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MACAU SUCCESS LIMITED

澳門實德有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 487)

**DISCLOSEABLE TRANSACTION INVOLVING
ACQUISITION OF 14.5% EQUITY INTEREST
IN PIER 16 – PROPERTY DEVELOPMENT LIMITED
AND
PROVISION OF FINANCIAL ASSISTANCE TO
PIER 16 – PROPERTY DEVELOPMENT LIMITED
FOR THE DEVELOPMENT OF A THEME PARK “PONTE 16”,
ANNOUNCEMENT PURSUANT TO RULES 13.13 AND 13.16
OF THE LISTING RULES
AND
SUSPENSION AND RESUMPTION OF TRADING**

Financial adviser



* *For identification purpose only*

The Board is pleased to announce that on 5 November 2004, SJM-Investmentos has agreed to transfer 14.5% equity interests in Pier 16 – Property Development to each of World Fortune and Joy Idea at the consideration of MOP1,450,000 (or equivalent to approximately HK\$1.4 million) payable by each of World Fortune and Joy Idea in cash respectively. As at the date of this announcement, Pier 16 – Property Development is owned as to 80%, 10% and 10% by SJM-Investmentos, World Fortune and Joy Idea respectively. Immediately after the Transfer, Pier 16 – Property Development will be owned as to 51%, 24.5% and 24.5% by SJM-Investmentos, World Fortune and Joy Idea respectively. SJM-Investmentos, World Fortune and Joy Idea have also agreed to jointly develop the Ponte 16 through the leasing of the Land Parcel by Pier 16 – Property Development. As advised by SJM-Investmentos, Pier 16 – Property Development has not yet commenced business other than the application for the Land Offer since its incorporation. World Fortune is a wholly-owned subsidiary of the Company while each of SJM-Investmentos and Joy Idea and their respective ultimate beneficial owners is an Independent Third Party.

The Ponte 16 is a proposed theme park construction project to be developed by Pier 16 – Property Development on the Land Parcel. According to the proposed development plan, the Ponte 16 may include a luxury hotel with casino, shopping arcades, a cultural space and car parks. Subject to the approval of the Government of Macau, the casino shall be operated by SJM. The Ponte 16 is expected to be completed by the end of 2006 and the expected total investment amount is estimated to be approximately HK\$1,200 million. The aforesaid investment amount does not represent any contractual commitment on Pier 16 – Property Development and the Group and the final investment amount is subject to further study and finalisation. Save for the aforesaid, no other contractual arrangement has been entered into by the Group as at the date of this announcement in respect of the development of the Ponte 16.

As agreed by SJM-Investmentos, World Fortune and Joy Idea, other than any external financing to be obtained, the development of the Ponte 16 will be financed by the shareholders of Pier 16 – Property Development by way of shareholders' loans in proportion to their respective shareholding percentages. However, it has been agreed that the Land Premium will be funded by way of shareholders' loans. The aggregate of the Assets Value and the Contribution obliged to be made by the Group represents approximately 16.8% of the Total Assets which constitutes a discloseable transaction for the Company under the Listing Rules. The Circular containing, among other things, further details of the Acquisition and the financial assistance to be provided by the Group for the development of the Ponte 16 will be despatched to the Shareholders as soon as practicable in accordance with the relevant requirements of the Listing Rules.

Since the Contribution obliged to be made by the Group in the form of shareholder's loan to Pier 16 – Property Development, which will be an affiliated company (as defined under the Listing Rules) of the Company immediately after the Transfer, represents approximately 14.4% of the Total Assets, such advance to be provided by the Group therefore gives rise to disclosure obligations of the Company under Rules 13.13 and 13.16 of the Listing Rules.

The Company will comply with the continuing disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules in its subsequent interim and annual reports.

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 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 10 November 2004.

PIER 16 – PROPERTY DEVELOPMENT

Shareholding

As at the date of this announcement, Pier 16 – Property Development is owned as to 80%, 10% and 10% by SJM-Investmentos, World Fortune and Joy Idea respectively. On 5 November 2004, SJM-Investmentos has agreed to transfer 14.5% equity interests in Pier 16 – Property Development to each of World Fortune and Joy Idea at the consideration of MOP1,450,000 (or equivalent to approximately HK\$1.4 million) payable by each of World Fortune and Joy Idea in cash respectively. Immediately after the Transfer, Pier 16 – Property Development will be owned as to 51%, 24.5% and 24.5% by SJM-Investmentos, World Fortune and Joy Idea respectively. World Fortune is a wholly-owned subsidiary of the Company while each of SJM-Investmentos and Joy Idea and their respective ultimate beneficial owners is an Independent Third Party.

