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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)

FINANCIAL ADVISER



VC CAPITAL LIMITED

滙盈融資有限公司

(A wholly-owned subsidiary of Value Convergence Holdings Limited)

**MAJOR AND CONNECTED TRANSACTION
ACQUISITION OF SUBCONCESSION
FOR PURSUANCE OF
GAMING BUSINESS IN MACAU**

SUMMARY

On 5 March 2006, the Company entered into the Memorandum of Agreement with PBL, a connected person of the Company, pursuant to which the Company agreed to, amongst others, make or cause to be made by its wholly-owned subsidiary to provide the Financial Assistance of US\$160,000,000 to PBL Macau to be applied towards the Purchase Price of US\$900,000,000 of the Subconcession to operate gaming operations in Macau under the Subconcession Agreement entered into between Wynn, Wynn Macau and PBL.

The Subconcession will allow its holder to operate gaming businesses in Macau. So far there are only three Concessions and two Subconcessions granted by the Macau government for the operation of gaming businesses and casinos in Macau. The Subconcession to be owned by PBL Macau will be the third subconcession, which is expected to be the last subconcession to operate gaming businesses in Macau.

Subject to any required approvals of the Macau government or other terms and conditions of the Subconcession and upon the grant of the Subconcession to PBL Macau, the Company shall have the right to convert the Financial Assistance into 40% of the issued share capital of PBL Macau. Upon conversion of the Financial Assistance, the Company will be interested in 40% of PBL Macau.

Upon the granting of the Subconcession to PBL Macau, the Company and PBL intend to operate all their gaming projects and businesses in Macau under the Subconcession subject to finalization of the arrangement between the Company and PBL.

Upon the Company becoming a holder of 40% of issued share capital of PBL Macau, PBL and the Company shall (a) enter into a shareholders' agreement which will reflect the principle that material dealings of or under the Subconcession shall be subject to the unanimous approval of the board of PBL Macau; (b) the Company and PBL will share the economic value/benefit of the projects and businesses in Macau on a 50:50 basis; and (c) revise the Deed to reflect the agreement that all projects and business in the Territory outside Macau shall be owned and carried out on a 50:50 basis.

IMPLICATIONS UNDER THE LISTING RULES

PBL is a connected person for the purpose of the Listing Rules by virtue of the fact that PBL is a substantial shareholder of a subsidiary of the Company, Melco PBL Entertainment (Greater China) Limited. As a result, the transaction under the Memorandum of Agreement constitutes major and non-exempt connected transaction for the Company under Rule 14.08 and Rule 14A.16(5) of the Listing Rules respectively and is subject to the requirements of reporting, announcement and the approval of the independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules at the EGM. Pursuant to Rule 14.46 and Rule 14A.18 of the Listing Rules, the Stock Exchange will require any shareholder and his associates to abstain from voting at the relevant general meeting on the relevant resolution(s) if such shareholder has a material interest in the transaction.

GENERAL

An independent board committee of the Company comprising its independent non-executive Directors will be appointed to advise the Shareholders on whether or not the terms of the Memorandum of Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole. A circular containing, among other things (i) further information on the Memorandum of Agreement; (ii) the recommendation from the independent board committee of the Company in respect of the transaction contemplated under the Memorandum of Agreement; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company in respect of the transaction contemplated under the Memorandum of Agreement; and (iv) a notice of EGM will be dispatched to the Shareholders within 21 days from the publication date of this announcement.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange at 9:30 a.m. on 6 March 2005 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 10 March 2006.

The Directors are pleased to announce that, on 5 March 2006, the Company entered into the Memorandum of Agreement with PBL, a connected person of the Company, pursuant to which the Company agreed, amongst others, to provide or cause its wholly-owned subsidiary to provide the Financial Assistance of US\$160,000,000 to PBL Macau to be applied towards the Purchase Price of US\$900,000,000 of the Subconcession under the Subconcession Agreement.

Subject to any required approvals of the Macau government or other terms and conditions of the Subconcession and upon the grant of the Subconcession to PBL Macau, the Company shall have the right to convert the Financial Assistance of US\$160,000,000 into 40% of the issued share capital of PBL Macau so that PBL Macau will then be owned as to 60% by PBL or its subsidiary and as to 40% by the Company or its subsidiary.

