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MACAU SUCCESS LIMITED

澳門實德有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 487)

PLACING OF EXISTING SHARES, SUBSCRIPTION OF NEW SHARES AND SUSPENSION AND RESUMPTION OF TRADING

On 10 November 2004, the Vendor entered into the Placing Agreement and the Subscription Agreement with the Placing Agent and the Company respectively. Pursuant to the Placing Agreement, the Placing Agent has agreed to place, on a fully underwritten basis, the Placing Shares to not less than six independent placees at a price of HK\$1.28 per Placing Share. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for the Subscription Shares at a price of HK\$1.28 per Subscription Share.

The Placing Shares and the Subscription Shares respectively represent about 19.97% of the existing issued share capital of the Company of 1,587,464,233 Shares and about 16.65% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$370.0 million will be used as to i) about HK\$166.5 million for the investment, development and operation of a theme park project in Macau, namely "Ponte 16"; ii) about HK\$111.0 million for possible investment opportunities in hotel and tourists-related projects in Hong Kong and Macau; and iii) about HK\$92.5 million for general working capital of the Group.

The Subscription is conditional, among other things, upon the completion of the Placing and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 11 November 2004 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 12 November 2004.

THE PLACING AGREEMENT

Principal terms of the Placing

Date: 10 November 2004

Vendor: Silver Rich Macau Development Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny, an executive Director. On 12 October 2004, the Vendor has purchased from Leader Assets Ltd. 39,460,086 Shares at a price of HK\$0.68 per

Share. Leader Assets Ltd., an Independent Third Party, a then Shareholder held approximately 4.69% equity interest in the Company. The Vendor currently holds 685,790,802 Shares, which represents approximately 43.20% of the existing issued share capital of the Company as at the date of this announcement. The Vendor is a member of the Concert Group which holds an aggregate of 979,701,432 Shares representing approximately 61.71% of the existing issued share capital of the Company as at the date of this announcement.

- Placing Agent: Deutsche Bank AG, Hong Kong Branch, an Independent Third Party.
- Placees: Not less than six independent placees (which will be independent individuals, corporates and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. There will not be any placee becoming a substantial shareholder of the Company (as defined in the Listing Rules) immediately following completion of the Placing and the Subscription.
- Placing Price: HK\$1.28 per Placing Share. The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents (i) a discount of about 9.86% to the closing price of the Shares of HK\$1.42 per Share as quoted on the Stock Exchange on 10 November 2004, being the last trading day preceding the suspension of trading in the Shares on 11 November 2004; (ii) a premium of about 36.17% to the average closing price of the Shares of approximately HK\$0.94 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 10 November 2004, being the last trading day preceding the suspension of trading in the Shares on 11 November 2004 and (iii) a premium of about 56.10% to the average closing price of the Shares of approximately HK\$0.82 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 10 November 2004, being the last trading day preceding the suspension of trading in the Shares on 11 November 2004.
- The Placing Shares: 317,000,000 Shares to be placed by the Placing Agent on a fully underwritten basis. The Placing Shares represent about 19.97% of the existing issued share capital of the Company of 1,587,464,233 Shares and about 16.65% of the issued capital of the Company as enlarged by the Subscription.
- Placing commission: The Placing Agent will receive placing commission equal to 8.4375% on the gross proceeds of the Placing payable by the Company upon completion of the Placing, which was arrived at after arm's length negotiations between the Company and the Placing Agent.
- Termination: The Placing is subject to termination by the Placing Agent on the occurrence of certain events prior to completion of the Placing, including:
- (a) any material breach of the representations and warranties given by the Vendor under the Placing Agreement;
 - (b) any suspension of dealings in the Shares for a consecutive period of more than 30 trading days (other than as a result of the Placing); and
 - (c) certain events of force majeure which might have a material adverse effect on the Placing including (i) any new law or regulation or any change in existing laws or regulations which might have a material adverse effect on the financial position of the Company, (ii) change in national or international financial, political or economic conditions or taxation or exchange controls, or (iii) any adverse change in the management, business or financial position of the Company.
- The Directors confirmed that they are not aware of the occurrence of any of such events as at the date of this announcement.
- Undertakings: The Vendor has agreed that it will not, before the expiry of 90 days following the date of completion of the Placing, sell or dispose of any Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or enter into any other transaction having similar economic effect, unless with the prior written consent of the Placing Agent.

