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Melco International Development Limited

新 濠 國 際 發 展 有 限 公 司
(the "Company")

(Incorporated in Hong Kong with limited liability)

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

(Stock code: 200)

CLARIFICATION ANNOUNCEMENT

The purpose of this announcement is to clarify recent press articles which reported that (1) Mr. Lawrence Ho, a director of the Company, and Mr. James Packer, a director of Publishing & Broadcasting Ltd. ("PBL"), have said that they will not rule out the possibility of spinning off the joint venture company to be established pursuant to the Heads of Agreement entered into between the Company and PBL on 11 November 2004; and (2) the joint venture company may develop gambling businesses in Singapore.

Reference is made to recent press articles (the "Articles") which reported that (1) Mr. Lawrence Ho, a director of the Company, and Mr. James Packer, a director of Publishing & Broadcasting Ltd. ("PBL"), have said that they will not rule out the possibility of spinning off the joint venture company to be established pursuant to the Heads of Agreement entered into between the Company and PBL on 11 November 2004 ("Heads of Agreement"); and (2) the joint venture company may develop gambling businesses in Singapore.

At the request of the Stock Exchange of Hong Kong Limited, the Company wishes to clarify as follows:–

1. To the best of our knowledge, the information on which the Articles are based comes from answers by Mr. Lawrence Ho and Mr. James Packer to questions put to them by journalists yesterday.
2. To the best of our knowledge, the following reports in the Articles are accurate:–
 - (a) Mr. Lawrence Ho has commented that the joint venture company to be established pursuant to the Heads of Agreement dated 11th November 2004 entered into between the Company and Publishing & Broadcasting Limited ("PBL") is looking for business opportunities in other countries in Asia and the first country that the joint venture company will be looking at may probably be Singapore.
 - (b) Mr. Lawrence Ho has commented that the joint venture company has contacted the relevant government departments in Singapore, has learned the status and timetable of the opening up of the gambling industry in Singapore and is investigating the feasibility of developing hotel and casino business there.
 - (c) Mr. Lawrence Ho has commented that, if the joint venture company does invest in the hotel and casino business in Singapore, the size of the investment will be significantly bigger than the size of the Macau Park Hyatt Hotel investment. He has also commented that, as compared to future development projects of the joint venture company, if any, the size of the Macau Park Hyatt Hotel investment is the smallest.
 - (d) Mr. Lawrence Ho and Mr. James Packer have commented that they will not rule out the possibility of spinning off the joint venture company in future.
3. In addition, Mr. Lawrence Ho was reported to have said that there would shortly be an announcement on joint venture company's possible investment in Singapore. What he meant was the Singapore Government would shortly announce proposals of inviting investments in hotel and casino business in Singapore.
4. It is the intention of the joint venture partners, as reflected in their Heads of Agreement dated 11 November 2004, to endeavour to achieve a listing of the joint venture company on NASDAQ within a desired timeframe of 30 June 2005. However, it is recognised that this intention is subject to a whole range of contingencies and unknown future events, and whether a listing could be achieved at all, or on NASDAQ, or within the desired timeframe of 30 June 2005, are all presently unclear. The directors consider that the inclusion of this intention in the Company's 23 November announcement relating to the Heads of Agreement would have been premature, having regard to the preliminary status of the proposal and the considerable future uncertainties and contingencies referred to above. The proposal remains at a very preliminary stage and no listing application has yet been filed. **Shareholders are cautioned that there can be no assurance that the intention of the joint venture partners in this regard will ultimately be realised.**

The Company wishes to state that, except for the Heads of Agreement and the Second Agreement, each dated 11 November 2004 and announced by the Company on 23 November 2004, there is currently no negotiation, agreement or intention relating to the matters covered by the said reports in the Articles which are discloseable under Rule 13.23 or 13.09 of the Listing Rules.

The Exchange has informed the Company that it reserves the right to follow up with the Company in relation to the timing of dissemination of the above-mentioned information if it is established there is a breach of the Listing Rules.

Shareholders and potential investors should exercise caution when dealing in shares of the Company.

As at the date of this announcement, the Board comprises three executive directors, namely, Dr. Stanley Ho (Chairman), Mr. Lawrence Ho (Managing Director) and Mr. Frank Tsui, two non-executive directors, namely, Mr. Ho Cheuk Yuet and Mr. Ng Ching Wo and three independent non-executive directors, namely, Sir Roger Lobo, Mr. Robert Kwan and Dr. Lo Ka Shui.

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

Hong Kong, 7 December 2004

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