

Macau

Asia's next destination

▶▶▶ SKY-ROCKETING TOURISM AND A STUNNING METAMORPHOSIS IN ITS GAMING VENUES ARE TRANSFORMING MACAU INTO ASIA'S PREMIER ENTERTAINMENT CAPITAL, ALL FORTIFIED BY A DEVOTED COMMITMENT TO PRESERVING ITS UNIQUE HISTORY, CULTURE AND CHARM.

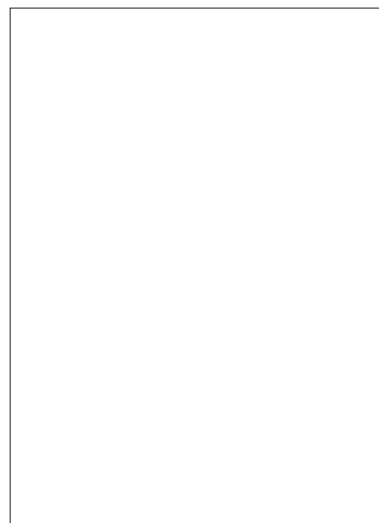
PORTUGUESE-CHINESE CULTURAL CROSSROADS BECOMES A UNESCO WORLD HERITAGE SITE AND A CONFERENCE HUB

Unprecedented growth in harmony with heritage

Cultural tourism is an irresistible part of Macau's attraction, complemented by its new, spectacular multi-entertainment developments.

Just as Macau's economy is on fire, tourism figures for this tiny autonomous region of China are escalating in an unprecedented fashion, and Macau's 10 square miles, which are spread over its peninsular tip and the two islands of Coloane and Taipa, are generating some of East Asia's most promising trends in revenue. GDP growth throughout the last five years has been double digit, registering an astounding 28% in 2004, and visitor numbers have increased 76% since 2000. Emerging from the shadow of its more famous cousin, Hong Kong, Macau is simultaneously capitalizing on its unique Portuguese heritage and its ties with China to build one of South East Asia's most interesting tourist destinations. Special visa schemes are boosting the number of visitors from mainland China, who represented nearly 60% of total

visitors in 2004, and the region is expecting a record 20 million tourists this year. With the government intent on transforming Macau into one of South Asia's preferred family-oriented destinations and conference hubs, these aspects of the region's tourism industry may well exceed its famed gaming attractions as the main draw for regional visitors in the future.

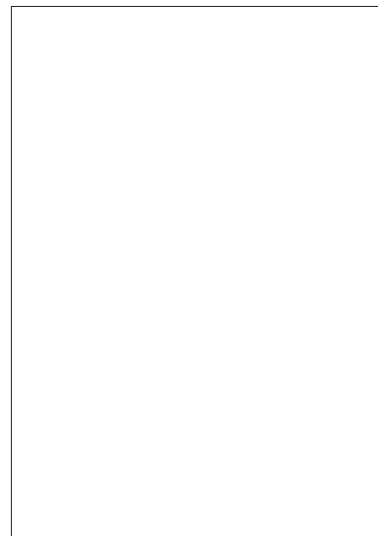


FERNANDO CHUI SAI ON
Secretary for Social Affairs and Culture

At the recent opening of the Pacific Asia Travel Association annual conference, Macau Secretary for Social Affairs and Culture Fernando Chui Sai On said that the government was "determined to direct Macau into an international convention, exhibition and recreational center", and pointed to the number of new facilities now under construction that prove that the region is entering a new phase of development in its tourism sector, which includes a variety of new family-oriented shopping malls and theme parks. Macau will also host the 4th East Asian Games this year, in addition to its annual Grand Prix race and a number of other festivals. Dr. Chui Sai On also affirmed that the government would continue to work towards preserving the region's cultural heritage and to promote it as a valuable tourism resource. Since 1999 it has spent 150 million patacas (almost \$19 million) on the protection and maintenance of Macau's 12 priceless cultural heritage sites. In July 2005 UNESCO inscribed the historic center of Macau on the World Heritage List, providing a positive influence on future urban redevelopment programs.