Upon the Company becoming a holder of 40% of issued share capital of PBL Macau, PBL and the Company shall (a) enter into a shareholders' agreement which will reflect (i) the principle that material dealings of or under the Subconcession shall be subject to the unanimous approval of the board of PBL Macau; (ii) the fact that the Company and PBL will share the economic value/benefit of the projects and businesses in Macau on a 50:50 basis; and (b) revise the Deed to reflect the agreement that all projects and businesses in the Territory outside Macau shall be owned and carried out on a 50:50 basis.

The Directors note that prior to the release of this announcement, there were already a number of press articles reporting on the acquisition of the Subconcession. The Directors would like to clarify and remind the Shareholders and investors that information contained in such press articles may not be complete and accurate and hence should not be relied upon.

BACKGROUND OF THE MEMORANDUM OF AGREEMENT

Wynn Macau is the concessionaire under certain concession for the operation of games of chance or other games in casinos in Macau. Pursuant to the such concession and subject to the approval of the Macau government, Wynn Macau is permitted to grant one subconcession to a third party under which such third party may derive certain rights and take on certain duties and obligations and be entitled to operate casinos, games of fortune or chance and other casino games in Macau. To the best of the knowledge and information of the Directors, after the granting of the Subconcession, Wynn Macau will continue to conduct gaming business in Macau. Each of Wynn and Wynn Macau is a party independent of and not connected with the Directors, chief executive or substantial shareholders of the Company and its subsidiaries or their respective associates under the Listing Rules.

On 4 March 2006, PBL entered into the Subconcession Agreement with Wynn and Wynn Macau, pursuant to which PBL would purchase from Wynn Macau the Subconcession at the Purchase Price of US\$900,000,000. The term of the Subconcession will terminate on 26 June 2022 and will entitle its holder to operate games of fortune and chance or other casino games in Macau. The Subconcession Agreement was entered into on an arm's length basis. PBL will be required to pay the Deposit of US\$100,000,000 following execution of the Subconcession Agreement and the balance of the Purchase Price of US\$800,000,000 upon closing of the Subconcession Agreement and may be liable to forfeit the Deposit subject to the terms and conditions provided in the Subconcession Agreement. It is contemplated that the Company and PBL will pay their respective portion of Deposit, i.e. US\$40,000,000 and US\$60,000,000 respectively on or before 13 March 2006 as stipulated in the Subconcession Agreement. The Company's portion of the Deposit of US\$40,000,000 (which will form part of the Financial Assistance) will be funded from internal resources of the Group. The remaining Purchase Price of US\$800,000,000 will be settled in cash upon the granting of the Subconcession pursuant to the Subconcession Agreement. PBL will cause PBL Macau as the entity to obtain the Subconcession.

On 5 March 2006, the Company and PBL entered into the Memorandum of Agreement in order to provide the Financial Assistance to PBL Macau for the purpose of acquiring the Subconcession and in lieu of cash repayment, the Company will have a right to convert the Financial Assistance into 40% of the issued share capital of PBL Macau upon the closing of the Subconcession Agreement. The closing of the Subconcession Agreement will take place within one business day after the Subconcession is issued by either Wynn or the Macau government and all conditions to the Subconcession Agreement having been satisfied, namely, (a) the Subconcession Agreement has not been terminated in accordance with its terms, (b) all representations and warranties of PBL, Wynn and Wynn Macau are true and correct, and (c) the Macau government has issued the Subconcession. There is no long stop date to the Subconcession Agreement. The Directors expect that the closing of the Subconcession Agreement will take place by 30 September 2006.

On 4 March 2006, SJM and Great Wonders, Investments, Limited ("Great Wonders") mutually terminated the letter of confirmation issued by SJM dated 11 November 2004 (which was counter-signed by Great Wonders) regarding the confirmation given by SJM to enter into a proposed lease agreement between SJM and Great Wonders for the purpose of the future operation of Crown Macau casino which has not yet commenced operation.

