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Melco International Development Limited

新濠國際發展有限公司

(incorporated in Hong Kong with limited liability)

Connected and possible discloseable transaction

Despatch of circular relating to underwriting of the rights issue and bonus issue of shares in iAsia

The circular relating to the underwriting of the rights issue of shares in iAsia Technology Limited was despatched to the shareholders of Melco International Development Limited on 16th November, 2002.

Reference is made to the announcement dated 12th October, 2002 jointly issued by iAsia Technology Limited and Melco International Development Limited relating to (i) a conditional acquisition by iAsia of the entire issued share capital of CEF Brokerage Limited, CEF Futures Limited and CEF Capital Limited (collectively known as “CEF companies”) (ii) a proposed rights issue and bonus issue of shares in iAsia (iii) underwriting of the rights issue of shares in iAsia and (iv) a whitewash waiver sought by Melco.

Despatch of circular

On 16th November, 2002, Melco despatched to its shareholders a circular containing, amongst other things, details relating to underwriting of the rights issue of shares in iAsia. The circular also contained a letter of advice from the joint independent financial advisers to the independent board committee of Melco, a recommendation from the independent board committee of Melco together with a notice convening an extraordinary general meeting of the shareholders of Melco scheduled at 12:00 noon on 10th December, 2002.

Pro forma adjusted unaudited consolidated net tangible assets of Melco and its subsidiaries

Set out below is the pro forma adjusted unaudited consolidated net tangible assets of Melco and its subsidiaries immediately following the completion of the acquisition and the proposed rights issue of iAsia as referred to in the circular dated 16th November, 2002:

	30th June, 2002	
	HK\$'000	
	Scenario 1	Scenario 2
	(note 1)	(note 2)
Audited consolidated net tangible assets of Melco and its subsidiaries as at 31st December, 2001	374,469	374,469
Unaudited consolidated loss of Melco and its subsidiaries for the six months ended 30th June, 2002	(7,288)	(7,288)
Unaudited consolidated net tangible assets of Melco and its subsidiaries as at 30 June, 2002	367,181	367,181
Net proceeds from a share placement of new shares in Melco in August 2002	34,739	34,739
71.43% of iAsia's unaudited net tangible assets after the proposed acquisition of iAsia	–	101,630
Less: total consideration for the subscription of the rights issue of shares in iAsia	–	(102,066)
3.5% underwriting fee	3,572	3,572
Unaudited consolidated net tangible assets of Melco and its subsidiaries after the relevant adjustments for the rights issue and the bonus issue of shares in iAsia and the acquisition	<u>405,492</u>	<u>405,056</u>
Total number of shares in Melco in issue	<u>145,287,134</u>	<u>145,287,134</u>
Unaudited net tangible assets per share in Melco before the completion of the acquisition and the rights issue	<u>HK\$2.77</u>	<u>HK\$2.77</u>
Unaudited net tangible assets per share in Melco after the completion of the acquisition and the rights issue	<u>HK\$2.79</u>	<u>HK\$2.79</u>

As shown in the table above, the pro forma adjusted unaudited consolidated net tangible asset value per share in Melco may increase from HK\$2.77 to HK\$2.79 following the completion of the acquisition and the rights issue.

Notes:

1. On the basis that all shareholders of iAsia have taken up their provisional allotments of the rights shares to be issued by iAsia assuming none of the existing options of iAsia are exercised prior to the record date of the rights issue of iAsia.
2. On the basis that none of the shareholders of iAsia have taken up any provisional allotments of the rights shares to be issued by iAsia and the provisional allotments of the rights shares to all shareholders of iAsia have been taken up by Melco assuming none of the existing options of iAsia are exercised prior to the record date of the rights issue of iAsia.

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

Hong Kong, 16th November, 2002

All the directors of Melco jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

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