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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 2024**

**INTERIM RESULTS**

The board of directors (the “Board”) of Success Universe Group Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 together with comparative figures for the corresponding period as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*For the six months ended 30 June 2024*

	<i>Note</i>	<b>Unaudited</b>	
		<b>For the six months ended</b>	
		<b>30/6/2024</b>	<b>30/6/2023</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	3	<b>32,518</b>	68,444
Cost of sales		<u>(23,627)</u>	<u>(60,967)</u>
<b>Gross profit</b>		<b>8,891</b>	7,477
Other revenue, gain and loss	4	<b>783</b>	1,917
Fair value (loss)/gain on investment properties		<b>(8,600)</b>	500
(Loss)/gain arising on change in fair value of financial assets at fair value through profit or loss		<b>(38,414)</b>	105,520
Administrative expenses		<b>(26,006)</b>	(23,485)
Other operating (expenses)/income	5(c)	<u><b>(16,264)</b></u>	<u>2,024</u>
<b>(Loss)/profit from operations</b>		<b>(79,610)</b>	93,953
Finance costs	5(a)	<b>(14,313)</b>	(12,027)
Share of results of joint ventures		<b>299</b>	260
Share of results of associates		<u><b>58,151</b></u>	<u>71,638</u>
<b>(Loss)/profit before taxation</b>	5	<b>(35,473)</b>	153,824
Taxation	6	<u>–</u>	<u>–</u>
<b>(Loss)/profit for the period</b>		<u><b>(35,473)</b></u>	<u>153,824</u>
<b>(Loss)/profit for the period attributable to owners of the Company</b>		<u><b>(35,473)</b></u>	<u>153,824</u>
<b>(Loss)/earnings per share</b>			
– Basic and diluted	8	<u><b>(0.72) HK cents</b></u>	<u>3.12 HK cents</u>

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

*For the six months ended 30 June 2024*

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2024</b>	<b>30/6/2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Loss)/profit for the period</b>	<b>(35,473)</b>	153,824
<b>Other comprehensive (loss)/income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(1,711)	238
Release of exchange reserve upon disposal of a subsidiary	<u>615</u>	<u>–</u>
Total other comprehensive (loss)/income for the period, net of tax	<u>(1,096)</u>	<u>238</u>
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(36,569)</u></b>	<b><u>154,062</u></b>
<b>Total comprehensive (loss)/income for the period attributable to owners of the Company</b>	<b><u>(36,569)</u></b>	<b><u>154,062</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>Note</i>	<b>Unaudited At 30/6/2024 HK\$'000</b>	<b>Audited At 31/12/2023 HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>207,285</b>	223,241
Intangible assets		<b>5,906</b>	6,102
Investment properties		<b>112,900</b>	121,500
Interests in associates		<b>711,687</b>	678,227
Interests in joint ventures		<b>8,767</b>	8,468
		<b><u>1,046,545</u></b>	<u>1,037,538</u>
<b>Current assets</b>			
Stock of properties		<b>83,700</b>	88,900
Trade and other receivables	9	<b>18,092</b>	15,727
Financial assets at fair value through profit or loss		<b>150,067</b>	188,453
Restricted bank deposits		–	549
Cash and cash equivalents		<b>61,514</b>	57,388
		<b><u>313,373</u></b>	<u>351,017</u>
<b>Current liabilities</b>			
Trade and other payables	10	<b>23,155</b>	20,294
Contract liabilities		<b>1,561</b>	802
Bank loans		<b>266,500</b>	306,500
Lease liabilities		<b>534</b>	311
		<b><u>291,750</u></b>	<u>327,907</u>
<b>Net current assets</b>		<b><u>21,623</u></b>	<u>23,110</u>
<b>Total assets less current liabilities</b>		<b><u>1,068,168</u></b>	<u>1,060,648</u>

	<b>Unaudited</b>	Audited
	At	At
	<b>30/6/2024</b>	31/12/2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current liabilities</b>		
Lease liabilities	773	284
Loan from a director and controlling shareholder	<u>216,600</u>	<u>173,000</u>
	<u>217,373</u>	<u>173,284</u>
<b>Net assets</b>	<u><b>850,795</b></u>	<u>887,364</u>
<b>Capital and reserves</b>		
Share capital	49,265	49,265
Reserves	<u>801,530</u>	<u>838,099</u>
<b>Total equity</b>	<u><b>850,795</b></u>	<u>887,364</u>

## NOTES:

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix D2 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 2023 as contained in the Company’s Annual Report 2023 (the “Annual Report 2023”).

