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澳門祥泰地產集團有限公司*

MACAU PRIME PROPERTIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

**MAJOR TRANSACTION
IN RELATION TO
AN ACQUISITION OF INTEREST IN A HOTEL IN MACAU
AND
RESUMPTION OF TRADING**

THE SUBSCRIPTION

On 6th October, 2006, Dragon Rainbow, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with More Profit to subscribe for 4,000 Subscription Shares, representing 40% of the issued share capital of More Profit as enlarged by the Subscription Shares, at US\$1 each, being the par value of the Subscription Shares. In addition, Dragon Rainbow also agreed to contribute to More Profit the Shareholder's Loan. More Profit has entered into the Acquisition Agreement to acquire 50% interest in Great China, which is the owner of the Land and Grand Waldo Hotel in Macau. Further information on the Subscription Agreement, the Shareholder's Loan, Great China, the Land and Grand Waldo Hotel is set out below.

SGM

The Subscription, having taken into account the Shareholder's Loan, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, which requires the approval by the Shareholders at the SGM. The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder. A circular containing, among other things, further information on the Subscription Agreement, information relating to the Group, More Profit, Great China and Grand Waldo Hotel, the notice of the SGM and other information as required under the Listing Rules, will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 9th October, 2006 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares with effect from 9:30 a.m. on 17th October, 2006.

THE SUBSCRIPTION AGREEMENT

Date: 6th October, 2006

Issuer: More Profit, a company incorporated in BVI with limited liability. More Profit is a special purpose vehicle established for the purpose of acquiring the interest in Great China and has not carried on any other business since its incorporation.

As at the date of this announcement, More Profit is wholly owned by Gainventure, a wholly-owned subsidiary of Get Nice. Save for being a party to the Subscription Agreement, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, More Profit and its ultimate beneficial owner are independent of the Company and its connected persons and are not connected persons.

Subscribers: (i) Dragon Rainbow, a wholly-owned subsidiary of the Company; and
(ii) Group Success, a company wholly and beneficially owned by Mr. Cheung.

* For identification purpose only

- Warrantors:**
- (i) Get Nice, as warrantor for More Profit to guarantee the due observance and performance by More Profit of all the agreements, obligations, commitments and undertakings contained in the Subscription Agreement on the part of More Profit;
 - (ii) The Company, as warrantor for Dragon Rainbow to guarantee the due observance and performance by Dragon Rainbow of all the agreements, obligations, commitments and undertakings contained in the Subscription Agreement on the part of Dragon Rainbow; and
 - (iii) Mr. Cheung, as warrantor for Group Success to guarantee the due observance and performance by Group Success of all the agreements, obligations, commitments and undertakings contained in the Subscription Agreement on the part of Group Success. Save for being a party to the Subscription Agreement, to the best of the Directors' knowledge, information and belief and after having made all reasonable enquiry, Mr. Cheung is independent of the Company and its connected persons and is not a connected person.

The Subscription

Dragon Rainbow agreed to subscribe for and More Profit agreed to allot and issue, upon Completion, 4,000 Subscription Shares in More Profit at US\$1 each (being the par value of the Subscription Shares), representing 40% of the issued share capital of More Profit as enlarged by the Subscription Shares. The Subscription will be financed by the internal resources of the Group.

Group Success agreed to subscribe for and More Profit agreed to allot and issue, upon Completion, 1,000 Subscription Shares in More Profit, representing 10% of the issued share capital of More Profit as enlarged by the Subscription Shares.

Upon Completion, the Subscription Shares shall be allotted and issued as fully paid-up free from all encumbrances and rank pari passu with all the shares in More Profit then in issue together with all rights and benefits at any time thereafter accruing thereto including the right to dividends or distributions made or declared on or after the date of Completion.

Immediately after Completion, More Profit will be owned as to 50% by Gainventure, 40% by Dragon Rainbow and 10% by Group Success.

