



## MACAU SUCCESS LIMITED

澳門實德有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00487)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2008

#### INTERIM RESULTS

The board of directors (the “Board”) of Macau Success Limited (the “Company”) is pleased to announce that the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 March 2008 together with comparative figures are as follows:

#### CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 MARCH 2008

		(Unaudited)	
		For the six months ended	
		31 March	
	Note	2008 HK\$'000	2007 HK\$'000
<b>TURNOVER</b>	2	<b>50,202</b>	52,845
Cost of sales		<u>(2,429)</u>	<u>(5,083)</u>
Gross profit		47,773	47,762
Other revenue		6,216	10,504
Gain on partial disposal of a subsidiary		116,992	–
Change in fair value of derivative financial instrument		(26)	–
Administrative expenses		<u>(55,780)</u>	<u>(42,278)</u>
<b>PROFIT FROM OPERATIONS</b>	3	<b>115,175</b>	15,988
Share of results of associates		<u>(64,346)</u>	<u>(607)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>50,829</b>	15,381
Income tax	4	–	–
<b>PROFIT FOR THE PERIOD</b>		<b><u>50,829</u></b>	<b><u>15,381</u></b>
<b>ATTRIBUTABLE TO:</b>			
Equity shareholders of the Company		51,182	6,700
Minority interests		<u>(353)</u>	<u>8,681</u>
<b>PROFIT FOR THE PERIOD</b>		<b><u>50,829</u></b>	<b><u>15,381</u></b>
<b>EARNINGS PER SHARE</b>			
– Basic	5	<b><u>HK2.14 cents</u></b>	<b><u>HK0.31 cents</u></b>
– Diluted		<u>N/A</u>	<u>N/A</u>

\* For identification purpose only

**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AT 31 MARCH 2008**

	<i>Note</i>	(Unaudited) 31 March 2008 HK\$'000	(Audited) 30 September 2007 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		87,819	87,945
Goodwill		1,313	1,313
Interest in associates		1,213,669	886,930
		<u>1,302,801</u>	<u>976,188</u>
<b>CURRENT ASSETS</b>			
Inventories		2,248	1,323
Trade and other receivables	7	100,983	18,398
Pledged bank deposits		761	751
Cash and bank balances		79,712	200,719
		<u>183,704</u>	<u>221,191</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	7,599	106,422
Tax payable		162	961
Derivative financial instrument		224	–
		<u>7,985</u>	<u>107,383</u>
<b>NET CURRENT ASSETS</b>		<u>175,719</u>	<u>113,808</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,478,520</u>	<u>1,089,996</u>
<b>NON-CURRENT LIABILITIES</b>			
Loans from minority shareholders		107,256	–
Deferred tax liabilities		83	83
Financial guarantee contract		53,550	63,000
		<u>160,889</u>	<u>63,083</u>
<b>NET ASSETS</b>		<u><u>1,317,631</u></u>	<u><u>1,026,913</u></u>
<b>CAPITAL AND RESERVES</b>			
Share capital		24,195	21,995
Reserves		1,233,341	954,935
<b>EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>		<u>1,257,536</u>	<u>976,930</u>
<b>MINORITY INTERESTS</b>		<u>60,095</u>	<u>49,983</u>
<b>TOTAL EQUITY</b>		<u><u>1,317,631</u></u>	<u><u>1,026,913</u></u>

*Notes:*

## **1. BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 September 2007, except for the adoption of the following Hong Kong Financial Reporting Standards (“HKFRSs”), which are adopted for the first time in the current period’s financial statements.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new and revised HKFRSs does not have significant impact on the Group’s operating results or financial position. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 9).