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 of them are nominated by SJM-Investmentos and one of them is nominated by World Fortune. However, the composition of the board of directors of Pier 16 – Property Development immediately after the Transfer may or may not be changed and is yet to be finalised as at the date of this announcement.

Scope of business

As advised by SJM-Investmentos, Pier 16 – Property Development has not yet commenced business other than the application for the Land Offer since its incorporation. Pier 16 – Property Development will be principally engaged in the investment, development and operation of the Ponte 16. Please refer to the section headed “Information on the Ponte 16” in this announcement for the details of the Ponte 16.

Source of financing

All investment amounts to be made by Pier 16 – Property Development for the development of the Ponte 16 will be firstly financed by external loans to be arranged by the 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. Should the Group be required to provide the aforesaid guarantees or shareholder’s loan to Pier 16 – Property Development in proportion to its equity interest in Pier 16 – Property Development in the future, the Company will comply with relevant requirements of the Listing Rules if and when necessary.

It is expected that the Contribution will be funded by internal resources of the Group.

INFORMATION ON THE LAND OFFER

The Board has been recently notified by SJM-Investmentos that the Government of Macau has conditionally granted the Land Offer to Pier 16 – Property Development pursuant to which the Government of Macau has agreed to lease 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 the date of the Formal Notice being published on the “Macau Official Gazette”, which is renewable according to the prevailing applicable law in Macau upon expiration of the aforesaid lease term. The Land Offer is subject to i) the final confirmation of its detailed terms by the Chief Executive of Macau which is expected to be obtained before the end of March 2005; and ii) the Formal Notice to be published on the “Macau Official Gazette” which is expected to be published shortly after obtaining the aforesaid final confirmation from the Chief Executive 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 a proposed development plan for the 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

MOP89,876,351 (or equivalent to approximately HK\$87.26 million) is payable by Pier 16 – Property Development according to the payment terms pursuant to the Land Offer set out as follows:

- (A) MOP86,791,351 (or equivalent to approximately HK\$84.26 million) will be payable in cash:
 - (i) as to MOP40,000,000 (or equivalent to approximately HK\$38.83 million) will be payable to the Government of Macau upon the final confirmation of the detailed terms of the Land Offer by the Chief Executive of Macau and acceptance of such confirmation by Pier 16 – Property Development; and
 - (ii) as to MOP46,791,351 (or 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 (or equivalent to approximately HK\$15.91 million). The first installment will be payable by Pier 16 – Property Development within 6 months after the date of the Formal Notice being published on the “Macau Official Gazette”; and
- (B) MOP3,085,000 (or equivalent to approximately HK\$3.00 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 as set out in the Land Offer.

Payment of land rent

Pursuant to the Land Offer, a land rent at a rate of MOP12 per square metres (or in aggregate MOP276,792 (or 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 Formal Notice being published on the “Macau Official Gazette”.

INFORMATION ON THE PONTE 16

The Ponte 16 is a proposed theme park construction project to be developed by Pier 16 – Property Development on the Land Parcel. According to the proposed development plan, the buildings in the Ponte 16 will resemble the design and construction style of architecture in Macau during the early-to-middle 20th century to enhance visitors’ understanding in the history and culture of Macau. The Ponte 16 may include a luxury hotel with approximately 250 exquisitely equipped guestrooms and a casino, shopping arcades, a cultural space and car parks, with an aggregate gross floor area amounts to approximately 63,584 square metres. Although there is currently no concrete plan for the Group’s participation in the development of the Ponte 16 as at the date of this announcement, the Directors expect that the Group will participate by providing general advisory to the development of the Ponte 16 through its board representation in Pier 16 – Property Development. Subject to the approval of the Government of Macau, the casino shall be operated and managed by SJM. The Ponte 16 is expected to be completed by the end of 2006 and Pier 16 – Property Development’s expected total investment amounts in the Ponte 16 is estimated to be approximately HK\$1,200 million. The aforesaid investment amount is merely a preliminary estimation and does not represent any contractual commitment on Pier 16 – Property Development and the Group and the final investment amount is subject to further study and finalisation. Once the total capital commitment for the development of the Ponte 16 can be determined, the Company is required to aggregate the capital commitment of the Group in respect of the development of the Ponte 16 for the purpose of calculating percentage ratios under Rule 14.15(2) of the Listing Rules. The Company will comply with relevant requirements of the Listing Rules if and when necessary. As disclosed in the paragraph headed “Source of financing” under the section headed “Pier 16 – Property Development” in this announcement, it has been agreed among the shareholders of Pier 16 –

Property Development that all investment amounts for the development of the 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. The Directors expect that World Fortune will only be required to contribute the aforesaid amounts by way of shareholder's loan and by stages, and the Company will comply with relevant requirements of the Listing Rules if and when necessary.