The Shareholder's Loan

Each of the Subscribers undertakes to advance to More Profit, in accordance with their respective percentage shareholdings in More Profit, loans to pay the consideration under the Acquisition Agreement, which based on the unaudited management accounts of Great China as at 31st August, 2006 was approximately HK\$988.5 million, subject to adjustments based on completion accounts of Great China. Dragon Rainbow and Group Success have paid on 9th October, 2006 a deposit of HK\$80 million and HK\$20 million respectively to More Profit, which shall on Completion be applied as part of the shareholder's loans to be contributed by shareholders of More Profit in accordance with the Shareholders' Agreement.

Based on the estimated consideration under the Acquisition Agreement of approximately HK\$988.5 million and taking into account the HK\$80 million paid by Dragon Rainbow, Dragon Rainbow will be obliged to extend to More Profit a further sum of approximately HK\$315 million, or a maximum sum of approximately HK\$420 million in the event that the Land and Grand Waldo Hotel are the only assets of Great China upon completion of the Acquisition Agreement. The remaining sum of the consideration under the Acquisition Agreement will be satisfied by Group Success and Gainventure by way of shareholder's loan to be advanced according to their respective percentage shareholdings in More Profit.

The Shareholder's Loan will be financed by the internal resources of the Group.

According to the Shareholders' Agreement, the Shareholder's Loan shall carry interest at prime rate, being the best lending rate for Hong Kong dollars as quoted by The Hongkong and Shanghai Banking Corporation Limited on the date of advance. The shareholders' loans have no fixed repayment date and no shareholders of More Profit shall demand repayment of the shareholders' loans unless repayment is approved by the board of directors of More Profit and is made on a pro-rata basis according to the amount outstanding to each shareholder.

Pursuant to the Shareholders' Agreement, except for the shareholder's loan for completion of the Acquisition Agreement, shareholders of More Profit will have no further obligation to fund the operation of More Profit.

Conditions precedent

The Subscription is conditional on:

- (a) the passing of the necessary resolution(s) by the shareholders (or, where so required by the Listing Rules or the Stock Exchange, independent shareholders) of Get Nice at a special general meeting of Get Nice approving the Subscription Agreement and the Acquisition Agreement, and the transactions contemplated thereunder, in compliance with the Listing Rules;

- (b) the passing of the necessary resolution(s) by the Shareholders (or, where so required by the Listing Rules or the Stock Exchange, independent Shareholders) at a special general meeting of the Company approving the Subscription Agreement and the transactions contemplated thereunder, in compliance with the Listing Rules;
- (c) the due diligence investigation to be carried out on Great China pursuant to the Acquisition Agreement and the due diligence report produced therefrom being satisfactory to Dragon Rainbow in all material respects;
- (d) without prejudice to the rights of the Subscribers in respect of any breach, the representations, warranties and undertakings by More Profit under the Subscription Agreement remaining true and accurate and not misleading in any material respects at Completion as if repeated at Completion and at all times between the date of the Subscription Agreement and Completion;
- (e) there shall exist no circumstance or condition which would in the reasonable opinion of Dragon Rainbow materially adversely affect (or potentially do so) More Profit, its business or prospects;
- (f) all necessary statutory, governmental and regulatory consents, authorisations or other approvals and requirements (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the terms of the Subscription Agreement and the transactions contemplated thereunder having been obtained and complied with, including those under the Listing Rules;
- (g) the obtaining of all consents from other third parties which are necessary or desirable in connection with the execution and performance of the Subscription Agreement and any of the transactions contemplated under the Subscription Agreement; and
- (h) there being no material breach by the Vendors under the Acquisition Agreement and no circumstances or conditions which suggest that the conditions precedent under the Acquisition Agreement cannot be fulfilled.

Dragon Rainbow (for itself and on behalf of Group Success as Group Success authorised) may waive any of the items (c) to (h) set out above. None of the parties to the Subscription Agreement may waive items (a) and (b) unless Gainventure shall cease to be a subsidiary of Get Nice, in which event item (a) shall be deemed waived by all parties to the Subscription Agreement.

