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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

**ISSUE OF HK\$460,000,000 4.15% HONG KONG DOLLAR DENOMINATED
GUARANTEED BONDS DUE 2018**

The Company is pleased to announce that on 26 February 2013, the Company, the Issuer and the Placing Agent have entered into the Placing Agent Agreement whereby the Issuer has agreed to issue Hong Kong Dollar denominated guaranteed bonds in an aggregate amount of HK\$460,000,000, the Company has agreed to guarantee payment of all sums payable in respect of the Bonds and the Placing Agent has agreed to use commercially reasonable efforts to facilitate process of subscription of the Bonds. The Bonds will bear interest at the rate of 4.15% per annum and will have a tenor of five years.

Use of Proceeds

The net proceeds of the issue of the Bonds amount to approximately HK\$453.7 million. The proceeds will be used by the Company for general working capital and future investment purposes.

THE PLACING AGENT AGREEMENT

- (i) Date: 26 February 2013
- (ii) Parties: the Issuer, the Company and the Placing Agent
- (iii) Proposed issue of the Bonds: The Issuer has agreed to issue Hong Kong Dollar denominated guaranteed bonds in an aggregate amount of HK\$460,000,000, with an interest rate of 4.15% per annum and a tenor of 5 years.
- (iv) Placing of the Bonds: The Issuer has appointed the Placing Agent as the exclusive placing agent of the Bonds. The Placing Agent has agreed to use commercially reasonable efforts to facilitate the process of subscription of the Bonds.
- (v) Guarantee of the Bonds: Due payment of all sums payable in respect of the Bonds will be unconditionally and irrevocably guaranteed by the Company.
- (vi) Termination: The Placing Agent Agreement may be terminated on the occurrence of certain events, including change in national or international monetary, financial, political or economic conditions, failure to subscribe for the Bonds by the subscribers, breach of warranties and representations, failure to perform undertakings and so on.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are as follows:

- (i) Issuer: Melco Finance Limited
- (ii) Guarantor: Melco International Development Limited
- (iii) Principal amount of the Bonds: HK\$460,000,000
- (iv) Placing Agent: BOCI Asia Limited
- (v) Fiscal Agent: Deutsche Bank AG, Hong Kong Branch
- (vi) Maturity date: 5 years from the date of issue
- (vii) Issue price: 100% of the principal amount of the Bonds
- (viii) Interest rate: The Bonds will bear interest at 4.15% per annum, payable quarterly in arrears.
- (ix) Guarantee: The Company as guarantor will unconditionally and

irrevocably guarantee due payment of all sums payable under the Bonds. The obligations of the Company under the Guarantee shall, save for such exceptions as may be provided by applicable laws and subject to the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

- (x) Status of the Bonds: The Bonds constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and subject to the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
- (xi) Events of default: The Bonds may become immediately due and payable at their principal amount together with accrued interest on the occurrence of certain events of default such as non-payment, breach of other obligations, cross-default, insolvency, winding-up and others.
- (xii) Redemption for other reasons: The Bonds may be redeemed at the option of the Issuer for taxation reasons and at the option of the Bondholders in the event of a change of control of the Company.
- (xiii) Further Issues: The Issuer may, from time to time without the Bondholders' consent, create and issue securities either having the same terms and conditions as the Bonds or upon such terms as the Issuer may determine at the time of their issue.

The Bonds will be issued in registered form and represented by a global certificate registered in the name of a nominee for, and deposited with, a common depository for Euroclear Bank S.A./N.V. and/or Clearstream Banking, *société anonyme*. The Bonds will not be listed on any stock exchange.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds amount to approximately HK\$453.7 million. The proceeds will be used by the Company for general working capital and future investment purposes.

The Placing Agent Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “The Placing Agent Agreement” above for further information. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Bonds”	4.15% Hong Kong Dollar denominated guaranteed bonds proposed to be issued by the Issuer for an aggregate amount of HK\$460,000,000, with a maturity of 5 years from the date of issue
“Bondholder(s)”	holder(s) of the Bonds
“Closing Date”	5 March 2013, or such other date, not later than 19 March 2013, as the Company, the Issuer and the Placing Agent may agree
“Company”	Melco International Development Limited, a company incorporated in Hong Kong whose shares of which are listed on the Stock Exchange
“Conditions”	the terms and conditions of the Bonds
“Directors”	the directors of the Company
“Guarantee”	The deed of guarantee to be entered into by the Company in favour of the holders and relevant account holders of the Bonds
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Issuer”	Melco Finance Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing Agent”	BOCI Asia Limited
“Placing Agent Agreement”	the placing agent agreement entered into between the Company, the Issuer and the Placing Agent dated 26 February 2013 in respect of the issue of the Bonds

“Shareholder(s)” holder(s) of the shares of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

Hong Kong, 27 February 2013

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; one non-executive Director, namely Mr. Ng Ching Wo; and three independent non-executive Directors, namely Sir Roger Lobo, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.