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The condensed consolidated financial statements contain selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group and the Group’s interest in associates since the annual financial statements for the year ended 30 September 2007. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

## 2. TURNOVER AND SEGMENT INFORMATION

The Group's turnover and results for the six months ended 31 March 2008 analysed by business segments and geographical segments are as follows:

### a) Business segments

For the six months ended 31 March 2008

	<b>Cruise leasing and management</b>	<b>Travel</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Turnover</b>	<b>48,000</b>	<b>2,202</b>	<b>50,202</b>
<b>Other revenue</b>	<b>33</b>	<b>33</b>	<b>66</b>
	<b><u>48,033</u></b>	<b><u>2,235</u></b>	<b><u>50,268</u></b>
<b>Segment results</b>	<b><u>13,477</u></b>	<b><u>(313)</u></b>	<b>13,164</b>
<b>Unallocated corporate income</b>			<b>123,142</b>
<b>Unallocated corporate expenses</b>			<b><u>(21,131)</u></b>
<b>Profit from operations</b>			<b>115,175</b>
<b>Share of results of associates</b>			<b><u>(64,346)</u></b>
<b>Profit before taxation</b>			<b><u>50,829</u></b>

For the six months ended 31 March 2007

	Cruise leasing and management <i>HK\$'000</i>	Travel <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover	47,901	4,944	52,845
Other revenue	<u>27</u>	<u>26</u>	<u>53</u>
	<u>47,928</u>	<u>4,970</u>	<u>52,898</u>
Segment results	<u>19,609</u>	<u>(354)</u>	19,255
Unallocated corporate income			10,451
Unallocated corporate expenses			<u>(13,718)</u>
Profit from operations			15,988
Share of results of associates			<u>(607)</u>
Profit before taxation			<u>15,381</u>

**b) Geographical segments**

	For the six months ended 31 March			
	Turnover		Segment results	
	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Hong Kong	<b>2,202</b>	4,944	<b>(300)</b>	(348)
South China Sea, other than in Hong Kong	<b>48,000</b>	47,901	<b>13,477</b>	19,609
Macau	<u>—</u>	<u>—</u>	<u>(13)</u>	<u>(6)</u>
	<u><b>50,202</b></u>	<u>52,845</u>	<u><b>13,164</b></u>	<u>19,255</u>

### 3. PROFIT FROM OPERATIONS

Profit from operations is arrived at after (crediting)/charging the following:

	For the six months ended 31 March	
	2008	2007
	HK\$'000	HK\$'000
<b>Crediting:</b>		
Gain on partial disposal of a subsidiary	(116,992)	–
Dividend from available-for-sale investment	–	(1,133)
Interest income	(4,070)	(6,922)
<b>Charging:</b>		
Auditor's remuneration	295	110
Depreciation	4,921	4,131
Loss on disposal of property, plant and equipment	104	23
Operating lease rentals		
– land and buildings	1,654	1,588
– plant and machinery	20	20
Staff costs (including contribution of retirement scheme of HK\$373,000 (2007: HK\$297,000))	<u>20,232</u>	<u>18,239</u>

### 4. INCOME TAX IN THE INCOME STATEMENT

No Hong Kong profits tax and taxation arising in other jurisdiction, in which the subsidiaries operate, has been provided for the six months ended 31 March 2008 as the Group has no estimated assessable profits for the period (for the six months ended 31 March 2007: HK\$Nil).

### 5. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the equity shareholders of the Company is based on the following data:

	For the six months ended 31 March	
	2008	2007
	HK\$'000	HK\$'000
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<u>51,182</u>	<u>6,700</u>

	For the six months ended 31 March	
	2008	2007
	HK\$'000	HK\$'000
<b>Number of shares</b>		
Weighted average number of the shares for the purpose of basic earnings per share	<u>2,389,409,588</u>	<u>2,149,684,013</u>

There was no dilution effect on the basic earnings per share for the six months ended 31 March 2008 and 31 March 2007 respectively as there were no dilutive instruments outstanding during both periods.

## 6. DIVIDENDS

The directors of the Company do not recommend the declaration of any interim dividend for the period (for the six months ended 31 March 2007: Nil).

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

## 7. TRADE AND OTHER RECEIVABLES

	<b>31 March 2008</b>	30 September 2007
	<b>HK\$'000</b>	HK\$'000
Trade receivables	<b>2,147</b>	996
Deposits, prepayment and other receivables	<b><u>98,836</u></b>	<u>17,402</u>
	<b><u><u>100,983</u></u></b>	<u><u>18,398</u></u>

All of the trade and other receivables are expected to be recovered within one year.

Included in deposits, prepayment and other receivables is a deposit of HK\$60 million paid to 上海永德投資有限公司 (“上海永德”), an independent third party upon signing of a letter of intent and a confidentiality agreement on 10 January 2008 for the proposed acquisition by a wholly-owned subsidiary of the Company of at least 10% and not more than 51% of the entire issued share capital of 重慶林科物業發展有限公司, a then 90% owned subsidiary of 上海永德.