THE MEMORANDUM OF AGREEMENT

Date: 5 March 2006

Parties: the Company

PBL, a connected person for the purpose of the Listing Rules by virtue of the fact that PBL is a substantial shareholder of a subsidiary of the Company, Melco PBL Entertainment (Greater China) Limited.

Principal terms of the Memorandum of Agreement

The Memorandum of Agreement is a legally binding document and the principal terms agreed by the Company and PBL include the following:

1. The Purchase Price for the grant of the Subconcession shall be provided by the parties as follows:
 - (a) PBL and the Company shall make or cause to be made by their wholly-owned subsidiaries US\$240,000,000 and US\$160,000,000 respectively to PBL Macau which shall then apply such monies towards the Purchase Price; and
 - (b) The balance of the Purchase Price, being US\$500,000,000, shall be met by means of non-recourse finance arranged by PBL Macau on terms acceptable to both parties but failing which, the balance of the Purchase Price shall be provided to PBL Macau by PBL and the Company in the proportion of 60% and 40% respectively.
2. The Company agrees to assume and be responsible for and to pay 40% of (i) the Deposit; (ii) the balance of the Purchase Price; and (iii) any other sum or liabilities incurred by PBL in entering into the Subconcession Agreement upon closing of the Subconcession Agreement and to indemnify PBL accordingly. The Company agrees promptly after the execution of the Memorandum of Agreement and the Subconcession Agreement to fund PBL with 40% of the Deposit (being US\$40,000,000) in order for PBL to pay the Deposit. This amount so advanced by the Company shall be deemed to be an advance made under 1(a) above.

3. PBL agrees to indemnify the Company against its failure to carry out its obligations and/or liabilities in accordance with the terms of the Subconcession Agreement and undertakes to the Company to assume and be responsible for and to pay 60% of (i) the Deposit; (ii) the Purchase Price; and (iii) any other sum or liabilities that may be incurred in entering into the Subconcession Agreement and to indemnify the Company accordingly.
4. The parties' respective capital contributions to PBL Macau shall be made by the subscription for shares or by way of the Financial Assistance and will be paid at the relevant time as shall be required by the Subconcession Agreement or by the terms of the Subconcession.
5. The Company's initial capital contribution to PBL Macau shall be made by way of the Financial Assistance and not by the subscription of shares, whether the Financial Assistance will be converted into the share capital of PBL Macau would be subject to approval by the Macau government.
6. Subject to any required approvals of the Macau government or other terms and conditions of the Subconcession and from the grant of the Subconcession and the same coming into force and effect, the Company shall have the right and PBL shall have the right to require the Company, upon the giving of 5 business days notice, to convert the Financial Assistance into shares of PBL Macau with the intent that each of the equity capital and the loan capital (if any) of PBL Macau is owned as to 60% by PBL or its subsidiary and as to 40% by the Company or its subsidiary.
7. In the event that the Macau government shall refuse to give its approval to the Company to subscribe for a total of 40% of issued share capital of PBL Macau, then, unless the parties agree on other arrangements, the Financial Assistance shall continue until such time as the consent of the Macau government is obtained but the parties shall adjust the term of such Financial Assistance and their arrangements to ensure that the Company will share the economic value/benefit of the projects and businesses in Macau on a 50:50 basis. There will be no long stop date in respect of the obtaining of approval from Macau government and the Financial Assistance will not be refunded.
8. Upon the Company becoming a holder of 40% of issued share capital of PBL Macau, PBL and the Company shall:
 - (a) enter into a shareholders' agreement which will reflect:-
 - (i) the principle that material dealings of or under the Subconcession shall be subject to the unanimous approval of the board of PBL Macau;
 - (ii) the Company and PBL will share the economic value/benefit of the projects and businesses in Macau, being all gaming, hospitality and entertainment business currently and to be developed by group of companies ("Melco PBL Group Companies") under the control of Melco PBL Holdings Limited regardless of the shareholding structure of PBL Macau on a 50:50 basis; and
 - (b) revise the Deed to reflect the agreement that all project and businesses in the Territory outside Macau shall be owned and carried out on a 50:50 basis; and
 - (c) cause PBL Macau to adopt a constitution and/or shareholders agreement for the respective rights of the shareholders, the transfer of shares and for the operation and management of PBL Macau, on the same basis as that adopted under the Deed (as required to be amended to give effect to the principle that PBL or its subsidiary and the Company or its subsidiaries hold 60% and 40% of PBL Macau respectively).
9. The parties also agree to cause and procure that the Melco PBL Group Companies under the control of Melco PBL Holdings Limited, a joint venture holding company formed by and owned as to 50:50 by PBL and the Company, whose board of directors consists of 8 directors with four of them being nominated by each of PBL and the Company, for the purpose of engaging in gaming business in the Territory, (including, without limitation, Great Wonders and Melco Hotels and Resorts (Macau) Limited, each of which PBL and the Company has an indirect attributable interest of 40% and 60% respectively) as one party and PBL Macau as the other party to enter into lease agreements and commercial agreements for the lease to PBL Macau of the casino areas (including high roller areas/VIP rooms) and electronic gaming machine lounges owned or developed by the Melco PBL Group Companies in Macau from time to time, and operation thereof by PBL Macau under the Subconcession and the parties shall cause PBL Macau to enter into service agreements with relevant Melco PBL Group Companies in relation to the provision of relevant services by the relevant Melco PBL Group Companies (all subject to the requirements of relevant gaming regulatory authorities in Macau or Australia).