Completion

Completion is not conditional on completion of the Acquisition Agreement. Completion shall take place on the third Business Day after fulfilment or waiver (as the case may be) of the above conditions. If the conditions set out above are not fulfilled in all respects on or before 26th January, 2007 (or such later date as the parties may agree in writing) and items (d), (e) and (h) remaining fulfilled as at the date of Completion and not waived, the obligations of the parties under the Subscription Agreement shall forthwith cease to be of any effect and none of them shall have any right to damages or reimbursement for any costs and expenses that may have incurred in connection with the Subscription Agreement, provided that More Profit shall forthwith refund to the Subscribers the deposits paid by the Subscribers without interest.

On Completion, Gainventure, Dragon Rainbow, Group Success and More Profit shall enter into the Shareholders' Agreement to govern the management and control of More Profit. Pursuant to the Shareholders' Agreement, the board of directors of More Profit upon Completion will consist of a maximum of three directors, with each of Gainventure, Dragon Rainbow and Group Success having the right to nominate and appoint one director. The quorum for meetings of the board of directors of More Profit shall be the presence of at least one director appointed by each of Gainventure and Dragon Rainbow. In addition, significant events such as alteration of share capital or dividend policy, further acquisition of any real estate assets or shares in other companies will require unanimous consent from all shareholders of More Profit. In view of the above, the Board considers that although the representation of Dragon Rainbow on the board of directors of More Profit is not in proportion to its percentage shareholding in More Profit, Dragon Rainbow's interest in More Profit is sufficiently safeguarded.

INFORMATION ON MORE PROFIT

More Profit is incorporated in BVI with limited liability. It is a special purpose vehicle established for the purpose of acquiring the interest in Great China and has not carried on any other business since its incorporation. No financial statements for More Profit has been prepared as at the date of this announcement. Upon Completion, More Profit will be accounted for as an associate of the Company in accordance with the HK GAAP.

Set out below is the unaudited financial information of More Profit as at 9th October, 2006:

	<i>HK\$'000</i>
Current asset	
Deposits paid under the Acquisition Agreement	200,000
Current liability	
Deposits received from Dragon Rainbow and Group Success	100,000
Net asset	<u>100,000</u>
Capital	
Share capital	39
Loan from the holding company	99,961
Equity attributable to shareholder	<u>100,000</u>

THE ACQUISITION AGREEMENT

Date: 6th October, 2006

- Vendors:**
- (i) Fast Profit, a company incorporated in BVI with limited liability in which Mr. Cheng Kwee and Mr. Yeung Chi Hang together have control. Fast Profit is an investment holding company, the principal asset of which is its interest in Great China.
 - (ii) Topmore, a company incorporated in BVI with limited liability, is a wholly-owned subsidiary of Fast Profit. Topmore is an investment holding company, the principal asset of which is its interest in Great China.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the Vendors and their ultimate beneficial shareholders are independent of the Company and its connected persons and are not connected persons.

Purchaser: More Profit.

Guarantors: Mr. Cheng Kwee and Mr. Yeung Chi Hang, both acting as Vendor Guarantors to guarantee in favour of More Profit the performance of the Vendors' obligations to More Profit under the Acquisition Agreement.

Assets to be acquired

Pursuant to the Acquisition Agreement, Fast Profit and Topmore have agreed to sell and More Profit has agreed to acquire (i) 29% and 21% in the issued share capital of Great China from Fast Profit and Topmore respectively (collectively the "Sale Shares"); and (ii) the interest-free, unsecured shareholders' loans due by Great China to Fast Profit and Topmore respectively, which in aggregate represents 50% of the Vendors' Loan (collectively the "Sale Loans"), the exact amount of which will be determined upon completion of the Acquisition Agreement. As at 31st August, 2006, the Vendors' Loan amounted to approximately HK\$1.1 billion.