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 2023, except for described below.

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

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 2024 for the preparation of the condensed consolidated financial statements:

HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

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 and sales of properties 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 on property, plant and equipment as well as 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, loan from a director and controlling shareholder and bank loans as well as 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	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers and reportable segment revenue	<u>31,182</u>	<u>67,142</u>	<u>1,336</u>	<u>1,302</u>	<u>32,518</u>	<u>68,444</u>
Reportable segment profit/(loss)	<u>388</u>	<u>976</u>	<u>(11,291)</u>	<u>4,728</u>	<u>(10,903)</u>	<u>5,704</u>
Share of results of joint ventures					299	260
Share of results of associates					58,151	71,638
(Loss)/gain arising on change in fair value of financial assets at FVTPL					(38,414)	105,520
Unallocated corporate income					191	278
Unallocated corporate expenses					(30,495)	(17,554)
Finance costs					<u>(14,302)</u>	<u>(12,022)</u>
Consolidated (loss)/profit before taxation					(35,473)	153,824
Taxation					<u>-</u>	<u>-</u>
Consolidated (loss)/profit for the period					<u>(35,473)</u>	<u>153,824</u>



	Travel		Property investment		Total	
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	at	at	at	at	at	at
	30/6/2024	31/12/2023	30/6/2024	31/12/2023	30/6/2024	31/12/2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Reportable segment assets</b>	<b>47,531</b>	45,368	<b>197,314</b>	211,261	<b>244,845</b>	256,629
<b>Unallocated corporate assets</b>						
– Interests in associates					<b>711,687</b>	678,227
– Interests in joint ventures					<b>8,767</b>	8,468
– Financial assets at FVTPL					<b>150,067</b>	188,453
– Corporate assets					<b>244,552</b>	256,778
					<b>1,359,918</b>	<b>1,388,555</b>
<b>Reportable segment liabilities</b>	<b>22,669</b>	18,044	<b>1,601</b>	1,621	<b>24,270</b>	19,665
<b>Unallocated corporate liabilities</b>						
– Corporate liabilities					<b>484,853</b>	481,526
					<b>509,123</b>	<b>501,191</b>

**(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	
	30/6/2024	30/6/2023	30/6/2024	30/6/2023	30/6/2024	30/6/2023	30/6/2024	30/6/2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Interest income	56	55	-	-	164	117	220	172
Depreciation:								
– owned property, plant and equipment	(171)	(124)	-	-	(5,550)	(5,682)	(5,721)	(5,806)
– right-of-use assets	(299)	(276)	-	-	-	-	(299)	(276)
Reversal of allowance for/(allowance for) expected credit losses on trade receivables	34	(130)	-	-	-	-	34	(130)
Reversal of impairment loss recognised on intangible assets	-	354	-	-	-	-	-	354
Fair value (loss)/gain on investment properties	-	-	(8,600)	500	-	-	(8,600)	500
(Write-down)/reversal of write-down of stock of properties	-	-	(5,200)	1,800	-	-	(5,200)	1,800
Impairment loss on property, plant and equipment	-	-	-	-	(11,098)	-	(11,098)	-
Finance costs	(11)	(5)	-	-	(14,302)	(12,022)	(14,313)	(12,027)
Additions to non-current assets*	<b>249</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>10</b>