Included in trade and other receivables are trade debtors with the following aging analysis as at the balance sheet date:

	<b>31 March 2008</b>	30 September 2007
	<b>HK\$'000</b>	HK\$'000
Current to 30 days	<b>2,090</b>	727
31 to 60 days	<b>12</b>	165
61 to 90 days	<b>45</b>	–
Over 90 days	<b><u>–</u></b>	<u>104</u>
	<b><u><u>2,147</u></u></b>	<u><u>996</u></u>

The Group normally allows a credit period of 30 days (2007: 30 days)

## 8. TRADE AND OTHER PAYABLES

	<b>31 March 2008</b>	30 September 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	<b>168</b>	163
Accrued charges and other payables	<b>7,431</b>	106,259
	<b><u>7,599</u></b>	<b><u>106,422</u></b>

All of the trade and other payables are expected to be settled within one year.

Included in accrued charges and other payables is a deposit of HK\$100 million received from a purchaser for the Group's disposal of 10.2% equity interest in World Fortune Limited, a non wholly-owned subsidiary of the Company. The amount was applied as part of consideration upon completion of the disposal on 29 October 2007.

Included in trade and other payables are trade creditors with the following aging analysis as at the balance sheet date:

	<b>31 March 2008</b>	30 September 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current to 30 days	<b>155</b>	149
31 to 60 days	–	1
61 to 90 days	–	–
Over 90 days	<b>13</b>	13
	<b><u>168</u></b>	<b><u>163</u></b>

## 9. POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE PERIOD ENDED 31 MARCH 2008

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The directors of the Company anticipates that the application of these standards, amendments or interpretations will have no material impacts on the financial statements of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>2</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>2</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>1</sup>
HKFRS 8	Operating Segments <sup>2</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>3</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>4</sup>
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2008

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Results**

For the period under review, the Group's turnover was approximately HK\$50.2 million, representing a decrease of approximately 5% as compared to the last corresponding period (2007: approximately HK\$52.8 million). Gross profit was approximately HK\$47.8 million (2007: approximately HK\$47.8 million). Profit attributable to equity shareholders of the Company increased significantly to approximately HK\$51.2 million (2007: approximately HK\$6.7 million). As a result, earnings per share for the period also increased substantially to HK2.14 cents (2007: HK0.31 cents).

The reduction in the Group's consolidated turnover is attributable to the lower turnover of the travel business. The cruise business generated steady revenue but its performance deteriorated due to the increase in fuel oil price and operating costs. The travel business, despite recording a lower turnover figure, achieved better financial performance after effective cost control measures were implemented.

The Group's profitability increased year-on-year due to a gain on disposal of certain interest in Ponte 16, the Group's world-class integrated casino-resort project. However, since the casino business of Ponte 16 only started operation in February 2008, while the hotel as well as the food and beverage facilities were still awaiting licence approval, some of the gain on the stake disposal was offset by the higher operating costs.

### **Interim Dividend**

The directors of the Company (the "Director(s)") do not recommend the declaration of any interim dividend for the six months ended 31 March 2008 (2007: Nil).

### **Review of Operations**

#### *Cruise Business*

During the period under review, leasing and management of the Group's cruise ship, M.V. Macau Success (in which the Group has 55% interest) continued to be the major contributor to the Group's revenue and a stable source of income. Turnover from the cruise business was approximately HK\$48.0 million (2007: approximately HK\$47.9 million), accounting for approximately 95.6% of the Group's total turnover. In 2007, it accounted for approximately 90.6% of the Group's total turnover. Segment profit from this business decreased by 31.3% to approximately HK\$13.5 million compared with approximately HK\$19.6 million in the corresponding period in 2007. This reduction in profitability was mainly driven by increasing fuel cost and operating costs.

## *Travel Business*

During the period under review, turnover from the travel business was approximately HK\$2.2 million, representing a decrease of approximately 55.5% from the corresponding figure of 2007. The travel business accounted for approximately 4.4% of the Group's total turnover (2007: approximately 9.4% of the Group's total turnover). Segment loss from this business narrowed by 11.6% to HK\$0.3 million, compared with a loss of approximately HK\$0.4 million in 2007.

