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MACAU SUCCESS LIMITED

澳門實德有限公司

(Incorporated in Hong Kong with limited liability)

**MAJOR TRANSACTION INVOLVING
ACQUISITION OF A 55% INTEREST IN A CRUISE SHIP
AND
POSSIBLE MAJOR TRANSACTION INVOLVING
LEASING OF A CRUISE SHIP**

Financial adviser



大福融資有限公司
TAI FOOK CAPITAL LIMITED

The Board is pleased to announce that on 9 December 2003,

1. the conditional Agreement was entered into among Access Success, Summit Global and Mantovana, as purchasers, and the Vendor, as seller, pursuant to which, Access Success, Summit Global and Mantovana would acquire 55%, 30% and 15% interests in the Cruise Ship and the Inventories respectively. The Consideration for the Cruise Ship amounts to US\$12 million (equivalent to approximately HK\$93.6 million), of which US\$6.6 million (equivalent to approximately HK\$51.5 million), US\$3.6 million (equivalent to approximately HK\$28.1 million) and US\$1.8 million (equivalent to approximately HK\$14.0 million) shall be satisfied by Access Success, Summit Global and Mantovana respectively. The consideration for the Inventories amounts to HK\$1 million, of which HK\$550,000, HK\$300,000 and HK\$150,000 shall be satisfied by Access Success, Summit Global and Mantovana respectively; and
2. the conditional and legally-binding Memorandum was entered into among Access Success, Summit Global, Mantovana and the Cruise Operator pursuant to which Access Success, Summit Global and Mantovana conditionally agreed to lease the Cruise Ship and the Inventories to the Cruise Operator upon the terms and conditions contained in the Bareboat Charter (the form of which is attached to the Memorandum) to be executed upon completion of the Memorandum. Pursuant to the Bareboat Charter, the Purchasers will lease the Cruise Ship to the Cruise Operator for a period of 36 months commencing from the date of delivery of the Cruise Ship by the Purchasers to the Cruise Operator for a fixed monthly charter payment of HK\$2.5 million and a variable monthly charter payment which is equal to 15% of the Revenues per calendar month (which percentage may, at the sole discretion of the Purchasers, be adjusted upward to not more than 25% in the event that the Revenues are more than HK\$20 million per calendar month).

The Cruise Ship, currently in the name of “Omar II”, was constructed in Denmark in 1974 and commissioned into service in the same year. The Cruise Ship has a gross tonnage of 9,848 tons and a total of 207 fully air-conditioned passenger cabins. The primary area of operations of the Cruise Ship is in Hong Kong and the high seas near but outside Hong Kong. The Cruise Ship is currently owned and operated by the Vendor, which provides on-board cruise activities, services and amenities (such as restaurants, bars, discos, mahjong, beauty salons, massage facilities, retail shopping, gymnasium facilities and casino activities) to the passengers. The Directors presently intend to change the name of the Cruise Ship to “Macau Success” after Completion.

Access Success is a wholly-owned subsidiary of the Company. Each of the Vendor, Summit Global, Mantovana and the Cruise Operator is an independent third party not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates.

The unaudited proforma adjusted consolidated net tangible asset value of the Group as at the date of this announcement is approximately HK\$60.3 million, being the aggregate amount of (i) the unaudited proforma adjusted consolidated net tangible asset value of the Group of approximately HK\$18.9 million as stated in the circular of the Company dated 2 July 2003; and (ii) the net proceeds of approximately HK\$41.4 million raised from the placing of certain new Shares in November 2003.

The Acquisition constitutes a major transaction for the Company under the Listing Rules and accordingly is subject to the approval of the Shareholders at the EGM. In addition, the Directors expect that the Revenues will be ranging from approximately HK\$10 million to HK\$20 million per calendar month. In the event that the Revenues are HK\$10 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter attributable to the Group will amount to approximately HK\$26.4 million, representing 43.8% of the aforesaid unaudited proforma adjusted consolidated net tangible asset value of the Group. In the event that the Revenues are HK\$20 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter attributable to the Group will amount to approximately HK\$36.3 million, representing 60.2% of the aforesaid unaudited proforma adjusted consolidated net tangible asset value of the Group. As such, the leasing of the Cruise Ship under the Bareboat Charter may constitute a major transaction for the Company under the Listing Rules and accordingly is subject to the approval of the Shareholders at the EGM.

