



MACAU SUCCESS LIMITED

澳門實德有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 487)

MAJOR TRANSACTIONS INVOLVING ACQUISITION OF A 12.25% EQUITY INTEREST IN AND THE RELATED LOAN TO PIER 16 – PROPERTY DEVELOPMENT LIMITED AND POSSIBLE PROVISION OF SHAREHOLDER'S LOANS TO PIER 16 – PROPERTY DEVELOPMENT LIMITED

Financial adviser to the Company



大福融資有限公司
TAI FOOK CAPITAL LIMITED

The Agreement

The Board is pleased to announce that on 11 May 2005, the Agreement was entered into between World Fortune and Joy Idea, pursuant to which World Fortune has agreed to acquire and Joy Idea has agreed to sell the Sale Shares and the Sale Loan at the Aggregate Consideration of HK\$99.25 million, which will be payable by World Fortune in cash upon Completion. As at the date of this announcement, Pier 16 – Property Development is owned as to 51.00%, 24.50% and 24.50% by SJM-Investmentos, World Fortune and Joy Idea respectively. Immediately after Completion, Pier 16 – Property Development will be owned as to 51.00%, 36.75% and 12.25% by SJM-Investmentos, World Fortune and Joy Idea respectively.

Information on Pier 16 – Property Development

Pier 16 – Property Development is principally engaged in the investment, development and operation of Ponte 16. Ponte 16 is a proposed theme park construction project being developed on the Land Parcel. According to the development plan, Ponte 16 includes a luxury hotel with casino with not less than 150 gaming tables, shopping arcades, a cultural space and car parks. Subject to the approval of the Government of Macau, the casino shall be operated and managed by SJM. The first phase of Ponte 16, which will include the casino, is expected to be completed by the end of 2006 and the whole of Ponte 16 is expected to be completed by the end of 2007 with an expected total investment amount of approximately HK\$1,000 million.

Possible provision of shareholder's loan

The total investment amount to be made by Pier 16 – Property Development for the development of Ponte 16 will be firstly financed by external loans to be arranged by Pier 16 – Property Development. Assuming no external loans can be borrowed by Pier 16 – Property Development, the maximum total amount of shareholders' loans to be advanced by SJM-Investmentos, World Fortune and Joy Idea to Pier 16 – Property Development will be approximately HK\$1,000 million. On this basis and given that (i) World Fortune has already provided shareholder's loan in an amount of HK\$2,500,000; and (ii) World Fortune has agreed to purchase the Sale Loan of HK\$1,250,000 under the Agreement, World Fortune may have to further provide, by way of shareholder's loans, a maximum of approximately HK\$364 million as its pro rata sharing of 36.75% after Completion to Pier 16 – Property Development.

Implications on the Listing Rules

The Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development constitute major transactions for the Company under Chapter 14 of the Listing Rules. Silver Rich Macau Development Limited and Spring Wise Investments Limited, being a closely allied group of Shareholders who are interested in approximately 55.25% of the issued share capital of the Company in aggregate as at the date of this announcement, have confirmed in writing that they will approve the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development. Since no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development, the Company is not required to convene a Shareholders' meeting to approve the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development and the report of the Property Valuation, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Suspension and resumption of trading in the Shares on the Stock Exchange

Trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on Wednesday, 11 May 2005 at the request of the Company pending the issue of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 20 May 2005.

THE AGREEMENT

Date:

11 May 2005

Parties:

- (i) Joy Idea, as vendor, which is an Independent Third Party
- (ii) World Fortune, as purchaser, which is an indirect wholly-owned subsidiary of the Company

Assets to be acquired by World Fortune:

The assets to be acquired by World Fortune comprise the Sale Shares and the Sale Loan.

Subject to the terms and conditions of the Agreement, (i) Joy Idea shall sell the Sale Shares to World Fortune and World Fortune shall purchase the same free from all encumbrances for the Share Consideration; and (ii) Joy Idea shall sell and World Fortune shall purchase the Sale Loan free from all encumbrances for the Loan Consideration.