It is the Group's strategy to develop the travel business into a unique platform, providing professional travel services to high-end customers while enhancing the business of Ponte 16.

## *Investment Project – Ponte 16*

Ponte 16, the Group's flagship project, is a world-class integrated casino-entertainment resort comprising a five-star luxury hotel - Sofitel Macau at Ponte 16, a casino, a shopping arcade, and food and beverage facilities. Featuring a unique European theme, the development is located at Pier 16, which has been in operation since the beginning of the last century and is now a famous historic landmark. A two-minute ferry connection between Ponte 16 and Zhuhai provides a convenient access for tourists.

Casino of Ponte 16 started operation on 1 February 2008 with a grand opening ceremony and management is delighted by its performance in the initial stage of operation. The highest number of visitors recorded in one single day amounted to 30,000 during the Chinese New Year period. The average number of visitors per day during the first two months since its opening exceeded 10,000. Average daily mass drop during these two months was HK\$14 million. However, there was a delay in the opening schedule of Sofitel Macau at Ponte 16 as the licence from the Government of the Macau Special Administrative Region of the People's Republic of China ("Macau") was yet to be obtained. The delay in the hotel opening imposed some uncertainty on the overall financial performance of the project, but the effect is expected to be temporary and should not overcast the Group's outlook in the long run.

## **Financial Review**

### *Pledge of Assets*

As at 31 March 2008, the Group pledged the time deposits of approximately HK\$0.8 million (30 September 2007: HK\$0.8 million) to certain banks for issuance of several bank guarantees of approximately HK\$0.8 million (30 September 2007: HK\$0.8 million) for operation of the Group.

As at 31 March 2008, World Fortune Limited ("World Fortune"), a non wholly-owned subsidiary of the Company, pledged all (30 September 2007: 100%) of its shares in Pier 16 – Property Development Limited ("Pier 16 – Property Development"), an associate of the Company, to a bank, for and on behalf of a syndicate of lenders, in respect of a syndicated loan facility granted to Pier 16 – Property Development.

## *Contingent Liabilities*

As at 31 March 2008, the Group gave the following undertakings:

1. A syndicated loan facility granted to an associate held by a non wholly-owned subsidiary of the Company was HK1,600 million (30 September 2007: HK\$1,600 million). The maximum guarantee amount borne by the Company was HK\$860 million (30 September 2007: HK\$860 million). The syndicated loan facility utilized by the associates as at 31 March 2008 was HK\$1,360 million (30 September 2007: HK\$1,010 million).
2. A loan facility of up to HK\$250 million (30 September 2007: HK\$250 million) was granted to a wholly-owned subsidiary of the Company. The maximum guarantee amount borne by the Company was HK\$250 million (30 September 2007: HK\$250 million).

## *Liquidity, Financial Resources and Gearing*

As at 31 March 2008, the Group had net current assets of approximately HK\$175.7 million (30 September 2007: approximately HK\$113.8 million) and had net assets of approximately HK\$1,317.6 million (30 September 2007: approximately HK\$1,026.9 million).

As at 31 March 2008, the Group did not have any interest-bearing borrowings and financial lease obligations (30 September 2007: Nil).

As at 31 March 2008, there were loans from minority shareholders of approximately HK\$107.3 million (30 September 2007: Nil). The loans are non interest-bearing, unsecured and will not be repaid within the next twelve months.

The Group did not have any bank loan as at 31 March 2008 (30 September 2007: Nil).

Equity attributable to equity shareholders of the Company as at 31 March 2008 was approximately HK\$1,257.5 million (30 September 2007: approximately HK\$976.9 million).

Accordingly, the gearing ratio, which is measured on the basis of the interest-bearing borrowings of the Group over equity attributable to equity shareholders of the Company, was zero for this period and the last corresponding period.

## **Partnership with Maruhan**

In October 2007, the Company through its wholly-owned subsidiary disposed to Maruhan Corporation (“Maruhan”) of 10.2% of the entire issued share capital of, and related shareholder’s loan to, World Fortune for a consideration of approximately HK\$208.5 million. World Fortune owns 49% equity interest in Pier 16 – Property Development.