As at the date of this announcement, Great China is owned as to 79% by Fast Profit and as to 21% by Topmore. Upon completion of the Acquisition Agreement, Great China will be owned as to 50% by Fast Profit and as to 50% by More Profit. As at the date of this announcement, the principal assets of Great China include the Land, Grand Waldo Hotel and the 100% beneficial interest in GWHL and CCL.

The Land has a total area of approximately 36,640 m² and is situated in Sul da Marina Taipa-Sul Junto à Rotunda do Dique Oeste, Macau with Grand Waldo Hotel erected thereon. Based on the representation of the Vendors, Grand Waldo Hotel is a five-star hotel complex. GWHL is engaged in the operation and management of Grand Waldo Hotel, and CCL is engaged in the operation of Grand Waldo Spa located within Grand Waldo Hotel. Further information on Great China and Grand Waldo Hotel is set out below under the sections headed "Information on Great China" and "Information on Grand Waldo Hotel" respectively.

Pursuant to the Acquisition Agreement, the Vendors shall procure, prior to completion of the Acquisition Agreement, the restructuring of Great China to dispose of GWHL and CCL (to Fast Profit or its affiliates, as the Vendors presently intended) at net book value, to discharge and settle all liabilities (if any) due from associated companies of the Vendors to and from Great China. More Profit is also entitled to the right to require Great China to dispose of any assets that More Profit considers redundant. Upon completion of the restructuring of Great China, its assets will principally comprise the Land and Grand Waldo Hotel.

To the best of the Directors' knowledge, information and belief, the restructuring is in progress and is expected to be completed on or before 26th January, 2007, being the longstop date of the Acquisition Agreement.

The Vendors have warranted and also undertaken to indemnify More Profit and Great China for any liabilities of Great China, actual or contingent, up to completion of the Acquisition Agreement save for those that have been disclosed or have been accounted for in the completion accounts of Great China.

Lease and Minimum Rental Income Guarantee

Upon completion of the Acquisition Agreement, Great China will enter into a new tenancy agreement (the "Lease") with GWHL to let Grand Waldo Hotel (except such premises or facilities that Great China has let pursuant to any subsisting tenancy agreements that Great China has entered into with other tenants or any further tenancy agreements which Great China may with the prior consent of More Profit enter into prior to completion of the Acquisition Agreement, principally intended at the date of this announcement to cover the Casino which is now let to Galaxy Casino S.A., shops and restaurants but subject to final status on completion of the Acquisition Agreement) to GWHL for a term of five years at an annual rental of HK\$200 million (inclusive of the rental payable to Great China under other tenancy agreements) payable by equal monthly instalments. Fast Profit and GWHL also undertake to pay, on account of any shortfall which Fast Profit and GWHL are liable to pay pursuant to the Minimum Rental Income Guarantee referred to below, an amount equivalent to any arrears of the monthly rent payable by the tenants of Grand Waldo Hotel no later than the 5th calendar day of the next month.

The annual rental was agreed between the Vendors and More Profit after arm's length negotiations and having considered:

- the existing rental income received and receivable by Great China from the independent third party tenants of the shopping arcade and the Casino of approximately HK\$11 million per month;
- the Minimum Rental Income Guarantee safeguarding the return to More Profit; and
- the future potential of capital appreciation of Grand Waldo Hotel.

More Profit will not be responsible for the management and operation of Grand Waldo Hotel and will only be entitled to the annual rental of HK\$100 million attributable to its 50% interest in Great China. The terms and conditions of the Lease provide that GWHL shall comply with all legislation in relation to Grand Waldo Hotel (except for the facilities and premises Great China has let to other tenants) and the conduct of business therein and to maintain or procure to maintain the licenses, consents and approval required for the conduct of the business therein (including without limitation, the hotel, the spa and the entertainment business). GWHL has also undertaken to indemnify Great China in respect of any breach of the terms of the Lease and Great China is also entitled to terminate the Lease if GWHL shall be in breach of any of the terms and conditions therein. The compliance of all legislation in relation to the operation of business in other parts of Grand Waldo Hotel (including the Casino) not covered by the Lease remains the responsibilities of the tenants thereof according to the tenancies they entered or to be entered into with Great China. In the event that any tenant is in breach of any rules or regulations of its business operations after entering into tenancy agreements with Great China, Great China is entitled to terminate its tenancy.

