



MACAU SUCCESS LIMITED
澳門實德有限公司

MACAU SUCCESS ANNOUNCES 2005 FULL YEAR RESULTS

Strong Operating Results Laid Solid Foundation to Develop and Capture the Lucrative Gaming and Entertainment –related Business

- Total turnover was approximately HK\$100,905,000 (2004: approximately HK\$191,956,000), the decline was mainly due to divestments of non-core businesses
- Group operating profit increased by 5.3% to approximately HK\$31,892,000 (2004: approximately HK\$30,288,000)
- Profit attributable to shareholders was HK\$12,291,000, if excluding the one-off exceptional gains recorded last year, the figure represented an increase of 35%
- Turnover from cruise and travel business reported steady performance
- King Seiner Loan Agreement provided steady revenue stream to the Group
- Ponte 16 under aggressive development to position the Group for strong future growth

(Hong Kong January 10, 2006) Macau Success Limited (“Macau Success” or the “Group”) (Stock Code: 0487) today announced its full year results for the financial year ended 30 September 2005. Total turnover of the Group for the year was approximately HK\$100,905,000 (2004: approximately HK\$191,956,000), representing a decrease of 47.4% owing to the disposal of non-core businesses in the construction and retail field in 2004 as part of the Group’s reorganisation. Despite the dip in turnover, the Group reported strong operating results. Group operating profit increased by 5.3% to approximately HK\$31,892,000 (2004: approximately HK\$30,288,000), and profit attributable to shareholders amounted to approximately HK\$12,291,000, decreased by 20.4% from last year (2004: approximately HK\$15,442,000). Profit after tax of last year included one-off exceptional gains, which included the waiver of loan and gains on disposal of discontinued operations amounted to HK\$6,340,000. Excluding these one-off exceptional gains recorded in last year, profit attributable to shareholders for this year would have been a remarkable increase of 35%.

At the same time, the Group has enhanced efficiencies across its operations as a result of more efficient use of resources, focusing on the development of gaming and entertainment-related business. Operating profit margin achieved 31.6% for the year, an improvement of 100% (2004: 15.8%), attributable to the effective cost optimisation measures and corporate restructuring initiatives.

The Group did not declare any dividends for the year.

Commenting on the business results, Mr. Yeung Hoi Sing, Sonny, Chairman of the Group said: “This past year was an important year for Macau Success Limited, as we have laid down a solid foundation for preparing the Group for substantial upside and a promising future.”

Cruise business remained the principal revenue contributor for the Group amounting to approximately HK\$95,382,000 (2004: approximately HK\$57,753,000), an increase of 65.2% primarily due to the booking of the full year charter fee and management fee income into the accounts this year, and accounted for 94.5% of total turnover. Profit from cruise business was approximately HK\$43,413,000 (2004: approximately HK\$28,158,000).

Travel business recorded a turnover of approximately HK\$5,523,000, representing an increase of 44.9% (2004: approximately HK\$3,811,000), and accounted for 5.5% of the total turnover. A net loss of approximately HK\$789,000 was recorded from this business due to higher staff costs as the Group geared for better services and aggressive business development.

During the year under review, the Group was also successful in positioning itself for the high growth potential of the gaming and entertainment-related business in Macau. A loan agreement of HK\$50 million and an option deed has been signed by an indirect wholly-owned subsidiary, Joyspirit Investments Limited (“Joyspirit”), with King Seiner Palace Promotor De Jogos, Limitada (“King Seiner Palace”) on 7 March 2005. Through this agreement the Group is entitled to a guaranteed and stable stream of interest revenue equaling to the higher of 20% of the HK\$50 million loan annually or subject to an upward adjustment to a maximum of 18% of King Seiner Palace’s profit. This arrangement allows the Group to indirectly participate in the VIP business of

Macau's gaming sector in an efficient and flexible manner. During the year under review, loan interest income generated from King Seiner Palace was approximately HK\$1,562,000. The Group expects King Seiner Palace will have significant contribution to its profit in the next financial year.

In addition, the Group had strategically increased its stake in its flagship project – Ponte 16 to 36.75% in July 2005 from 24.5%. Ponte 16 is a multi-functional, integrated resort consisting of hotel, retail, F&B, recreational facilities, and casino (which is subject to Macau SAR Government's approval).

“Our key project Ponte 16 is now under aggressive development and is ready to propel the company to the next phase of strong growth upon completion of its first phase at the end of 2006. Alongside our steadily growing business, Ponte 16 will position our company well to take advantage of the booming gaming and entertainment market in Macau to deliver long-term value for our shareholders,” said Mr. Yeung.

“In the first 11 months of 2005, Macau tourist arrivals reached 17 million, which have already exceeded the total tourist arrival figure in 2004, and the total gaming revenues in Macau during 2005 is around US\$5.6 billion, increased by 11% compared to that of 2004. Although the growth is slower than expected, we are confident that the growth momentum will resume from mid-2006 with the opening of numerous tourist attractions and new casino complexes,” said Mr. William Chan, Deputy Chairman of the Group.

“We have formulated clear strategies to strengthen our competitive advantages so as to capitalize on all the attractive opportunities in this competitive marketplace. These strategies include creating a premium brand of Macau Success that represents experience, professionalism and quality; providing service and product offerings that are both synchronized and unique in appeal, satisfying customers' needs and leveraging on our strong people's network to solidify and expand our customer base,” Mr. Chan noted.

“The Group is on the right track of establishing itself as one of the successful players in the Macau gaming and entertainment related industry. There are challenges ahead,

however, we strongly believe the Group possesses all the necessary qualities to overcome them and stay ahead of the competition, capitalising on the many opportunities Macau has to offer in gaming and entertainment and more,” concluded Mr. Yeung.

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About Macau Success Limited

Macau Success Limited is a subsidiary and flagship of Success Universe Group, and is currently involved in Cruise and Travel Services and is actively expanding into Entertainment & Gaming in Macau.

The Group owns a 9-deck cruise ship, the M.V. Macau Success, in Hong Kong which features a world-class casino and various spectacular entertainment facilities. In travel services, the Group offers a wide-range of one-stop travel services to customers through Travel Success Limited and Travel Success (Macau) Limited in Hong Kong and Macau respectively.

Macau Success is developing its flagship project, Ponte 16, in Macau, in partnership with Sociedade de Jogos de Macau, S.A. (“SJM”) and Joy Idea Investments Limited. Owned 36.75% by Macau Success and 51% by SJM, Ponte 16 is a multi-functional, integrated resort consisting of hotel, retail, F&B, recreational facilities, and casino (which is subject to Macau SAR Government’s approval).

The Group also indirectly participates in the Macau VIP gaming business through a loan arrangement and option deed with King Seiner Palace Promotor De Jogos, Limitada (“King Seiner”), which operates gaming intermediaries business at King Seiner Palace VIP Hall in Pharaoh Hotel, Macau.

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