\* 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	
	30/6/2024	30/6/2023
	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	19,632	61,042
Travel and related service fee income	11,550	6,100
	<u>31,182</u>	<u>67,142</u>
<b>Revenue from other sources:</b>		
Rental income	1,336	1,302
	<u>1,336</u>	<u>1,302</u>
<b>Total revenue</b>	<b><u>32,518</u></b>	<b><u>68,444</u></b>

4. OTHER REVENUE, GAIN AND LOSS

	Unaudited	
	For the six months ended	
	30/6/2024	30/6/2023
	HK\$'000	HK\$'000
<b>Other revenue:</b>		
Interest income on bank deposits	220	172
Other income	1,647	1,584
	<u>1,867</u>	<u>1,756</u>
<b>Other gain and loss:</b>		
Amortisation of financial guarantee contract	–	161
Loss on disposal of a subsidiary	(1,084)	–
	<u>(1,084)</u>	<u>–</u>
<b>Total</b>	<b><u>783</u></b>	<b><u>1,917</u></b>

## 5. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/profit before taxation is arrived at after charging/(crediting) as follows:

	Unaudited	
	For the six months ended	
	30/6/2024	30/6/2023
	HK\$'000	HK\$'000
<b>(a) Finance costs</b>		
Interest on bank loans	9,524	8,504
Interest on loan from a director and controlling shareholder	4,778	3,518
Interest on lease liabilities	11	5
	<u>14,313</u>	<u>12,027</u>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits (including directors' emoluments)	13,018	10,718
Contributions to defined contribution retirement plan	556	428
	<u>13,574</u>	<u>11,146</u>
<b>(c) Other operating expenses/(income)</b>		
Write-down/(reversal of write-down) of stock of properties	5,200	(1,800)
Reversal of impairment loss on intangible assets (Reversal of allowance for)/allowance for expected credit losses on trade receivables	–	(354)
	(34)	130
Impairment loss on property, plant and equipment	11,098	–
	<u>16,264</u>	<u>(2,024)</u>
<b>(d) Other items</b>		
Auditors' remuneration	600	504
Depreciation:		
– owned property, plant and equipment	5,721	5,806
– right-of-use assets	299	276
Gross rental income from investment properties	(1,336)	(1,302)
Less: Direct operating expenses incurred for investment properties that generated rental income during the period	170	177
Operating lease rentals		
– short-term lease	442	443
– low-value assets	28	21
Gain on disposal of property, plant and equipment	(185)	–
Net exchange loss/(gain)	340	(625)

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

	<b>Unaudited</b>	
	<b>For the six months ended</b>	
	<b>30/6/2024</b>	<b>30/6/2023</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 2023: 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 2024 and 2023 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 2023: 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 2024 and 2023 as the Group has sufficient tax losses brought forward available to offset the current period's estimated assessable profits in Canada.

The People's Republic of China ("PRC") subsidiary is subject to PRC Enterprise Income Tax at 25% (for the six months ended 30 June 2023: 25%). No provision for PRC Enterprise Income Tax has been made for the periods ended 30 June 2024 and 2023 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 2024 (for the six months ended 30 June 2023: nil).

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

**8. (LOSS)/EARNINGS PER SHARE**

The calculation of the basic (loss)/earnings 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>30/6/2024</b>	<b>30/6/2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Loss)/profit:</b>		
(Loss)/profit for the period attributable to the owners of the Company	<u>(35,473)</u>	<u>153,824</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 (loss)/earnings per share	<u>4,926,491</u>	<u>4,926,491</u>

Diluted (loss)/earnings per share for the periods ended 30 June 2024 and 2023 was the same as the basic (loss)/earnings 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>30/6/2024</b>	31/12/2023
	<b>HK\$'000</b>	HK\$'000
Current	<b>11,997</b>	9,077
31 to 60 days	<b>177</b>	144
61 to 90 days	<b>55</b>	258
Over 90 days	<b>454</b>	592
	<hr/>	<hr/>
Trade receivables	<b>12,683</b>	10,071
Other receivables	<b>923</b>	908
Prepayments and deposits	<b>4,486</b>	4,748
	<hr/>	<hr/>
	<b>18,092</b>	15,727
	<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\$245,000 (31 December 2023: approximately HK\$441,000) arise from properties rental income.