As confirmed by the Vendors, all necessary licences, including hotel licence, spa licence and casino licence, to operate the existing businesses in Grand Waldo Hotel have been obtained by the respective operators.

On completion of the Acquisition Agreement, Fast Profit and GWHL will also enter into a Minimum Rental Income Guarantee in favour of More Profit. Pursuant to the Minimum Rental Income Guarantee, Fast Profit and GWHL will jointly and severally guarantee to More Profit that for the period of 5 years immediately after completion of the Acquisition Agreement, the aggregate net rental income received by Great China for the leasing of Grand Waldo Hotel (whether by GWHL or by Great China with other tenants direct) will not be less than HK\$200 million per annum. Should the annual rental received by Great China fall short of HK\$200 million, Fast Profit and GWHL shall pay Great China the amount equivalent to such shortfall in cash in accordance with the terms of the Minimum Rental Income Guarantee.

Having considered the bases for determining the rental under the Lease and guaranteed rental under the Minimum Rental Income Guarantee, the Directors consider the rental under the Lease fair and reasonable.

Consideration

The aggregate consideration for the 50% interest in Great China and the corresponding portion of the Vendors' Loan, based on the management accounts of Great China as at 31st August, 2006, was estimated to be approximately HK\$988.5 million. The aggregate consideration is calculated based on 50% of the sum of (i) the aggregate value of the Land and Grand Waldo Hotel of HK\$2.5 billion agreed between the Vendors and More Profit, which was arrived at with reference to an indicative aggregate value of the Land and Grand Waldo Hotel of HK\$3.0 billion provided by an independent valuer, CB Richard Ellis; and (ii) the value of cash and other assets (excluding the Land and Grand Waldo Hotel and Great China's interest in GWHL and CCL) less the aggregate liabilities of Great China (excluding the Vendors' Loan). The exact amount of the consideration under the Acquisition Agreement is to be determined on completion of the Acquisition Agreement based on the completion accounts of Great China. In the event that the net asset value of Great China falls short of HK\$988.5 million as at completion of the Acquisition Agreement, the consideration will be adjusted accordingly.

In the event that Great China has disposed of all its assets and settled all its liabilities prior to completion of the Acquisition Agreement, the Land and Grand Waldo Hotel will be the only assets of Great China. Accordingly, the maximum consideration for More Profit to acquire the 50% interest in Great China and the corresponding portion of the Vendors' Loan will amount to HK\$1.25 billion.

Having considered the bases for determination of the consideration under the Acquisition Agreement and the payment terms, the Directors consider the consideration fair and reasonable.

Condition precedents

Completion of the Acquisition Agreement is conditional on:

- (a) the obtaining by More Profit:
 - (1) a legal opinion issued by a law firm qualified to practise in the laws of Macau and acceptable to More Profit on the Sale Interests (as defined below) and confirming that, among others, the sale and purchase of the Sale Shares and the Sale Loans (collectively the "Sale Interests") under the Acquisition Agreement shall in no way cause any of the current business or ownership arrangements relating to any member of Great China (including Great China) group or in relation to the operations of Great China or any member of Great China group to be cancelled, terminated or amended in any material manner; and
 - (2) a legal opinion issued by a law firm qualified to practise in the laws of Macau confirming, among other things, the due establishment of Great China and that it is in good standing;which shall be in form and substance satisfactory to More Profit;
- (b) the due diligence investigation to be carried out pursuant to the Acquisition Agreement and the due diligence report produced therefrom being satisfactory to More Profit in all respects;
- (c) the implementation of the restructuring of Great China to the satisfaction of More Profit;
- (d) the obtaining by Get Nice and other potential investors of More Profit of all necessary consents, authorisations or other approvals (or, as the case may be, the relevant waiver) of any kind in connection with the entering into and performance of the Acquisition Agreement and the transactions contemplated thereunder under the Listing Rules, from the Stock Exchange or any regulatory authority or under any existing contractual arrangements of any member of Great China group (including without limitation the Land Lease Concession, if applicable);
- (e) the obtaining of external financing from bank or financial institutions by Great China in the amount of not less than HK\$1.2 billion and not more than HK\$1.5 billion on terms satisfactory to More Profit and the necessary loan documentation on terms acceptable to More Profit having been signed by Great China and the lending bank or financial institution such that such loan may be drawdown by Great China at any time after completion of the Acquisition Agreement;
- (f) each of Fast Profit and Topmore has complied with and performed all its covenants, obligations and undertakings contained in the Acquisition Agreement that are due to be complied with and performed as at completion of the Acquisition Agreement; and
- (g) More Profit being satisfied that all the warranties contained in the Acquisition Agreement are true and correct in all material respects as at completion of the Acquisition Agreement by reference to the facts and circumstances subsisting as at that date.