No Shareholders have any other material interest in the Agreement and the Memorandum (including the Bareboat Charter), save for their interests in such agreements through their respective shareholdings in the Company. As such, no Shareholders are required to abstain from voting at the EGM under the Listing Rules. Each of Silver Rich Macau Development Limited (which is interested in approximately 42.7% of the existing issued share capital of the Company), Spring Wise Investments Limited (which is interested in approximately 18.3% of the existing issued share capital of the Company) and Leader Assets Limited (which is interested in approximately 4.7% of the existing issued share capital of the Company) has undertaken to the Company that each of them will vote in favour of the resolution(s) approving the Agreement, the Memorandum (including the Bareboat Charter) and the transactions respectively contemplated thereunder at the EGM.

The Circular containing, among other things, further details of the Agreement, the Memorandum and the Bareboat Charter, the Valuation Report and a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the relevant requirements of the Listing Rules.

THE AGREEMENT

Date:

9 December 2003

Parties:

Vendor: Kong Wing Limited, a company incorporated in the British Virgin Islands with limited liability

- Purchasers:
1. Access Success, a wholly-owned subsidiary of the Company
 2. Summit Global, a company incorporated in the British Virgin Islands with limited liability
 3. Mantovana, a company incorporated in the British Virgin Islands with limited liability

Each of the Vendor, Summit Global and Mantovana is an Independent Third Party.

Assets to be acquired:

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and Access Success, Summit Global and Mantovana have conditionally agreed to acquire 55%, 30% and 15% interests in the Cruise Ship and the Inventories respectively, upon the terms and subject to the conditions of the Agreement.

Consideration:

The Consideration for the Cruise Ship amounts to US\$12 million (equivalent to approximately HK\$93.6 million), of which US\$6.6 million (equivalent to approximately HK\$51.5 million), US\$3.6 million (equivalent to approximately HK\$28.1 million) and US\$1.8 million (equivalent to approximately HK\$14.0 million) shall be satisfied by Access Success, Summit Global and Mantovana respectively.

Within three Banking Days after the execution of the Agreement, Access Success, Summit Global and Mantovana shall pay deposits of US\$990,000 (equivalent to approximately HK\$7.7 million, US\$540,000 (equivalent to approximately HK\$4.2 million) and US\$270,000 (equivalent to approximately HK\$2.1 million) respectively to a joint bank account under the names of the Vendor and Access Success (for and on behalf of the Purchasers), representing an aggregate deposit of US\$1.8 million (equivalent to approximately HK\$14.0 million).

Subject to the fulfillment of the conditions set out below and upon delivery of the Cruise Ship in accordance with the Agreement, the Deposit will be released to the Vendor and the Purchasers shall pay to the Vendor the remaining Consideration of US\$10.2 million (equivalent to approximately HK\$79.6 million) as to approximately US\$5.61 million (equivalent to approximately HK\$43.8 million) by Access Success, as to approximately US\$3.06 million (equivalent to approximately HK\$23.9 million) by Summit Global and as to approximately US\$1.53 million (equivalent to approximately HK\$11.9 million) by Mantovana.

The consideration for the Inventories amounts to HK\$1 million, of which HK\$550,000, HK\$300,000 and HK\$150,000 shall be satisfied by Access Success, Summit Global and Mantovana respectively upon delivery of the Cruise Ship in accordance with the Agreement.

The Aggregate Consideration was arrived at after arm's length negotiations among the Purchasers and the Vendor with reference to, amongst other things, the valuation of the Cruise Ship and the Inventories at US\$12.489 million (equivalent to approximately HK\$97.4 million) as disclosed in the Valuation Report (which will be included in the Circular). Based on the Valuation Report, the Aggregate Consideration of approximately HK\$94.6 million represents a discount of approximately 2.9% to the valuations of the Cruise Ship and the Inventories.