The Company and Maruhan also entered into a subscription agreement in October 2007, pursuant to which Maruhan has subscribed for and the Company has allotted and issued 220 million new shares of the Company at a subscription price of HK\$1.062 each. Besides, Maruhan also acquired 220 million shares of the Company from the market in October 2007.

Consequently, Maruhan held approximately 18.2% interest in the Company and through its equity interest in the Company and World Fortune, Maruhan currently has an effective interest of about 13% in Pier 16 – Property Development.

## **Human Resources**

As at 31 March 2008, the Group had over 300 employees. Remuneration is determined on the basis of qualification, experience, responsibility and performance.

Apart from the basic remuneration, staff benefits include medical insurance and retirement benefits under the Mandatory Provident Fund Scheme. Share options might also be granted to eligible employees of the Group as a long-term incentive.

## **Prospects**

Management is positive about the Group's future and is actively seeking new opportunities to accelerate the Group's growth and improve its profitability.

The travel business of the Group is expected to be strengthened and expanded with the addition of the network of the Jade Travel Group (as defined below) in North America and Canada. These cross-selling business opportunities between travel business and Ponte 16 will enhance the business of Ponte 16. In the long run, this unique travel platform will definitely benefit the Group's expansion in gaming and entertainment-related business in the Asia-Pacific region.

Management anticipates the operating environment of the cruise business is still tough and further challenges are lying ahead taking into account of surging fuel price and there is no sign of price stability in the near future. The operation of this business segment is being closely monitored and reviewed.

Ponte 16 is the most significant project realized by the Group in recent years. Having reviewed the operating statistics of the casino of Ponte 16 in its initial stage of operation, management is confident of the prospects for the whole project. Before the granting of a licence for the hotel operation by the Government of Macau, the Company has cooperated with Sofitel Macau at Ponte 16 to implement a series of marketing programmes for the purpose of drawing tourists and business travellers to Sofitel Macau at Ponte 16. The overwhelming enquiries for hotel room bookings received so far have confirmed management's confidence. The hotel and restaurant facilities will definitely help boost the business of the casino.

The bright future of Ponte 16 is set against the backdrop of a booming Macau economy. Management has great confidence in the future growth in the economy and tourist industry of Macau as well as the opportunities provided to the Group. According to the Government of Macau, the number of tourists who visited Macau in the first quarter of 2008 reached approximately 7.5 million, an increase of 17.9% over the corresponding period in 2007. As 58.4% of the tourists are from Mainland China, the strong economic development in Mainland China should further enhance Macau's economy. In the first quarter of 2008, gaming revenue in Macau surged to MOP29.8 billion, representing an increase of 62% over the same period of the last year.

Management expects to commence operation of the hotel and restaurants in the near future, probably in the third quarter of calendar year 2008 while Phase Two of Ponte 16 complex, the shopping arcade, will be completed in 2009.

Other than the Ponte 16 project, there have been a number of important strategic moves made by the Group which can benefit the future development of the Group.

#### *Introduction of Maruhan as a Strategic Investor*

With reference to the section headed "Partnership with Maruhan", Maruhan has become a strategic investor of the Group. Maruhan, being a leading company in the pachinko industry in Japan with more than 1 million memberships and extensive experience in the entertainment industry as well as business network in Japan, is expected to bring Japanese and Korean customers to Ponte 16. The Group and Maruhan also anticipate to cooperate in developing the gaming industry in Japan, pending a grant of gaming licences. This partnership should accelerate the Group's future growth in the gaming and entertainment related businesses in the Asia-Pacific region.

#### *Letter of Intent with SBI Macau*

On 15 April 2008, Favor Jumbo Limited ("Favor Jumbo"), a wholly-owned subsidiary of the Company, entered into a letter of intent (the "LOI") with SBI Macau Holdings Limited ("SBI Macau"), a wholly-owned subsidiary of SBI Holdings, Inc. ("SBI Holdings"), in relation to the proposed disposal by Favor Jumbo to SBI Macau of certain equity interest in Golden Sun Profits Limited which indirectly owns approximately 44% of the entire issued share capital of Pier 16 – Property Development (the "Proposed Disposal"). Pursuant to the LOI, Favor Jumbo and SBI Macau agreed to negotiate in good faith with a view to entering into a legally binding sale and purchase agreement in respect of the Proposed Disposal (the "S&P Agreement") by no later than 16 June 2008 or such later date as they may agree in writing. As the negotiation between Favor Jumbo and SBI Macau has not yet been finalized before 16 June 2008, both parties agreed to postpone the date for the entering into of the S&P Agreement to no later than 7 July 2008 or such later date as they may agree in writing.

