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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 FOR NEW SHARES AND SUSPENSION AND RESUMPTION OF TRADING**

**Financial Adviser and Placing Agent**

**VINCO**  **城高**

**GRAND VINCO CAPITAL LIMITED**

On 12 April 2006, the Vendor has 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, Grand Vinco Capital Limited, has agreed to place, on a best efforts basis, to not less than six independent places for up to 235,000,000 Shares at a price of HK\$1.09 per Placing Share, for and on behalf of the Vendor. Pursuant to the Subscription Agreement, the Vendor has conditionally agreed to subscribe for such number of new Shares as is equal to the number of Placing Shares successfully placed by the Placing Agent at a price of HK\$1.09 per Subscription Share.

The Placing is unconditional, but completion of the Subscription is subject to the completion of the Placing and the Listing Committee of the Stock Exchange granting or agreeing to grant the approval of the listing of, and permission to deal in, the Subscription Shares. If such conditions are not fulfilled, the Subscription will not proceed.

The maximum number of 235,000,000 Placing Shares represents approximately 12.34% of the existing issued share capital of the Company of 1,904,464,233 Shares and approximately 10.98% of the Company's issued share capital as enlarged by the Subscription. The net proceeds from the Subscription of approximately HK\$252 million (assuming the Placing Shares are fully placed) will be used for general working capital of the Group.

The Vendor owns approximately 40.72% interest of the entire issued capital of the Company as at the date of this announcement which will be reduced to approximately 28.38% immediately upon completion of the Placing and will then be increased to approximately 36.25% immediately upon completion of the Subscription (assuming the Placing Shares are fully placed).

\* *For identification purpose only*

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 12 April 2006 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 13 April 2006.

## THE PLACING AGREEMENT

- Date: 12 April 2006
- Vendor: Silver Rich Macau Development Limited, a company incorporated in the British Virgin Islands with limited liability and a substantial Shareholder.
- Placing Agent: Grand Vinco Capital Limited, an Independent Third Party.
- Placees: The Placing Shares will be placed to not less than six placees (which will be independent individual, corporate and/or institutional investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no placee will become a substantial Shareholder immediately following completion of the Placing and the Subscription.
- Number of Placing Shares: Up to 235,000,000 Shares, to be placed by the Placing Agent on a best efforts basis. Assuming the Placing Shares are fully placed, the Placing Shares represent approximately 12.34% of the existing issued share capital of the Company of 1,904,464,233 Shares and approximately 10.98% of the Company's issued share capital as enlarged by the Subscription.
- Placing Price: HK\$1.09 per Placing Share. The Placing Price was agreed 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 approximately 6.03% to the closing price of HK\$1.16 per Share as quoted on the Stock Exchange on 11 April 2006, being the last trading day of the Shares immediately before the suspension of trading in the Shares on 12 April 2006; and
  - (ii) a premium of approximately 10.21% to the average closing price of approximately HK\$0.989 per Share as quoted on the Stock Exchange for the last ten consecutive trading days of the Shares up to and including 11 April 2006, being the last trading day of the Shares immediately before the suspension of trading in the Shares on 12 April 2006.
- Rights of the Placing Shares: The Placing Shares will rank equally with the existing Shares.
- Placing Commission: The Placing Agent will receive a placing commission of 1.5% on the gross proceeds of the Placing.
- Termination of the Placing: The Placing is subject to termination by the Placing Agent on the occurrence of certain events prior to completion of the Placing, including:
- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of this announcement such a change in political, economic, fiscal, national or international financial, regulatory or stock market conditions including introduction of any new law or regulation or any change in existing laws or regulation (including in relation to taxation or exchange controls) which would prejudice materially the consummation of Placing or would have a material adverse effect on the business or financial or financial position of the Group as a whole; or
  - (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Vendor of any other provision of the Placing Agreement; or

- (c) there is any adverse change in the management, business or financial position of any member of the Group as a whole which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- (d) 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); or
- (e) any of the statement contained in this announcement being incorrect or misleading.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing: Save for the Placing Agent's right of termination as set out in the Placing Agreement, the Placing is unconditional and completion of the Placing is expected to take place on or before 19 April 2006 (or such other date as the Vendor and the Placing Agent may agree in writing).

#### **THE SUBSCRIPTION AGREEMENT**

Date: 12 April 2006

Subscriber: The Vendor.

Issuer: The Company.

Number of Subscription Shares: The Company will issue such number of new Shares to the Vendor as is equal to the number of Placing Shares successfully placed by the Placing Agent pursuant to the Placing. Assuming the Placing Shares are fully placed, the Company will issue 235,000,000 Subscription Shares to the Vendor, representing approximately 12.34% of the existing issued share capital of the Company and approximately 10.98% of the issued share capital of the Company as enlarged by the Subscription.

