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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

Website : <http://www.melco-group.com>

(Stock Code : 200)

### **ANNOUNCEMENT UNDER RULE 13.09 OF THE LISTING RULES, DISCLOSEABLE TRANSACTION AND RESUMPTION OF TRADING**

Melco Crown Entertainment, a developer and owner of casino gaming and entertainment resort facilities focused on the Macau market, has announced a follow-on public offering of 18,750,000 ADSs (representing 56,250,000 ordinary shares) and an additional 67,500,000 ordinary shares (equivalent to 22,500,000 ADSs) of Melco Crown Entertainment. Each ADS represents three ordinary shares of Melco Crown Entertainment. The offering has been priced at US\$4.00 per ADS (representing approximately US\$1.33 per ordinary share) of Melco Crown Entertainment.

In connection with the offering, Melco Crown Entertainment has granted an option to purchase up to an additional 3,750,000 ADSs (representing 11,250,000 ordinary shares) to the Underwriters for the purpose of covering over-allotments, at the follow-on public offering price of US\$4.00 per ADS.

The equity offering by Melco Crown Entertainment has raised net proceeds, after deducting underwriting discounts and the estimated offering expenses, of approximately US\$159.5 million, or US\$174.1 million if the Underwriters' over-allotment option is exercised in full.

Melco Crown Entertainment has its ADSs listed on the NASDAQ Global Select Market in the United States. The equity of Melco Crown Entertainment is currently owned by the Company as to approximately 37.6% (38.0%, if one takes into account 50% of the interests held through Melco Crown SPV, a company equally owned by the Company and Crown, in Melco Crown Entertainment, and 38.4%, if one takes into account 100% of the interest held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Exchange Act).

MCEAH, an existing special purpose vehicle that is indirectly owned as to 50% by the Company and as to 50% by Crown, has committed to purchase the 67,500,000 ordinary shares (equivalent to 22,500,000 ADSs) being offered, which will constitute (i) 50% of the total transaction value assuming the Underwriters' over allotment option is exercised in full; and (ii) 54.5% of the total transaction value assuming no exercise of the Underwriters' over allotment option. The amount payable by MCEAH pursuant to its commitment to purchase 67,500,000 ordinary shares of Melco Crown Entertainment is US\$90,000,000.

The Company and Crown have agreed to provide to MCEAH the funding necessary for MCEAH to fulfil its subscription commitment. That funding is being provided to MCEAH by the Company and Crown, in equal amounts, in the form of shareholders loans. The provision of that financing to MCEAH by the Company constitutes a discloseable transaction for the Company under the Listing Rules.

Upon completion of the offering of securities by Melco Crown Entertainment, and assuming that the Underwriters' over-allotment option was exercised in full and MCEAH acquires 50% of the aggregate amount of the securities offered (as contemplated above), the Company would have an indirect interest in approximately 34.1% of the equity of Melco Crown Entertainment (36.8%, if one takes into account 50% of the interests in Melco Crown Entertainment held through Melco Crown SPV and MCEAH, and 39.5%, if one takes into account 100% of the interests held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Exchange Act).

Upon completion of the offering of securities by Melco Crown Entertainment, and assuming that no over-allotment option was exercised by the Underwriters and MCEAH acquires 50% of the aggregate amount of the securities offered (as contemplated above), the Company would have an indirect interest in approximately 34.4% of the equity of Melco Crown Entertainment (37.1%, if one takes into account 50% of the interests in Melco Crown Entertainment held through Melco Crown SPV and MCEAH, and 39.8%, if one takes into account 100% of the interests held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Exchange Act).

Crown's indirect attributable interest in the equity of Melco Crown Entertainment is the same as the Company's before completion of the follow-on public offering and will be the same as the Company's immediately after completion of the follow-on public offering.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 3:34 p.m. on Tuesday, 28 April 2009, pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30a.m. on Wednesday, 29 April 2009.

## **The Transaction**

Melco Crown Entertainment Limited (“**Melco Crown Entertainment**”), a developer and owner of casino gaming and entertainment resort facilities focused on the Macau market has announced a follow-on public offering of 18,750,000 American Depositary Shares (the “**ADSs**”) (representing 56,250,000 ordinary shares) of Melco Crown Entertainment and an additional 67,500,000 ordinary shares (equivalent to 22,500,000 ADSs) of Melco Crown Entertainment. Each ADS represents three ordinary shares of Melco Crown Entertainment. The offering has been priced at US\$4.00 per ADS (representing approximately US\$1.33 per ordinary share) of Melco Crown Entertainment.