The external financing of HK\$1.2 billion to HK\$1.5 billion under item (e) above is intended to be used to settle firstly external bank loans due by Great China and then shareholder's loan due by Great China to More Profit and Fast Profit, which upon completion of the Acquisition Agreement should be approximately HK\$1.1 billion based on the amount of the Vendors' Loan as per the unaudited management accounts of Great China as at 31st August, 2006. Such arrangement was agreed between the Vendors and More Profit in order to cap the cash outlay of More Profit.

More Profit may waive any or all of the conditions stated above at any time before 26th January, 2007 (or any other date as the parties to the Acquisition Agreement may agree in writing) by notice in writing to Fast Profit and Topmore. None of the above conditions can be waived by Fast Profit or Topmore. If the conditions have not been fulfilled or waived by More Profit on or before 26th January, 2007 (or any other date as the parties to the Acquisition Agreement may agree in writing), the Acquisition Agreement shall lapse and have no effect and no party shall have any claim against the others save for claim (if any) in respect of any antecedent breach thereof.

Completion

Completion of the Acquisition Agreement is not conditional on Completion. Completion of the Acquisition Agreement shall take place on the third Business Day following the satisfaction or (if applicable) waiver of the last in time to be satisfied of the conditions which date must be on or before 31st January, 2007 (or such other date as the parties to the Acquisition Agreement may agree in writing).

Upon completion of the Acquisition Agreement, Fast Profit, More Profit and Great China shall enter into a shareholders' agreement to govern the management and control of Great China.

INFORMATION ON GREAT CHINA

Great China was incorporated in Macau with limited liability by quotas. As at the date of this announcement, Great China is owned as to 79% by Fast Profit and as to 21% by Topmore. Upon completion of the Acquisition Agreement, Great China will be owned as to 50% by each of More Profit and Fast Profit.

GWHL and CCL are the only subsidiaries of Great China. GWHL carries on business as hotel operator and operates and manages the hotel portion of Grand Waldo Hotel for Great China while CCL carries on business under the trade name of “Grand Waldo Spa” to operate and manage the spa portion of Grand Waldo Hotel. Great China is the lawful sole grantee by way of land lease concession granted by the Government of Macau and the registered owner of the Land and the owner of Grand Waldo Hotel now constructed on the Land.

Set out below is the unaudited financial information of Great China (excluding Great China’s interest in GWHL and CCL) for the period from 20th May, 2003 (date of incorporation) to 31st August, 2006, prepared in accordance with the HK GAAP:

	For the period from 20th May, 2003 to 31st August, 2006
	<i>HK\$ million</i> (Unaudited)
Turnover (<i>Note 1</i>)	41.5
Profit before taxation	12.4
Profit after taxation	12.4
	As at 31st August, 2006
	<i>HK\$ million</i> (Unaudited)
Total assets (<i>Note 2</i>)	1,890.8
Net assets	267.5

Notes:

1. Turnover was made up of rental income generated from the tenancies entered into by Great China direct with tenants.
2. Total assets principally comprise the Land and Grand Waldo Hotel.