The Directors advised that the Memorandum of Agreement only set out the agreed principle of the future operation of the joint ventures interested by the Company and PBL, thus (i) details of the shareholding structure in respect of PBL Macau and joint venture companies of the Company and PBL; (ii) the details of the operational arrangement of sharing of economic value/benefits of the projects and businesses of the joint venture companies of the Company and PBL on 50:50 basis; (iii) details of the terms of the shareholders agreement of PBL Macau; (iv) details of the revision to the Deed, if required; and (v) the future treatment of Mocha Slot Group Limited under the arrangement of the Deed and the shareholders agreement of PBL Macau as contemplated under the Memorandum of Agreement will be disclosed in the circular to be sent to the Shareholders within 21 days from the date of publication of this announcement.

A legal opinion on the legality and risks involved in respect of sharing of economic value/benefit of the projects and businesses in the Territory outside Macau and in Macau will be obtained and will be disclosed in the circular of the Company.

The Directors advised that in the event the Company or its wholly owned subsidiary enters into formal agreement with PBL or its wholly owned subsidiary to reflect the sharing of the economic value/benefit of the parties' projects and businesses, or on the revision of the Deed to reflect such commercial decision, the Company will make separate disclosures as to the above to inform the Shareholders of terms to such formal agreements and to comply with the Listing Rules.

Condition precedent of the Memorandum of Agreement

The transaction contemplated under the Memorandum of Agreement is conditional upon the approval of the Shareholders as stipulated by the Listing Rules.

Basis of determination of the Financial Assistance provided by the Company

The Financial Assistance is provided to PBL Macau for the purpose of acquiring the Subconcession. Such Financial Assistance was determined with reference to the Purchase Price under the Subconcession Agreement. The Purchase Price of US\$900,000,000 was determined between PBL and Wynn only upon arm's length negotiation with reference to the performance and prospect of gaming industry in Macau.

As mentioned above it was the intention of the parties that part of the Purchase Price in the sum of US\$500,000,000 will be funded by means of non-recourse finance to be arranged by PBL Macau (failing which the Company would be responsible for 40% of such sum, being US\$200,000,000. It is contemplated that the Company will finance such sum by way of internal financial resources and if necessary, raising debt and/or equity financing) and the balance of the Purchase Price will be funded by capital contributions from PBL and the Company in the proportion of US\$240,000,000 and US\$160,000,000 respectively. The Financial Assistance, which will be funded from internal resources of the Group, represents 40% of the capital contributions to the Purchase Price of the Subconcession which is also in line with the intention of the parties that the Company will be entitled to obtain 40% of the issued share capital of PBL Macau by converting the Financial Assistance upon the grant of the Subconcession.

