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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)*

Website: <http://www.melco.hk.cn>

(Stock code: 200)

## **DISCLOSEABLE TRANSACTION**

The Board of Directors is pleased to announce that on 23rd April, 2004, Double Crown Limited, a wholly-owned subsidiary of the Company, entered into a Memorandum of Agreement for Sale and Purchase pursuant to which Double Crown Limited agreed to sell and Grandford Properties Limited, an independent third party, agreed to purchase the Property in accordance with the terms set out therein.

The consideration was agreed after arm's length negotiations.

The directors of the Company (the "Directors") believe that the sale of the Property is fair and reasonable in light of the best offer prices of the Property received in the current market situation and is in the best interest of the Company.

Out of the sale proceeds of HK\$83 million of the Property, HK\$65 million will be used to repay bank loan of the Group while the balance will be used as general working capital of the Group.

The disposal of the Property constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing further details of the Transaction will be despatched to shareholders as soon as practicable.

On 23rd April, 2004, Double Crown Limited, a wholly-owned subsidiary of the Company, entered into a Memorandum of Agreement for Sale and Purchase (“Sale and Purchase Agreement”) pursuant to which Double Crown Limited agreed to sell and Grandford Properties Limited, an independent third party, agreed to purchase the Property in accordance with the terms set out therein.

## **MEMORANDUM OF AGREEMENT FOR SALE AND PURCHASE DATED 23RD APRIL, 2004**

### **Parties**

Vendor: Double Crown Limited

The Group is principally engaged in investing banking and financial services, leisure and entertainment and technology businesses.

Purchaser: Grandford Properties Limited

The Purchaser is principally engaged in property investment.

The Purchaser and its beneficial owners are independent third parties, not connected with any directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) or any of them.

## **Property**

The property is all that piece of ground situated at Tung Shan Terrace, Stubb's Road, Hong Kong and registered in the Land Registry as The Remaining Portion of Inland Lot No. 2937 together with the messuages erections and buildings thereon now known as "Art Court" No. 5 Tung Shan Terrace (the "Property"). The Property is residential property and its sale is subject to existing tenancies, which have various expiry dates, the last of which is in December 2006.

## **Consideration**

The consideration of HK\$83 million was agreed after arm's length negotiations. The consideration was determined based on the best offer prices of the Property received in the current market situation.

Based on the audited accounts of the Company as at 31st December, 2003, the net book value of the Property was revalued on an open market, existing tenancy basis by FPD Savills (Hong Kong) Limited, an independent firm of professional valuers, at HK\$82 million, while the original book cost was HK\$26.2 million. Therefore, profit before related expenses represented by consideration less original book cost of approximately HK\$56.8 million will be recorded upon completion of the disposal.

## **Payment terms**

The consideration will be paid as follows:

- (1) the Purchaser has paid HK\$3 million being initial deposit in cash upon signing of the Sale and Purchase Agreement;
- (2) a further payment of HK\$5.3 million being further deposit will be paid in cash on or before 15th May, 2004;
- (3) the balance of the purchase price (HK\$74.7 million) will be paid in cash on completion.

## **Completion date**

On or before 30th June, 2004.

## **REASONS FOR DISPOSAL OF THE PROPERTY**

The Property has been held for investment purpose. The Directors consider that disposal of the Property will generate funds for development of the Group's business and streamline the Group's operations, which comprise, after disposal of the Property, (a) leisure and entertainment, (b) investment banking and financial services and (c) technology.

## **USE OF SALES PROCEEDS**

Out of the sales proceeds of HK\$83 million of the Property, HK\$65 million will be used to repay bank loan of the Group while the balance will be used as general working capital of the Group.

## **GENERAL**

The Directors believe that the sale of the Property is fair and reasonable in light of the best offer prices of the Property received in the current market situation and is in the best interest of the Company.

The Transaction constitutes a discloseable transaction under the Listing Rules. A circular will be sent to the shareholders of the Company in due course.

As at the date hereof, the executive directors of the Company are Dr. Stanley Ho (Chairman), Mr. Lawrence Ho (Managing Director) and Mr. Frank Tsui. Mr. Ho Cheuk Yuet is the non-executive director. The independent non-executive directors are Sir Roger Lobo, Mr. Robert Kwan and Mr. Ng Ching Wo.

By order of the board  
**Melco International Development Limited**  
**Ho Yau Lung, Lawrence**  
*Managing Director*

Hong Kong, 26th April, 2004.

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