SPOTLIGHT ON MACAU AS A WORLD-CLASS DESTINATION

Innovative new guard focused on the future



LAWRENCE HO
Group Managing Director of Melco

ACCORDING to Lawrence Ho, Group Managing Director of Melco International Development Ltd., there is an old guard and a new guard operating in Macau's entertainment and hospitality industry these days. One is still functioning on a quick turnover policy while the other is clearly focused on the future, and working to create a more modern and quality-oriented industry through investment over the long term in superior facilities. Melco represents this new face of Macau, and 28-year-old Lawrence Ho, son of legendary Macau magnate Dr. Stanley Ho, is the embodiment of a new generation of young and dynamic entrepreneurs intent on transforming Macau into a world-class destination. He comments, "The old guard still believes in converting an old commercial building and calling it a casino. The new guard is putting money, time and investment into things because

they think they can actually add value and make something of the product. It aims at building something that will last thirty or forty years, not just three or four."

Mr. Ho has secured an exclusive Asian joint venture with Australia based Publishing and Broadcasting Limited (PBL) to reinforce Melco's drive in promoting Macau's tourism. The Melco PBL joint venture unveiled a \$1.3 billion mega-project in May for a hotel-casino-residential complex called the City of Dreams on the Cotai Strip. Together with "The Historic Center of Macau" recently inscribed onto UNESCO's World Heritage List, this spectacular resort will revolutionize the tourism sector, opening Macau to tourists and families alike. The City of Dreams will float above a crystal lake and feature an underwater casino showcasing tropical marine life, 450 gaming tables, 3,000 poker machines, three internationally managed hotels offering 2,000 hotel rooms, a performance hall staging permanent shows, and uniquely designed time sharing service apartments. It will also offer fine dining and entertainment experiences such as an 'under the sea' restaurant and hip clubbing spots. Construction will begin this year and is expected to be completed by late 2008. The project is Mr. Ho's first contribution to the government's goal of creating a multi-dimensional family destination with integrated resorts in Macau. He says, "We all believe that it will not be very difficult to stretch Macau's average visitor stay from the current one night into three or four. Right now we don't have the infrastructure but in two years time it will all be here."

Furthermore they are constructing what will be Macau's first and only six-star hotel and VIP casino, the Crown Macau. Visitors will no longer be greeted by smoke-filled rooms where people are packed in like sardines, but instead will experience never before seen six-star luxury, amenities and comfort. Approaching the market from a fresh angle, Mr. Ho has surprised industry experts in creating a successful chain of hip slot machine coffee houses, Mocha Slots. Modern, comfortable gaming lounges in the style of a Starbucks mixed with an Australian slot club, it has attracted a younger, more leisurely crowd, and captured 35% of one of the region's fastest-growing and trendiest markets.

THE CITY OF DREAMS

A FIRST-CLASS INTEGRATED ENTERTAINMENT RESORT WITH THE WORLD'S FIRST UNDERWATER CASINO

A place of memory and desire, a place that brings water, landscape, and sky together, a place where fantasy meets reality

Macau



The Macau East Asian Games Dome, a state-of-the-art, three-story, multi-purpose sports and exhibition complex, demonstrates the infrastructure is in place for future international events.

PRESERVING CITY'S IDENTITY AS A BRIDGE OF CULTURE, TRADE, AND RELIGION BETWEEN EUROPE AND ASIA

Building on 450 years of East-West cultural exchange

SMALL is beautiful, says João Manuel Costa Antunes, director of the Macau Government Tourist Office (MGTO), who says that this tiny region has something for both its visitors from the East and those from the West. "For Chinese visitors, Macau offers those who are unable to travel to Europe the opportunity to experience some of the European environment, the flavors of its restaurants and its culture. For long-haul tourists from the U.S. or Europe, we offer a mixed culture that is integrated with the Chinese culture," he explains. The role of gateway between the East and the West is nothing new for Macau. Portuguese traders began settling in the region at the end of the 16th century and were followed by Jesuit missionaries, who used Macau as a base for their travels to China and Japan. Their influence lingers today in Macau's numerous palatial churches, cobbled streets, leafy squares and colonial architecture, and the region's Mediterranean culture sets it apart from neighboring destinations. Visitors are greeted with a delightful mix of cultural influences where Portuguese cafés and dim sum houses blend seamlessly, and baroque Catholic churches tower over ancient Taoist and Buddhist temples.