REASONS FOR THE GROUP'S PARTICIPATION IN THE DEVELOPMENT OF THE PONTE 16

As disclosed in the scheme document (the "Scheme Document") dated 27 August 2004 issued by Macau Success Limited (a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company as at the date of this announcement (the change of domicile of the Company by way of the scheme of arrangement under section 166 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong has become effective on 8 November 2004, details of which have been set out in the Scheme Document)), the Group is principally engaged in (i) the leasing and management of the 55% owned cruise ship (the "Cruise Ship"); and (ii) other tourists-related businesses. The Cruise Ship, namely "Macau Success", has a gross tonnage of 9,848 tons, a total of 207 fully air-conditioned passenger cabins, classified into standard cabins and VIP cabins to cater for the different needs of the passengers. The primary area of operations of the Cruise Ship is in Hong Kong and the high seas near but outside Hong Kong. The on-board cruise activities, services and amenities on the Cruise Ship include casino activities, restaurants, bars, discos and karaoke, mahjong, beauty salons, massage facilities and retail shopping. In order to comply with the relevant laws and regulations in Hong Kong, the casino activities offered to premium players on the Cruise Ship are not carried out within the Hong Kong jurisdiction, but in the high seas beyond the legal restrictions of any countries. The Group's tourists-related businesses include 1) management of on-board cruise activities for tourists in the Cruise Ship; and 2) travel agency business providing i) worldwide air/sea transportation reservations and ticketing; ii) worldwide hotel reservations; and iii) selling of holiday packages for the Cruise Ship and other destinations, including Asian, European and American regions, which are mainly targeted at corporate customers.

As explicitly stated in the Interim Report, the Group is keen to further diversify its businesses and tap into the huge potential markets of hotel, casino and property related businesses in Macau in the future. According to the Statistics and Census Service Department of the Government of Macau, the Gross Domestic Product (“GDP”) of Macau in 2003 was approximately MOP63.37 billion (or approximately equivalent to HK\$61.52 billion), representing a growth rate of approximately 16.7% when compared to that in 2002. Meanwhile, GDP per capita of Macau in 2003 was MOP142,638 (or approximately equivalent to HK\$138,483), representing an increase of approximately 15.16% as compared to that in 2002. Coupled with the execution of the scheme (“Individual Visit Scheme”) in July 2003 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 sector 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 the first three quarters of 2004 amounted to approximately 12.2 million, which represented an increase of approximately 45.29% as compared to the same period in 2003. Among the aforementioned 12.2 million visitors, over 87.9% of them came from the PRC and Hong Kong. To strengthen the cooperation with the tourism departments in the PRC, the Government of Macau and the China National Tourism Administration Bureau signed the “Mainland and Macau Closer Tourism Cooperation Agreement” in late 2003, signifying a closer cooperation between the PRC and Macau in promotion and development of the tourism.

It is expected by the Directors that given the 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.

In view of the aforementioned promising business environment in Macau, the Directors consider that the proposed joint development of the Ponte 16 with SJM-Investmentos not only enables the Group to participate in the hotel and related industries in Macau, but also can have a synergistic effect on the Group’s existing Cruise Ship and travel agency businesses. For example, cross-marketing opportunities will exist among the Group’s Cruise Ship business, travel agency business and the hotel operations in the Ponte 16.

Based on the aforesaid, the Directors are of the view that the proposed development of the Ponte 16 is in the interests of the Group and the Shareholders as a whole. The Directors consider that the proposed development of the Ponte 16 is in line with the Group's mission, which has been mentioned in the Scheme Document, of enhancing the value of its investments and seeking opportunities for its synergistic growth. Moreover, through the development of the Ponte 16, it can expand the scope of operations of the Group's tourists-related businesses to Macau and provide a new source of revenue to the Group, which is beneficial to the Group and the Shareholders as a whole.