Conditions Precedent:

Completion is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders approving the entering into of the Agreement and the performance of the transactions contemplated thereunder by World Fortune and the possible provision of additional shareholder's loans by World Fortune to Pier 16 – Property Development as a result of Completion;

- (ii) all necessary consents and approvals (or waivers) having been obtained by the parties to the Agreement for completion of the transactions contemplated under the Agreement; and

- (iii) Joy Idea's warranties, representations and undertakings as set out in the Agreement remaining true, accurate and not misleading.

World Fortune may in its absolute discretion at any time before Completion waive the Condition Precedent set out in (iii) above by notice in writing to Joy Idea, and such waiver may be subject to such terms and conditions as determined by World Fortune.

If any of the Conditions Precedent has not been fulfilled (or waived by World Fortune in respect of (iii) above) on or before 31 July, 2005 (or such later date to be agreed between World Fortune and Joy Idea), World Fortune or Joy Idea may terminate the Agreement by giving written notice to Joy Idea or World Fortune whereupon the Agreement shall from such date have no further force and effect and no party to the Agreement shall have any liability under them.

Consideration:

The Aggregate Consideration is HK\$99.25 million which comprises the Share Consideration of HK\$98 million and the Loan Consideration of HK\$1.25 million. The Aggregate Consideration shall be satisfied by World Fortune upon Completion in cash.

Basis of consideration:

The Share Consideration of HK\$98 million was arrived at after arm's length negotiations between World Fortune and Joy Idea with reference to, among others, the Property Valuation provided by Savills (Hong Kong) Limited, an independent professional property valuer. Based on the result of the Property Valuation, the valuation of the Land Parcel was estimated to be HK\$890 million as at 6 May 2005, and a 12.25% interest in the Land Parcel as at 6 May 2005 was equivalent to approximately HK\$109 million.

Savills (Hong Kong) Limited has valued the Land Parcel by employing the residual method of valuation, by which (i) the gross development value of Ponte 16 (which includes the Land Parcel, a luxury hotel, a casino, shopping arcades, a cultural space and car parks) was arrived at on the assumption that Ponte 16 is newly completed and based on the details of the development schedules of Ponte 16 provided to Savills (Hong Kong) Limited as at 6 May 2005; (ii) the total unexpended cost of development of Ponte 16 including construction costs, professional fees and other associated expenditures, together with an allowance for interest expense, and developer's profit were estimated and deducted from the gross development value to obtain the residual figure of the Land Parcel; and (iii) such resultant residual figure was then adjusted back to the valuation date to arrive at the open market value of the Land Parcel in its existing state.

The Share Consideration was arrived at with reference to the Property Valuation of HK\$890 million rather than the net assets value of Pier 16 – Property Development as at 31 December 2004 of approximately MOP9.9 million (equivalent to approximately HK\$9.6 million) since (i) the net assets value of Pier 16 – Property Development as at 31 December 2004 only took into account the historical land premium of the Land Parcel of approximately HK\$87 million, instead of its estimated existing market value; and (ii) the Property Valuation represents the estimated existing market value of the Land Parcel, which is currently the major asset of Pier 16 – Property Development.

The Loan Consideration of HK\$1.25 million is equal to the face value of the Sale Loan, being 50% of the total amount of the shareholder's loan provided by Joy Idea to Pier 16 – Property Development.

The Directors consider that the amount of Aggregate Consideration is fair and reasonable taking into account (i) the result of the Property Valuation; (ii) the potential prospects of the hotel and gaming businesses in Macau; and (iii) the potential enhancement and strengthening of the synergistic effect between the Group's existing cruise and travel agency businesses and the hotel and gaming business of Ponte 16 as explained in the section headed "Information on Ponte 16" below.

Completion:

Subject to all the Conditions Precedent being fulfilled (or waived), Completion shall take place on the third business day after the fulfillment (or waiver) of all the Conditions Precedent or such other date as Joy Idea and World Fortune may agree in writing on which Completion shall take place. World Fortune shall not be obliged to complete the purchases of the Sale Shares and the Sale Loan unless the purchases of the Sale Shares and the Sale Loan are completed simultaneously.

