,000 visitor arrivals, reaching approximately 11.6 million in the first half of 2023, representing a remarkable increase of 236.1% compared to the last corresponding period. This resurgence in visitation has positively impacted Macau's gross gaming revenue ("GGR"), which recorded a year-on-year growth of more than 200%, amounted to approximately MOP80.1 billion for the first half of 2023. Particularly, the mass market's GGR successfully recovered to pre-pandemic level, playing a pivotal role in driving the overall recovery of Macau.

Benefitting from the remarkable return of visitors to Macau, Ponte 16, a world-class integrated casino-entertainment resort situated in the culturally rich Inner Harbour area, achieved strong performance in the first half of 2023. With its strategic location with excellent infrastructure and transportation connections, Ponte 16 offers visitors from Mainland China and Hong Kong convenient access through multiple border checkpoints. Furthermore, with the ongoing efforts of the Macau Government and major stakeholders in developing Macau as a world centre of tourism and leisure, consumer spending behaviours showcasing a more diverse expenditure pattern across entertainment, hotel accommodation, exhibitions and retail sales have been observed. As Ponte 16 continuously enhances its entertainment offerings to provide top-notch gaming and hospitality experiences, it benefits from the evolving consumer trends while maintaining its status as one of the most desirable destinations in the Macau Peninsula.

Ponte 16 has deep-rooted connections in the local community and is dedicated to boosting tourism and the local economy. Along with Macau's integration into China's national development plan for the Greater Bay Area, Ponte 16's "OLA 澳優遊" ("OLA"), the one-stop platform featuring travel information and promotions in Macau's local community, continued to expand its presence in Macau and Zhuhai during the first half of 2023, fostering stronger interconnectedness within the Greater Bay Area. Since the launch of OLA in late 2021, 110 merchant partners have been recruited, covering 167 merchant outlets. This has helped Ponte 16 to strengthen its market presence and firmly establish itself on the fast track to recovery in 2023. Additionally, to develop impactful marketing strategies, Ponte 16 actively collaborates with various social media and online platforms, thereby widening its exposures among Chinese younger generations whose spending habits and buying intentions are strongly influenced by endorsements and recommendations from Key Opinion Leaders (KOLs).

With its excellence in providing exquisite visitor experience, Sofitel Macau At Ponte 16 has received wide recognition in the first half of 2023. These include "Green Hotel Award – Bronze 2023-2025" by Environmental Protection Bureau, "Enjoyable Travel Awards – Best Family Hotel" by Enjoyable Travel, "2022 Reader-Selected Hotels – 2022 China Travel Awards" by Travel + Leisure, the "Best Resort Hotel", "Best Restaurant" and "Best Spa" by The 12th Annual China Hotel Awards presented by Lifestyle Magazine, and the "Most Popular Buffet Restaurant in Macau" and "The Third Most Popular Western Cuisine in Macau" by the 2022 Macau Popular Restaurants presented by Aomi.

As at 30 June 2023, the casino of Ponte 16 had 109 gaming tables in operation, consisting of 103 mass tables and 6 high-limit tables. The average occupancy rate of Sofitel Macau At Ponte 16 reached approximately 85% for the first half of 2023 (2022: approximately 46%). For the six months ended 30 June 2023, an Adjusted EBITDA\* of approximately HK\$167.8 million was recorded (2022: Adjusted EBITDA\* loss of approximately HK\$1.0 million).

For the purposes of, among others, refinancing the existing loan facilities in the aggregate amounts of HK\$500 million and MOP273 million (the "Existing Loan Facilities") made available to Pier 16 – Property Development Limited ("Pier 16 – Property Development", an associate of the Group and is principally engaged in the investment, development and through its subsidiaries, operation of Ponte 16) by a bank pursuant to an amended and restated facility agreement dated 23 June 2021 (the "Existing Loan Agreement") and financing the general working capital for non-gaming operation of Pier 16 – Property Development, Pier 16 – Property Development entered into an amended and restated facility agreement (the "Amended Facility Agreement") with a bank as lender on 23 June 2023. Pursuant to the Amended Facility Agreement, the maturity date under the Existing Loan Agreement was extended to 23 June 2025 and the Existing Loan Facilities were revised to the aggregate amounts of HK\$230 million and MOP273 million (the "Revised Loan Facilities").

