
**THIS CIRCULAR AND THE ENCLOSED FORM OF ELECTION
ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION**

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If you have sold or transferred all of your shares in Melco International Development Limited, you should at once hand this Circular and the accompanying Form of Election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders holding 4,000 Shares or more, in connection with claiming their entitlements under the Distribution in Specie and electing between Distribution ADSs and cash.

The Form of Election will not be sent to Qualifying Shareholders holding less than 4,000 Shares or to Non-Qualifying Shareholders. Qualifying Shareholders holding less than 4,000 Shares and Non-Qualifying Shareholders will only receive this Circular for information.

Nothing in this Circular constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Distribution ADSs have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction, and the Distribution ADSs may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of US Persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

**DISTRIBUTION IN SPECIE IN CONNECTION WITH THE
SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY
ON THE NEW YORK STOCK EXCHANGE**



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

Executive Directors:

Mr. Ho, Lawrence Yau Lung

(Chairman and Chief Executive Officer)

Mr. Evan Andrew Winkler

(President and Managing Director)

Mr. Chung Yuk Man, Clarence

Registered office:

38th Floor, The Centrium

60 Wyndham Street

Central

Hong Kong

Non-executive Directors:

Mr. Tsui Che Yin, Frank

Mr. Ng Ching Wo

Independent Non-executive Directors:

Mr. Chow Kwong Fai, Edward

Dr. Tyen Kan Hee, Anthony

Ms. Karuna Evelyne Shinsho

26 November 2018

To the Shareholders

Dear Sir or Madam,

DISTRIBUTION IN SPECIE IN CONNECTION WITH THE SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY ON THE NEW YORK STOCK EXCHANGE

INTRODUCTION

On 18 October 2018, the Company announced that the Global Offering and separate listing of Studio City on the New York Stock Exchange had taken place and that, as contemplated by the Company's announcement dated 10 October 2018, the Company proposed to make a distribution having an aggregate value of approximately 1.5% of the gross proceeds of the Global Offering (excluding the exercise of the Underwriters' over-allotment option which is exercisable within 30 days from the date of the Prospectus). In furtherance of this, the Company has subscribed 800,376 Class A Ordinary Shares of Studio City, equivalent to 200,094 ADSs of Studio City, in a separate transaction concurrent with the Global Offering for the purpose of providing Shareholders with an assured entitlement to Studio City ADSs by way of a Distribution in Specie, in accordance with PN15.

On 2 November 2018, the Company announced that the Distribution in Specie Board Committee had met on that day and declared the Distribution in Specie.

This Circular sets out the procedures and conditions for qualifying for and obtaining the Distribution in Specie.

Unless the context otherwise requires, capitalised terms and expressions used in this Circular have the meanings given to them in the section headed “DEFINITIONS”, below.

STUDIO CITY

Studio City owns and operates a world-class gaming, retail and entertainment resort located in Cotai, Macau. For the financial year ended 31 December 2017, Studio City’s audited consolidated loss before taxation was approximately US\$76.7 million (equivalent to approximately HK\$598.3 million) and its audited consolidated net loss after taxation was approximately US\$76.4 million (equivalent to approximately HK\$595.9 million). For the financial year ended 31 December 2016, Studio City’s audited consolidated loss before taxation was approximately US\$242.3 million (equivalent to approximately HK\$1,889.9 million) and its audited consolidated net loss after taxation was approximately US\$242.8 million (equivalent to approximately HK\$1,893.8 million). As at 31 December 2017, Studio City’s audited consolidated net asset value was approximately US\$740.0 million (equivalent to approximately HK\$5,772.0 million).

The pricing of Studio City’s ADSs completed on 17 October 2018 (New York time), at a final offer price under the Global Offering of US\$12.50 (equivalent to approximately HK\$97.50) per ADS. Trading in the ADSs on the New York Stock Exchange commenced on 18 October 2018 (New York time). As at close of trading on 19 November 2018 (New York time), the price was US\$16.04 (equivalent to approximately HK\$125.11) per ADS.