The Group normally allows an average credit period of 30 days to customers of travel business (31 December 2023: 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>30/6/2024</b>	31/12/2023
	<b>HK\$'000</b>	HK\$'000
Current	<b>12,245</b>	8,975
31 to 60 days	<b>92</b>	268
61 to 90 days	<b>255</b>	74
Over 90 days	<b>661</b>	664
	<hr/>	<hr/>
Trade payables	<b>13,253</b>	9,981
Accrued charges and other payables	<b>9,902</b>	10,313
	<hr/>	<hr/>
	<b>23,155</b>	20,294
	<hr/> <hr/>	<hr/> <hr/>

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overview

In the first half of 2024, the global economy maintained its trend of recovery. Economic activities in China, Hong Kong, Macau and other regions in Asia sustained the growth momentum from 2023. Riding on this upward trend, China's Gross Domestic Product ("GDP") expanded by 5% Year-On-Year ("YOY"). Given the close interconnection with China, both Hong Kong and Macau also shared the revival. Notably, Macau's entertainment and hospitality sectors experienced an ongoing upswing with a significant 43.6% YOY increase in tourist arrivals for the first six months of the year.

On the other hand, the global economy remains under strain as the ongoing geopolitical tensions and economic pressures created a challenging business environment. Since the pace of interest rate cuts was slower than initially anticipated, the high interest rate environment together with the persistent inflation continued to erode purchasing power in many regions. As a result, shaped by consistently high living expenses and a noticeable decline in consumer sentiment, the operating environment was more complex, impacting various sectors and hampering economic recovery efforts.

Amid economic challenges, the Group prioritises prudence and agility in its management. By maintaining a focus on operational efficiency and enhancing entertainment and tourism offerings, the Group closely monitors market fluctuations. This strategic approach positions the Group well to capitalise on emerging opportunities and ensures resilience in an evolving economic landscape.

## Results

For the six months ended 30 June 2024, revenue of the Group was approximately HK\$32.5 million, decreased by approximately 52% from approximately HK\$68.4 million for the same period of 2023. Gross profit increased by approximately 19% to approximately HK\$8.9 million (2023: approximately HK\$7.5 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 2024 was approximately HK\$58.2 million (2023: approximately HK\$71.6 million). Loss attributable to owners of the Company for the six months ended 30 June 2024 was approximately HK\$35.5 million (2023: profit of approximately HK\$153.8 million), whilst loss per share was 0.72 HK cents (2023: earnings per share of 3.12 HK cents).

The shift in profit to loss for the six months ended 30 June 2024 was mainly attributable to (i) a fair value loss on the Group's overseas listed equity securities of approximately HK\$38.4 million was recognised for the six months ended 30 June 2024, whereas a fair value gain of approximately HK\$105.5 million was recognised for the last corresponding period; and (ii) a fair value loss on the Group's investment properties as well as write-down / impairment loss of carrying amounts of the Group's stock of properties and leasehold land and building classified under property, plant and equipment in the aggregate amount of approximately HK\$24.9 million were recognised for the six months ended 30 June 2024, while a fair value gain on the Group's 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 were recognised for the last corresponding period.

### **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 2024 (2023: nil).

### **Review of Operations**

#### ***Travel Business***

Jade Travel Ltd. ("Jade Travel"), one of the prominent and leading travel agencies in Canada, continues to provide professional travel products and services to its target customers in both wholesale and retail markets. As the global tourism has been experiencing a significant resurgence driven by the increased travel flexibility and an upsurge in outbound trips, Jade Travel, leveraging its extensive airline network, diverse retail offerings and comprehensive services, has echoed the positive market trend.