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

## Significant Investment

The Group continued to hold overseas listed equity securities during the reporting period to diversify its investment portfolio. As at 30 June 2023, the Group held the following significant investment which was classified as financial assets at fair value through profit or loss:

Name of investment	Trading symbol	Number of common stock held as at 30 June 2023	Approximate percentage of stockholding as at 30 June 2023 %	Investment cost as at 30 June 2023 <i>Equivalent to HK\$ million</i>	Fair value as at 30 June 2023 <i>Equivalent to HK\$ million</i>	Approximate percentage to the Group's total assets as at 30 June 2023 %
Tesla, Inc. ("Tesla")	TSLA	96,750	0.003	47	199	15

  

Name of investment	Trading symbol	Number of common stock held as at 31 December 2022	Approximate percentage of stockholding as at 31 December 2022 %	Investment cost as at 31 December 2022 <i>Equivalent to HK\$ million</i>	Fair value as at 31 December 2022 <i>Equivalent to HK\$ million</i>	Approximate percentage to the Group's total assets as at 31 December 2022 %
Tesla	TSLA	96,750	0.003	47	93	7

Tesla was incorporated in the State of Delaware, the United States of America with its common stock traded on The Nasdaq Global Select Market. Tesla is principally engaged in designing, developing, manufacturing and selling high-performance fully electric vehicles and energy generation and storage systems, and offering services related to its sustainable energy products. As disclosed in Tesla's unaudited consolidated financial statements for the six months ended 30 June 2023, total revenues of Tesla increased by approximately 35% to approximately USD48.2 billion (equivalent to approximately HK\$379.7 billion) for the six months ended 30 June 2023 (2022: approximately USD35.7 billion (equivalent to approximately HK\$281.1 billion)), which was primarily due to the increase in automotive sales revenue from increased deliveries and deployments of its products. This was achieved from production ramping and partially offset by lower average selling price on its vehicles. Net income attributable to common stockholders for the six months ended 30 June 2023 was approximately USD5.2 billion (equivalent to approximately HK\$41.0 billion) (2022: approximately USD5.6 billion (equivalent to approximately HK\$43.9 billion)).

Tesla will continue to generate demand and brand awareness by improving its vehicles' performance and functionality. However, Tesla operates in a cyclical industry that is sensitive to political and regulatory uncertainty, including with respect to trade and the environment, all of which can be compounded by inflationary pressures, rising energy prices, increases in interest rates and the liquidity of enterprise customers. For example, inflationary pressures have increased across the markets in which it operates. In an effort to curb this trend, central banks in developed countries raised interest rates rapidly and substantially, impacting the affordability of vehicle lease and finance arrangements. Further, sales of vehicles in the automotive industry also tend to be cyclical in many markets, which may expose it to increase volatility as Tesla expands and adjusts its operations. Moreover, as additional competitors enter the marketplace and help bring the world closer to sustainable transportation, Tesla will have to adjust and continue to execute well to maintain its momentum. These macroeconomic and industry trends have had, and will likely continue to have, an impact on the pricing of, and order rate for its vehicles, and in turn its operating margin. Tesla will continue to adjust accordingly to such developments, and believe its ongoing cost reduction, including improved production innovation and efficiency at its newest factories and lower logistics costs, and focus on operating leverage will continue to benefit it in relation to its competitors, while its new products will help enable future growth.

As the production increases, Tesla works constantly to similarly increase vehicle delivery capability so that it does not become a bottleneck on its total deliveries. As Tesla expands its manufacturing operations globally, Tesla will also have to continue to increase and staff its delivery, servicing and charging infrastructure accordingly, maintain its vehicle reliability and optimise its supercharger locations to ensure cost effectiveness and customer satisfaction. In particular, as other automotive manufacturers have announced their agreements with Tesla to utilise its superchargers, Tesla must correspondingly expand its network in order to ensure adequate availability to meet customer demands. Tesla also remains focused on continued enhancements of the capability and efficiency of its servicing operations.

A fair value gain of approximately HK\$105.5 million was recognised for the six months ended 30 June 2023 (2022: fair value loss of approximately HK\$97.0 million). During the period under review, Tesla did not declare any dividend.

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

## **Financial Review**

### ***Liquidity, Financial Resources and Gearing***

As at 30 June 2023, the Group had net current assets of approximately HK\$67.8 million (31 December 2022: approximately HK\$24.6 million) and net assets of approximately HK\$873.4 million (31 December 2022: approximately HK\$719.4 million). There was no material change in the Group's funding and treasury policies as disclosed in the Annual Report 2022, and the Group has no hedging policy with respect to the foreign exchange exposure. The Group's transactional foreign exchange exposure was insignificant.