A copy of the Prospectus in connection with the Global Offering is available at <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001713334&owner=exclude&count=40&hidefilings=0>.

DISTRIBUTION ADSs

The Distribution ADSs initially issued to Qualifying Shareholders will be subject to selling restrictions (as described below) until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, and subject to satisfaction of certain conditions set forth in the Distribution Deposit Agreement, the Distribution ADSs held by Qualifying Shareholders who are not Studio City Affiliates will automatically be replaced by ADSs and will become fully fungible with the ADSs issued under the Global Offering and will be tradeable on the New York Stock Exchange. The Company will make an announcement when this has happened.

By accepting the Distribution ADSs, Qualifying Shareholders will become a party to and be bound by the provisions of the Distribution Deposit Agreement and shall be obliged to comply with its provisions. A copy of the Distribution Deposit Agreement is available for inspection by Qualifying Shareholders upon request to the Company. Please contact the Company’s Registrar at its hotline on +852 2980 1333 during normal business hours from 9:00 a.m. on 26 November to 4:00 p.m. on 17 December 2018 to request a copy of the Distribution Deposit Agreement.

Restrictions on Sales of Distribution ADSs for 40 Days after Delivery

The Distribution ADSs have not been and will not be registered under the Securities Act and will be distributed only to Qualifying Shareholders who are non-U.S. Persons in an offshore transaction in reliance on Regulation S.

In accordance with the requirements of US securities laws and the Distribution Deposit Agreement, Qualifying Shareholders receiving Distribution ADSs will not be permitted to offer, sell, pledge or otherwise transfer their Distribution ADSs within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) during the Distribution Compliance Period.

Distribution ADSs held by Qualifying Shareholders who are Studio City Affiliates will be subject to additional restrictions on disposal.

Listing on the New York Stock Exchange

Before the end of the Distribution Compliance Period, the Distribution ADSs will not be listed on any stock exchange. However, after the end of the Distribution Compliance Period, the Distribution ADSs will be listed on the New York Stock Exchange. The stock code of Studio City on the New York Stock Exchange is “MSC”. After the end of the Distribution Compliance Period, the CUSIP number will be “86389T106”.

PARTICULARS OF THE DISTRIBUTION IN SPECIE

Distribution Ratio

Pursuant to the Distribution in Specie:

- (a) Subject to what is said below, each Qualifying Shareholder holding 4,000 Shares or more as at the Reference Time on the Record Date is entitled to receive 1 Distribution ADS for every 4,000 Shares held by him/her/it as at the Reference Time on the Record Date.

Accordingly, the number of Distribution ADSs to which a Qualifying Shareholder holding 4,000 Shares or more is entitled will be calculated as follows:

$$\frac{\text{No. of Shares held by the Qualifying Shareholder}}{4,000 \text{ Shares}} \times 1 \text{ Distribution ADS}$$

If the calculation above results in a fraction of a Distribution ADS, the fraction of the Distribution ADS will be rounded down to the nearest whole number of Distribution ADSs. Fractional entitlements will be dealt with as described under the sub-heading “Treatment of fractional entitlements to Distribution ADSs” below.

- (b) Qualifying Shareholders holding 4,000 Shares or more may elect to receive cash in lieu of all or part of the Distribution ADSs to which they would otherwise be entitled. The cash amount payable will be calculated as follows:

Number of Distribution ADSs to which the
Qualifying Shareholder is entitled less the number
of Distribution ADSs which the Qualifying Shareholder elects to receive x Offer Price

Fractional entitlements will be dealt with as described under the sub-heading “Treatment of fractional entitlements to Distribution ADSs” below.

