



MACAU SUCCESS LIMITED

澳門實德有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 0487)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

RESULTS

The board of directors (the “Board”) of Macau Success Limited (the “Company”) is pleased to announce that the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 September 2006 together with the comparative figures for the previous year are as follows:

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 HK\$'000	2005 HK\$'000
Turnover	3	103,530	100,905
Cost of sales		<u>(7,871)</u>	<u>(6,520)</u>
Gross profit		95,659	94,385
Other revenue	4	<u>24,983</u>	<u>5,859</u>
		120,642	100,244
Administrative expenses		<u>(71,725)</u>	<u>(68,352)</u>
Profit from operations		48,917	31,892
Finance costs	5	–	(97)
Share of results of associates		<u>(386)</u>	<u>(12)</u>
Profit before taxation	5	48,531	31,783
Taxation	6	<u>(372)</u>	–
Profit for the year		48,159	31,783
Attributable to:			
Equity shareholders of the Company		<u>28,380</u>	12,291
Minority interests		<u>19,779</u>	19,492
Profit for the year		48,159	31,783
Dividend payable to equity shareholders of the Company attributable to the year:			
Interim dividend declared during the year	7	<u>3,209</u>	–
Earnings per share	8		
Basic		<u>HK1.41 cents</u>	<u>HK0.66 cents</u>
Diluted		<u>N/A</u>	<u>N/A</u>

* For identification purpose only

CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2006

	<i>Notes</i>	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		91,536	90,247
Goodwill		1,313	1,313
Interest in associates		376,015	339,042
Available-for-sale investment		25,239	25,239
Loan receivable		–	51,562
		494,103	507,403
CURRENT ASSETS			
Inventories		1,178	1,181
Trade and other receivables	9	13,509	12,837
Pledged bank deposits		729	708
Cash and cash equivalents		468,876	189,965
		484,292	204,691
CURRENT LIABILITIES			
Trade and other payables	10	6,047	5,152
Tax payable		157	–
		6,204	5,152
NET CURRENT ASSETS		478,088	199,539
TOTAL ASSETS LESS CURRENT LIABILITIES		972,191	706,942
NON-CURRENT LIABILITIES			
Loans from minority shareholders		5,056	26,208
Deferred tax liabilities		215	–
		5,271	26,208
NET ASSETS		966,920	680,734
CAPITAL AND RESERVES			
Share capital		21,395	19,045
Reserves		905,221	630,454
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		926,616	649,499
MINORITY INTERESTS		40,304	31,235
TOTAL EQUITY		966,920	680,734

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The consolidated financial statements for the year ended 30 September 2006 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) **Geographical segments**

The Group's business is managed on a worldwide basis, but participates in three principal economic environments. The cruise leasing and management income is mainly derived from South China Sea, other than in Hong Kong. In Hong Kong, the main business is the provision of travel-related agency services.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of the assets.

	South China Sea, other than in Hong Kong		Hong Kong		Macau		Consolidated	
	2006	2005	2006	2005	2006	2005	2006	2005
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue								
Turnover	95,717	95,382	7,813	5,523	–	–	103,530	100,905
Segment assets	116,873	184,491	484,978	188,044	376,544	339,559	978,395	712,094
Capital expenditure	7,839	397	964	344	–	–	8,803	741

3. **TURNOVER**

The principal activities of the Group are leasing and management of cruise and tourist-related business.

Turnover represents cruise leasing income, management fee income and travel agent service fee income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2006 HK\$'000	2005 HK\$'000
Cruise leasing and management fee income	95,717	95,382
Travel agent service fee income	7,813	5,523
	103,530	100,905

4. **OTHER REVENUE**

	2006 HK\$'000	2005 HK\$'000
Commission income	60	34
Dividend from available-for-sale investment	1,133	1,133
Interest income	20,574	4,420
Management income	2,877	–
Written back of amortisation of goodwill	–	66
Others	339	206
	24,983	5,859

5. **PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging/(crediting):

(a) **Finance costs**

	2006 HK\$'000	2005 HK\$'000
Interest expenses on other borrowings wholly repayable within five years	–	97

(b) **Staff costs**

	2006 HK\$'000	2005 HK\$'000
Salaries, wages and other benefit (including directors' emoluments)	31,337	28,584
Contribution to defined contribution retirement plan	489	432
	31,826	29,016

