


CHAIRMAN'S STATEMENT

Mr. Yeung Hoi Sing, Sonny
Chairman



To Our Shareholders: This past year was an important year for Macau Success Limited as we have laid down a solid foundation for preparing the company for substantial upside and a promising future 

Our key project - Ponte 16 is now under aggressive development and is ready to propel the Group to a phase of strong growth upon completion in the end of 2006. Alongside our steadily

growing business, Ponte 16 will position our Group well to take advantage of the booming gaming and entertainment market to deliver long-term value for our shareholders.

To realign our business and focus on the rapidly growing gaming and entertainment-related business, the Group has completed a reorganisation to streamline the Group structure in November 2004 (the "Group Reorganisation"). Following the reorganisation, our Group adopted a three-pronged strategy: firstly to develop the Macau gaming and entertainment related-business in full swing to maximise the growth potential; secondly to keep on operating the cruise business to generate steady recurring income; and thirdly, to maintain and expand the travel business to enhance services to customers and to

generate traffic to our cruise and other entertainment facilities. These three business components complement each other well and are effective in generating high growth, securing solid income and creating strong synergies.

Immediately after the reorganisation, and as part of the Group's continuing initiatives to further solidify our position in the gaming and entertainment-related industry, we had strategically increased our stake in our flagship project - Ponte 16 to 36.75% in July 2005, having increased it from 10% to 24.5% in November 2004. Ponte 16 is an integrated entertainment resort comprising a 5-star hotel, a casino (subject to the approval of Macau SAR Government), shopping arcades and a waterfront plaza featuring cultural and historical themes on the old Macau. Mr. Lee Siu Cheung, executive director of Macau Success and myself, were respectively appointed as the project director and CEO of Pier 16 - Property Development Limited ("Pier 16 - Property Development"), enabling Macau Success to have a key role to play in the development.

To enhance our presence in Macau's gaming and entertainment-related business, we have, through an indirect wholly-owned subsidiary, Joyspirit Investments Limited ("Joyspirit"), entered into a loan agreement and an option deed with King Seiner on 7 March 2005 in provision of a loan facility of HK\$50 million to King Seiner for the purpose of running its gaming intermediaries business at the King Seiner Palace. In return, the Group has a guaranteed and stable stream of interest revenue equal to the higher of 20% on the loan annually, or a maximum of 18% of the net profit of King Seiner. Since King Seiner Palace's grand opening on 12 September 2005, it has performed satisfactorily, returning healthy financial results. Due to the fact that King Seiner Palace had only operated for less than a month when the financial year ended; we would opt to receive the pro-rata loan interest as income this year but would expect a better sharing of King Seiner's profit for the years ahead.

Cruise Business

Our cruise business remained as the principal income contributor of the year. Not only did it contribute a stable income to the Group but also provided tremendous synergy to our core business and is a key part of our strategy to develop the gaming and entertainment-related business.

Travel Business

The Group operates two travel services companies in Hong Kong and Macau. Although small in operation and still in the red, our professional services create valuable synergies with the gaming and entertainment-related services by creating a unique platform for us to serve our high-end customers and attract traffic to its cruise and entertainment facilities.

Outlook

In the year ahead, revenues from the cruise and travel businesses are expected to be stable with a steady growth. At the same time, we expect a higher income from King Seiner, either in the form of loan interests or profit sharing, as King Seiner Palace enters into full operation, which will contribute significantly to both the top line and bottom line of the Group.

In the coming year, the construction of Ponte 16 will be in full swing. The Group has full confidence in the success of Ponte 16 due to the following unique comparative advantages: a strong partnership with SJM, substantial management experience in casino and VIP halls, strong support from Macau SAR Government, central location in Macau's historical heritage sites and proximity to Zhuhai as well as world-class design with unique historical and cultural theme. We are

optimistic that upon its commencement of operation, Ponte 16 will significantly boost the Group's income and profit and offer us tremendous growth prospects.

To realise our vision of becoming a successful player in the gaming and entertainment-related industry, we will continue to explore other opportunities in the region to extend our business scale and scope. Riding on our established businesses, strong foundation and focused approach, we strongly believe that we are on the right track to reach our goal and to create value to our shareholders, customers and staff members.

Appreciation

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

Yeung Hoi Sing, Sonny

Chairman

Hong Kong

10 January 2006