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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)

**ANNOUNCEMENT IN RELATION TO
THE GRANT OF THE LAND LOCATED AT BAIXA DA TAIPA, MACAU**

Reference is made to the Company's announcements and circular respectively dated 22nd March 2005, 2nd June 2005 and 1st September 2005.

The Directors are pleased to announce that with the publication of the grant of concession of the land located at Baixa da Taipa, Macau with an area of approximately 5,230 sq. meters for development of a luxury hotel with casino facilities (the "Land") in the Macau Government Gazette on 1st March 2006, the Land has been officially granted by the Macau Government to Great Wonders on that date.

As disclosed in the Company's announcement and circular respectively dated 22nd March 2005 and 2nd June 2005, pursuant to the terms of the agreement dated 17th March 2005 entered into between STDM and the Company regarding the acquisition of 30% equity interests in Great Wonders by the Company from STDM, the Company has allotted and issued 22,222,222 new shares of the Company to STDM on 1st March 2006 for settlement of all the remaining part of the consideration for the acquisition.

Reference is made to the Company's announcement and circular respectively dated 22nd March 2005 and 2nd June 2005 (the "Circular") in relation to the major and connected transaction regarding acquisition of the remaining interest in the Land and discloseable transaction regarding injection of interest in the Land into the JV Group and the Company's subsequent announcement dated 1st September 2005 in relation to the progress of the grant of the Land. Terms used in this announcement shall have the same meaning as those defined in the Circular unless the context requires otherwise.

The Directors are pleased to announce that with the publication of the grant of concession of the Land for development of a luxury hotel with casino facilities in the Macau Government Gazette on 1st March 2006, the Land has been officially granted by the Macau Government to Great Wonders on that date. The development of the hotel with casino facilities on the Land is in progress and it is anticipated that the development of the casino portion will be completed in the second half of 2006 and the hotel portion will be completed in the first half of 2007.

As disclosed in the Company's announcement dated 22nd March 2005 and the Circular, pursuant to the terms of the agreement dated 17th March 2005 entered into between STDM and the Company regarding the acquisition of 30% equity interests in Great Wonders by the Company from STDM, which was a connected transaction for the Company under the Listing Rules and had been approved by independent shareholders (by way of poll) at an extraordinary general meeting of the Company held on 17th June 2005, part of the consideration for the acquisition, being HK\$200 million, would be satisfied by way of allotment and issue of 22,222,222 new shares of the Company of HK\$0.5 each in the share capital of the Company at an issue price of HK\$9.00 per new share ("Consideration Shares") to STDM on the date of completion of the acquisition or the date of grant of the concession of the Land to Great Wonders, whichever is later. Subject to the allotment and issue of the Consideration Shares, all the conditions in relation to the acquisition were fulfilled and the acquisition was completed with the 30% equity interests in Great Wonders being transferred to the JV Group on 28th July 2005. As the Land has been granted to Great Wonders on 1st March 2006, the Company has allotted and issued to STDM the Consideration Shares (which represent approximately 1.92% of the enlarged issued share capital of the Company immediately after the allotment and issue of the Consideration Shares) on 1st March 2006 for settlement of all the remaining part of the consideration for the acquisition.

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; the non-executive director is Mr. Ng Ching Wo; and the independent non-executive directors are 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, 2nd March 2006

Please also refer to the published version of this announcement in South China Morning Post - Classified.