As advised by the Independent Valuers, the valuations on the Cruise Ship and the Inventories have been arrived at based on, among others, (i) the cost of reproduction for the replaceable assets; (ii) the current prices for similar used equipment in the second hand market; (iii) accumulated depreciation of the Cruise Ship; and (iv) age, condition, past maintenance as well as present and prospective serviceability on comparison with new units of like kind. For the purpose of arriving at the valuation on the Cruise Ship, the Independent Valuers have assumed that the remaining useful life of the Cruise Ship is five years. However, the Independent Valuers consider that it is possible that the remaining useful life of the Cruise Ship can be extended for more than 10 years depending on the usage and the maintenance programme of the Cruise Ship.

The Group will finance the acquisition of the 55% interest in the Cruise Ship and the Inventories which, in total, amounts to approximately HK\$52.0 million by its internal resources.

Conditions:

Completion is subject to the fulfillment of the following conditions:

- (a) the passing by the Shareholders of resolution(s) in the EGM approving the Acquisition in accordance with the terms of the Agreement and the requirements of the Listing Rules; and
- (b) if required, the obtaining of all necessary approvals or consents from the relevant governmental or regulatory authorities in Hong Kong and other jurisdictions required by the parties to the Agreement or any of them for the consummation of the transactions contemplated under the Agreement in accordance with the applicable laws and regulations as well as the Listing Rules.

In the event that any of the above conditions is not fulfilled by 5:00 p.m. (Hong Kong time) on 16 January 2004 (or such other date as may be agreed by the parties to the Agreement in writing), either the Vendor or the Purchasers may by written notice to the other elect to immediately terminate and rescind the Agreement whereupon the Vendor and Access Success (for and on behalf of the Purchasers) shall release the Deposit together with all interest accrued thereon to the Purchasers forthwith. The aforesaid interest will be accrued based on the prevailing market interest rate from time to time applicable to the joint bank account under the names of the Vendor and Access Success in which the Deposit will be placed with.

Completion:

Subject to the fulfillment of the conditions of the Agreement, Completion shall take place on the third Banking Days after receipt of the Notice of Readiness by the Purchasers from the Vendor, which shall be on or before 30 January 2004 (or such other date as may be agreed by the parties to the Agreement in writing).

THE MEMORANDUM

Date:

9 December 2003

Parties:

Lessee: Hover Management Limited, which is the Cruise Operator, a company incorporated in the British Virgin Islands with limited liability

Lessors: 1. Access Success
2. Summit Global
3. Mantovana

The Cruise Operator is an Independent Third Party. To the best knowledge of the Directors and as far as the Directors are aware, the Cruise Operator does not have any business relationship with the Vendor.

Assets to be leased:

Pursuant to the Memorandum, the Purchasers have conditionally agreed to lease the Cruise Ship and the Inventories to the Cruise Operator in accordance with the terms of the Bareboat Charter to be executed upon completion of the Memorandum. Pursuant to the Bareboat Charter, the Cruise Operator will lease the Cruise Ship for a period of 36 months commencing from the date of delivery (which will be not later than the date of Completion) of the Cruise Ship by the Purchasers to the Cruise Operator, provided that after the first anniversary of the Bareboat Charter, the Purchasers may give not less than 60 running days' prior written notice to the Cruise Operator to terminate the Bareboat Charter.

Charter payment:

Pursuant to the Bareboat Charter, the Cruise Operator shall pay to the Purchasers the following for leasing the Cruise Ship and the Inventories during the charter period:

- (i) a fixed sum of HK\$2.5 million per calendar month which shall be payable not later than every 30 running days in advance, the first payment being payable on the date and hour of delivery of the Cruise Ship and the Inventories to the Cruise Operator; and
- (ii) 15% of the Revenues per calendar month (which percentage may, at the sole discretion of the Purchasers, be adjusted upward to not more than 25% in the event that the Revenues are more than HK\$20 million per calendar month), which shall be payable not later than 21 running days after the end of each calendar month.