The Directors (including independent non-executive Directors) consider that the terms of the Memorandum of Agreement are entered into after arm's length negotiation between the parties thereto and the transaction contemplated thereby is fair and reasonable and in the interest of the Group and of the Shareholders as a whole, after taking into consideration of the benefits brought to the Group under the paragraph headed "Reasons and benefits for entering into the Memorandum of Agreement" below.

INFORMATION ON PBL MACAU

PBL Macau will be a limited liability company to be incorporated in Macau by and initially wholly owned by PBL which will be entitled to the benefits of the Subconcession upon closing of the Subconcession Agreement. PBL will cause PBL Macau as an entity to obtain the Subconcession. PBL Macau will be the operator of gaming business of the Melco PBL Group Companies by the entering into certain lease and commercial agreements with the relevant Melco PBL Group Companies in Macau. Upon the Company or its wholly-owned subsidiary becoming a shareholder of PBL Macau, the parties to the Memorandum of Agreement shall cause PBL Macau to adopt a constitution and/or shareholders agreement for the respective rights of the shareholders, the transfer of shares and for the operation and management of PBL Macau (with its board of directors consisting of 9 directors, whereby PBL and the Company can nominate five and four directors respectively), on the same basis as that adopted under the Deed (as required to be amended to give effect to the principle that PBL or its subsidiary holds 60% of PBL Macau and the Company or its subsidiary holds 40% of PBL Macau) subject to any contrary regulatory requirements of relevant gaming regulatory authorities of Macau and Australia. Such arrangement will be finalized upon completion of the relevant agreements and the revision of the Deed and the Company has been using its best endeavours to negotiate with PBL to finalize the structure and will implement the documentation work thereon. The Company expects that the financials of PBL Macau will be accounted for either as a jointly controlled company or associate company in the accounts of the Company after the finalization of the relevant arrangement, subject to confirmation of its auditors. Subconcessions issued to date in Macau do not limit the number of casinos or limit the number of tables and machines in those casinos. In the event that the Subconcession is to be transferred in the future, the Company will have 50% interest in the economic benefits pursuant to the principle of the Memorandum of Agreement.

INFORMATION ON PBL

PBL is a company incorporated in Australia and whose securities are listed on the Australian Stock Exchange. PBL is one of the Australia's largest diversified media and entertainment companies, the core businesses of which include television production and broadcasting, magazine publishing and distribution, as well as gaming and entertainment. Through its wholly owned subsidiary, Crown Limited, PBL operates one of the largest entertainment complex in Australia including, the Crown Casino, which is the largest casino in the Southern Hemisphere and two luxury hotels, namely the Crown Towers and the Crown Promenade Hotel, both located in Melbourne, Australia.

INFORMATION OF THE GROUP

Currently, the Group's business is broadly divided into four divisions, namely, (i) leisure and entertainment division; (ii) investment banking and financial services division; (iii) technology division; and (iv) property division. The leisure and entertainment division of the Group comprises the pursuance of the gaming business and the hospitality business through the joint venture group formed with PBL and the operation of two floating restaurants, namely, Jumbo and Tai Pak, in Aberdeen, Hong Kong.

REASONS AND BENEFITS FOR ENTERING INTO THE MEMORANDUM OF AGREEMENT

As the Company does not currently have any interest in the ownership of a concession or subconcession to operate gaming businesses and casinos in Macau, the Company has to rely on certain lease agreements with SJM to operate the gaming projects and businesses. Upon the granting of the Subconcession to PBL Macau, the Company and PBL intend to operate all their gaming projects and businesses in Macau under the Subconcession subject to the finalization of the arrangement as contemplated under the Memorandum of Agreement by procuring the relevant Melco PBL Group Companies to enter into lease agreements and commercial agreements with PBL Macau and such gaming projects and businesses will then operate under the Subconcession and the Company will discuss with SJM for mutual termination of the existing lease arrangements in respect of the Mocha slots lounge operation with SJM. The Company's right in the Subconcession will be, upon conversion of the Financial Assistance, 40% of the issued share capital of PBL Macau which owns the Subconcession.