The Company has agreed that, save for the Subscription Shares to be issued pursuant to the Subscription Agreement and the Shares granted and/or to be granted under the share option scheme of the Company, it will not, before the expiry of 90 days following the date of completion of the Placing, issue and/or allot any Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or enter into any other transaction having similar economic effect, unless with the prior written consent of the Placing Agent.

Conditions and completion of the Placing Agreement:

Save for the Placing Agent's termination right exercisable at any time on or prior to the date of completion of the Placing as set out above, the Placing is unconditional. Completion of the Placing will take place on or before 16 November 2004 or such other date as the Vendor and the Placing Agent may agree in writing.

THE SUBSCRIPTION AGREEMENT

Principal terms of the Subscription

Date: 10 November 2004

Issuer: The Company

Subscriber: The Vendor

Subscription Price: HK\$1.28 per Subscription Share. The Subscription Price is the same as the Placing Price.

Number of Subscription Shares: 317,000,000 new Shares. The Subscription Shares represent approximately 19.97% of the existing issued share capital of the Company of 1,587,464,233 Shares and approximately 16.65% of the issued capital of the Company as enlarged by the Subscription.

Ranking of the Subscription Shares: The Subscription Shares, when issued and fully paid, will rank *pari passu* among themselves and with Shares in issue at the time of issue and allotment of the Subscription Shares.

Conditions precedent of the Subscription

The Subscription is conditional upon, *inter alia*:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (b) completion of the Placing; and
- (c) if required, the Bermuda Monetary Authority granting permission to allot and issue the Subscription Shares.

Application will be made to the Listing Committee of the Stock Exchange to grant the listing of, and permission to deal in, the Subscription Shares.

Completion

The date of completion of the Subscription shall be the date falling two Business Days after the date upon which the conditions precedent set out above have been satisfied and shall not be later than the date falling thirteen days after the date of the Subscription Agreement.

Under the Listing Rules, the Subscription must be completed within 14 days from the date of the Placing Agreement, that is, on or before 23 November 2004. In the event that the conditions precedent to the Subscription Agreement are not fulfilled by 23 November 2004, the Company and the Vendor may elect, subject to the compliance with all requirements of Chapter 14A under the Listing Rules, to postpone completion to a later date to be agreed between the Company and the Vendor.

GENERAL MANDATE

The Subscription Shares will be allotted and issued pursuant to the general mandate to allot, issue and deal with the Shares granted to the Directors by ordinary resolutions dated 20 August 2004 passed by the then sole Shareholder (which became a wholly-owned subsidiary of the Company upon the change of domicile of the Company effective on 8 November 2004, details of which have been set out in the scheme document dated 27 August 2004 issued by such then sole Shareholder). At the date of this announcement, the existing general mandate has not been utilized. The number of issued share capital of the Company has not been changed since 20 August 2004.

As announced on 3 November 2003 and completed on 17 November 2003, the Company issued and placed 97,200,000 Shares at HK\$0.4325 per Share to not less than six independent investors. The net proceeds received by the Company in such placing of Shares amounted to approximately HK\$41 million and applied as to approximately HK\$31 million to acquire the cruise ship, namely "Macau Success" in January 2004 and as to approximately HK\$10 million as general working capital of the Group. Save for the aforesaid, the Company has not issued any equity securities in the 12 months period immediately preceding the date of this announcement.

EFFECTS OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The Vendor has approximately 43.20% equity interest in the Company as at the date of this announcement which will be reduced to approximately 23.23% immediately upon completion of the Placing and will then be increased to approximately 36.01% immediately upon completion of the Subscription, assuming no other changes to the issued share capital of the Company and the shareholding of the Vendor prior to completion of the Subscription.

The Concert Group has approximately 61.71% equity interest in the Company as at the date of this announcement which will be reduced to approximately 41.74% immediately upon completion of the Placing and will then be increased to approximately 51.44% immediately upon completion of the Subscription, assuming no other changes to the issued share capital of the Company and the shareholding of the Vendor prior to completion of the Subscription.