Revenues refer to all revenues and receipts of every kind derived from operating any business in, on or over part or parts of the Cruise Ship by the Cruise Operator, including, but not limited to (i) income before commissions from rental of rooms, stores, offices, exhibit or sales space of every kind; (ii) food and beverage sale; (iii) telephone, telex, facsimile and other communication charges; (iv) rentals, licence fees, lease, concession fees and other receivables under and pursuant to the sub-letting, leasing and licensing of part or parts of the Cruise Ship including but not limited to the casino activities; and (v) other fees, charges, bills and income. Based on the indication from the Cruise Operator (without bases provided by the Cruise Operator), the Directors expect that the Revenues will be ranging from approximately HK\$10 million to HK\$20 million per calendar month.

The Fixed Monthly Charter Payment and Variable Monthly Charter Payment were arrived at after arm's length negotiations between the Purchasers and the Cruise Operator. The Directors are not aware of any available comparable market information which can be used as a reference for arriving at the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment. Based on the understanding of the Directors, the Purchasers and the Cruise Operator are able to mutually agree on the terms of Bareboat Charter as (i) the Purchasers are satisfied with the expected rate of return on the investment in the Cruise Ship and the Inventories of approximately 50.7% to 69.8% (the details of which are set out in the section headed "Reasons for and benefits of the entering into of the Agreement and the Memorandum (including the Bareboat Charter)" below); and (ii) the Cruise Operator considers that the operation of the Cruise Activities (as defined in the section headed "Information on the Cruise Ship" below) can provide it with a satisfactory return after deducting the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment.

Conditions:

The completion of the Memorandum and the execution of the Bareboat Charter is subject to (i) Completion having taken place in accordance with the terms of the Agreement; and (ii) the passing by the Shareholders at the EGM of resolutions approving the Memorandum (including the Bareboat Charter) and the transactions contemplated thereunder in accordance with the terms of the Memorandum (including the Bareboat Charter) and the requirements of the Listing Rules.

In the event the conditions are not fulfilled by 5:00 p.m. (Hong Kong time) on or before on 30 January 2004 (or such other date as may be agreed by the parties to the Memorandum in writing), either the Purchasers or the Cruise Operator may, by written notice to the other, elect to terminate and rescind the Memorandum whereupon the Memorandum shall be terminated forthwith and no party shall have any liability or claim against the other party (save and except any antecedent breach of the terms of the Memorandum by any party accrued prior to such termination).

Time for delivery and cancellation:

Pursuant to the terms of the Bareboat Charter, the Purchasers shall deliver the Cruise Ship to the Cruise Operator not later than 30 January 2004.

Pursuant to the terms of the Bareboat Charter, if the Cruise Ship is not delivered to the Cruise Operator by 30 January 2004, the Cruise Operator shall have the option of cancelling the Bareboat Charter by giving the Purchasers a notice of cancellation within 36 running hours after 30 January 2004, failing which the Bareboat Charter shall remain in full force and effect. If it appears that the delivery of the Cruise Ship will be delayed beyond the cancelling date for the Bareboat Charter, the Purchasers may give notice to the Cruise Operator proposing a new cancellation date for the Bareboat Charter and asking whether it will exercise its option of cancellation in accordance with the terms of the Bareboat Charter. If the Cruise Operator does not then exercise its option of cancelling or accept the new cancellation date for the Bareboat Charter, the cancellation date proposed in the Purchasers' notice shall be substituted for the cancellation date stated in the Bareboat Charter. Cancellation of the Bareboat Charter shall be without prejudice to any claim the Cruise Operator may otherwise have on the Purchasers under the Bareboat Charter.

Insurance and repairs:

Pursuant to the terms of the Bareboat Charter, during the charter period, the Cruise Ship shall be kept insured by the Purchasers at the expense of the Cruise Operator against hull and machinery and war risks under the form of policy or policies attached to the Bareboat Charter. The Purchasers and/or insurers shall not have any right of recovery or subrogation against the Cruise Operator on account of loss of or any damage to the Cruise Ship or her machinery or appurtenances covered by such insurance, or on account of payments made to discharge claims against or liabilities of the Cruise Ship or the Purchasers covered by such insurance.