The Directors believe that the leisure and entertainment business provides strong future growth prospects. According to Gaming Inspection and Coordination Bureau in Macau, the gross revenue generated from games of fortune for the past three years experienced a significant growth from MOP\$27,849 million or HK\$27,038 million in 2003 to approximately MOP\$44,725 million or approximately HK\$43,422 million in 2005. Given there will be a number of new openings of gaming, hospitality and entertainment facilities in Macau in the years to come, the Directors are confident that the relevant revenue in particular the revenue from games of fortune will continue to increase. Once the Subconcession is granted to PBL Macau, the Directors are optimistic that the Company and its joint venture partner, PBL could make good use of such Subconcession to expand its gaming business in Macau to tap on the growth in gaming industry there. The Company has a proven history in such business operation, which generated good profits for investors. Since there are only a limited number of concessions and subconcessions available for the operation of casinos in Macau, the Subconcession to be owned by PBL Macau is a valuable asset which will enhance the future profitability of the Company and the interest of the Shareholders. By gaining equity interest in PBL Macau and the subsequent conclusion of the shareholders' agreement of PBL Macau, and the revision of the Deed in the manner set out in the Memorandum of Agreement, it can facilitate the efficient operation of the Group and give the Group more flexibility in operating its gaming business in Macau as the Directors strongly believe that PBL Macau could make good use of such Subconcession to expand its gaming business in Macau without or minimizing its reliance on other gaming concession holder.

The Directors also believe that the Memorandum of Agreement not only secures the Company's future business in the leisure and entertainment industry, but also provides good opportunity for the Group to extend its operation coverage and product offering into the industry.

IMPLICATIONS UNDER THE LISTING RULES

PBL is a connected person for the purpose of the Listing Rules by virtue of the fact that PBL is a substantial shareholder of a subsidiary of the Company, Melco PBL Entertainment (Greater China) Limited. As a result, the transaction under the Memorandum of Agreement constitutes major and non-exempt connected transaction for the Company under Rule 14.08 and Rule 14A.16(5) of the Listing Rules respectively and is subject to the requirements of reporting, announcement and the approval of the independent Shareholders (by way of poll) as set out in Chapter 14A of the Listing Rules at the EGM. Pursuant to Rule 14A.18 of the Listing Rules, the Stock Exchange will require any shareholder and his associates to abstain from voting at the relevant general meeting on the relevant resolution(s) if such shareholder has a material interest in the transaction.

GENERAL

An independent board committee of the Company comprising its independent non-executive Directors will be appointed to advise the Shareholders on whether or not the terms of the Memorandum of Agreement and the transaction contemplated thereunder is fair and reasonable and in the interests of the Shareholders as a whole. A circular containing, among other things (i) further information on the Memorandum of Agreement; (ii) the recommendation from the independent board committee of the Company in respect of the transaction contemplated under the Memorandum of Agreement; (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company in respect of the transaction contemplated under the Memorandum of Agreement; and (iv) a notice of EGM will be dispatched to the Shareholders within 21 days from the publication date of this announcement.

In accordance with the requirements of the Stock Exchange, the Company will use its best endeavours in its capacity as a joint venture partner to PBL to ensure that the gaming activities carried out or to be carried out by the joint ventures between PBL and the Company shall be in compliance with the applicable laws; and/or will not contravene the Gambling Ordinance (Chapter 148 of the Laws of Hong Kong). Shareholders are reminded that, in accordance with the guidelines relating to gambling activities, in the event that the two circumstances above are not fulfilled, the Stock Exchange, may, depending on the circumstances of the case, direct the Company to take remedial action, and/or suspend dealings in, or may cancel the listing of, the Shares under Rule 6.01 of the Listing Rules. The Company will use its best endeavors to ensure active trading and maintain the listing status of the Shares.

Shareholders should be aware that there will be a risk to the Company of not being able to recover the Financial Assistance made to PBL Macau as there is no long stop date in respect of the provision of such and the Financial Assistance will not be refunded in the event that the Macau government shall refuse to give its approval to the Company to subscribe for a total of 40% of issued share capital of PBL Macau or grant the Subconcession. Unless the parties agree on other arrangements, the Financial Assistance shall continue until such time as the consent of the Macau government is obtained but the parties shall adjust the terms of such Financial Assistance and their arrangements to ensure that the Company will share the economic value/benefit of the projects and businesses in Macau on a 50:50 basis.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, the Shares have been suspended from trading on the Stock Exchange at 9:30 a.m. on 6 March 2005 pending release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 10 March 2006.