A tiny enclave 35 miles west of Hong Kong across the Pearl River Delta, Macau was handed over to the Chinese



JOÃO MANUEL COSTA ANTUNES
Director of Macau Government Tourist Office

by the Portuguese in 1999 and, like Hong Kong, benefits from the 'one country two systems' policy that allows the Special Administrative Region (SAR) a degree of political and economic autonomy for 50 years. Comprised of a peninsula in China's Guangdong province and the two islands of Taipa and Coloane, an area of roughly 10 square miles, Macau has used reclaimed land from the bay of Praia Grande in recent years to construct a new exhibition center and one of Asia's tallest towers. Off the island of Taipa, the government used reclaimed land to build the Macau International Airport, and similar efforts have been shaping the region's future

since the handover. New infrastructure on reclaimed land, and hence a number of new attractions, have contributed to a boom in the tourism sector and have drawn new investors from abroad.

Visitor numbers in Macau have more than doubled in the last five years. According to Mr. Costa Antunes, the growth is attributable to both the efforts of the SAR government in opening up the region to development and to the cooperation of the central Chinese government in granting visitor visas for Chinese tourists from the mainland, who now represent nearly 60% of Macau's annual total, or more than 9 million people. He comments, "Much of what has happened has been because of the central government. They want to open up the country. Before, there were only four travel agencies operating in China to promote Macau, and now there are hundreds. Also, the individual traveler visa policy has been developing bit by bit, and the Closer Economic Partnership Arrangement (CEPA) has been a real advance." The mainland and Macau CEPA came into effect in 2004. In addition to greater freedom for Chinese tourists to visit Macau, the agreement allows greater flexibility for Macau businesses that wish to operate in mainland China, reducing tariffs on imports and increasing liberalization in a variety of sectors.

The Macau government is intent on continuing to build its infrastructure and expand its tourism offer for families, as well as building its reputation as an international convention center par excellence, in an attempt to extend the visitor stays from its current average of one day. The tourist office, MGTO, is working to make this vision a reality, and in the process will continue to make the conservation of Macau's unique heritage a top priority, according to Mr. Costa Antunes. He says, "We have 450 years of history, and this must be a focal point in new development. If we want to keep our heritage, we must develop it, and there is a lot of room to do this in Macau."

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East Asian Games will showcase city as international sports venue

BETWEEN October 29 and November 6 of this year, Macau will be hosting the largest sporting event in its history – the fourth edition of the quadrennial multi-sport event of the region, the East Asian Games. The games came into being at a meeting of the East Asian National Olympic Committees in 1991 in an attempt to create opportunities for greater sports and cultural exchanges between countries in the area. They were first held in Shanghai in 1993, followed by Pusan, Korea, in 1997 and Osaka, Japan, in 2001. Hosting the games has given Macau the opportunity to prove itself as a successful venue for large international events and the SAR government has lent it wholehearted support in creating an unforgettable occasion. A number of new sporting facilities have been constructed, the largest being the massive state-of-the-art Macau East Asian Games Dome located in Cotai: a three-story, multi-purpose sports complex that houses two separate indoor pavilions as well as an exhibition center. In total 16 venues, of which 13 are entirely new construction, have been prepared in three competitive zones – the Macau Peninsula, the Macau Olympic Complex in Taipa and the Cotai International Sports Complex.