Subscription Price: HK\$1.09 per Subscription Share. Subject to the Subscription being completed, the Company will bear the costs and expenses in connection with the Placing and the Subscription which are estimated to be approximately HK\$4 million (assuming the Placing Shares are fully placed). Any interest earned by the Vendor on the moneys raised by the Placing, between the date of completion of the Placing and the date of completion of the Subscription, will be paid to the Company.

General Mandate: The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 28 February 2006. The general mandate has not been utilized prior to entering into the Placing Agreement and the Subscription Agreement.

Ranking of 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 to the Subscription: The Subscription is conditional upon the following conditions being satisfied by no later than 25 April 2006 (or such other date as may be agreed between the Company and the Vendor):

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the approval of the listing of and permission to deal in the Subscription Shares; and
- (b) completion of the Placing.

Application will be made to the Stock Exchange to grant approval for the listing of and permission to deal in the Subscription Shares.

Completion of the Subscription: The Subscription is expected to be completed on the second Business Day after the date upon which the last of the condition set out in the Subscription Agreement shall have been satisfied and shall not be later than the date falling thirteen (13) days after the date of the Subscription Agreement.

## EFFECT OF THE PLACING AND THE SUBSCRIPTION ON SHAREHOLDING

The shareholdings in the Company immediately before completion of the Placing, immediately after completion of the Placing but before completion of the Subscription, and immediately after completion of both the Placing and the Subscription are and will be as follows:

| Shareholders                         | Immediately before<br>the Placing and<br>the Subscription |                | Immediately after<br>the Placing and before<br>the Subscription |                | Immediately after<br>the Placing and<br>the Subscription |                |
|--------------------------------------|---|----------------|---|----------------|--|----------------|
| Vendor                               | 775,488,802   | 40.72%         | 540,488,802   | 28.38%         | 775,488,802  | 36.25%         |
| Spring Wise                          | 212,352,630   | 11.15%         | 212,352,630   | 11.15%         | 212,352,630  | 9.92%          |
| Concert Group                        | 987,841,432   | 51.87%         | 752,841,432   | 39.53%         | 987,841,432  | 46.17%         |
| Penta Investment Advisers<br>Limited | 171,104,000   | 8.98%          | 171,104,000   | 8.98%          | 171,104,000  | 8.00%          |
| Joy Idea Investments Limited         | 120,000,000   | 6.30%          | 120,000,000   | 6.30%          | 120,000,000  | 5.61%          |
| Placees                              | 0   | 0%             | 235,000,000   | 12.34%         | 235,000,000  | 10.98%         |
| Public                               | 625,518,801   | 32.85%         | 625,518,801   | 32.85%         | 625,518,801  | 29.24%         |
| Total                                | <u>1,904,464,233</u>                                      | <u>100.00%</u> | <u>1,904,464,233</u>  | <u>100.00%</u> | <u>2,139,464,233</u>                                     | <u>100.00%</u> |

*Note:* The figures assume that (i) the maximum number of 235,000,000 Placing Shares will be placed pursuant to the Placing, and (ii) other than the Subscription Shares, no further Shares are issued or repurchased by the Company and other than the Placing Shares no Shares are sold or purchased by the Vendor, in each case after the date of this announcement and up to the date of completion of the Subscription.

## REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in cruise leasing and management and other tourist-related business. 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 an integrated resort project namely “Ponte 16” in Macau, and ii) other possible investment opportunities in hotel and tourists-related projects in Hong Kong and Macau. The Directors have 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\$4 million in connection with the Placing and the Subscription. The net proceeds of approximately HK\$252 million from the Subscription will be used for general working capital for the Group. The Directors have confirmed that no specific targets or projects have been identified by the Group as at the date of this announcement.

## EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fundraising activities in the 12-month period immediately preceding the date of this announcement.

## SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on 12 April 2006 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 13 April 2006.

## DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

|                |  |
|----------------|--|
| “associate(s)” | has the meaning ascribed thereto 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  |
| “Director(s)”             | director(s) of the Company  |
| “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, 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) and not acting in concert with any members of the Concert Group. |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Macau”                   | the Macau Special Administrative Region of the People’s Republic of China   |
| “Placing”                 | the placing of the Placing Shares by the Vendor, through the Placing Agent, pursuant to the Placing Agreement   |
| “Placing Agent”           | Grand Vinco Capital Limited, an Independent Third Party   |
| “Placing Agreement”       | the placing agreement entered into between the Vendor and the Placing Agent dated 12 April 2006 in relation to the Placing  |
| “Placing Price”           | HK\$1.09 per Placing Share  |
| “Placing Shares”          | a maximum of 235,000,000 Shares beneficially owned by the Vendor and to be placed pursuant to the Placing Agreement   |
| “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 12 April 2006 in relation to the Subscription  |
| “Subscription Price”      | HK\$1.09 per Subscription Share   |
| “Subscription Shares”     | such number of new shares as equal to the number of the Placing Shares successfully placed by the Placing Agent pursuant to the Placing, to be subscribed 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 dollars, the lawful currency of Hong Kong  
“%” per cent.

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

As at the date of this announcement, the Directors are:

*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, 12 April 2006