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### **Financial Adviser to the Company**



## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

The Company has conditionally agreed to place, through its placing agent, Ong Asia, 24,200,000 new Placing Shares to not less than six independent investors at a price of HK\$1.45 per Share. The Placing will be effected by Ong Asia on a best efforts basis.

The Placing Shares represent approximately 19.985% of the existing issued share capital of the Company of 121,087,134 Shares and approximately 16.656% of the Company's issued share capital as enlarged by the Placing. The net proceeds from the Placing of approximately HK\$34,735,000 will be used as general working capital of the Group and to finance the possible acquisition of 70% equity interest of Tongda Energy as announced by the Company on 10th July, 2002. If the Tongda Energy transaction does not eventuate, all of the net proceeds will be used for general working capital purposes.

The Placing is conditional upon the Stock Exchange granting listing of and permission to deal in the Placing Shares.

Further announcement will be made to inform shareholders if not all of the Placing Shares are placed or the Placing is terminated.

## **PLACING AGREEMENT DATED 11TH JULY, 2002**

### **Placing agent:**

Ong Asia is the placing agent and will receive a placement commission of 1% on the gross proceeds of the Placing. Ong Asia is independent of and not connected with the Company nor with the directors, chief executive or substantial shareholder of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

### **Placees:**

Not less than six placees (which are required to be independent individual, corporate and/or institutional investors) who will be independent of and not connected with the Company nor with the directors, chief executive or substantial shareholders of the Company, and any of their subsidiaries or any of their respective associates (as defined in the Listing Rules).

**Placing price:**

The placing price is HK\$1.45 per Placing Share. This price was agreed after arm's length negotiations and represents (i) a discount of approximately 11.58% to the closing price of HK\$1.64 per Share quoted on the Stock Exchange on 11th July, 2002; and (ii) a discount of approximately 9.94% to the average closing price per Share of approximately HK\$1.61 per Share as quoted on the Stock Exchange from 27th June, 2002 to 11th July, 2002 both dates inclusive, being the last ten trading days of the Shares immediately before the date of issue of this announcement.

The net proceeds of the Placing is required to be paid to the Company at completion of Placing.

**Rights**

The Placing Shares will on issue rank equally with the existing Shares.

**Number of Shares to be placed**

24,200,000 new Shares are to be placed, representing approximately 19.985% of the existing issued share capital of the Company of 121,087,134 Shares and approximately 16.656% of the issued capital of the Company as enlarged by the Placing of the Placing Shares. The Placing is effected by Ong Asia on a best efforts basis.

Lasting Legend Limited, a company incorporated in the British Virgin Islands and a substantial shareholder of the Company holding approximately 30.16% of the existing issued share capital of the Company, will hold approximately 25.14% of the issued share capital enlarged by the issue of the Placing Shares following completion of the Placing.

**General Mandate:**

The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the directors of the Company by resolution of its shareholders passed at the Company's annual general meeting held on 17th June, 2002. The general mandate has not been utilised prior to entering into the Placing Agreement.

**Use of Proceeds**

The net proceeds from the Placing of approximately HK\$34,735,000 will be used as general working capital of the Group and to finance the possible acquisition of 70% equity interest in Tongda Energy, details of which were announced by the Company on 10th July, 2002. All of such net proceeds will be used as general working capital of the Group if the Tongda Energy acquisition does not proceed.

**Condition of the Placing**

The Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares.

**Completion**

The Placing is to be completed on or before 4:00 p.m. on the second trading day after satisfaction of the Condition. The Placing Agreement will lapse if the Condition is not satisfied by 9th August, 2002 unless the parties agree otherwise. Accordingly, the placing is expected to be completed not later than 13th August, 2002.

## **Application for listing**

Application will be made by the Company to the Stock Exchange for the grant of the listing of and permission to deal in the Placing Shares.

## **General**

The directors of the Company consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Company and the shareholders of the Company as a whole.

Further announcement will be made to inform shareholders if not all of the Placing Shares are placed or the Placing is terminated.

## **Reason for the Placing**

The Placing is effected principally for the purpose of strengthening the working capital of the Group and if the possible acquisition of 70% equity interest in Tongda Energy eventuates, the proceeds from the Placing can be used to finance the acquisition.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Company”	means Melco International Development Limited, a company incorporated in Hong Kong whose shares are listed on the main board of the Stock Exchange
“Condition”	means condition of the Placing
“Group”	means the Company and its subsidiaries
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Ong Asia”	means Ong Asia Securities (H.K.) Limited, a registered securities dealer under the Securities Ordinance (Cap. 333)
“Placing”	means placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agreement”	means placing agreement dated 11th July, 2002 between Ong Asia and the Company
“Placing Shares”	means 24,200,000 new ordinary Shares
“Shares”	means shares of HK\$1.00 each in the capital of the Company
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Tongda Energy”	means Tongda Energy Corporation Limited, a PRC Joint Stock Limited Company incorporated on 22nd January 1998

By order of the board of directors of  
**Melco International Development Limited**  
**Lawrence Ho**  
*Managing Director*

Hong Kong, 11th July, 2002

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