Chairman of the 4th East Asian Games Organizing Committee (MEAGOC) Manuel Silvério says the Games will give Macau the chance to increase its international



MANUEL SILVÉRIO
Chairman of MEAGOC

credibility and showcase its growth, economic development and political stability to the world. He adds that the region is not stopping here – it aims to continue hosting world-class events and has already scheduled the Portuguese-Speaking National Olympic Games for 2006 and the 2nd Asian Indoor Games for 2007. Mr. Silvério comments, "It is very much our intent to bring more exciting international events to Macau. The legacy from the East Asian Games will be modern new facilities, a large group of well-trained professionals, an advanced level of IT and sports development, and I dare say a reputation as one of the region's choice destinations for events organization."



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MACAU FISHERMAN'S WHARF RINGS IN A NEW ERA OF FAMILY ENTERTAINMENT

Local developer raises the stakes in Macau's up-and-coming leisure sector

ANYONE looking for a slice of the action in Macau will sooner or later come across the name of David Chow Kamfai, a local politician, businessman, visionary, and family man who has proved that in the long run the better, more competitive ventures will keep on winning. With the grandiosity and eccentricity of William Randolph Hearst, Mr. Chow is building his name as an international tycoon.

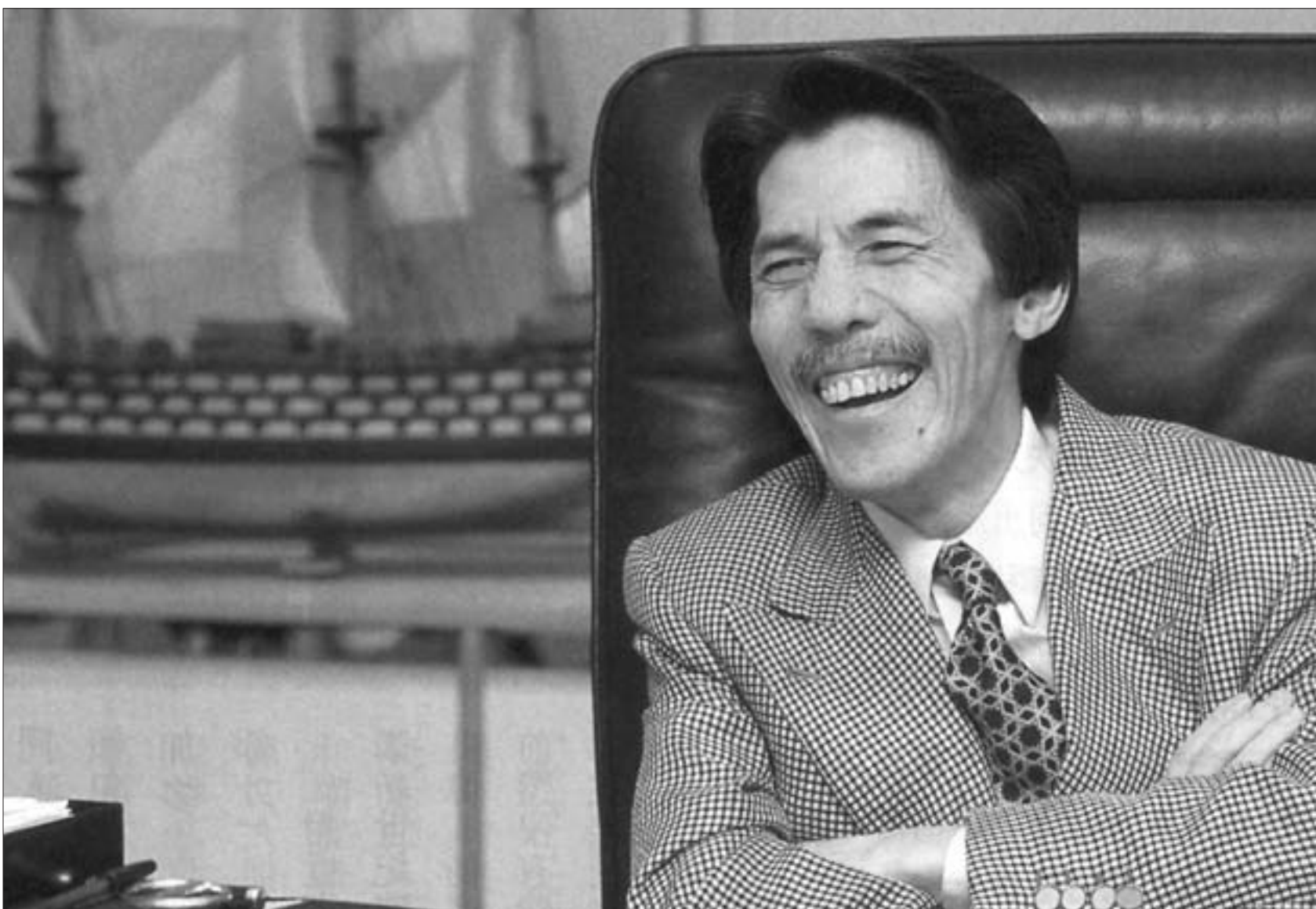
His importance as a local entrepreneur becomes clear once his multiple business cards are laid on the table: CEO of one of the most ambitious tourism projects the Pearl River Delta has ever seen, owner of a world-class hotel and office complex in Macau, owner of a luxurious private club, and a dynamic politician and active diplomat.