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Dr. Stanley Ho (*Chairman*)
Mr. Lawrence Ho (*Group Managing Director*)
Mr. Frank Tsui

Non-executive Directors:

Mr. Ng Ching Wo

Independent Non-executive Directors:

Sir Roger Lobo
Mr. Robert Kwan
Dr. Lo Ka Shui

DEFINITION

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associate”	has the same meaning as ascribed to it in the Listing Rules
“Board”	the board of Directors
“connected person”	has the same meaning as ascribed to it in the Listing Rules
“Deed”	a shareholders deed dated 8 March 2005 relating to the affairs of Melco PBL Holdings Limited. The principle terms of this deed have been disclosed in the circular of the Company dated 5 January 2005, which include, amongst other things, (i) the Company and PBL will be interested in the projects and operations of all gaming and hospitality business jointly developed by them in the Greater China Region on 60:40 basis; and (ii) the Company and PBL will be interested in the projects and operations and hospitality business jointly developed by them in the Territory other than the Greater China Region on a 40:60 basis
“Deposit”	a deposit in the sum of US\$100,000,000 which shall be applied to the Purchase Price
“Director(s)”	the director(s) of the Company
“Dr. Stanley Ho”	Dr. Ho Hung Sun, Stanley, the Chairman and an executive Director of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and approving, amongst others, the Memorandum of Agreement and the transaction contemplated thereunder
“Financial Assistance”	a loan capital contribution of US\$160,000,000 made by way of subordinated interest free loan
“Greater China Region”	Such territorial regions covering the People’s Republic of China, Hong Kong, Macau and Taiwan

“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Memorandum of Agreement”	A memorandum of agreement dated 5 March 2006 entered into between the Company and PBL, the principal terms of which are set out in the paragraph headed “Principal terms of the Memorandum of Agreement” in this announcement
“Mocha Slot Group Limited”	a company incorporated in the British Virgin Islands and a subsidiary of the Company which is owned as to 20% by Dr. Stanley Ho and as to 80% by a subsidiary of the Company, Melco PBL Entertainment (Greater China) Limited and is not a connected person of PBL under the Listing Rules
“MOP\$”	pataca, the lawful currency of Macau
“Mr. Lawrence Ho”	Mr. Ho, Lawrence Yau Lung, the Group Managing Director and executive Director of the Company and the son of Dr. Stanley Ho
“PBL”	Publishing and Broadcasting Limited, a company incorporated under the laws of Australia, the securities of which are listed on the Australian Stock Exchange, and a joint venture partner with the Company in relation to gaming business in the Territory and a connected person of the Company
“PBL Macau”	a limited liability company to be incorporated in Macau by and initially wholly owned by PBL which will be holding the Subconcession upon closing of the Subconcession Agreement
“Purchase Price”	the purchase price of the Subconcession in the sum of US\$900,000,000
“Shares”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“SJM”	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau and a subsidiary of Sociedade de Turismo e Diversoes de Macau, S.A which is also a company incorporated under the laws of Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subconcession”	the grant of subconcession of Wynn Macau’s concession to operate Games of Fortune and Chance or other Casino Games in Macau
“Subconcession Agreement”	an agreement dated 4 March 2006 entered into between Wynn, Wynn Macau and PBL pursuant to which Wynn Macau will grant PBL the Subconcession subject to the approval of the Macau government authorization and approval
“Territory”	means Macau, the People’s Republic of China, Singapore, Thailand, Hong Kong, Vietnam, Japan, Philippines, Indonesia, Malaysia, Taiwan and such other country as may be amended from time to time but excluding Australia and New Zealand
“US\$”	United States dollars, the lawful currency of the United States of America
“Wynn”	Wynn Resorts, Limited, a corporation organized and existing under the laws of the State of Nevada, the United States of America
“Wynn Macau”	Wynn Resorts (Macau) SA, a company incorporated under the laws of Macau
“%”	per cent.

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

Hong Kong, 9 March 2006

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