Pursuant to the terms of the Bareboat Charter, during the charter period, the Cruise Ship shall be kept insured by the Purchasers at the expense of the Cruise Operator against protection and indemnity risks (and any risks against which it is compulsory to insure for the operation of the Cruise Ship) in such form as the Purchasers shall in writing approve which approval shall not be unreasonably withheld.

Pursuant to the terms of the Bareboat Charter, all time used for repairs under the terms of the Bareboat Charter shall be for the account of the Cruise Operator and shall form part of the charter period. The Purchasers shall not be responsible for any expenses as are incident to the use and operation of the Cruise Ship for such time as may be required to make such repairs.

Trading Restrictions:

Pursuant to the terms of the Bareboat Charter, the Cruise Operator shall undertake not to employ the Cruise Ship or suffer her employment in any trade or business which is forbidden by the law of any country to which the Cruise Ship may sail or is otherwise illicit or in carrying illicit or prohibited goods or in any manner whatsoever which may render her liable to condemnation, destruction, seizure or confiscation.

INFORMATION ON THE CRUISE SHIP

The Cruise Ship, currently in the name of “Omar II”, was constructed in Denmark in 1974 and commissioned into service in the same year. The Cruise Ship has a gross tonnage of 9,848 tons, a total of 207 fully air-conditioned passenger cabins. The primary area of operations of the Cruise Ship is in Hong Kong and the high seas near but outside Hong Kong. The Cruise Ship is currently owned and operated by the Vendor, which provides on-board cruise activities, services and amenities (such as restaurants, bars, discos, mahjong, beauty salons, massage facilities, retail shopping, gymnasium facilities and casino activities (together, the “Cruise Activities”)) to the passengers. In order to comply with the laws and regulations in Hong Kong, the casino activities offered to premium players on the Cruise Ship are not carried out within the Hong Kong jurisdiction, but in the high seas beyond the legal restrictions of any countries. The Cruise Ship is moored in Hong Kong where she takes up passengers. After taking up passengers, the Cruise Ship will sail to the high seas near but outside Hong Kong, where the Cruise Activities are carried out. The Directors presently intend to change the name of the Cruise Ship to “Macau Success” after Completion.

Under the Agreement, the Group will only acquire its interest in the Cruise Ship from the Vendor, rather than the business in relation to the operation of the Cruise Activities carried out by the Vendor. As such, the Vendor has not provided the Purchasers with the profit and loss accounts in relation to the operation of the Cruise Activities in the past two years.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE AGREEMENT AND THE MEMORANDUM (INCLUDING THE BAREBOAT CHARTER)

The Group is principally engaged in (i) the retailing of consumer goods targeting at tourists in Hong Kong; and (ii) the provision of construction and related services in Hong Kong.

As stated in the interim report of the Company for the six months ended 31 March 2003 (the “Interim Report”), the construction market in Hong Kong remained sluggish and intense competitions have exerted pressure on the tender prices of the construction projects in Hong Kong. On the other hand, following the removal of Hong Kong by World Health Organisation from its list of areas with local transmission of the severe acute respiratory syndrome and the implementation of a series of measures to boost the economy by the government of Hong Kong, the local tourism, retail and other related industries in Hong Kong have recovered significantly. Coupled with the

execution of the scheme (the “Individual Visit Scheme”) that residents in the Guangdong Province and other cities of the PRC may apply to visit Hong Kong in their individual capacities by the government of the PRC starting from July 2003 as well as the expected opening of Hong Kong Disneyland in 2005, it is expected that the prospects of the local tourism, retail and other related industries in Hong Kong will be promising in the future. As such, the Group has already put more of its resources and efforts in the tourist-related retail business. Moreover, in view of the aforementioned business and operating environment of the Group as well as the Group’s consecutive operating losses in the past few years, as stated in the Interim Report, the Directors consider that the Group should explore new business and investment opportunities with good potential in order to expand its scope of operation and provide new sources of revenue to the Group.