After completion of the Acquisition Agreement, the sole source of income of Great China will be the rental pursuant to the Lease to be entered into between Great China and GWHL and any other tenancies entered into by Great China direct with other tenants. After completion of the Acquisition Agreement and the Subscription Agreement, Great China will be accounted for as an associate of the Company in accordance with the HK GAAP.

INFORMATION ON GRAND WALDO HOTEL

Grand Waldo Hotel is located at Sul da Marina Taipa-Sul Junto à Rotunda do Dique Oeste, Macau. The construction of Grand Waldo Hotel was completed in May 2006 and was inaugurated on 29th September, 2006. Based on the representation of the Vendors, Grand Waldo Hotel is destined a five-star hotel. Grand Waldo Hotel is divided into four portions (namely, the hotel block (operating under the name “Grand Waldo Hotel”), the casino block, the entertainment block and the car port), with a total gross floor area of approximately 134,000 m² in aggregate.

The main sources of income of Grand Waldo Hotel are income from the operations of the hotel business at the hotel block and rental income from tenants which occupy and operate the Casino. The Casino is now operated by Galaxy Casino S.A.. According to a legal opinion issued by a Macau lawyer, Galaxy Casino S.A. has been awarded by the Government of Macau a gaming concession contract to operate casinos in Macau and has obtained the necessary approvals and authorisations to legally operate casino business in the Casino. The gaming concession is for a period of twenty years from 27th June, 2002. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry, none of the tenants of Grand Waldo Hotel or operator of the Casino is a connected person.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiry with a Macau lawyer, More Profit will not be or deemed to be in operation of the Casino after completion of the Acquisition Agreement. The Macau lawyer also confirms that given Great China does not operate the casino business, Great China and More Profit will not be held liable for any claims by any Macau government authority against the Casino or arising from the operation of the casino business in the Casino.

REASONS FOR THE SUBSCRIPTION

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the People’s Republic of China and Hong Kong. The Group is also engaged in the trading of motorcycles and spare parts, the sale and manufacturing of “Tung Fong Hung” branded Chinese pharmaceutical and health products, the production and distribution of western pharmaceutical products and securities investment.

The Board has been actively seeking property investment opportunities in Macau. The recent change of the name of the Company is reflective of the Group's business strategy. The Subscription represents an opportunity to the Group to take advantage of the blooming hotel, leisure and entertainment business in Macau and is in line with the Group's business strategy. In addition, the Minimum Rental Income Guarantee of HK\$200 million per annum, which represents approximately 8% yield per annum based on the aggregate value of the Land and Grand Waldo Hotel of HK\$2,500 million, is an attractive return. In view of the above, the Board considers the entering into of the Subscription Agreement is in the interest of the Company and the Shareholders as a whole and that the terms of the Subscription Agreement are fair and reasonable.

SGM

The Subscription, having taken into account the Shareholder's Loan, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules which requires the approval by the Shareholders at the SGM. The SGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder.

GENERAL

A circular containing, among other things, further details of the Subscription Agreement, the Acquisition Agreement, information relating to the Group, More Profit, Great China, the Land and Grand Waldo Hotel, the notice of the SGM and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 9th October, 2006 pending release of this announcement. Application has been made by the Company for resumption of trading in the Shares with effect from 9:30 a.m. on 17th October, 2006.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition Agreement”	the acquisition agreement dated 6th October, 2006 entered into between the Vendors, Vendor Guarantors and More Profit in relation to the sale and purchase of, in aggregate, 50% interest in Great China
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effected between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which the banks are open for business in Hong Kong and Macau
“BVI”	the British Virgin Islands
“Casino”	the casino situated in the casino block within Grand Waldo Hotel complex
“CCL”	Carnival Club Limited, a commercial company incorporated in Macau with limited liability by quotas (i.e. shares)
“Company”	Macau Prime Properties Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dragon Rainbow”	Dragon Rainbow Limited, an investment holding company incorporated in BVI with limited liability, a wholly-owned subsidiary of the Company
“Fast Profit”	Fast Profit Investments Limited, a company incorporated in BVI with limited liability
“Gainventure”	Gainventure Holdings Limited, a company incorporated in BVI with limited liability, a wholly-owned subsidiary of Get Nice
“Get Nice”	Get Nice Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Grand Waldo Hotel”	a five-star hotel complex erected on the Land
“Great China”	Great China Company Limited, a commercial company incorporated in Macau with limited liability by quotas
“Group”	the Company and its subsidiaries