(c) **Other items**

	2006 HK\$'000	2005 HK\$'000
Auditors' remuneration	651	518
Depreciation		
Owned fixed assets	7,512	6,474
Operating lease rentals		
Land and buildings	2,011	1,385
Plant and machinery	23	12
Exchange gain	(47)	(15)
Cost of inventories	9,534	10,045

6. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

Taxation in the consolidated income statement represents:

	2006 HK\$'000	2005 HK\$'000
Hong Kong Profits Tax		
– Charge for the year	157	–
Deferred taxation relating to the origination and reversal of temporary differences	215	–
	<u>372</u>	<u>–</u>

The provision for Hong Kong Profits Tax for 2006 is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

7. DIVIDEND

	2006 HK\$'000	2005 HK\$'000
Interim dividend declared and paid of HK0.15 cents per ordinary share (2005: HK\$Nil)	<u>3,209</u>	<u>–</u>

8. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit for the year attributable to equity shareholders of the Company of approximately HK\$28,380,000 (2005: HK\$12,291,000) and on the weighted average number of 2,010,697,000 ordinary shares (2005: 1,869,724,000) in issue during the year.

Weighted average number of ordinary shares

	'000
Issued ordinary shares at 1 October 2004	1,587,464
Effect of share placing	282,260
	<u>1,869,724</u>
Weighted average number of ordinary shares at 30 September 2005	1,869,724
Issued ordinary shares at 1 October 2005	1,904,464
Effect of share placing	106,233
	<u>2,010,697</u>

(b) Diluted earnings per share

There was no dilution effect on the basic earnings per share for the year ended 30 September 2006 and 30 September 2005 respectively as there were no dilutive instruments outstanding during both years.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Trade receivables	1,972	1,624	–	–
Deposits, prepayment and other receivables	11,537	11,213	165	195
	<u>13,509</u>	<u>12,837</u>	<u>165</u>	<u>195</u>

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

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

	Group		Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Current	1,924	1,584	–	–
31 to 60 days	4	11	–	–
61 to 90 days	9	13	–	–
Over 90 days	35	16	–	–
	<u>1,972</u>	<u>1,624</u>	<u>–</u>	<u>–</u>

The Group normally allows a credit period of 30 days (2005: 30 days).

10. TRADE AND OTHER PAYABLES

	Group		Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Trade payables	229	156	–	–
Accrued charges and other payables	5,818	4,996	1,940	601
	<u>6,047</u>	<u>5,152</u>	<u>1,940</u>	<u>601</u>

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

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

	Group		Company	
	2006 HK\$'000	2005 HK\$'000	2006 HK\$'000	2005 HK\$'000
Current	217	137	-	-
31 to 60 days	1	5	-	-
61 to 90 days	-	-	-	-
Over 90 days	11	14	-	-
	<u>229</u>	<u>156</u>	<u>-</u>	<u>-</u>

11. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE, FOR THE YEAR ENDED 30 SEPTEMBER 2006

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

HKAS 1 (Amendment)	Capital Disclosures ¹
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures ²
HKAS 21 (Amendment)	Net Investment in a Foreign Operation ²
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions ²
HKAS 39 (Amendment)	The Fair Value Option ²
HKAS 39 & HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts ²
HKFRS 6	Exploration for and Evaluation of Mineral Resources ²
HKFRS 7	Financial Instruments Disclosures ¹
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease ²
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds ²
HK(IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment ²
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ⁴
HK(IFRIC)-Int 8	Scope of HKFRS ² ⁵
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives ⁶
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment ⁷

¹ Effective for annual periods beginning on or after 1 January 2007

² Effective for annual periods beginning on or after 1 January 2006

³ Effective for annual periods beginning on or after 1 December 2005

⁴ Effective for annual periods beginning on or after 1 March 2006

⁵ Effective for annual periods beginning on or after 1 May 2006

⁶ Effective for annual periods beginning on or after 1 June 2006

⁷ Effective for annual periods beginning on or after 1 November 2006

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Total turnover of the Group for the year ended 30 September 2006 has increased 2.6% to approximately HK\$103.5 million from approximately HK\$100.9 million in 2005.

The Group's core business demonstrated strong and steady growth during the year under review. Profit attributable to equity shareholders of the Group amounted to approximately HK\$28.4 million, representing an increase of 130.9% compared to approximately HK\$12.3 million in 2005. In addition, through efforts to enhance efficiency, the Group posted strong operating results. Operating profit increased by 53.3% to approximately HK\$48.9 million from approximately HK\$31.9 million in 2005. The operating profit margin reached 47.2% for the year, which compares to 31.6% in 2005. The increase was primarily attributable to effective cost cutting and effective utilisation of resources to develop the Group's gaming and entertainment-related businesses.