Whichever hat he chooses to wear, one thing is certain: Mr. Chow believes in Macau and is willing to invest in improving the enclave's future. "I love Macau and want to help develop it," says Mr. Chow. "I have been fortunate when it comes to money, so I want to put my energy into making it a better place for families and for adults." Such a vision started to crystallize in 2002, when Macau's four-decade-long gambling monopoly finally came to an end and David Chow became one of the biggest beneficiaries.

Born in Hong Kong in 1950 with a silver spoon in his mouth, David Chow's life has been speckled with opulence, extravagance and controversy. In his early years he set off to America in search of himself, and quickly learned his trade in the casino business. There he spent 11 years building up a reputation as one of the most successful and high profile junket operators in the world.

Armed with a vision that can only be described as daring, a young David Chow returned to Macau and began to make his mark on the small Portuguese enclave. Upon his return, his idea of introducing his same highly successful and lucrative junket operations was greeted with disdain by nay-sayers and the conservative old guard, but Mr. Chow quickly began to reap the rewards of his experience in America, and, not for the first time, proved his doubters wrong.

Despite his many years in America, Mr. Chow's vision for Macau is very different from that of Vegas. "I don't want Macau to be referred to as Las Vegas in Asia," he explains. "This is a different kind of destination: here we have culture and a vastly different market." That market comes in the shape of the 1.3 billion people in neighboring China, whose rising wealth, coupled



CEO of Fisherman's Wharf David Chow is a prominent property developer, a member of Macau's Legislative Assembly, and founder of the Association for the Promotion and Development of Macau.

with the liberalization of the local gaming industry, is putting Macau on track for an investment boom.

One need only look at David Chow's track record to envision the scale of what is to come. One of his greatest achievements to date is the Landmark building, which he began developing in the 1990s. Whilst many entrepreneurs were put off by the slump of the 90s, Mr. Chow's determination never once wavered and, in 1997, Macau witnessed the grand opening of the million-square-foot office-cum-serviced apartment Landmark, with celebrity violin virtuoso Vanessa Mae performing at the opening ceremony. Then, in 2003, Chow officially opened the five-star Landmark Hotel, a 451-room luxury hotel that now ranks among the very best in Macau, with occupancy rates per-

petually above the 80% mark.

A vital part of the Landmark's success is its plush casino – the Legend Club – where Mr. Chow made use of his intimate knowledge of the Macau gaming industry to create an exclusive establishment for VIP gamblers from mainland China. A club whose luxury has to be seen to be believed, the Legend Club has become synonymous with lavishness: such opulence can be found in San Simeon, the Hotel de Paris, or the London Ritz. To the disbelief of his critics, the Legend Club quickly became one of the most successful sub-licensed casinos in Macau: its fleet of limousines and luxurious custom-made super yachts underscored a brand that soon became legendary both in Macau and overseas.