“Group Success”	Group Success International Limited, a company incorporated in BVI with limited liability, wholly and beneficially owned by Mr. Cheung
“GWHL”	Grand Waldo Hotel Limited, a commercial company incorporated in Macau with limited liability by quotas
“HK GAAP”	generally accepted accounting principles applicable in Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	a parcel of land held by Great China by way of Land Lease Concession situated at Sul da Marina Taipa-Sul Junto à Rotunda do Dique Oeste (with a total site area of approximately 36,640 m ²) and identified as “A1” in the cadastral plan no. 5284/1996 issued by the Macau Cartography and Cadastre Bureau on 31st October, 2001 and registered with the Real Estate Registry of Macau under no. 23132 and on which Grand Waldo Hotel was erected
“Land Lease Concession”	the land lease concession under which the Land is held and granted by the Government of Macau to Great China for an initial term of 25 years commencing from 12th May, 2004 with a right of renewal for successive terms of not exceeding 10 years until 19th December, 2049 subject to and upon the terms contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Minimum Rental Income Guarantee”	the deed of minimum rental income guarantee to be entered into at completion of the Acquisition Agreement by Fast Profit and GWHL as guarantors in favour of More Profit by which the guarantors will guarantee to More Profit that the rental income derived from the leasing of Grand Waldo Hotel for the 5 years following completion of the Acquisition Agreement will not be less than HK\$200 million per annum
“More Profit”	More Profit International Limited, a company incorporated on 25th August, 2006 in BVI with limited liability
“Mr. Cheung”	Mr. Cheung Chung Kiu
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement in respect of More Profit to be entered into among Gainventure, Dragon Rainbow, Group Success and More Profit on Completion
“Shareholder’s Loan”	the maximum aggregate amount of shareholder’s loans which Dragon Rainbow will be obligated to advance to More Profit under the Shareholders’ Agreement, which based on the maximum estimated consideration payable by More Profit under the Acquisition Agreement would amount to approximately HK\$500 million
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	Dragon Rainbow and Group Success
“Subscription”	the subscription of the Subscription Shares
“Subscription Agreement”	the subscription agreement dated 6th October, 2006 entered into between More Profit, Dragon Rainbow, Group Success, Get Nice, the Company and Mr. Cheung in relation to the Subscription
“Subscription Shares”	a total of 5,000 new shares in More Profit, as to 4,000 shares thereof to be allotted and issued to Dragon Rainbow and as to 1,000 shares thereof to be allotted and issued to Group Success
“Topmore”	Topmore Limited, a company incorporated in BVI with limited liability
“Vendors”	Fast Profit and Topmore
“Vendor Guarantors”	Mr. Cheng Kwee and Mr. Yeung Chi Hang
“Vendors’ Loan”	the aggregate outstanding amount due from Great China to Fast Profit and Topmore as at completion of the Acquisition Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“US\$” United States dollars, the lawful currency of the United States of America
“%” per cent.
“m²” square metre(s)

For ease of reference, the names of Macau established companies and entities have been included in this announcement in English language and the English names of these companies and entities are their respective official English names.

By order of the Board
Macau Prime Properties Holdings Limited
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 16th October, 2006

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David

Non-executive Directors:

Mr. Ho Hau Chong, Norman (*Deputy Chairman*)
Mr. Lo Lin Shing, Simon

Independent Non-executive Directors:

Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

“Please also refer to the published version of this announcement in The Standard.”