

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Melco International Development Limited

新濠國際發展有限公司

(Incorporated in Hong Kong with limited liability)

**RIGHTS ISSUE
IN THE PROPORTION OF ONE RIGHTS SHARE
FOR EVERY TWO SHARES IN ISSUE ON THE RECORD DATE
PAYABLE IN FULL ON ACCEPTANCE
AT HK\$1.45 PER RIGHTS SHARE**

Financial Adviser to Melco International Development Limited



VC CEF CAPITAL LIMITED
滙盈加怡融資有限公司
A wholly-owned subsidiary of Value Convergence Holdings Limited

THE RIGHTS ISSUE

The Company proposes to raise about HK\$105 million before expenses by way of a rights issue of not less than 72,643,566 Rights Shares and not more than 78,697,922 Rights Shares at a price of HK\$1.45 per Rights Share on the basis of one Rights Share for every two Shares in issue on the Record Date. As at the date of this announcement, the Company has outstanding Share Options entitling holders thereof to subscribe for up to 5,343,484 Shares and 6,765,229 Shares at an exercise price of HK\$1.38 and HK\$1.66 per Share respectively.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The estimated net proceeds of the Rights Issue is about HK\$105 million (assuming no Share Options are exercised before the Record Date), which are currently intended to be utilized as to about (i) 30% for financing development of the Group's investment banking and financial services businesses, (ii) 20% for financing development of the Group's fine-dining and leisure businesses, (iii) 40% for financing the Group's future investments and (iv) 10% for the Group's general working capital purposes. As at the date of this announcement, no investment opportunity has yet been identified.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is subject to the conditions set out below under the sub-section headed "Conditions of the Rights Issue".

UNDERTAKINGS BY THE MAJOR SHAREHOLDERS

As at the date of this announcement, the Major Shareholders are together beneficially interested in an aggregate of 72,745,210 Shares representing about 50.1% of the existing issued share capital of the Company. Each of the Major Shareholders have irrevocably undertaken to both the Company and the Underwriter to take up and accept their respective entitlements under the Rights Issue in full, amounting to 36,372,604 Rights Shares.

UNDERWRITING ARRANGEMENTS

The Rights Shares, other than those to be taken up by the Major Shareholders pursuant to their respective undertaking, will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

TERMINATION OF THE UNDERWRITING AGREEMENT

If the Underwriting Agreement is terminated or does not become unconditional, the Rights Issue will not proceed. It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the rights to terminate its obligations on the occurrence of certain events, including events of force majeure referred to below in the sub-section headed “Termination of the Underwriting Agreement”. Investors’ attention is drawn to the section headed “Warning of the risks of dealings in the Shares and Rights Shares” below.

DEALINGS AND RECORD DATE

Dealings of the Shares on an ex-rights basis will commence on Friday, 22 August 2003. The Rights Shares are expected to be dealt with in their nil-paid form from Tuesday, 2 September 2003 to Tuesday, 16 September 2003 (both days inclusive).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and have an address which appears on the register of members of the Company on that date in a place where the making of the offer to participate in the Rights Issue is permitted under the laws of that place. In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant share certificates) must be lodged for registration with the Company’s share registrar, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by no later than 4:00 p.m. on Monday, 25 August 2003.

The latest time for acceptance and payment of the Rights Shares is expected to be 4:00 p.m. on Friday, 19 September 2003. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

RIGHTS ISSUE DOCUMENTS

The Company will send the Rights Issue Documents to Qualifying Shareholders only on or before Friday, 29 August 2003.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on Monday, 11 August 2003 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 12 August 2003.

RIGHTS ISSUE

Issue statistics:

Basis of the Rights Issue:	One Rights Share for every two Shares in issue on the Record Date
Number of existing Shares in issue:	145,287,134 Shares as at the date of this announcement
Number of Rights Shares:	Not less than 72,643,566 Rights Shares and not more than 78,697,922 Rights Shares

Under the Rights Issue, not less than 72,643,566 nil-paid Rights Shares (assuming no Share Options are duly exercised before the Record Date) will be provisionally allotted to Shareholders. The Rights Shares represent about 50.0% of the existing issued share capital of the Company and about 33.3% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued pursuant to the Share Option Scheme on or before the Record Date.

