



*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 PURCHASE OF A 20% INTEREST IN MOCHA SLOT BY THE GAMING JOINT VENTURE**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 9 May 2006, Melco PBL International entered into the Sale and Purchase Agreement with Dr. Stanley Ho in relation to the sale by Dr. Stanley Ho to Melco PBL International of the Sale Shares, representing 20% of the issued share capital of Mocha Slot, and the Sale Loan for an aggregate consideration of approximately HK\$295.7 million, with HK\$250 million being the consideration for the Sale Shares and approximately HK\$45.7 million being the consideration for the Sale Loan. The sale and purchase of the Sale Shares and the assignment of the Sale Loan under the Sale and Purchase Agreement were completed on the same date on which the Sale and Purchase Agreement was signed.

Melco PBL International is a wholly owned subsidiary of Melco PBL Holdings, which is the principal joint venture vehicle for the Joint Venture established between the Company and PBL to undertake gaming, entertainment and hospitality business in the Territory. Melco PBL Holdings is a 50:50 joint venture of the Company and PBL. Neither Melco PBL Holdings nor Melco PBL International are subsidiaries of the Company for the purposes of the Listing Rules or otherwise.

Mocha Slot is the services provider to a series of electronic gaming machine lounges in Macau and was, prior to the completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan, held as to 20% by Dr. Stanley Ho and as to 80% by Melco PBL Entertainment. Melco PBL Entertainment is also one of the joint venture companies formed by the Company and PBL under the Joint Venture and is a subsidiary of the Company in which the Company has an indirect 60% interest.

As announced by the Company on 9 March 2006, the Joint Venture has agreed to acquire, subject to the approval of the Macau Government, an interest in PBL Macau, which it is intended will become the holder of the Subconcession to be granted by the Macau Government. The Macau Government has requested that the business of Mocha Slot be wholly owned by the Joint Venture and that Dr. Stanley Ho, who has a significant interest in SJM, dispose of his interest in Mocha Slot in accordance with applicable restrictions relating to cross shareholdings in companies holding concessions or subconcessions for the operation of games of fortune or chance or other casino games in Macau. SJM also holds a concession to operate games of fortune or chance or other casino games in Macau.

Following completion of the transactions contemplated by the Sale and Purchase Agreement, the shares of Mocha Slot are held as to 20% by Melco PBL International and as to 80% by Melco PBL Entertainment and, therefore, Mocha Slot is now wholly owned by the Joint Venture.

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#### **Key Terms of the Sale and Purchase Agreement**

Parties:	Dr. Stanley Ho, as vendor Melco PBL International, as purchaser
Agreement Date:	9 May 2006
Subject Matter:	Sale Shares, representing 20% of the issued share capital of Mocha Slot. Sale Loan, being a shareholders' loan in the amount of approximately HK\$45.7 million.
Consideration:	Approximately HK\$295.7 million, fully payable in cash at completion (with HK\$250 million being the consideration for the Sale Shares and approximately HK\$45.7 million being the consideration for the Sale Loan).
Completion:	Completion took place on 9 May 2006

#### **Reason for the Transaction contemplated by the Sale and Purchase Agreement**

As announced by the Company on 9 March 2006, the Joint Venture has agreed to acquire, subject to the approval of the Macau Government, an interest in PBL Macau, which it is intended will become the holder of the Subconcession to be granted by the Macau Government. The Macau Government has requested that the business of Mocha Slot be wholly owned by the Joint Venture and that Dr. Stanley Ho, who has a significant interest in SJM, dispose of his interest in Mocha Slot in accordance with applicable restrictions relating to cross shareholdings in companies holding concessions or subconcessions for the operation of games of fortune or chance or other casino games in Macau. SJM also holds a concession to operate games of fortune or chance or other casino games in Macau.