During the first quarter of 2024, international tourism witnessed a remarkable growth. According to the UN Tourism (formerly known as the United Nations World Tourism Organization), over 285 million tourists were recorded globally, representing a 20% YOY increase and reaching 97% of pre-pandemic levels in 2019 ("2019 Levels"). International arrivals in the Middle East and Europe had surpassed the 2019 Levels, while international arrivals in the America had reached 99% of the 2019 Levels. The Asia-Pacific regions have also made substantial progress, achieving 82% of their 2019 Levels. Additionally, the solid US Dollar relative to most global currencies has enhanced the attractiveness of international travels for North America travellers, thereby further stimulating overall travel demand.

In light of these positive industry developments, the Group has fortified its online auto-ticketing system and online ticketing platform while expanding its product offerings to enhance overall profitability. Revenue of the travel business segment for the six months ended 30 June 2024 decreased by approximately 54% to approximately HK\$31.2 million (2023: approximately HK\$67.1 million) while gross profit margin increased from approximately 9% to approximately 24%. Profit of approximately HK\$0.4 million was recorded in this segment (2023: approximately HK\$1.0 million).

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

Hong Kong's commercial property has been facing global headwinds triggered by high interest rates and financing costs as well as dampening demands for local commercial real estate incurred by geopolitical uncertainties. According to Jones Lang LaSalle and the CBRE Group, the international commercial real estate services and investment advisors, Grade A office vacancy rate climbed to 13.6% at the end of June 2024, up from 12.6% at the end of June 2023, with ensured rental prices dropped by approximately 2% YOY for the first half of 2024, which was mainly attributed to new office supply and relocation of companies to non-core business areas for cost control amid the global economic recovery. Despite these hurdles, the Group remains cautiously optimistic about the commercial property market in the long-term as the Hong Kong's government has been making concerted efforts to attract enterprises and talents worldwide to uphold Hong Kong's position as a key financial hub and its competitive edge. The Group has been closely monitoring market situation and constantly reviewing to maintain its healthy investment portfolio, while it consistently generating stable rental income.

Revenue of the property investment business for the six months ended 30 June 2024 amounted to approximately HK\$1.3 million (2023: approximately HK\$1.3 million). Segment loss was approximately HK\$11.3 million (2023: profit of approximately HK\$4.7 million) which was mainly due to recognition of a fair value loss on the Group's investment properties and a write-down of carrying amount of the Group's stock of properties in the aggregate amount of approximately HK\$13.8 million for the reporting period (2023: recognition of a fair value gain on the Group's 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).

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

Macau's tourism sector demonstrated robust growth in the first half of 2024, with a substantial increase of visitor arrivals by approximately 44% YOY to approximately 16.7 million, representing approximately 82% of the 2019 Levels. The Macau's government initiatives, which aimed at enhancing accessibility and convenience in Macau, played a crucial role. Earlier this year, the Central Government extended the individual visit scheme for granting individual travel endorsements for visits to Hong Kong and Macau to eight additional cities in Mainland China, making the number of total eligible cities to 59. In April 2024, the launch of the Hengqin-Macao multiple-entry visa policy allowed Mainland Chinese package tours to use a single group travel permit for multiple round trips within a week. Additionally, infrastructure improvements significantly enhanced connectivity to Macau, making it more accessible to a wider audience and stimulating tourism growth.



Riding the wave of increased visitor arrivals, Macau's gaming sector exhibited a remarkable growth in the first half of 2024, with Macau's gross gaming revenue ("GGR") reached approximately MOP113.8 billion, representing an approximately 42% YOY surge and approximately 76% recovery compared to the 2019 Levels. Notably, the mass-market segment emerged as a key driver, generating approximately MOP69.2 billion and setting a historic record in May 2024. The mass-market continued to contribute the majority of the overall GGR. This aligns with Ponte 16's business approach of focusing on the mass-market segment, being the most promising segment for sustainable growth. At the same time, Ponte 16 also experienced the increase in operating expenses during the first half of 2024.