Dividend

An interim dividend of HK0.15 cents per share was paid during the year (2005: HK\$Nil). The directors of the Company (the "Director(s)") do not recommend the payment of a final dividend for the year ended 30 September 2006 (2005: HK\$Nil).

Business Review

Cruise Business

During the year under review, the cruise business has remained the major component of the Group's total revenue. It generated a stable income and continued to grow steadily. The leasing and management of the cruise, M.V. Macau Success, contributed 92.5% of the total turnover of the Group.

In 2006, turnover from the cruise business was approximately HK\$95.7 million as compared to approximately HK\$95.4 million in 2005. Segment profit from the cruise business was approximately HK\$45.0 million, which was 3.7% higher than approximately HK\$43.4 million in 2005.

The cruise business not only acts as the principal income stream for the Group but also operates in line with the Group's strategy to develop the gaming and entertainment-related business. The cruise business provides valuable synergies that would not exist as stand-alone businesses.

Travel Business

During the year under review, the turnover of the travel business was approximately HK\$7.8 million, which compares to approximately HK\$5.5 million in 2005 and accounts for 7.5% of the total turnover. As revenue increased and the Group effectively applied cost optimisation strategies, the net loss narrowed to approximately HK\$0.5 million. The Group will continue to apply various measures to reduce costs and expects to generate net profit for the segment in the near future.

Although the travel business only accounts for a small portion of total turnover, the Group will continue to develop its business given its natural fit with the gaming and entertainment-related business. The travel agency aims to provide professional travel consulting services to favoured tourists and VIP clients. Management believes that it can become an exclusive channel to bring direct traffic to the cruise, M.V. Macau Success, and Ponte 16.

Others

King Seiner Loan Arrangement

The Group generated approximately HK\$10.0 million interest income from King Seiner during the year under review.

In order to concentrate on the development of Ponte 16, the Group terminated its HK\$50 million loan agreement with King Seiner effective from 29 September 2006. The termination of the loan agreement will not affect the Group's strategy of developing gaming and entertainment-related business in Macau.

Financial Review

Pledge of Assets

As at 30 September 2006 and 30 September 2005, the Group had pledged time deposits of approximately HK\$0.7 million to certain banks for the issuance of several bank guarantees of approximately HK\$0.7 million.

Contingent Liabilities

As at 30 September 2006, the Group had no contingent liabilities (2005: HK\$Nil).

Liquidity, Financial Resources and Gearing

As at 30 September 2006, the Group had net current assets of approximately HK\$478.1 million, which compares to approximately HK\$199.5 million in 2005. The Group had net assets of approximately HK\$966.9 million compared to approximately HK\$680.7 million in 2005.

As at 30 September 2006 and 30 September 2005, the Group did not have any interest-bearing borrowings and financial lease obligations.

As at 30 September 2006, there were loans from minority shareholders of approximately HK\$5.1 million, which compares to approximately HK\$26.2 million in 2005. The loans are interest-free, unsecured and do not have fixed repayment terms.

The Group did not have any bank loans as at 30 September 2006 and 30 September 2005. Equity attributable to equity shareholders of the Company as at 30 September 2006 was approximately HK\$926.6 million, compared to approximately HK\$649.5 million in 2005. 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 not applicable for this year and last year.

Capital Structure

On 10 April 2006, the Company announced that Joy Idea Investments Limited ("Joy Idea"), has acquired 120,000,000 shares of the Company ("Share(s)") from the family of Mr. Chan William, a former executive Director, and Joy Idea became a strategic shareholder of the Company, holding a 5.6% stake of the Company.

Share Placement and Subscription of New Shares

On 12 April 2006, Silver Rich Macau Development Limited ("Silver Rich"), a substantial shareholder of the Company, entered into a placing agreement (the "Placing Agreement") with placing agent, Grand Vinco Capital Limited, and a top-up subscription agreement (the "Subscription Agreement") with the Company. Pursuant to the Placing Agreement, the placing agent, agreed to place 235,000,000 Shares to not less than six independent individuals, corporate and/or institutional investors, at a price of HK\$1.09 per Share. At the same time, pursuant to the Subscription Agreement, Silver Rich conditionally agreed to subscribe the newly issued shares of the Company with the same number of Shares that successfully placed at a price of HK\$1.09 per Share (the "Subscription"). The Shares placed represent approximately 12.34% of the then issued share capital of the Company and approximately 10.98% of the enlarged share capital of the Company. The net proceeds derived from the Subscription amounted to approximately HK\$252 million will be applied as general working capital of the Company.