As at the date of this announcement, the Company has outstanding Share Options entitling holders thereof to subscribe for up to 5,343,484 Shares and 6,765,229 Shares at an exercise price of HK\$1.38 and HK\$1.66 per Share respectively. If all of the subscription rights attaching to the outstanding Share Options are duly exercised in full and the Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares as at the Record Date will be increased to 157,395,847 and the number of Rights Shares that may be issued pursuant to the Rights Issue will be increased to 78,697,922 Rights Shares. Save as aforesaid, the Company has no other Share Options, warrant or other securities convertible into or exchangeable for Shares outstanding as at the date of this announcement.

Qualifying Shareholders:

The Company will send the Rights Issue Documents to Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

- be registered as a member of the Company at the close of business on the Record Date; and
- have an address which appears on the register of members of the Company on the Record Date in a place where the making of the offer to participate in the Rights Issue is permitted under the laws of that place.

In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant share certificates) must be lodged with the Company's share registrar, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Monday, 25 August 2003.

Closure of register of members:

The register of members of the Company will be closed from Tuesday, 26 August 2003 to Friday, 29 August 2003, both days inclusive. No transfer of Shares will be registered during this period.

TERMS OF THE RIGHTS ISSUE**Subscription price:**

HK\$1.45 per Rights Share, payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of the Rights Shares under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The subscription price of HK\$1.45 per Rights Share represents:

- (i) a discount of about 19.0% to the closing price of HK\$1.79 per Share quoted on the Stock Exchange on 8 August 2003, being the last trading date of the Shares prior to the release of this announcement;
- (ii) a discount of about 19.4% to the average closing price of HK\$1.80 per Share quoted on the Stock Exchange for the 10 consecutive trading days up to and including 8 August 2003;
- (iii) a discount of about 13.7% to the theoretical ex-rights price of HK\$1.68 per Share based on the closing price of HK\$1.79 per Share as quoted on the Stock Exchange on 8 August 2003; and

(iv) a discount of about 44.0% to the audited consolidated net tangible assets per Share of the Group of about HK\$2.59 as at 31 December 2002.

The subscription price of HK\$1.45 was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Board considers the terms of the Rights Issue to be fair and reasonable and in the best interests of the Shareholders.

Basis of provisional allotments:

One Rights Share (in nil-paid form) for every two Shares in issue as at the close of business on the Record Date.

Status of the Rights Shares:

When allotted, issued and fully paid, the Rights Shares will rank pari passu in all respects with the then existing Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue of the fully-paid Rights Shares.

Certificates for the Rights Shares:

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those Qualifying Shareholders who have been accepted and paid for the relevant Rights Shares at their own risk on or before Wednesday, 24 September 2003.

Rights of Non-Qualifying Shareholders:

The Rights Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. No provisional allotment of Rights Shares will be made to Non-Qualifying Shareholders. The Company will not send any Rights Issue Documents to Non-Qualifying Shareholders.

In the circumstances where the law of the place of the address of the Non-Qualifying Shareholder permits the distribution to such Non-Qualifying Shareholder of the net proceeds of sale of the Rights Shares referred to in this paragraph, the Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to Non-Qualifying Shareholders, to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. Where permitted by applicable law, as referred to above, the proceeds from the sale of individual Non-Qualifying Shareholder's nil paid Rights Shares, net of expenses, of HK\$100 or more will be paid to the Non-Qualifying Shareholders in Hong Kong dollars as soon as practicable. The Company will retain individual amounts of less than HK\$100 for its own benefit.

Fractions of Rights Shares:

The Company will not provisionally allot and issue and will not accept application for any fraction of Rights Shares. The Company will sell any nil-paid Right Shares created by adding fractions of the Rights Shares in the market, if any, and will retain the proceeds for its own benefit. Any unsold fractions of Rights Shares will be available for excess application.

Application for excess Rights Shares:

Qualifying Shareholders may apply for any unsold entitlements of Non-Qualifying Shareholders, any unsold Rights Shares arising from the aggregation of fractions of Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Application may be made by completing the form of application for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at their discretion on a fair and reasonable basis but will give preference to topping-up odd lots to whole board lots.