INFORMATION ON PIER 16 – PROPERTY DEVELOPMENT

Shareholding:

As at the date of this announcement, Pier 16 – Property Development is owned as to 51.00%, 24.50% and 24.50% by SJM-Investmentos, World Fortune and Joy Idea respectively. Immediately after Completion, Pier 16 – Property Development will be owned as to 51.00%, 36.75% and 12.25% by SJM-Investmentos, World Fortune and Joy Idea respectively.

Board composition:

As at the date of this announcement, the board of directors of Pier 16 – Property Development consists of three directors, of which two are nominated by SJM-Investmentos and one is nominated by World Fortune. Mr. Yeung Hoi Sing, Sonny, the Chairman of the Company, has been appointed as the director and chief executive officer of Pier 16 – Property Development. Immediately after Completion, each of SJM-Investmentos and World Fortune will nominate one additional director to the board of Pier 16 – Property Development. As such, World Fortune will nominate Mr. Lee Siu Cheung, an executive Director, as the additional director of Pier 16 – Property Development.

Scope of business and financial information:

Pier 16 – Property Development is principally engaged in the investment, development and operation of Ponte 16. Further information on Ponte 16 is set out in the section headed "Information on Ponte 16" below.

Based on the financial statements of Pier 16 – Property Development prepared in accordance with the generally accepted accounting principles in Macau, (i) the net loss before and after taxation of Pier 16 – Property Development for the period from 20 February 2004 (date of incorporation) to 31 December 2004 amounted to approximately MOP89,600 (equivalent to approximately HK\$86,990); and (ii) the net assets value of Pier 16 – Property Development amounted to approximately MOP9.9 million (equivalent to approximately HK\$9.6 million) as at 31 December 2004. The accountants' report of Pier 16 – Property Development prepared in accordance with the generally accepted accounting principles in Hong Kong will be included in the circular to be despatched by the Company in connection with the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder's loans to Pier 16 – Property Development.

Source of financing:

All investment amounts to be made by Pier 16 – Property Development for the development of Ponte 16 will be firstly financed by external loans to be arranged by Pier 16 – Property Development. If required by the provider of the external loans, the shareholders of Pier 16 – Property Development will provide guarantees on a several basis in proportion to their respective equity interests in Pier 16 – Property Development. If the external loans are insufficient to meet the funding requirement of Pier 16 – Property Development, the shareholders of Pier 16 – Property Development shall provide shareholders' loans to Pier 16 – Property Development in proportion to their respective equity interests in Pier 16 – Property Development.

INFORMATION ON THE LAND PARCEL

According to the formal notice for the granting of the lease in respect of the Land Parcel on the "Macau Official Gazette" published on 14 February 2005, the Government of Macau has leased the Land Parcel to Pier 16 – Property Development for the development of a theme park construction project, namely Ponte 16, for a term of 25 years commencing from 14 February 2005 and renewable thereafter in accordance with the laws of Macau.

The Land Parcel:

The Land Parcel is a leasehold land with a total site area of approximately 23,066 square metres and is located at between Pier No. 12A to 20, Inner Harbour of Macau. According to development plan for Ponte 16, the total gross floor areas of any building or buildings erected or to be erected on the site shall be approximately 63,584 square metres.

Land Premium:

The land premium of the Land Parcel payable by Pier 16 – Property Development amounted to MOP89,876,351 (equivalent to approximately HK\$87.26 million), of which:

- (i) MOP40,000,000 (equivalent to approximately HK\$38.83 million) has been paid to the Government of Macau;
- (ii) MOP46,791,351 (equivalent to approximately HK\$45.43 million) with the interest accrued thereon at a rate of 5% will be payable to the Government of Macau semi-annually through three equivalent installments of MOP16,383,391 (equivalent to approximately HK\$15.91 million). The first installment will be payable by Pier 16 – Property Development within six months after the date of the formal notice for the granting of the lease in respect of the Land Parcel being published on "Macau Official Gazette", which is 14 February 2005; and
- (iii) MOP3,085,000 (equivalent to approximately HK\$3 million) will be satisfied by the construction of the No. 11A Pier, which will be located outside the Land Parcel, by Pier 16 – Property Development according to the construction specifications required by the Government of Macau.

