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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code : 200)

### **DISCLOSEABLE TRANSACTION**

#### **DISPOSAL OF SHARES IN MELCOLOT LIMITED**

The Board announces that during the period from 16 September 2013 to 17 January 2014 (both days inclusive), the Company has, through its wholly owned subsidiary, disposed of 172,692,000 MelcoLot Shares for an aggregate consideration, net of expenses, of approximately HK\$224,813,000 in the open market.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules, as one of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%.

#### **THE DISPOSAL**

The Board announces that during the period from 16 September 2013 to 17 January 2014 (both days inclusive), the Company has, through its wholly owned subsidiary, Melco LV, disposed of 172,692,000 MelcoLot Shares (representing 7.16% of the issued share capital of MelcoLot (Stock Code: 8198) as at 17 January 2014) for an aggregate consideration, net of expenses, of approximately HK\$224,813,000 in the open market. The consideration represented the market price of the MelcoLot Shares at the time of the Disposal.

Before the Disposal, Melco LV held 1,181,758,409 MelcoLot Shares, representing approximately 50.53% of the issued share capital of MelcoLot as at 15 September 2013. After the Disposal, Melco LV held 1,009,066,409 MelcoLot Shares, representing approximately 41.86% of the issued share capital of MelcoLot as at 17 January 2014.

Following the Disposal, MelcoLot remains a subsidiary of the Company and the financial statements of MelcoLot are still consolidated into the Group.

As the Disposal was made on the market, the Company is not aware of the identity(ies) of the counterparty(ies) of the Disposal or of their respective principal business activities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the counterparty(ies) and their respective ultimate beneficial owners is/are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. Detailed transaction records of the Disposal are set out below:

<b>Transaction dates</b>	<b>No. of MelcoLot Shares sold</b>	<b>Net proceeds (HK\$)</b>	<b>Average disposal price per MelcoLot Share (HK\$)</b>
16 to 19 September 2013	45,924,000	48,257,000	1.05
12 to 15 November 2013	60,000,000	70,298,000	1.17
6 December 2013	18,000,000	30,449,000	1.69
8 to 17 January 2014	48,768,000	75,809,000	1.55
<b>Total</b>	<b>172,692,000</b>	<b>224,813,000</b>	

## **REASONS FOR THE DISPOSAL**

The Directors consider that the Disposal represents a good opportunity to realize profit from the Group's investment in MelcoLot.

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company, and that the terms of the Disposal are fair and reasonable, are normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

## **USE OF NET PROCEEDS**

The net proceeds after deducting the related costs and expenses arising from the Disposal amount to approximately HK\$224,813,000, which was received in cash on settlement. The Company intends to use the net proceeds of the Disposal as general working capital.

The gain in respect of the Disposal was approximately HK\$241,866,000. The gain was calculated by (a) adding the unaudited net liabilities of MelcoLot attributable to the disposed shares (approximately HK\$17,053,000 based on the 2013 interim report of MelcoLot) to; and (b) deducting the related costs and expenses of the Disposal (approximately HK\$809,000) from, the gross proceeds of the Disposal (approximately HK\$225,622,000).

## **INFORMATION ON MELCOLOT**

MelcoLot and its subsidiaries are principally engaged in lottery business in the PRC.

According to the annual reports of MelcoLot for the two years ended 31 December 2011 and 2012, its consolidated net loss before and after taxation for the year ended 31 December 2011 were approximately HK\$215,819,000 and HK\$215,932,000 respectively, and its consolidated net profit before and after taxation for the year ended 31 December 2012 were approximately HK\$91,912,000 and HK\$70,541,000 respectively. Based on the 2013 interim report of MelcoLot, the unaudited net liabilities attributable to owners of MelcoLot as at 30 June 2013 was HK\$234,884,000.

## **GENERAL**

The Group is principally engaged in leisure, gaming and entertainment and other investments.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules, as one of the applicable percentage ratios exceeds 5% but all the applicable percentage ratios are less than 25%.

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal by the Company, through its wholly owned subsidiary, Melco LV, on the market of a total of 172,692,000 MelcoLot Shares during the period from 16 September 2013 to 17 January 2014 (both days inclusive)
“GEM”	Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MelcoLot”	MelcoLot Limited (Stock Code: 8198), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
“Melco LV”	Melco LottVentures Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“MelcoLot Shares”	shares of HK\$0.01 each in the share capital of MelcoLot
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 21 January 2014

*As at the date of this announcement, the board of directors of the Company 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.*