Application for listing:

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

Nil-paid Rights Shares are expected to be traded in board lots of 2,000 Shares (Shares are currently traded in board lots of 2,000 Shares). Dealings in nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty in Hong Kong.

UNDERWRITING ARRANGEMENTS**Underwriting Agreement:**

Date:	11 August 2003
Underwriter:	Kim Eng Securities (Hong Kong) Limited
Number of Rights Shares underwritten:	Not less than 36,270,962 Rights Shares and not more than 42,325,318 Rights Shares
Commission:	2.5% of the subscription price multiplied by the actual number of Rights Shares underwritten by the Underwriter subject to fulfillment of the conditions set out in the Underwriting Agreement.

The Underwriter is independent of and not connected with the directors, chief executive or substantial shareholders of the Company and its subsidiaries or any of their respective associates.

Undertakings by the Major Shareholders

As at the date of this announcement, the Major Shareholders are together beneficially interested in an aggregate of 72,745,210 Shares representing about 50.1% of the existing issued share capital of the Company. Each of the Major Shareholders have irrevocably undertaken to both the Company and the Underwriter to take up and accept their respective entitlements under the Rights Issue in full, amounting to 36,372,604 Rights Shares. The Major Shareholders may consider applying for excess Rights Shares subject to compliance with the relevant regulatory requirements.

The Rights Shares, other than those to be taken up by the Major Shareholders pursuant to their respective undertaking, will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

Termination of the Underwriting Agreement:

The Underwriter may terminate the arrangements set out in the Underwriting Agreement, after consultation with the Company, by notice in writing given to the Company at any time at or prior to the Latest Time for Termination if, in the reasonable opinion of and at the discretion of the Underwriter:-

- (i) the success of the Rights Issue would be adversely affected by:-**
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter in its discretion materially adversely affect the financial position of the Group taken as a whole; or**
 - (b) the occurrence, happening, coming into effect, change or becoming public knowledge of any event or circumstances of a local, national or international nature or change (whether or not forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, market or other nature (whether or not eiusdem generis with any of the foregoing), or in the nature of any local national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets or the occurrence of any combination of circumstances which materially adversely affects the business or the financial position of the Group as a whole or materially adversely prejudices the success of the Rights Issue or otherwise makes it inadvisable for the Company or the Underwriter to proceed with the Rights Issue; or**
- (ii) any change in market conditions or combination of circumstances in Hong Kong or elsewhere (including without limitation suspension of or material restriction on trading in securities) occurs which in the reasonable opinion of the Underwriter in its discretion may materially adversely affect the success of the Rights Issue or makes it inadvisable for the Underwriter and the Company to proceed with the Rights Issue; or**
- (iii) any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriter will materially and adversely affect the business or financial position of the Company, including without limiting the generality of the foregoing the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or**

- (iv) the prospectus relating to the Rights Issue when published contain information (either as to the business or financial condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which in the reasonable opinion of the Underwriters is material to the Group as a whole and might materially and adversely affect the success of the Rights Issue.

If the Underwriting Agreement is terminated by the Underwriter on or before the above deadline or does not become unconditional, the Rights Issue will not proceed.

Conditions of the Rights Issue:

The Rights Issue is conditional upon, among other things:

- the Listing Committee of the Stock Exchange having granted or agreed to grant and not revoked listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms;
- the delivery to the Stock Exchange and registration and filing with the Registrar of Companies in Hong Kong of the relevant documents in accordance with the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- the posting of the Rights Issue Documents to Qualifying Shareholders on Friday, 29 August 2003 or such other date as the Underwriter may agree in writing with the Company; and
- the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms.

As the Rights Issue is subject to the above conditions, it may or may not proceed.

In the event that the conditions of the Rights Issue are not fulfilled and/or waived in whole or in part by 4:00 p.m. on Tuesday, 23 September 2003 (or such later date as the Underwriter may agree in writing with the Company), or the Underwriting Agreement has been terminated in accordance with the terms thereof, then the Rights Issue will not proceed.