Staffing

As at 30 September 2006, the Group had approximately 340 employees. Remuneration is determined by reference to qualifications, 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.

Prospects

Management is optimistic about the Group's future. It is expected that not only the current core businesses, including the leasing and management of the cruise, and travel business will bring a stable stream of income. In addition, the new flagship project of the Group – Ponte 16 should be earnings accretive in 2007.

On 30 November 2006, the Group entered into a Sale and Purchase Agreement with Joy Idea to increase its shareholding in the joint venture project – Ponte 16 through an indirect wholly-owned subsidiary of the Company, World Fortune Limited (“World Fortune”). Under the agreement, World Fortune will take the stake of 12.25% in Pier 16 – Property Development Limited (“Pier 16 – Property Development”) from Joy Idea at a consideration of HK\$200 million. Upon completion of the acquisition, Pier 16 – Property Development will be 51% and 49% owned by SJM–Investimentos Limitada and World Fortune respectively. The consideration will be settled by HK\$152 million in cash from internal resources, as well as by HK\$48 million from the allotment and issuance of 60,000,000 new shares of the Company, at an agreed price of HK\$0.80 per share (the “Consideration Shares”). Completion of the said acquisition is subject to, inter alia, the approval by the shareholders of the Company and the listing of, and permission to deal in, the Consideration Shares granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

Management is confident that the economy of Macau will continue to grow at a rapid pace, and the number of tourists will continue to increase. Given that visitors from China comprised of over 50% of the total number of tourists in Macau, continued strong economic development in China will also help to bring further growth to Macau economy. According to the Macau SAR government, the number of tourists that visited Macau in the first eleven months of 2006 reached 19.8 million, an increase of 16.4% compared to the same period last year, which have surpassed the annual total 18.7 million of 2005. Gaming revenue increased by 19% to MOP49.9 billion in the first eleven months compared to the same period of last year. The booming economic environment in Macau is expected to provide favourable conditions for the Group's flagship project – Ponte 16.

Ponte 16

Ponte 16 is a world-class integrated resort that is comprised of a five-star hotel, casino (subject to Macau SAR Government's approval), shopping arcade and recreation facilities featuring European theme promenade. The development is located at Pier 16, a famous historical landmark of Macau that surrounds Clock Tower, a central tourist attraction. Since Ponte 16 is located on the bank of the Inner Harbour in Macau, it is the only resort with a waterfront that resembles a European Riviera. Additionally, Ponte 16 provides a convenient and luxurious alternative to tourists that is only a 2-minute ferry ride away from Zhuhai.

Throughout the development of the project, the Group has accomplished a number of milestones. In October 2005, the preliminary design of Ponte 16 was confirmed. It was set to be built to reflect the unique cultural and historical architecture of Macau and Southern Europe at the turn of the 20th Century. To ensure the quality of design, Pier 16 – Property Development appointed the renowned architecture firm, The Jerde Partnership, Inc., to manage the overall planning and design of the project.

In February 2006, the naming of the hotel complex of Ponte 16 was confirmed to be “Sofitel Macau @ Ponte 16”. “Sofitel” is a deluxe hotel brand that is managed by AAPC Hong Kong Limited, a prominent french hotel management company. With its extensive hotel management experience, strong exposure and extensive hotel network in Mainland China, the Group is confident that Sofitel Macau @ Ponte 16 will be highly prosperous to shareholders.

In April 2006, the Group announced that the Macau SAR Government had approved the expansion of the total gross floor area of Ponte 16 from 63,584 square metres to 126,500 square metres. This approval further raised the business value of the Group. With the increase of the total gross floor area, the total development cost of the project is expected to be approximately HK\$2.4 billion. Ponte 16 is currently being rapidly constructed. The first phase of Ponte 16, including the casino (subject to Macau SAR Government's approval), is scheduled to start operations by June of 2007, while the other phases of Ponte 16 are expected to be completed by March 2008.

Challenges and Opportunities

Management has a clear goal to further develop the Group in the tourist-related business in fast-growing Macau and beyond, and become a leader of the gaming and entertainment-related industry in the region. Despite the challenges inherent in the business and the region, management is confident that the Group can take advantage of the significant opportunities that are available and maximise the returns for shareholders.