On 1 December 2008, Mr. Yeung Hoi Sing, Sonny (“Mr. Yeung”, being the Chairman of the Board, an executive Director and a controlling shareholder of the Company) provided a HK\$200 million term loan facility to the Company which is unsecured and charged with interest at the prime rate quoted for Hong Kong dollars loans by The Hongkong and Shanghai Banking Corporation Limited. The principal amount of the loan facility was increased up to HK\$290 million on 14 April 2009 (the “Revised Mr. Yeung’s Loan Facility”) and the final repayment date of the loan and all other sums owing to Mr. Yeung under the Revised Mr. Yeung’s Loan Facility was further extended from 31 October 2022 to 31 October 2024 by a supplemental letter of agreement dated 30 September 2021. As at 30 June 2023, the Company owed HK\$171.0 million to Mr. Yeung under the Revised Mr. Yeung’s Loan Facility (31 December 2022: HK\$216.0 million).

As at 30 June 2023, the Group’s secured bank facilities were approximately HK\$306.9 million (31 December 2022: approximately HK\$313.2 million) which bear interest at Hong Kong interbank offered rate (HIBOR) plus a margin that was ranged from 1.7% to 2.0% per annum (31 December 2022: 1.7% to 2.0% per annum). In addition, the Group had secured general bank facilities for issuance of standby letters of credit of (i) CAD2.0 million (31 December 2022: CAD2.0 million) which carries a commission rate of 1.2% per annum; and (ii) approximately USD0.1 million (31 December 2022: approximately USD0.1 million). The proceeds of the facilities were for the Group’s general operation. As at 30 June 2023, the outstanding bank loans were approximately HK\$266.2 million (31 December 2022: HK\$312.5 million).

As at 30 June 2023, the Group had current lease liabilities of approximately HK\$0.4 million (31 December 2022: current and non-current lease liabilities of approximately HK\$0.6 million and HK\$0.2 million respectively).

As at 30 June 2023, total equity attributable to owners of the Company was approximately HK\$873.4 million (31 December 2022: approximately HK\$719.4 million). The net gearing ratio, which was measured on the basis of the interest-bearing borrowings (including lease liabilities), net of cash and cash equivalents, of the Group over total equity attributable to owners of the Company, was approximately 46% as at 30 June 2023 (31 December 2022: approximately 53%).

### ***Provision of Financial Assistance to Pier 16 – Property Development***

References were made to the announcement dated 21 June 2023 (the “Announcement”) and the circular dated 13 July 2023 (the “Circular”) both issued by the Company in relation to the provision of financial assistance to Pier 16 – Property Development (the “2023 Financial Assistance”). The estimated total exposure of the Company under the provision of the 2023 Financial Assistance was approximately HK\$525 million.

The provision of the 2023 Financial Assistance constituted a major transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). On 21 June 2023, the Company obtained a written shareholder’s approval from a shareholder, which held approximately 71.61% of the entire issued share capital of the Company as at the date of such written approval, in respect of the provision of the 2023 Financial Assistance.

For further details of the 2023 Financial Assistance, please refer to the Announcement and the Circular.

### ***Pledge of Assets***

As at 30 June 2023, the Group had secured the following assets:

- (a) The Group pledged all of its investment properties, one of its stock of properties as well as the leasehold land and building totally with the carrying amount of approximately HK\$433.3 million (31 December 2022: approximately HK\$434.9 million) to secure against the loan facilities of approximately HK\$306.9 million and a standby letter of credit of CAD2.0 million, totally equivalent to approximately HK\$318.9 million (31 December 2022: approximately HK\$313.2 million and CAD2.0 million, totally equivalent to approximately HK\$324.9 million) granted to the Group; and
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2022: all) of its shares in Pier 16 – Property Development to a bank in respect of the loan facilities granted to Pier 16 – Property Development.

### ***Contingent Liabilities***

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

The outstanding loan under the Revised Loan Facilities as at 30 June 2023 was approximately HK\$200.0 million (31 December 2022: outstanding loan under the Existing Loan Facilities was approximately HK\$230.0 million).

### **Human Resources**

As at 30 June 2023, the Group had a total of 68 employees. Remuneration is determined on the basis of qualifications, experience, responsibilities and performance. In addition to the basic remuneration, staff benefits include medical insurance and retirement benefits. Share options may also be granted to eligible employees of the Group as a long-term incentive.