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is as follows:

Last day of dealings in the Shares on a cum-rights basis Thursday, 21 August

First day of dealings in the Shares on an ex-rights basis Friday, 22 August

Latest time for lodging transfers of the Shares
in order to qualify for the Rights Issue 4:00 p.m. on Monday, 25 August

Register of members closes (both days inclusive)	Tuesday, 26 August to Friday, 29 August
Record Date	Friday, 29 August
Despatch of Rights Issue Documents	Friday, 29 August
Register of members re-opens	Monday, 1 September
First day of dealings in nil-paid Rights Shares	Tuesday, 2 September
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Wednesday, 10 September
Last day of dealings in nil-paid Rights Shares	Tuesday, 16 September
Latest time for acceptance of, payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Friday, 19 September
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 23 September
Announcement of results of the Rights Issue on newspapers ..	Wednesday, 24 September
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before	Wednesday, 24 September
Certificates for the fully-paid Rights Shares expected to be despatched on or before	Wednesday, 24 September
Dealings in fully-paid Rights Shares on the Stock Exchange expected to commence on	9:30 a.m. on Friday, 26 September

REASONS FOR THE RIGHTS ISSUE

The Directors are of the view that it is beneficial for the Company to strengthen its equity base, to improve its financial gearing and to obtain additional cash resources to support the continuing development of the Group's existing business activities and new business growth. The Rights Issue enables the Company to carry out the capital raising exercise while Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in the Company by participating in the Rights Issue. As such, the Directors consider that the implementation of the Rights Issue is in the interests of the Company and its Shareholders as a whole.

The Group has an audited consolidated loss from ordinary activities attributable to Shareholders of about HK\$18.6 million and HK\$35.6 million for the year ended 31 December 2001 and 2002, respectively, and has audited consolidated net tangible assets of the Company of about HK\$374.5 million as at 31 December 2001 and about HK\$376.1 million as at 31 December 2002.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The estimated net proceeds of the Rights Issue is about HK\$105 million (assuming no Share Options are exercised before the Record Date), which are currently intended to be utilized as to about (i) 30% for financing the Group's investment banking and financial services businesses, (ii) 20% for financing development of the Group's fine-dining and leisure businesses, (iii) 40% for financing the Group's future investments and (iv) 10% for the Group's general working capital purposes. As at the date of this announcement, no investment opportunity has yet been identified.

ADJUSTMENTS IN RELATION TO THE SHARE OPTIONS

As at the date of this announcement, the Company has outstanding Share Options entitling the holders of which to subscribe for up to 5,343,484 and 6,765,229 Shares at an exercise price of HK\$1.38 and HK\$1.66 per Share respectively (both number and subscription price are subject to adjustments). The issuance of the Rights Shares will cause an adjustment to each of the subscription prices and the number of Shares to be issued under the Share Options. As to the adjustments to the number of Shares to be issued and the subscription prices in respect of Share Options, the Company will instruct its auditors to review and certify the basis of such adjustments as soon as possible. Holders of Share Options will be informed of the adjustment accordingly.

GENERAL

The Company is an investment holding company. Currently, the Group's businesses are divided into 5 divisions: (i) investment banking and financial services; (ii) technology; (iii) fine-dining, leisure and tourism; (iv) property investment; and (v) investment and energy. Through its listed subsidiary, Value Convergence Holdings Limited, the Group carries on securities brokerage, commodities trading and corporate finance business under the "VC CFN" and "VC CEF" brand names via traditional means and the internet, and customizes and sells trading and back office systems and solutions to financial institutions and intermediaries in Asia under the "iAsia" brand name. The Group's subsidiary, Elixir Group Limited, supplies computer hardware equipment, intelligent surveillance system, enterprise portal solution, business process workflow re-engineering, IT consultancy services and eCommerce infrastructure to clients in the Pearl River Delta Area, of the PRC. Elixir Group Limited is a leading system integrator in Macao and has been doing well since its establishment. In view of this and in view of the blooming state of Macao's information technology business, the Group wishes to inject more resources into and further develop Elixir Group's business. As regards the fine-dining and leisure business, the Group is in the process of transforming the Jumbo and Tai-Pak Floating Restaurants into a modern complex of fine-dining, shopping, sightseeing and cultural attraction to be named "Jumbo Kingdom". Furthermore, in anticipation of a growing demand for energy and natural gas in the PRC, the Group is actively pursuing energy, environmental and natural gas distribution and supply projects in the PRC. A new subsidiary, Melco Energy Limited, has been designated to undertake such projects. If such projects are materialized, the Company will make appropriate disclosure and/or obtain such shareholders' approval in accordance with the Listing Rules requirements.