Effect on the shareholding structure of the Company pursuant to the Placing and the Subscription is set out as follows:

	Before completion of the Placing and the Subscription	Immediately after completion of the Placing but before completion of the Subscription	Immediately after completion of the Placing and the Subscription
The Vendor	685,790,802 Shares (approximately 43.20%)	368,790,802 Shares (approximately 23.23%)	685,790,802 Shares (approximately 36.01%)
Spring Wise	293,910,630 Shares (approximately 18.51%)	293,910,630 Shares (approximately 18.51%)	293,910,630 Shares (approximately 15.43%)
Concert Group	979,701,432 Shares (approximately 61.71%)	662,701,432 Shares (approximately 41.74%)	979,701,432 Shares (approximately 51.44%)
Placees	–	317,000,000 Shares (approximately 19.97%)	317,000,000 Shares (approximately 16.65%)
Other public Shareholders	607,762,801 Shares (approximately 38.29%)	607,762,801 Shares (approximately 38.29%)	607,762,801 Shares (approximately 31.91%)
Public	607,762,801 Shares (approximately 38.29%)	924,762,801 Shares (approximately 58.26%)	924,762,801 Shares (approximately 48.56%)
Total	1,587,464,233 Shares (100%)	1,587,464,233 Shares (100%)	1,904,464,233 Shares (100%)

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

In view of the current market conditions, the Directors consider that the Placing and the Subscription represent a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business developments including, among other things, i) the investment, development and operation of a theme park namely “Ponte 16” in Macau, details of which have been disclosed in the announcement of the Company dated 9 November 2004; and ii) other possible investment opportunities in hotel and tourists-related projects in Hong Kong and Macau. The Directors confirmed that no specific targets or projects have been identified by the Group as at the date of this announcement. The Directors consider the terms of the Placing Agreement and the Subscription Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$35.7 million in connection with the Placing and the Subscription. The net proceeds of approximately HK\$370.0 million from the Subscription will be used as to i) about HK\$166.5 million for the investment, development and operation of “Ponte 16”; ii) about HK\$111.0 million for other possible investment opportunities in hotel and tourists-related projects in Hong Kong and Macau; and iii) about HK\$92.5 million for general working capital for the Group. The Directors confirmed that no specific targets or projects have been identified by the Group as at the date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Reference is made to the statement dated 10 November 2004 (the “Statement”) made by the Company at about 12:08 p.m. to the Stock Exchange regarding the unusual price and volume movements of the Shares on that morning. Subsequent to the issue of the Statement, the Placing Agent requested for a meeting with Company, which was conducted at about 2:00 p.m. of 10 November 2004. During the meeting, the Placing Agent indicated to the Company its interest in conducting a top-up placing and it was agreed that the feasibility of conducting such placing should be discussed after the market close at 4:00 p.m.. As such, the Directors confirm that the Company did not contemplate to conduct a fund raising exercise before the release of the Statement and did not negotiate its detailed terms during the time from the release of the Statement to the market close at 4:00 p.m.. After the market close, the Placing Agent and the Company agreed that it was feasible to conduct the Placing and started to negotiate the detailed terms of the Placing, which were finally agreed at the night of 10 November 2004. Based on the aforesaid, the Directors confirm the release of the Statement by the Stock Exchange at around 1:05 p.m. on 10 November 2004 was not misleading in any way to the market.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 11 November 2004 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 12 November 2004.

DEFINITIONS

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

“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon or on which a “Black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Company”	Macau Success Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Concert Group”	the Vendor and parties acting in concert with the Vendor, including Mr. Yeung Hoi Sing, Sonny, Mr. Chan William, Mr. Chan Hon Keung and Spring Wise, together with their respective associates
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Placing”	the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Deutsche Bank AG, Hong Kong Branch, an Independent Third Party
“Placing Agreement”	the placing agreement entered into between the Vendor and the Placing Agent dated 10 November 2004 in relation to the Placing
“Placing Price”	HK\$1.28 per Placing Share
“Placing Shares”	a total of 317,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Spring Wise”	Spring Wise Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is beneficially owned as to 50% by Mr. Chan William, an executive Director, and as to 50% by Mr. Chan Hon Keung, the father of Mr. Chan William
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Vendor dated 10 November 2004 in relation to the Subscription
“Subscription Price”	HK\$1.28 per Subscription Share
“Subscription Shares”	a total of 317,000,000 new Shares to be subscribed for by the Vendor pursuant to the Subscription Agreement
“Vendor”	Silver Rich Macau Development Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Yeung Hoi Sing, Sonny, an executive Director
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Macau Success Limited
Lee Siu Cheung
Executive Director

The current Board comprises:

Executive Directors:

Mr. Yeung Hoi Sing, Sonny, Mr. Chan William and Mr. Lee Siu Cheung

Non-executive Director:
Mr. Choi Kin Pui, Russelle

Independent non-executive Directors:
Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann

Hong Kong, 11 November 2004

* *For identification purpose only*