As stated in the announcement issued by the Company dated 3 November 2003, the Directors have identified tourism and retail related businesses in Hong Kong as possible investment opportunities of the Group after taking into account the fact that (i) such businesses are in line with the Group’s existing retail business; and (ii) the expertise and knowledge of the Group on the Hong Kong retail market could be leveraged by the Group to identify and/or manage such businesses. Among various tourism and retail related businesses, the Directors consider that the acquisition of a 55% interest in the Cruise Ship and the Inventories for leasing purpose is a good investment opportunity in terms of rate of return on the investment in the Cruise Ship and the Inventories. The Directors consider that the leasing of the Cruise Ship and the Inventories is a business that relates to the tourism and retail industry in Hong Kong since (i) there are retail shops in the Cruise Ship; (ii) there are various kind of Cruise Activities provided to the tourists; (iii) the Revenues are directly affected by the business environment of the tourism and retail industries in Hong Kong; and (iv) the charter payment for the leasing of the Cruise Ship and the Inventories, in particular, the Variable Monthly Charter Payment, is derived based on the Revenues per calendar month and is accordingly affected by the business environment of the tourism and retail industries in Hong Kong.

Since the Purchasers currently do not have relevant experience and expertise in operating a cruise ship, the Purchasers will not operate and manage the Cruise Ship immediately following Completion but will lease the Cruise Ship to the Cruise Operator in accordance with the terms of the Bareboat Charter. Therefore, immediately following Completion, the Cruise Operator will operate all the Cruise Activities and bear all the related operating costs and expenses.

The Directors are of the view that the terms of the Agreement, the Memorandum and the Bareboat Charter are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The Directors consider that the entering into of the Agreement, the Memorandum and the Bareboat Charter are in line with the Group’s mission of enhancing the value of its investments and seeking opportunities for its synergistic growth. Moreover, through the leasing arrangement of the Cruise Ship and the Inventories under the Bareboat Charter, it can expand the scope of operations of the Group and provide a new and stable source of revenue to the Group, which is beneficial to the Group and the Shareholders as a whole.

As mentioned above, the Directors expect that the Revenues will be ranging from approximately HK\$10 million to HK\$20 million per calendar month. In the event that the Revenues are HK\$10 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter will be approximately HK\$48 million (of which approximately HK\$26.4 million will be attributable to the Group), which will provide a rate of return on the investment in the Cruise Ship and the Inventories of approximately 50.7% (being the ratio of the aforesaid annual aggregate charter payment of HK\$48 million to the Aggregate

Consideration of HK\$94.6 million) to the Group. In the event that the Revenues are HK\$20 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter will be approximately HK\$66 million (of which approximately HK\$36.3 million will be attributable to the Group), which will provide a rate of return on the investment in the Cruise Ship and the Inventories of approximately 69.8% (being the ratio of the aforesaid annual aggregate charter payment of HK\$66 million to the Aggregate Consideration of HK\$94.6 million) to the Group. However, the Revenues may or may not be within the range of approximately HK\$10 million to HK\$20 million per calendar month. Nevertheless, even based on the Fixed Charter Monthly Payment, the annual aggregate charter payment for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter will be approximately HK\$30 million, representing a rate of return on the investment in the Cruise Ship and the Inventories of approximately 31.7% (being the ratio of the aforesaid annual aggregate charter payment of HK\$30 million to the Aggregate Consideration of HK\$94.6 million) to the Group.

Based on the above, it is expected that the annual aggregate charter payment for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter attributable to the Group will be ranging from approximately HK\$26.4 million to HK\$36.3 million, which will represent (i) approximately 8.7% to 12.0% of the audited consolidated turnover of the Group for the year ended 30 September 2002 amounting to approximately HK\$302.3 million; and (ii) approximately 26.1% to 35.9% of the annualized unaudited consolidated turnover of the Group for the six months ended 31 March 2003 amounting to approximately HK\$101.2 million.

The independent non-executive Directors have been informed of the principal terms of the Agreement, the Memorandum and the Bareboat Charter.

IMPLICATIONS OF THE LAWS OF HONG KONG AND THE LISTING RULES IN RESPECT OF THE CRUISE SHIP

The operation of casino activities on the Cruise Ship is currently carried out and will be carried out in the high seas near but outside Hong Kong, which are beyond the legal restrictions of Hong Kong or any other countries. The Directors consider that none of the Agreement, the Memorandum, the Bareboat Charter or the operation of casino activities on the Cruise Ship to be carried out in the high seas will constitute unlawful activities under the laws of Hong Kong, including the Gambling Ordinance (Chapter 148 of the Laws of Hong Kong).