"The Legend Club was the culmination of several years' planning and development, during which no effort was spared to bring members the very best," says Mr. Chow. "We combined a genuinely sophisticated ambience with state-of-the-art sporting equipment, entertainment, and a wide selection of opulent gaming rooms."

These gaming rooms are decorated in styles that range from a lush tropical rain forest to a sky-lit Italian palace and baroque French villa. Further to this, Mr. Chow transformed the second, third and fourth floors of the Landmark into the Egyptian-themed Pharaoh's Palace Casino, meaning that people no longer have far to travel to see the hieroglyphs of Egypt or the monument of King Tutankhamen. Pharaoh's Palace has become one of the most lucrative casinos

in Macau, with each of its 60 tables earning a small fortune on a daily basis.

The reformation of Macau's gaming sector has opened the doors of its five billion dollar casino industry to American operators, ending the monopoly of local tycoon Stanley Ho. Mr. Chow welcomes the competition, believing it should benefit Macau: "I am unfazed by the arrival of the American operators here," he says. "Competition is my life, it is in my blood." However, he is concerned about some figures of investment that are being talked about. "As a responsible legislator, it strikes me as over-ambitious and ill-advised for foreign investors to spend billions of dollars on hotel and tourism complexes, as I cannot see how their shareholders can expect any return." According to Mr. Chow,

it is good to build up Macau, but there is such a thing as overbuilding, and too much, too soon would do more harm than good.

David Chow's responsibilities as a legislator date back to 1996, when he ran for the Legislative Assembly of Macau. Encouraged by the strong membership in the Association for the Promotion and Development of Macau (Aprodem), an association which he himself founded, he won a seat by direct election, and became a force to be reckoned with in Macau. Showing his political prowess in the Assembly, Mr. Chow set about serving the underprivileged of Macau, founding numerous charitable associations and foundations.

After the departure of the Portuguese administration in 1999, David Chow decided to run for the Legislative Assembly again in September 2001. During that period, he boldly stood for a directly elected seat once more and was duly re-elected to the assembly. With champagne corks still popping in the background, Chow set out his vision to further contribute to the future of Macau.

Now, with the second phase of Fisherman's Wharf awaiting approval, the construction of a new five-star hotel in the pipeline, and as the head of the 18,000-member-strong Aprodem, David Chow looks set to remain one of the most prominent driving forces of local development for some time. Yet ambitions for business expansion are not limited to Macau, and Mr. Chow is now aiming to raise his international profile by venturing into Cape Verde and mainland China. In Cape Verde, one of Africa's most stable democratic countries, which, like Macau, is also a former Portuguese colony, the newly elected government invited Mr. Chow to be the honorary consul. He quickly visualized the opportunities offered in Cape Verde and has committed himself to begin the development of luxurious casino-resorts and other tourism related businesses.

In China he is building The Legend, a \$250 million hotel project in Beijing. As you would expect from a man of Mr. Chow's vision, it is not just any hotel, but a 'platinum five-star' hotel, a new category introduced by the Chinese Ministry of Tourism in 2004. Construction of this luxury hotel – which will have 24-hour butler service on each of its executive floors – began at the end of 2004 and is scheduled to be completed in time for the 2008 Olympic Games in Beijing. As Mr. Chow sets his sights on this and other projects abroad, he remains firmly rooted in Macau. And, like Macau itself, Chow appears to be one of Asia's rising stars.



Visitors will be greeted by an artificial volcano, a convention center, a Roman amphitheater, and a blend of buildings invoking cultures from around the world.



The 22-floor Macau Landmark hotel offers 451 guestrooms and a wide range of recreation facilities, including the famous 24-hour Palace Casino.