The consideration payable under the Sale and Purchase Agreement has been agreed on the basis of arm's length negotiations between the Joint Venture and Dr. Stanley Ho. Both the Company and its joint venture partner, PBL, consider this to be an excellent opportunity for the Joint Venture to consolidate its interest in Mocha Slot, in contemplation of the grant of the Subconcession by the Macau Government to PBL Macau, the future injection (subject to the approval of the Macau Government) of PBL Macau into the Joint Venture as disclosed in the Company's announcement dated 9 March 2006 and the proposed arrangements for operating Mocha Slot's business under the Subconcession as disclosed in the Company's announcement dated 23 March 2006. Both the Company and PBL consider that the acquisition will enhance the business and operational efficiency of the Joint Venture by having the Mocha Slot business wholly owned by the Joint Venture. The Company and PBL consider that the terms of the Sale and Purchase Agreement are fair and reasonable and that the acquisition is beneficial to the future operation of the Joint Venture's gaming business. The Directors (including the independent non-executive Directors) also consider that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The consideration under the Sale and Purchase Agreement will be settled from the internal resources of the Joint Venture.

As at the date hereof, the Board comprises two Executive Directors, namely, Mr. Ho, Lawrence Yau Lung and Mr. Tsui Che Yin, Frank, one Non-executive Director, namely, Mr. Ng Ching Wo and two Independent Non-executive Directors, namely, Sir Roger Lobo and Dr. Lo Ka Shui.

## **DEFINITIONS**

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

"Board"	the board of Directors
"Company"	Melco International Development Limited, a company incorporated in Hong Kong, the securities of which are listed on the Stock Exchange
"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 prior to 15 March 2006
"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
"Joint Venture"	the joint venture established between the Company and PBL to undertake gaming, entertainment and hospitality businesses in the Territory
"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
"Macau Government"	the Government of Macau and the relevant governmental and other regulatory bodies in Macau responsible for the regulation and supervision of gaming business in Macau

“Melco PBL Entertainment”	Melco PBL Entertainment (Greater China) Limited, a company incorporated in the Cayman Islands which is, as at the date of this announcement, owned as to 80% indirectly by Melco PBL Holdings and as to 20% indirectly by the Company, such that the Company has an indirect 60% interest in Melco PBL Entertainment (Greater China) Limited and PBL has an indirect 40% interest in Melco PBL Entertainment (Greater China) Limited
“Melco PBL Holdings”	Melco PBL Holdings Limited, a company incorporated under the laws of the Cayman Islands, being a joint venture company indirectly held as to 50% each by the Company and PBL, which is the principal holding company of the Joint Venture and is currently the holding company of a group of companies engaged in the businesses of gaming, entertainment and hospitality in the Asia Pacific and Greater China Region
“Melco PBL International”	Melco PBL International Limited, a company incorporated under the laws of the Cayman Islands, which is a wholly owned subsidiary of Melco PBL Holdings
“Mocha Slot”	Mocha Slot Group Limited, a company incorporated in the British Virgin Islands
“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 an independent third party not connected with a director, chief executive or substantial shareholder of the Company or its subsidiaries or an associate of any of them
“PBL Macau”	a limited liability company to be incorporated in Macau to be initially owned by PBL, which will, subject to the approval of the Macau Government, ultimately hold the Subconcession to be granted by the Macau Government
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 May 2006 entered into between Dr. Stanley Ho as vendor and Melco PBL International as purchaser in relation to the Sale Shares and the Sale Loan
“Sale Loan”	the shareholders’ loan in the amount of approximately HK\$45.7 million due and owing from Mocha Slot to Dr. Stanley Ho
“Sale Shares”	the 20 shares of US\$1.00 each in the capital of Mocha Slot sold by Dr. Stanley Ho as vendor to Melco PBL International as purchaser under the Sale and Purchaser Agreement

“SJM”	Sociedade de Jogos de Macau, S.A., a company incorporated under the laws of Macau
“Subconcession”	the subconcession to be obtained, subject to the approval of the Macau Government, by PBL Macau for operation of games of fortune and chance and other casino games in Macau, details of which are disclosed in the Company’s announcement dated 9 March 2006
“Territory”	means Macau, the PRC, Singapore, Thailand, Hong Kong, Vietnam, Japan, Philippines, Indonesia, Malaysia, Taiwan and such other countries as may be agreed from time to time but excluding Australia and New Zealand

By order of the board of  
**Melco International Development Limited**  
**Samuel Tsang**  
*Company Secretary*

Hong Kong, 9 May 2006

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