Ponte 16, strategically situated in Macau's Inner Harbour for convenient access, offers a refined integrated casino-entertainment resort experience with diverse entertainment options and exquisite global cuisines. During the first half of 2024, Ponte 16 maintained its growth trajectory, propelled by a resurgence in tourist arrivals and GGR. Surrounded by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) World Heritage site featuring twenty-two buildings and eight adjoining public squares, Ponte 16 is deeply rooted in the culturally-rich Macau. With its unwavering commitment to enhancing Macau's travel and entertainment sectors, Ponte 16 has continuously refined its comprehensive platform, "OLA 澳優遊" ("OLA"), providing Macau tourists with travel information and exclusive promotions from local communities to encourage diversified spending and consumption. Beyond Macau, OLA has expanded into the Greater Bay Area, engaging with businesses in other cities, particularly in Zhuhai, to further intensify its influence. Currently, OLA boasts approximately 220 merchant partners, spanning nearly 270 merchant outlets, and serves around 35,300 registered members, which reinforce Ponte 16's strong market presence within Macau's tourism landscape and contribute to the overall economy of the Macau Peninsula.

The year 2024 marks the 16th anniversary of Ponte 16's resort opening and the 60th anniversary of the Sofitel hotel brand. To celebrate these joint anniversaries, a photo contest named "Precious Moment with Ponte 16 Photo Contest" will be held in the second half of 2024. Over the past 16 years, Ponte 16 has not only become a landmark of the Inner Harbour area, but has also played a crucial role in driving the transformation and growth of Macau's tourism industry. Committed to fostering Macau's cultural, travel and entertainment sectors, Ponte 16 fully supports the charitable activities and actively engaged in various initiatives to promote local art and cultural events, aiding in the transformation of Macau into a World Centre of Tourism and Leisure. This extensive involvement includes collaborations with the local communities and Macau Government on diverse exhibitions and events aiming at revitalising the neighbouring area and reinforcing Ponte 16's commitment to creating social values.

Ponte 16 continuously enhances its entertainment offerings to cater to diversified consumer preferences. During the first half of 2024, Sofitel Macau At Ponte 16 received widespread recognitions for its dedication to delivering an exceptional guest experience. These included “Excellence Award” by the “Macau Energy Saving Activity 2024” and “Green Hotel Award – Bronze 2023-2025” presented by the Environmental Protection Bureau (DSPA), “The Best Luxury Resort” by the “The WORLDiary collection of the year 2023-2024” presented by The WORLDiary, “Scenic Hotel” by the “Ctrip public praise” presented by the Trip.com Group, and ranked No.2 for the “Popular buffet restaurant of Macau” and “The most popular restaurants for tourists in Macau” by “2023 Macau Popular Restaurants” presented by Aomi.

As at 30 June 2024, 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 was approximately 85% for the first half of 2024 (2023: approximately 85%). For the six months ended 30 June 2024, an Adjusted EBITDA\* of approximately HK\$134.7 million was recorded (2023: approximately HK\$167.8 million).

### Significant Investment

The Group continued to hold overseas listed equity securities during the reporting period to diversify its investment portfolio. As at 30 June 2024, 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 2024	Approximate percentage of stockholding as at 30 June 2024	Investment cost as at 30 June 2024	Fair value as at 30 June 2024	Approximate percentage to the Group's total assets as at 30 June 2024
			%	Equivalent to HK\$ million	Equivalent to HK\$ million	%
Tesla, Inc. (“Tesla”)	TSLA	96,750	0.003	47	150	11
Name of investment	Trading symbol	Number of common stock held as at 31 December 2023	Approximate percentage of stockholding as at 31 December 2023	Investment cost as at 31 December 2023	Fair value as at 31 December 2023	Approximate percentage to the Group's total assets as at 31 December 2023
			%	Equivalent to HK\$ million	Equivalent to HK\$ million	%
Tesla	TSLA	96,750	0.003	47	188	14