The Rights Issue Documents, containing the Prospectus, the provisional allotment letters and the forms of application for excess Rights Shares in relation to the Rights Issue, are expected to be despatched to the Qualifying Shareholders on or before Friday, 29 August 2003.

VC CEF Capital Limited has been appointed as the financial adviser to the Company.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on Monday, 11 August 2003 pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:30 a.m. on Tuesday, 12 August 2003.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES

Existing Shares are expected to be dealt in on an ex-rights basis from Friday, 22 August 2003. If the conditions of the Rights Issue (see sub-section headed “Conditions of the Rights Issue” above) are not fulfilled or the Underwriter terminates the Underwriting Agreement (see sub-section headed “Termination of the Underwriting Agreement” above), the Rights Issue will not proceed.

Any buying or selling of the Shares from now up to the date on which all such conditions are fulfilled, and any buying or selling of nil-paid Rights Shares between Tuesday, 2 September 2003 to Tuesday, 16 September 2003 (both days inclusive), is at investors’ own risk.

Since the Rights Issue may or may not proceed, Shareholders and investors should exercise caution when dealing in the Shares and nil-paid Rights Shares.

If in any doubt, investors are recommended to seek professional advice about this.

DEFINITIONS

In this announcement, the terms and expressions used herein shall have the following meanings, unless the context requires otherwise: -

“Acceptance Date”	Friday, 19 September 2003 or such other date as the Underwriter may agree in writing with the Company
“associate(s)”	has the meaning given to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks are generally open for business in Hong Kong

“Company”	Melco International Development Limited, a company incorporated in Hong Kong and the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Time For Termination”	4:00 p.m. on the second Business Day immediately after the Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholders”	(a) Shun Tak Shipping Company, Limited, Dr Stanley Ho and Madam Lucina Laam King Ying and (b) Lasting Legend Limited, a company wholly owned by Mr. Lawrence Ho, who are together beneficially interested in 72,745,210 Shares, representing about 50.1% of the issued share capital of the Company as at the date of this announcement
“Non-Permitted Jurisdictions”	any jurisdiction where the making of the offer to participate in the Rights Issue is not permitted by the law of that place
“Non-Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on the register of members are in Non-Permitted Jurisdictions
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	the Shareholder(s), other than the Non-Qualifying Shareholder(s), whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 29 August 2003, the date by reference to which entitlement under the Rights Issue will be determined
“Rights Issue”	the issue of not less than 72,643,566 Rights Shares and not more than 78,697,922 Rights Shares at HK\$1.45 per Rights Share on the basis of one Rights Share for every two Shares in issue on the Record Date payable in full on acceptance
“Rights Issue Documents”	the Prospectus, the provisional allotment letter and the form of application for excess Rights Shares

“Rights Share(s)”	new Share(s) to be issued and allotted pursuant to the Rights Issue
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Share Option(s)”	option(s) to subscribe for Share(s) granted by the Company under the Share Option Scheme
“Share Option Scheme”	the existing share option scheme of the Company which was adopted by the Company on 8 March 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriter”	Kim Eng Securities (Hong Kong) Limited, a deemed licensed corporation to carry out regulated activities of dealing in securities, advising on securities and corporate finance and asset management under the SFO
“Underwriting Agreement”	the underwriting agreement dated 11 August 2003 entered into between the Company and the Underwriter in relation to the Rights Issue
“HK\$”	Hong Kong dollars
“%”	per cent

By order of the Board
Melco International Development Limited
Lawrence Ho
Managing Director

Hong Kong, 11 August 2003

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