The payment of the aforesaid land premium of MOP40 million (equivalent to approximately HK\$38.83 million) was financed by loans provided by the shareholders of Pier 16 – Property Development. As at 31 December 2004, the total shareholders' loans amounted to approximately HK\$66.9 million, of which approximately HK\$61.9 million, HK\$2.5 million and HK\$2.5 million were contributed by SJM-Investmentos, World Fortune and Joy Idea respectively.

Payment of land rent:

A land rent at a rate of MOP12 (equivalent to approximately HK\$11.7) per square metres (or in aggregate MOP276,792 (equivalent to approximately HK\$268,730)) in respect of the Land Parcel is payable by Pier 16 – Property Development to the Government of Macau annually. Such land rent rate is subject to revision by the Government of Macau every five years from the date of the aforesaid formal notice in respect of the Land Parcel being published on "Macau Official Gazette".

INFORMATION ON PONTE 16

Ponte 16 is a proposed theme park construction project being developed by Pier 16 – Property Development on the Land Parcel. According to the revised development plan by The Jerde Partnership, Inc., the design architects of Ponte 16 and an Independent Third Party, the buildings at Ponte 16 will resemble the design and construction style of architecture in Macau during the early-to-middle 20th century to enhance visitors' understanding of the history and culture of Macau. In this regard, Ponte 16 has retained Macau Millennium College (being an Independent Third Party) as the historical reference adviser. Ponte 16 will include a luxury hotel with 200 exquisitely equipped luxury guestrooms and 20 VIP mansions, a casino with not less than 150 gaming tables, shopping arcades, a cultural space and car parks, with an aggregate gross floor area amounts to approximately 63,584 square metres. Subject to the approval of the Government of Macau, the casino shall be operated and managed by SJM. The first phase of Ponte 16, which will include the casino, is expected to be completed by the end of 2006 and the whole of Ponte 16 is expected to be completed by the end of 2007 with expected total investment amounting to approximately HK\$1,000 million.

It has been agreed between the shareholders of Pier 16 – Property Development that all investment amounts for the development of Ponte 16 will be firstly financed by external loans. If the external loans are insufficient to meet the funding requirement, the shareholders of Pier 16 – Property Development will provide shareholders' loans in proportion to their respective equity interests therein. Assuming no external loans can be borrowed by Pier 16 – Property Development, the maximum total amounts of shareholders' loans to be advanced by SJM-Investmentos, World Fortune and Joy Idea to Pier 16 – Property Development will be approximately HK\$1,000 million. On this basis and given that (i) World Fortune has already provided shareholder's loan in an amount of HK\$2,500,000; and (ii) World Fortune has agreed to purchase the Sale Loan of HK\$1,250,000 under the Agreement, World Fortune may have to further provide, by way of shareholder's loans, a maximum of approximately HK\$364 million as its pro rata sharing of 36.75% after Completion to Pier 16 – Property Development.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Company is an investment holding company. The Group is principally engaged in the leasing and management of the 55% owned cruise ship and other tourists-related businesses.

As stated in the annual report of the Company for the financial year ended 30 September 2004, the established strategies of the Group are to develop and strengthen tourists-related business including the further development of hotel and gaming businesses in Macau. The Group foresees a very positive market in Macau and is keen to identify suitable investment opportunities for further development in Macau, in particular, the hotel and gaming businesses, for the following major reasons:

- (i) it is expected by the Directors that, given clear strategies established by the Government of Macau to continuously develop Macau as a tourism and gaming, as well as an international MICE (Meetings, Incentives, Conferences, Exhibitions) and leisure destination, the prospects of the gaming industry, local tourism, hotel services and other related industries in Macau will be promising in the future;
- (ii) according to the statistics provided by the Government of Macau, (a) the Gross Domestic Product ("GDP") of Macau in 2004 was approximately MOP82.685 billion (equivalent to approximately HK\$80.277 billion), representing a growth rate of approximately 30.1% as compared with that in 2003; and (b) GDP per capita of Macau in 2004 was approximately MOP181,000 (equivalent to approximately HK\$176,000), representing an increase of approximately 26.8% as compared with that in 2003;
- (iii) following the execution of the Individual Visit Scheme that residents in certain selected cities of the PRC may apply to visit Macau and Hong Kong in their individual capacities without joining group tours as well as the liberalisation of Macau's gaming industry by the Government of Macau in 2002, Macau is poised to become the gaming, culture and leisure destination of choice for a significant part of the PRC and Southeast Asia's population. According to the Tourist Office of the Government of Macau, the total number of visitors arrived in Macau in 2004 amounted to approximately 16.67 million, representing an increase of approximately 40.3% as compared with that in 2003. Among the aforementioned 16.67 million visitors, over 87% of them came from the PRC and Hong Kong; and

(iv) as a result of the proximity of Macau to Hong Kong, the hotel and gaming businesses in Macau are likely to benefit from the Disneyland to be opened in Hong Kong by the end of 2005, which is expected to attract many visitors from the PRC and the other parts of the world.

SJM-Investmentos, World Fortune and Joy Idea set up Pier 16 – Property Development in February 2004 by capital contributions of MOP8 million (equivalent to approximately HK\$7.77 million), MOP1 million (equivalent to approximately HK\$0.97 million) and MOP1 million (equivalent to approximately HK\$0.97 million) respectively, which represented 80%, 10% and 10% of the equity interests in Pier 16 – Property Development respectively. As referred to in the announcement dated 5 November 2004 and the circular dated 26 November 2004 both issued by the Company, each of World Fortune and Joy Idea acquired an additional 14.5% equity interest in Pier 16 – Property Development from SJM-Investmentos for a consideration of MOP1.45 million (or equivalent to approximately HK\$1.41 million), which was equal to the original capital contribution by SJM-Investmentos in respect of the 14.5% equity interest in Pier 16 – Property Development. Subsequent to the aforementioned acquisition, Pier 16 – Property Development is owned as to 51.00%, 24.50% and 24.50% by SJM-Investmentos, World Fortune and Joy Idea.

The Directors consider that the further acquisition of a 12.25% equity interest in Pier 16 – Property Development will enable the Group to increase its participation and investment in the hotel and gaming businesses in Macau which have good potential business prospects and to increase the Group’s share of the results from Pier 16 – Property Development which may result in the improvement of return of the Company to the Shareholders. Moreover, following the increase in the ownership of the Group in Pier 16 – Property Development, the synergistic effect (e.g. cross-marketing opportunities exist among the Group’s cruise ship business, travel agency business and the hotel operations in Ponte 16) on the Group’s existing cruise and travel agency businesses can be further enhanced and strengthened.

The Directors consider that the entering into of the Agreement and the possible provision of additional shareholder’s loans by World Fortune to Pier 16 – Property Development are in the interest of the Group and the Shareholders as a whole.

The Aggregate Consideration and the possible provision of additional shareholder’s loans to Pier 16 – Property Development will be financed by the Group’s internal resources and external borrowings (if necessary).

IMPLICATIONS UNDER THE LAWS OF HONG KONG AND THE LISTING RULES

Reference is made to the guidelines issued by the Stock Exchange in relation to “Gambling Activities undertaken by listing applicants and /or listed issues” dated 11 March 2003 (the “Guidelines”). Under the Guidelines, if the Group is directly or indirectly engaged in gambling activities, the Group should ensure that the operation of such gambling activities should comply with the applicable laws in the areas where such activities operate and/or not contravene the Gambling Ordinance (Chapter 148 of the Law of Hong Kong) (the “Gambling Ordinance”). Should such operation (i) fail to comply with the applicable laws in the areas where such activities operate and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules and the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares on the Stock Exchange. The Company will use its best endeavours to procure that the operation of Pier 16 – Property Development must (i) comply with the applicable laws in the areas where such activities operate; and/or (ii) not contravene the Gambling Ordinance.

The Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder’s loans to Pier 16 – Property Development constitute major transactions for the Company under Chapter 14 of the Listing Rules. Silver Rich Macau Development Limited and Spring Wise Investments Limited, being a closely allied group of Shareholders who are interested in approximately 55.25% of the issued share capital of the Company in aggregate as at the date of this announcement, have confirmed in writing that they will approve the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder’s loans to Pier 16 – Property Development. Since no Shareholder is required to abstain from voting on the resolution approving the Agreement and the transactions contemplated thereunder and the possible provision of additional Shareholder’s loans to Pier 16 – Property Development, the Company is not required to convene a shareholders’ meeting to approve the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder’s loans to Pier 16 – Property Development pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Agreement and the transactions contemplated thereunder and the possible provision of additional shareholder’s loans to Pier 16 – Property Development and the report of the Property Valuation, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES ON THE STOCK EXCHANGE

Trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on Wednesday, 11 May 2005 at the request of the Company pending the issue of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Friday, 20 May 2005.

DEFINITIONS

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

“Aggregate Consideration”	the aggregate consideration of HK\$99.25 million for the acquisition of the Sale Shares and the Sale Loan, which comprises the Share Consideration and the Loan Consideration
“Agreement”	the conditional sale and purchase agreement dated 11 May 2005 entered into between World Fortune and Joy Idea in relation to the sale and purchase of the Sale Shares and the Sale Loan
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Macau Success Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan in accordance with the terms of the Agreement

“Conditions Precedent”	the conditions precedent as set out in the Agreement
“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(ies)”	a person(s) or company(ies), whose or which ultimate beneficial owner(s), to the best of the Director’s knowledge and information and having made all reasonable enquiries, is/are independent of and not connected with the Company, the directors, chief executive, substantial shareholders (as defined under the Listing Rules) of the Company and its subsidiaries or any of their respective associates
“Joy Idea”	Joy Idea Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is, an Independent Third Party
“Land Parcel”	a land parcel located at between Pier No. 12A to 20, Inner Harbour of Macau
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Consideration”	the face value of the Sale Loan of HK\$1.25 million, being the consideration payable for the assignment of the Sale Loan
“Macau”	the Macau Special Administrative Region of the PRC
“Pier 16 – Property Development”	Pier 16 – Property Development Limited, a company incorporated on 20 February 2004 under the laws of Macau with limited liability which is owned as to 51.00% by SJM-Investmentos, as to 24.50% by World Fortune and as to 24.50% by Joy Idea as at the date of this announcement
“Ponte 16”	a theme park construction project being developed by Pier 16 – Property Development on the Land Parcel, which will include a luxury hotel with casino lounge, shopping arcades, a cultural space and car parks
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Property Valuation”	the property valuation as at 6 May 2005 on the Land Parcel prepared by Savills (Hong Kong) Limited, an independent professional property valuer
“Sale Loan”	the interest free shareholder’s loan owing from Pier 16 – Property Development to Joy Idea with a face value of HK\$1,250,000, being 50% of the total amount of the shareholder’s loan provided by Joy Idea to Pier 16 – Property Development as at the date of the Agreement
“Sale Shares”	12,250 shares beneficially owned by Joy Idea as at the date of this announcement, representing 12.25% of the entire issued share capital of Pier 16 – Property Development
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consideration”	HK\$98 million, being the consideration payable for the purchase of the Sale Shares
“Shareholder(s)”	holder(s) of the Share(s)
“SJM”	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau which is an Independent Third Party
“SJM-Investmentos”	SJM-Investmentos Limitada, a company incorporated under the laws of Macau with limited liability which is a wholly-owned subsidiary of SJM and is an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“World Fortune”	World Fortune Limited, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“MOP”	Macau Pataca, the lawful currency of Macau
“%”	per cent.

Unless otherwise stated, amounts denominated in MOP have been translated into HK\$ in this announcement at a rate of MOP1.03=HK\$1.0. No representation is made that any amounts in MOP and HK\$ can be or could have been converted at such rate or any other rate or at all.

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

The current Board comprises:

Executive Directors:
 Mr. Yeung Hoi Sing, Sonny
 Mr. Chan William
 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
 Ms. Yeung Mo Sheung, Ann

Hong Kong, 19 May 2005

* For identification purpose only