## Prospects

Entering into the second half of the year, China is on track to achieve its modest 2023 growth target. The Central Government has planned additional stimulus initiatives to further boost development momentum, optimise the economic structure and facilitate continuous recovery. Meanwhile, despite the headwinds such as high inflation and interest rates, the International Monetary Fund (IMF) has modestly increased its 2023 global growth forecast, attributed to the gradual recovery and resilient global economic activity observed. Moreover, as pressures on inflation and global supply chains gradually eased during the second quarter of 2023, consumer and business sentiment have shown improvements in most major economies.

In 2023, international tourism is expected to consolidate its recovery, driven by the pent-up travel demand, particularly from Asia Pacific, and the reopening of destinations and markets. The World Tourism Organisation (UNWTO) estimates that international tourism arrivals could reach over 80% of pre-pandemic levels this year. With Jade Travel's strong brand reputation in wholesale business and well-established relationships with airlines in North America and China, it is well-prepared to capitalise on these growing opportunities. Jade Travel aims to expand its offerings and provide a broader range of products to leading domestic and international travel portals. Furthermore, Jade Travel will be relaunching bespoke packages and local tours to exotic destinations worldwide, such as specialised small group tours to Cuba and South America, to cater for the diverse interests of retail travellers who seek unique and exceptional experiences. Emphasising its commitment to thriving in the evolving travel landscape, Jade Travel will continue leveraging its enhanced online capabilities to expand its global presence and improve profitability.

In the immediate term, it is anticipated that the demand for the property market in Hong Kong will be restrained by high interest rates. However, the reopening of borders provides a solid foundation for the recovery of commercial property demand, particularly in prime districts. The Group maintains an optimistic outlook towards the commercial property market in Hong Kong and firmly believes that its investment portfolio will continue to generate stable returns. By closely monitoring market developments and leveraging Hong Kong's strategic position, the Group remains prudent to navigate current challenges and future opportunities in the commercial property sector.

Macau demonstrated a strong momentum in tourism recovery as it progresses into the second half of the year. In July 2023, Macau's GGR experienced a substantial growth of approximately 9.6% month-on-month to approximately MOP16.7 billion. This exceptional performance exceeded the GGR recorded in May 2023 and stands as the highest monthly figure since February 2020. With several festive seasons approaching in the second half of the year, including the National Day holidays and Christmas holidays, it is anticipated that the actual GGR will surpass the Macau Government's estimated GGR of MOP130 billion for 2023. Leveraging the remarkable resurgence of visitors to Macau, the Group perceives the mass market as the most promising segment for sustainable growth. Ponte 16, situated in the exclusive Inner Harbour area of Macau, will continue to offer an exceptional accommodation experience enriched with a distinctive cultural connotation, along with its enhanced

comprehensive entertainment facilities and initiatives. As a casino-entertainment resort, Ponte 16 maintains its leading position, supported by strong partnerships with neighbouring communities. Furthermore, the Group will continue to implement targeted marketing initiatives across various social media and online platforms to enhance exposure of the local culture to Chinese visitors.

Looking ahead, the Group is encouraged by positive developments across diverse markets and sectors while maintaining an optimistic and well-positioned stance to navigate the evolving business landscape. The Group will also remain committed to formulating and implementing prudent corporate strategies that prioritise the development of its diversified portfolio of businesses. Leveraging its strategic foresight and disciplined decision-making, the Group remains steadfast in its commitment to driving long-term sustainable growth and capturing emerging opportunities.

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

During the six months ended 30 June 2023, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

## **CORPORATE GOVERNANCE**

In the opinion of the Directors, the Company has complied with all the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules during the six months ended 30 June 2023.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim results for the six months ended 30 June 2023 have been reviewed by the audit committee of the Board and HLB Hodgson Impey Cheng Limited, the auditors of the Company, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

On behalf of the Board of  
**SUCCESS UNIVERSE GROUP LIMITED**  
**Yeung Hoi Sing, Sonny**  
*Chairman*

Hong Kong, 30 August 2023

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Mr. Ma Ho Man, Hoffman (Deputy Chairman); one non-executive Director, namely Mr. Choi Kin Pui, Russelle; and three independent non-executive Directors, namely Ms. Yeung Mo Sheung, Ann, Mr. Chin Wing Lok, Ambrose and Mr. Chong Ming Yu.*