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

Tesla was incorporated in the State of Delaware, the United States of America (“USA”) 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, solar energy generation systems and energy storage products, 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 2024, total revenues of Tesla was decreased by approximately 3% to approximately USD46.8 billion (equivalent to approximately HK\$366.9 billion) (2023: approximately USD48.2 billion (equivalent to approximately HK\$379.7 billion)), which were primarily due to lower average selling price on its vehicles driven by overall price reductions and attractive financing options provided year over year. Net income attributable to common stockholders for the six months ended 30 June 2024 was approximately USD2.6 billion (equivalent to approximately HK\$20.4 billion) (2023: approximately USD5.2 billion (equivalent to approximately HK\$41.0 billion)). Tesla continues to ramp production and builds and optimises its manufacturing capacity, expand its operations while focusing on further cost reductions and operational efficiencies to enable increased deliveries and deployments of its products, and invest in research and development to accelerate its artificial intelligence (AI), software, and fleet-based profits for further revenue growth.

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, interest rates fluctuations 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 increased 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. Additionally, its supplier’s liquidity and allocation plans may be affected by current challenges in the North American automotive industry, which could reduce its access to components or result in unfavourable changes to cost. 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. Changes in government and economic incentives or tariffs may also impact its sales, cost structure and the competitive landscape. Tesla will continue to adjust accordingly to such developments, and Tesla believes its ongoing cost reduction, including improved production innovation and efficiency at its newest factories and lower logistics costs, and focuses 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 must work 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 loss of approximately HK\$38.4 million was recognised for the six months ended 30 June 2024 (2023: fair value gain of approximately HK\$105.5 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 2024, the Group had net current assets of approximately HK\$21.6 million (31 December 2023: approximately HK\$23.1 million) and net assets of approximately HK\$850.8 million (31 December 2023: approximately HK\$887.4 million). There was no material change in the Group's funding and treasury policies as disclosed in the Annual Report 2023, 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 2024 to 31 October 2026 by a supplemental letter of agreement dated 29 September 2023. As at 30 June 2024, the Company owed HK\$216.6 million to Mr. Yeung under the Revised Mr. Yeung's Loan Facility (31 December 2023: HK\$173.0 million).

As at 30 June 2024, the Group's secured bank facilities were approximately HK\$291.3 million (31 December 2023: approximately HK\$306.9 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 2023: 1.7% to 2.0% per annum). In addition, the Group had secured general bank facilities for issuance of standby letters of credit of CAD2.0 million which carries a commission rate of 1.2% per annum (31 December 2023: CAD2.0 million and approximately USD0.1 million). The proceeds of the facilities were for the Group's general operation. As at 30 June 2024, the outstanding bank loans were HK\$266.5 million (31 December 2023: HK\$306.5 million).

As at 30 June 2024, the Group had current and non-current lease liabilities of approximately HK\$0.5 million and HK\$0.8 million (31 December 2023: approximately HK\$0.3 million and HK\$0.3 million) respectively.

As at 30 June 2024, total equity attributable to owners of the Company was approximately HK\$850.8 million (31 December 2023: approximately HK\$887.4 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 50% as at 30 June 2024 (31 December 2023: approximately 48%).

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

As at 30 June 2024, 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\$382.6 million (31 December 2023: approximately HK\$410.3 million) to secure against the loan facilities of approximately HK\$291.3 million and a standby letter of credit of CAD2.0 million, totally equivalent to approximately HK\$302.9 million (31 December 2023: approximately HK\$306.9 million and CAD2.0 million, totally equivalent to approximately HK\$318.9 million) granted to the Group; and
- (b) World Fortune Limited, an indirect wholly-owned subsidiary of the Company, pledged all (31 December 2023: all) of its shares in Pier 16 – Property Development Limited (“Pier 16 – Property Development”, an associate of the Group) to a bank in respect of the loan facilities granted to Pier 16 – Property Development (the “Loan Facilities”).

### ***Contingent Liabilities***

The Company gave a corporate guarantee (the “Guarantee”) to a bank in respect of the Loan Facilities. The maximum guarantee amount borne by the Company under the Guarantee was HK\$490.0 million.

The outstanding loan under the Loan Facilities as at 30 June 2024 was HK\$160.0 million (31 December 2023: HK\$180.0 million).

## **Human Resources**

As at 30 June 2024, the Group had a total of 80 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.