GENERAL

As agreed by SJM-Investmentos, World Fortune and Joy Idea, other than any external financing to be obtained, the development of the Ponte 16 will be financed by the shareholders of Pier 16 – Property Development by way of shareholders' loans in proportion to their respective shareholding percentages. However, it has been agreed that the Land Premium will be funded by way of shareholders' loans. The aggregate of the Assets Value and the Contribution obliged to be made by the Group represents approximately 16.8% of the Total Assets which constitutes a discloseable transaction for the Company under the Listing Rules. The Circular containing, among other things, further details of the Acquisition and the financial assistance to be provided by the Group for the development of the Ponte 16 will be despatched to the Shareholders as soon as practicable in accordance with the relevant requirements of the Listing Rules.

FINANCIAL ASSISTANCE TO PIER 16 – PROPERTY DEVELOPMENT

Given that i) the Contribution obliged to be advanced by the Group to Pier 16 – Property Development in the form of shareholder's loan amounts to MOP22,019,706 (or equivalent to approximately HK\$21.38 million), being 24.5% of the Land Premium in the amount of MOP89,876,351 (or equivalent to approximately HK\$87.26 million, which represents approximately 14.4% of the Total Assets; and ii) Pier 16 – Property Development will be an affiliated company (as defined under the Listing Rules) of the Company immediately after the Transfer, such advance to be provided by the Group therefore gives rise to disclosure obligations of the Company under Rules 13.13 and 13.16 of the Listing Rules. The advances to be provided by the Group to Pier 16 – Property Development in the form of shareholder's loan are unsecured, interest free and are repayable on demand.

Save as disclosed above, no other advances, financial assistance nor guarantee has been given by the Company to its affiliated companies or other entities as at the date of this announcement which is subject to disclosure requirements under Rules 13.13 to 13.16 of the Listing Rules.

The Company will comply with the continuing disclosure obligations under Rules 13.20 and 13.22 of the Listing Rules in its subsequent interim and annual reports.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 9 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 10 November 2004.

DEFINITIONS

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

“Acquisition”	acquisition of 14.5% equity interest in Pier 16 – Property Development by World Fortune
“Assets Value”	the amount attributable to 14.5% of the total assets value of Pier 16 – Property Development being acquired by World Fortune
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chief Executive of Macau”	the highest executive official of the Government of Macau
“Circular”	the circular to be issued by the Company to the Shareholders containing, among other things, further details of the Acquisition and the financial assistance to be provided by the Group for the development of the Ponte 16

“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
“Contribution”	the amount of MOP22,019,706 (or equivalent to approximately HK\$21.38 million), representing part of the Land Premium attributable to 24.5% equity interest in Pier 16 – Property Development, obliged to be advanced by the Group by way of shareholder’s loan to Pier 16 – Property Development for the payment of the Land Premium
“Directors”	the directors of the Company
“Formal Notice”	formal notice for the granting of the lease in respect of the Land Parcel
“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)
“Interim Report”	the interim report of the Company for the six months ended 31 March 2004
“Joy Idea”	Joy Idea Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is an Independent Third Party
“Land Offer”	the conditional concession granted by the Government of Macau to Pier 16 – Property Development in respect of the leasing of the Land Parcel for the development of the Ponte 16

“Land Parcel”	a land parcel located at between Pier No. 12A to 20, Inner Harbour of Macau
“Land Premium”	MOP89,876,351 (or equivalent to approximately HK\$87.26 million), being the aggregate land premium payable by Pier 16 – Property Development for the Land Parcel pursuant to the Land Offer
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“No. 11A Pier”	a new pier to be constructed by Pier 16 – Property Development which will be located at the reclamation area between No. 11 and No. 12 Pier, Inner Harbour of Macau pursuant to the terms of the Land Offer and is outside the Land Parcel
“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 80% by SJM-Investmentos, as to 10% by World Fortune and as to 10% by Joy Idea as at the date of this announcement. Immediately after the Transfer, Pier 16 – Property Development will be owned as to 51%, 24.5% and 24.5% by SJM-Investmentos, World Fortune and Joy Idea respectively
“Ponte 16”	a proposed theme park construction project to be developed by Pier 16 – Property Development on the Land Parcel, which may include a luxury hotel with casino, 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
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“SJM”	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau with limited liability 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
“Total Assets”	unaudited consolidated total assets of the Group as at 31 March 2004 which amounted to approximately HK\$148.5 million as disclosed in the Interim Report
“Transfer”	the proposed transfer of 14.5% equity interests in Pier 16 – Property Development by SJM-Investmentos to each of World Fortune and Joy Idea
“World Fortune”	World Fortune Limited, a company incorporated in the British Virgin Islands with limited liability which is a 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 converted 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 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, 9 November 2004