In connection with the offering, Melco Crown Entertainment has granted an option to purchase up to an additional 3,750,000 ADSs (representing 11,250,000 ordinary shares) to the underwriters of the offering (the “**Underwriters**”) for the purpose of covering over-allotments. Deutsche Bank Securities Inc. is acting as sole bookrunner for the offering and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Oppenheimer & Co. Inc. are acting as co-managers for the offering.

The equity offering by Melco Crown Entertainment has raised net proceeds, after deducting underwriting discounts and the estimated offering expenses, of approximately US\$159.5 million, or US\$174.1 million if the Underwriters’ over-allotment option is exercised in full.

Melco Crown Entertainment has its ADSs listed on the NASDAQ Global Select Market in the United States. The equity of Melco Crown Entertainment is currently owned by Melco International Development Limited (the “**Company**”) as to approximately 37.6% (38.0%, if one takes into account 50% of the interests held through Melco Crown SPV Limited (“**Melco Crown SPV**”), a company equally owned by the Company and Crown Limited (“**Crown**”), in Melco Crown Entertainment, and 38.4%, if one takes into account 100% of the interest held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”).

Melco Crown Entertainment Asia Holdings Limited (“**MCEAH**”), an existing special purpose vehicle that is indirectly owned as to 50% by the Company and as to 50% by Crown, has entered into an undertaking with, inter alia, the Underwriters, dated 27 April 2009, to purchase the 67,500,000 ordinary shares (equivalent to 22,500,000 ADSs) being offered, which will constitute (i) 50% of the total transaction value if the Underwriters’ over-allotment option is exercised in full; and (ii) 54.5% of the total transaction value if no Underwriters’ over-allotment option is exercised. The amount payable by MCEAH pursuant to its commitment to purchase 67,500,000 ordinary shares of Melco Crown Entertainment is US\$90,000,000.

The Company and Crown have agreed to provide to MCEAH the funding necessary for MCEAH to fulfil its subscription commitment. That funding will be provided to MCEAH by the Company and Crown (through their respective subsidiaries), in equal amounts, in the form of shareholders loans. The provision of that financing to MCEAH constitutes a discloseable transaction for the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The amount of funding to be provided to MCEAH is the amount necessary to fulfil its subscription commitment. The subscription price for the ordinary shares to be subscribed by MCEAH has been determined by agreement between the Underwriters and Melco Crown Entertainment, in the context of the follow-on public offering process.

On 28 April 2009, MCEAH, as borrower, and Melco Leisure and Entertainment Group Limited (“**Melco Leisure**”), as lender, entered into a shareholders’ loan agreement for the provision by Melco Leisure to MCEAH of an interest free shareholders’ loan of US\$45,000,000 (approximately HK\$348,750,000) for the purpose of providing half the funding necessary for MCEAH to fulfil its subscription commitment. The shareholders’ loan is interest free, unsecured and repayable on not less than one month’s written notice, which may be given by Melco Leisure to MCEAH at any time. A subsidiary of Crown is providing the same amount of financing to MCEAH on the same terms.

The Company will satisfy the amount of the loan by its general working capital and the amount will be transferred to the designated account of MCEAH in one lump sum.

Upon completion of the offering of securities by Melco Crown Entertainment, and assuming that the Underwriters' over-allotment option was exercised in full and MCEAH acquires 50% of the aggregate amount of the securities offered (as contemplated above), the Company would have an indirect interest in approximately 34.1% of the equity of Melco Crown Entertainment (36.8%, if one takes into account 50% of the interests in Melco Crown Entertainment held through Melco Crown SPV and MCEAH, and 39.5%, if one takes into account 100% of the interests held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Exchange Act).

Upon completion of the offering of securities by Melco Crown Entertainment, and assuming that no over-allotment option was exercised by the Underwriters and MCEAH acquires 50% of the aggregate amount of the securities offered (as contemplated above), the Company would have an indirect interest in approximately 34.4% of the equity of Melco Crown Entertainment (37.1%, if one takes into account 50% of the interests in Melco Crown Entertainment held through Melco Crown SPV and MCEAH, and 39.8%, if one takes into account 100% of the interests held aforesaid, as determined in accordance with Rule 13d-3 promulgated pursuant to the U.S. Exchange Act).