## **Prospects**

Stepping into the second half of 2024, while geopolitical tensions and high interest rates continue to cast shadows over the global economy, there are promising signs on the horizon. The World Bank has revised its global economic growth forecast from 2.4% to 2.6%, reflecting its growing confidence in the world's economic resilience. Additionally, a slight decline in inflation and the possibility of interest rate cuts contribute to this positive outlook. China, a major player in the global economy, is steadily progressing on the path to recovery. The International Monetary Fund has made an upward adjustment to its 2024 economic growth projection for China from 4.6% to 5%, underscoring its potential to propel global economic momentum and foster a more favourable business environment.

International tourism is poised for a full recovery in 2024, with projections indicate a 2% increase in tourist arrivals compared to the 2019 Levels, according to the UN Tourism. Despite persistent economic challenges, the industry has demonstrated resilience and positive trend, contributed by the robust consumer demand, the improved air connectivity and the ongoing recovery of China and other major Asian markets. Furthermore, initiatives such as visa-free arrangements between China and various European and key Asian nations, coupled with expanded flight routes, are expected to significantly boost travel. These efforts further fuel the anticipated recovery in international tourism. With a strong brand presence in wholesale operations and an extensive network spanning China and North America, Jade Travel is well-positioned to capture the industry's resurgence. It remains committed to enhancing its product offerings and tailoring tour packages to meet the evolving preferences of international travellers. Leveraging its reputation and network within the Asia community, Jade Travel also aims to explore a wider and more diversified customer base, seizing emerging opportunities.

Although the Hong Kong property market remains uncertain in the short term due to the exertion of the considerable pressure from the prevailing high interest rate environment and increased commercial property supply, the Group maintains a positive outlook for Hong Kong's commercial property market. The enduring resilience and exceptional value of commercial property assets in Hong Kong are rooted from the city's intrinsic strengths and unparalleled global connectivity as well as the esteemed status as a preeminent financial hub in the Asia-Pacific region. The Group remains positive that its current investment portfolio is healthy and will continue to yield stable and resilient returns, even amidst short-term market turbulences, and will prudently navigate evolving market dynamics.

Macau's tourism sector is thriving continuously in 2024. The upcoming festive seasons, coupled with various events such as concerts and sports events, and the introduction of increased duty-free shopping allowance to RMB12,000 for Mainland Chinese tourists, as well as the opening of the Shenzhen-Zhongshan Bridge in the end of June 2024, are expected to drive a significant visitor influx in the latter half of the year. The Macao Government Tourism Office (MGTO) forecasts a substantial 20% surge in visitor arrivals, projecting over 33 million visitors to Macau throughout the year. Concurrently, with more innovative tourism elements and an expanding international visitor base, the GGR is expected to continue its upward trend. The Macau Government's target of MOP216 billion in annual GGR appears well within reach, with the first half of the year already achieved approximately 53% of this projection. Macau's strategic efforts to diversify its tourism offerings and broaden its international customer base are proving fruitful, boosting GGR, visitation and visitor spending. Entering the second half of the year, Ponte 16 has secured its growth momentum with satisfactory hotel bookings for the summer holidays this year. Committed to delivering exceptional guest experiences infused with unique cultural elements, Ponte 16 is set to intensify collaborations with local communities and leverage various platforms including social media to further promote Macau's vibrant tourism industry.

While the entertainment and tourism industry continues to thrive, the Group is well-equipped to navigate the resilient recovery in the second half of 2024. Striking a delicate balance between optimism and caution, the Group is poised to steer through the market landscape while vigilantly monitoring and adjusting strategies to overcome macro challenges. The Group's unwavering dedication remains focused on enriching its business portfolio, preserving its dedication to achieve sustainable growth and seizing forthcoming opportunities.

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

During the six months ended 30 June 2024, 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 C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the six months ended 30 June 2024.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim results for the six months ended 30 June 2024 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, 29 August 2024

*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 Ms. Hon Hong Lun, Jackie.*