Given that the number of concession and sub-concession holders of gaming in Macau increased to a total of six and there is a growing number of casinos in the region, competition is expected to intensify in the industry. The sharp increase in table supply will lower the average net win per table. However, this situation is believed to be offset by robust tourist growth in the region.

In addition, the aggressive expansion in Macau may lead to insufficient infrastructure. Traffic congestion is becoming a problem in the region. The Group's flagship project – Ponte 16, is situated near the onsite immigration checkpoint, which should make it convenient for Chinese tourists to access. Additionally, the Group is considering to set up an unique bus program to carry tourists from Zhuhai of China. This would further enhance the flow of tourists to Ponte 16.

By June 2007, the first phase of Ponte 16 will be completed and there will be a number of other casino resorts opening at the same time. By then, there are expected to be around 4,200 gaming tables and 15,100 hotel rooms available in Macau. Location, branding, service quality and facility quality will become important factors that will dictate the winners in such a competitive market. Management is confident that the Group's flagship project – Ponte 16 will become one of the most splendid and profitable integrated resorts in Macau.

Strategic development of the Group

In response to the challenges faced in the industry, management has established clear strategies that are expected to allow the Group to sustain a leading position in the gaming and entertainment-related industry in Macau.

Over the past few years, the Group has built a fine reputation in the gaming and entertainment-related industry. The Ponte 16 project has only helped to further enhance the brand awareness. Management believes that through effective consumer marketing, the "Macau Success" brand will become identified as one of the most professional, luxurious and experienced offerings in the market. This should increase the Group's attractiveness towards business partners and consumers, and is expected to help introduce further business developments.

In order to strengthen the tourist-related business of the Group, management is determined to provide a one-stop-solution to customers, from travel arrangements to gaming. The investment of the Group's flagship project – Ponte 16 is expected to strategically enhance the Group's synergies with its current cruise and travel agency business. The travel agency acts as an exclusive platform to serve high-end tourists and builds a direct network and alliance with travel agencies in Mainland China, bringing direct traffic to the cruise and Ponte 16. Management firmly believes that Ponte 16 will serve as a distinctive integrated resort in Macau upon its completion due to its unique architectural design, superb location and premium services. It will stand as the focal point in Old Macau.

It is forecasted that tourists from Mainland China will remain the largest group of visitors to Macau in terms of total visitor numbers and average spending. With extensive experience in serving Mainland Chinese customers and possessing a strong understanding of their needs and their cultural background, we aim to offer tailor-made tourist services. This will allow us to attract an increasing number of affluent tourists from Mainland China to Ponte 16 and will help assure a stable income for the Group in the future.

Throughout the years, management has set up vital networks in the market. Management not only has developed a good working relationship with the Macau SAR Government, industry practitioners and other market players, but has also established a broad network of customers. The Group plans to leverage these extensive networks to gain significant share in the market.

In conclusions, management is optimistic about the Group's future and is determined to build and solidify its leading position in Macau's gaming and entertainment-related industry. The Group will take every opportunity to strengthen the synergies of the Group while creating stable returns to shareholders.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules during the year ended 30 September 2006, with an exception of the code provision C.2.1 of the CG Code regarding internal controls.

The Company has engaged an independent auditor (the "Independent Auditor") in late June 2006 to review the effectiveness of internal control system of the Group which cover all material controls, including financial, operational and compliance controls as well as risk management functions. The Independent Auditor has performed review of the internal control system of the Group for the year ended 30 September 2006 and the relevant review report has been submitted to the audit committee of the Company (the "Audit Committee") in January 2007 for consideration. Effectiveness of the internal control system of the Group for the year ended 30 September 2006 has also been reviewed by the Audit Committee in January 2007.

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 with all Directors, each of whom has confirmed compliance with the required standard set out in the Model Code and the Code of Conduct throughout the year under review.

REVIEW OF ANNUAL RESULTS

The annual results for the year ended 30 September 2006 have been audited by Messrs. CCIF CPA Limited and reviewed by the Audit Committee which were of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 30 September 2006, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the Company's website at www.macausuccess.com. The Annual Report 2006 of the Company will also be published on the aforesaid websites in due course.

ACKNOWLEDGEMENTS

The Board would like to express its appreciation to all shareholders, partners and customers for their continued support and trust towards the Group. The Board would also like to extend its sincere gratitude to all dedicated employees for their contribution and hard work.

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

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Yeung Hoi Sing, Sonny (*Chairman*) 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, 18 January 2007