As mentioned above, pursuant to the terms of the Bareboat Charter, the Cruise Operator shall undertake not to employ the Cruise Ship or suffer her employment in any trade or business which is forbidden by the law of any country to which the Cruise Ship may sail. As such, the Directors confirm that the Company will comply with and will use their best endeavour to procure the Cruise Operator to carry on the casino activities in compliance with all relevant laws and regulations in Hong Kong that are in effect from time to time. **Shareholders should be aware that under the guidelines issued by the Stock Exchange in relation to “Gambling activities undertaken by listing applicants and/or listed issuers”, should the Company be in breach of any laws or regulations of Hong Kong, the Stock Exchange may suspend or cancel the listing of the Shares on the Stock Exchange.**

GENERAL

The unaudited proforma adjusted consolidated net tangible asset value of the Group as at the date of this announcement is approximately HK\$60.3 million, being the aggregate amount of (i) the unaudited proforma adjusted consolidated net tangible asset value of the Group of approximately HK\$18.9 million as stated in the circular of the Company dated 2 July 2003; and (ii) the net proceeds of approximately HK\$41.4 million raised from the placing of certain new Shares in November 2003.

The Acquisition constitutes a major transaction for the Company under the Listing Rules and accordingly is subject to the approval of the Shareholders at the EGM. In addition, the Directors expect that the Revenues will be ranging from approximately HK\$10 million to HK\$20 million per calendar month. In the event that the Revenues are HK\$10 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter attributable to the Group will amount to approximately HK\$26.4 million, representing 43.8% of the aforesaid unaudited proforma adjusted consolidated net tangible asset value of the Group. In the event that the Revenues are HK\$20 million per calendar month, the annual aggregate charter payment (including the Fixed Monthly Charter Payment and the Variable Monthly Charter Payment) for the leasing of the Cruise Ship and the Inventories under the Bareboat Charter attributable to the Group will amount to approximately HK\$36.3 million, representing 60.2% of the aforesaid unaudited proforma adjusted consolidated net tangible asset value of the Group. As such, the leasing of the Cruise Ship and the Inventories under the Bareboat Charter may constitute a major transaction for the Company under the Listing Rules and accordingly is subject to the approval of the Shareholders at the EGM.

No Shareholders have any other material interest in the Agreement and the Memorandum (including the Bareboat Charter), save for their interests in such agreements through their respective shareholdings in the Company. As such, no Shareholders are required to abstain from voting at the EGM under the Listing Rules. Each of Silver Rich Macau Development Limited (which is interested in approximately 42.7% of the existing issued share capital of the Company), Spring Wise Investments Limited (which is interested in approximately 18.3% of the existing issued share capital of the Company) and Leader Assets Limited (which is interested in approximately 4.7% of the existing issued share capital of the Company) has undertaken to the Company that each of them will vote in favour of the resolution(s) approving the Agreement, the Memorandum (including the Bareboat Charter) and the transactions respectively contemplated thereunder at the EGM.

The Circular containing, among other things, further details of the Agreement, the Memorandum and the Bareboat Charter, the Valuation Report and a notice of the EGM will be despatched to the Shareholders as soon as practicable in accordance with the relevant requirements of the Listing Rules.

DEFINITIONS

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

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| “Access Success” | Access Success Developments Limited, a company incorporated in the British Virgin Islands with limited liability which is a wholly-owned subsidiary of the Company |
| “Acquisition” | the proposed acquisition by Access Success, of 55% interest in the Cruise Ship and the Inventories as contemplated under the Agreement |