The Group is taking the initiative to develop a strategic partnership with this reputable Japanese finance group. SBI Holdings and its subsidiaries are engaged in asset management, brokerage and investment banking, housing and real estate businesses and the provision of other financial services. The partnership with SBI Holdings should lift the Group's financial position and further strengthen the Group's network in Japan.

## *Proposed Acquisition of the Jade Travel Group*

On 5 May 2008, the Company signed a conditional sale and purchase agreement to acquire the entire issued share capital of Smart Class Enterprises Limited (“Smart Class”) for CAD2.90 million (equivalent to approximately HK\$22.62 million) (the “Acquisition”), which will be settled by the allotment and issue of 19.5 million new shares of the Company at an agreed issue price of HK\$1.16 per share. The principal asset of Smart Class is its 80% equity interest in certain companies in Canada and the United States of America (“US”) which conduct the business of air travel consolidator, travel agent, tour provider and provider of related services in Canada and US (the “Jade Travel Group”). Upon completion of the Acquisition, the Company will indirectly hold 80% equity interest in the Jade Travel Group.

The Acquisition will strengthen the Company’s international network in the travel business. The Jade Travel Group is a major air travel consolidator offering travellers competitive fares to Asia and other parts of the world. With an extensive office network in Vancouver, Calgary, Toronto, Montreal and New York, the Jade Travel Group offers complex travel plans and tailor-made tour packages to customers. The Acquisition will enhance the Group’s travel business with economies of scale and better operational efficiency among its core businesses, including Ponte 16. The new platform can also facilitate cross-selling between the integrated casino-entertainment resort and the tour packages.

### **Conclusion**

On top of its solid core businesses, the Group is striving hard to explore new opportunities that will create synergies, broaden the revenue base and enhance its profitability. Steering to the goal of becoming one of the leading gaming and entertainment-related companies in the Asia-Pacific region, management is making strides to create more value for its shareholders.

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

During the six months ended 31 March 2008, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

### **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

In the opinion of the Directors, the Company has applied the principles and complied with all the code provisions as set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during the six months ended 31 March 2008.

### **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Code of Conduct”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all Directors, each of whom has confirmed his/her compliance with the required standard set out in the Code of Conduct and the Model Code.

## **AUDIT COMMITTEE**

The Audit Committee of the Company (the “Audit Committee”) comprises the non-executive Director, Mr. Choi Kin Pui, Russelle, and the three independent non-executive Directors, Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann, with terms of reference prepared in accordance with the requirements of the Listing Rules. The Audit Committee is chaired by Mr. Yim Kai Pung who possesses appropriate professional accounting qualification as required under the Listing Rules.

The primary duties of the Audit Committee include, inter alia, monitoring integrity of the financial statements of the Company and ensuring objectivity and credibility of financial reporting, reviewing the internal control system of the Group as well as overseeing the relationship with the external auditors of the Company.

## **REVIEW OF INTERIM RESULTS**

The unaudited interim results for the six months ended 31 March 2008 have been reviewed by the Audit Committee and CCIF CPA Limited, the auditors of the Company, which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk) and on the Company’s website at [www.macausuccess.com](http://www.macausuccess.com). The Interim Report 2008 of the Company will also be published on the aforesaid websites in due course.

On behalf of the Board of  
**MACAU SUCCESS LIMITED**  
**Yeung Hoi Sing, Sonny**  
*Chairman*

Hong Kong, 18 June 2008

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Yeung Hoi Sing, Sonny (Chairman) and Mr. Ma Ho Man, Hoffman (Deputy Chairman); one non-executive Director, namely Mr. Choi Kin Pui, Russelle; and three independent non-executive Directors, namely Mr. Luk Ka Yee, Patrick, Mr. Yim Kai Pung and Ms. Yeung Mo Sheung, Ann.*