MACAU'S XANADU SET TO ATTRACT MILLIONS OF VISITORS A YEAR

Bringing the world to Macau

DEVELOPERS are aiming to recreate Xanadu in Asia, through the construction of Macau Fisherman's Wharf, one of the most ambitious tourism projects the Pearl River Delta has ever seen. The man who has made this dream materialize is David Chow, a man who takes great pride in his dedication to Macau.

In February 2000, barely two months after the handover of Macau back to China, Mr. Chow laid out the plans for his \$300 million entertainment complex. Project Xanadu, as it was then known, would be a family-oriented entertainment pier in Macau's outer harbor that would occupy an area of one million square feet, 40% of which was to be reclaimed from the sea.

At the time Macau was still in a transition period following the Portuguese handover and many regarded Mr. Chow's idea as little more than a pipedream. "When I first presented my plans to the government, some people did not understand the concept behind it," he explains. "They said it couldn't be done – that it was too ambitious." However, this lukewarm reception did not deter Mr. Chow and five years after the plans were given the green light, his vision has finally taken shape: Fisherman's Wharf – billed as Macau's "state-ly pleasure-dome" – is a reality.

As Fisherman's Wharf transforms from dream into reality, visitors arriving to Macau by ferry may be doing a double-take when they catch their first glimpse of scenes from what could be Miami, Rome, Old England, or even

Mount Vesuvius. Mr. Chow, one of the territory's most famous businessmen and world travelers, has brought a piece of the world back to the shores of Macau's outer harbor.

Macau Fisherman's Wharf commands attention with its colorful collection of architecture based on waterfront buildings from around the world. The family entertainment destination will feature an upscale nightlife district with pubs and a disco, children's attractions that include rides and shows, a luxury hotel, Macau's largest convention center, and an array of international dining and shopping venues from renowned Hong Kong retailers. If that is not enough to satisfy a visiting family, there will even be a flame-erupting volcano.

"I came up with the idea for Fisherman's Wharf after a lifetime of travel. I wanted to take the best parts from all over the world and bring them to Macau," enthuses Chow.

"Although we have incorporated some elements of local culture, when

Architectural replicas from cities such as Venice and Amsterdam will be one of the theme park's great attractions.

you walk around Fisherman's Wharf, you will not feel that you are in Macau. The idea behind the whole project was to attract families to Macau, as there were few venues where children and parents could go to together to enjoy themselves."

This of course, is very much in line with government policy, one of whose prime goals is to attract more family-based entertainment and, by extension, more families to Macau. It was not always so, and Mr. Chow's Fisherman's Wharf is said to have turned heads in government. Before David Chow's envisioning of Fisherman's Wharf, no one had ever spoken of bringing families to Macau, and efforts were concentrated on the gaming industry. Soon after the project was approved, the government started raising the issue of more family-oriented tourism, and now it has become a major focus of Macau's tourism strategy.

Mr. Chow had long been conceiving his plan to build an educational, family-oriented theme park, and his

move to wait until after the handover back to China was a deliberate one. "I wanted to show my commitment to the new Macau," explains Mr. Chow. "It was my way of saying thank you to Macau for making me a wealthy man. I believe that if you make your wealth here, you are indebted to invest it back into Macau, to make it a better place."

Fisherman's Wharf, or Macau's Xanadu, will certainly give the growing crowds of visitors to Macau something to cherish, and, when Mr. Chow receives approval for the second phase of his project, a further three hotels, a marina, an exhibition center, a new executive office building and, perhaps inevitably, a casino will also be built. "After all, you have to have some place for the adults to play as well," smiles Mr. Chow.





Macau Fisherman's Wharf
澳門漁人碼頭

Step into our world of entertainment

Guaranteed to provide truly unique experiences that will amaze and astound, Macau Fisherman's Wharf is Macau's first ever themed attraction. Bringing together the world's most impressive sights to recreate the atmosphere of history's most famous epochs, the largest entertainment center in the Pearl River Delta Region includes shopping, food outlets, family entertainment activities, and convention facilities. A dazzling complex like nothing before it, Macau Fisherman's Wharf is destined to become the number one tourist attraction in the region.

www.fishermanswharf.com.mo