“Aggregate Consideration”	approximately HK\$94.6 million, being the total of the Consideration and the consideration for the acquisition of the Inventories under the Agreement
“Agreement”	the conditional sale and purchase agreement dated 9 December 2003 entered into among the Vendor and the Purchasers in respect of the sale and purchase of the Cruise Ship and the Inventories
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Banking Day(s)”	the day(s) on which banks are open in Hong Kong
“Bareboat Charter”	the formal bareboat charter (the form of which is attached to the Memorandum) to be entered into among the Purchasers and the Cruise Operator upon completion of the Memorandum in relation to the leasing of the Cruise Ship
“Board”	the board of Directors
“Circular”	the circular to be issued by the Company to the Shareholders containing, among other things, further details of the Agreement, the Memorandum (including the Bareboat Charter), the Valuation Report and a notice of the EGM
“Company”	Macau Success Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Agreement in accordance with its terms
“Consideration”	US\$12 million (equivalent to approximately HK\$93.6 million), being the consideration for the acquisition of the Cruise Ship payable by the Purchasers
“Cruise Operator”	Hover Management Limited, a company incorporated in the British Virgin Islands with limited liability which is an Independent Third Party
“Cruise Ship”	Omar II, a cruise ship to be acquired from the Vendor by the Purchasers under the Agreement
“Deposit”	the deposit in the aggregate sum of US\$1.8 million (equivalent to approximately HK\$14.0 million) to be paid by the Purchasers within three Banking Days after the execution of the Agreement
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Acquisition and the leasing of the Cruise Ship and the Inventories in accordance with the respective terms of the Agreement and Memorandum (including the Bareboat Charter), and the requirements of the Listing Rules

“Fixed Monthly Charter Payment”	a fixed sum of HK\$2.5 million per calendar month payable by the Cruise Operator for the leasing of the Cruise Ship under the Bareboat Charter
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an independent third party not connected with the directors, chief executive and substantial shareholders of the Company and any of its subsidiaries or any of their respective associates
“Independent Valuers”	Sallmanns (Far East) Limited, the independent valuers
“Inventories”	certain inventories on the Cruise Ship (including furniture, fixtures, furnishings, equipment and supplies), the particulars of which are set out in the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mantovana”	Mantovana Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is an Independent Third Party
“Memorandum”	the conditional and legally-binding memorandum of agreement dated 9 December 2003 entered into among the Cruise Operator and the Purchasers in respect of the leasing of the Cruise Ship and the Inventories by the Purchasers to the Cruise Operator
“Notice of Readiness”	a notice to be given by the Vendor to the Purchasers for the delivery of the Cruise Ship when the Cruise Ship is at the place of delivery and in every respect physically or otherwise ready for delivery in accordance with the Agreement
“Purchasers”	Access Success, Summit Global and Mantovana
“Revenues”	all revenues and receipts of every kind derived from operating any business in, on or over part or parts of the Cruise Ship, including, but not limited to (i) income before commissions from rental of rooms, stores, offices, exhibit or sales space of every kind; (ii) food and beverage sale; (iii) telephone, telex, facsimile and other communication charges; (iv) rentals, licence fees, lease, concession fees and other receivables under and pursuant to the sub-letting, leasing and licensing of part or parts of the Cruise Ship including not limited to the casino activities; and (v) other fees, charges, bills and income
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Summit Global”	Summit Global International Limited, a company incorporated in the British Virgin Islands with limited liability which is an Independent Third Party
“Valuation Report”	the independent valuation report prepared by the Independent Valuers in relation to the valuation of the Cruise Ship and the Inventories as at 10 November 2003, which will be included in the Circular
“Variable Monthly Charter Payment”	15% of the Revenues per calendar month for the leasing of the Cruise Ship under the Bareboat Charter, which percentage may, at the sole discretion of the Purchasers, be adjusted upward to not more than 25% in the event that the Revenues are more than HK\$20 million per calendar month
“Vendor”	Kong Wing Limited, a company incorporated in the British Virgin Islands with limited liability which is an Independent Third Party
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

Unless otherwise stated, amounts denominated in US\$ have been converted into HK\$ in this announcement at a rate of HK\$7.8=US\$1.0. No representation is made that any amounts in US\$ can be or could have been converted at such rate or any other rates or at all.

By Order of the Board of
Macau Success Limited
Agnes N. Y. Chiu
Company Secretary

Hong Kong, 9 December 2003