Crown's indirect attributable interest in the equity of Melco Crown Entertainment is the same as the Company's before completion of the follow-on public offering and will be the same as the Company's immediately after completion of the follow-on public offering.

### **Information on the Company and MCEAH**

The Company is one of the companies with the longest history in Hong Kong. Founded in 1910, the Company was among the first one hundred companies established in the city and was listed on the Hong Kong Stock Exchange in 1927. Today, the company is a dynamic new generation Asian conglomerate that leads in leisure and entertainment industry in Asia. The Company was recognized by FinanceAsia magazine as one of Hong Kong's Best Managed Companies in 2008.

Currently, the Company engages in three main business streams, namely, (i) leisure, gaming and entertainment, (ii) technology and (iii) property and other investments.

MCEAH is an existing jointly-controlled entity, owned, indirectly, as to 50% by the Company and as to 50% by Crown. MCEAH was incorporated in September 2006 for potential joint investment activities by the Company and Crown in relation to gaming in Asia. It is not a subsidiary of the Company. MCEAH has not acquired any material assets prior to its participation in the follow-on public offering as described in this announcement. To the best of the Company's directors' knowledge, information and belief, having made all reasonable enquiries, save for the shareholding in MCEAH and the relationship with Crown disclosed above, MCEAH and its ultimate beneficial owner other than the Company are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

### **Information on Melco Crown Entertainment**

Melco Crown Entertainment is a developer, owner and through a Macau subsidiary which holds a gaming sub-concession, an operator of casino gaming and entertainment casino resort facilities. Melco Crown Entertainment's first property, Altira Macau (previously known as Crown Macau) opened on May 12, 2007. Other development projects include City of Dreams, an integrated urban casino resort located in Cotai, Macau. Melco Crown Entertainment's business also includes the Mocha Clubs, which feature a total of approximately 1,300 gaming machines in eight locations and comprise the largest non-casino based operations of electronic

gaming machines in Macau. Melco Crown Entertainment has entered into an agreement, subject to certain conditions, to acquire a third development site on the Macau Peninsula.

### **Reasons for the Transaction**

The shareholders' loan is provided to MCEAH by the Company in order to finance 50% of MCEAH's total funding requirements for the subscription of ordinary shares of Melco Crown Entertainment under its offering of ordinary shares and ADSs. The net proceeds from the offering of securities by Melco Crown Entertainment will be used for any of the following (i) cash security to reduce or replace the letters of credit maintained by the Company and Crown in favour of the security agent for the City of Dreams project loan facility; and (ii) funding of Melco Crown Entertainment's subsidiaries in relation to potential future growth and expansion opportunities, and Melco Crown Entertainment's working capital requirements and general corporate purposes. Upon release of any cash security referred to in (i) above, Melco Crown Entertainment would expect to use the released proceeds for any or all of the uses set forth in (ii) above, which may include accelerated payment of the City of Dreams project loan facility.

The directors of the Company consider the provision of the shareholders' loan to MCEAH on a pro rata basis with Crown's subsidiary as contemplated above, and the proposed terms of the shareholders' loan, to be fair and reasonable and in the interests of the Company and its shareholders as a whole. The provision of the shareholders' loan to MCEAH by the Company will help to facilitate the completion of the follow-on public offering by Melco Crown Entertainment and also serve to mitigate the dilution which would otherwise be suffered by the Company. The directors of the Company consider that the raising of additional capital by Melco Crown Entertainment to finance its potential future growth and expansion opportunities and its working capital requirements will benefit the Company as a major shareholder of Melco Crown Entertainment, as will the additional indirect investment in Melco Crown Entertainment which serves to mitigate the dilution which would otherwise be suffered by the Company.

### **Suspension and Resumption of Trading**

At the request of the Company, trading in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was suspended from 3:34 p.m. on Tuesday, 28 April 2009, pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30a.m. on Wednesday, 29 April 2009.

By Order of the Board of  
**Melco International Development Limited**  
**Tsang Yuen Wai, Samuel**  
*Company Secretary*

Hong Kong, 28 April 2009

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence (Chief Operating Officer); one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Sir Roger Lobo, Dr. Lo Ka Shui and Mr. Sham Sui Leung, Daniel.*