- (c) Qualifying Shareholders holding less than 4,000 Shares as at the Reference Time on the Record Date will receive cash in lieu of their fractional entitlement to Distribution ADSs. The cash amount payable will be calculated as follows:

Number of Distribution ADSs to which the
Qualifying Shareholder would otherwise have been entitled x Offer Price

- (d) Non-Qualifying Shareholders will not be permitted to elect to receive Distribution ADSs and will only be entitled to receive cash in lieu of all the Distribution ADSs to which they would have been entitled in respect of the number of Shares respectively held by them, if they were Qualifying Shareholders. The cash amount payable will be calculated as follows:

Number of Distribution ADSs to which the
Non-Qualifying Shareholder would have been
entitled in respect of the number of Shares held by the Non-Qualifying Shareholder, if he/she/it were instead a Qualifying Shareholder x Offer Price

Qualifying Shareholders who do not return their Forms of Election on or before 4:00 p.m. on 17 December 2018 will receive cash in lieu of all their Distribution ADSs. The cash amount will be calculated in accordance with the methodology described in (b) above.

Qualifying Shareholders

Qualifying Shareholders are Shareholders whose names appeared on the register of members of the Company as at the Reference Time on the Record Date (i.e. at 4:30 p.m. on 23 November 2018), other than Shareholders who are, or who are acting for the account or for the benefit of, Non-Qualifying Shareholders.

Non-Qualifying Shareholders

Non-Qualifying Shareholders are Shareholders (including Beneficial Owners) who are as at the Reference Time on the Record Date resident or located in places outside Hong Kong in respect of which the Distribution in Specie Board Committee considers the exclusion from receiving ADSs under the Distribution in Specie to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of a regulatory body or stock exchange in that place, in accordance with Rule 13.36(2) of the Listing Rules, and Shareholders who are otherwise unable to make the certifications required in the Form of Election in order to be entitled to receive Distribution ADSs. Non-Qualifying Shareholders include Shareholders (including Beneficial Owners) who are located in the US or who are US Person(s) and Shareholders (including Beneficial Owners) located in Switzerland. The Company reserves the right to adopt the same approach in respect of any other jurisdiction(s) where the applicable laws of the relevant jurisdiction make it necessary or expedient to do so.

Basis of determining entitlements

Entitlements under the Distribution in Specie will be determined on a pro rata basis by reference to the actual number of Shares held by a Shareholder as at the Reference Time on the Record Date, irrespective of whether the number of Shares held by the Shareholder is a whole number multiple of one board lot of 1,000 Shares.

Treatment of fractional entitlements to Distribution ADSs

Fractional entitlements to Distribution ADSs will not be distributed to Qualifying Shareholders. The number of Distribution ADSs to which a Qualifying Shareholder would otherwise be entitled pursuant to the Distribution in Specie will be rounded down to the nearest whole number of Distribution ADS. Qualifying Shareholders' fractional entitlements to Distribution ADSs will be paid in cash, at the amount calculated using the Offer Price and will be rounded down to the nearest Hong Kong cent, except that amounts in respect of fractional entitlements in the sum of less than HK\$20 will not be distributed and will be retained for the benefit of the Company.

Entitlements to cash

Entitlements to cash of Qualifying Shareholders holding less than 4,000 Shares, Qualifying Shareholders electing for cash and Non-Qualifying Shareholders will be calculated using the Offer Price and will be rounded down to the nearest Hong Kong cent, except that amounts in respect of cash entitlements in the sum of less than HK\$20 will not be distributed and will be retained for the benefit of the Company.

FORM OF ELECTION

A Form of Election is enclosed with this Circular for use by Qualifying Shareholders holding 4,000 Shares or more, in connection with claiming their entitlements under the Distribution in Specie and electing between Distribution ADSs and cash.

COMPLETING THE FORM OF ELECTION

The Form of Election has been individually prepared for each Qualifying Shareholder holding at least 4,000 Shares and who, to the knowledge of the Company, is neither located in the US nor is a US Person, nor is located in Switzerland. It sets out on the first page of the Form of Election the number of Distribution ADSs to which the relevant Qualifying Shareholder is entitled, calculated in accordance with the methodology described in paragraph (a) under the sub-heading “Distribution Ratio” above.

A summary of the available options pursuant to the Form of Election is set out below.

Qualifying Shareholders holding 4,000 Shares or more who wish to only receive cash

If you wish to receive cash in lieu of all the Distribution ADSs to which you would otherwise be entitled, you do not need to take any action.

Qualifying Shareholders holding less than 4,000 Shares

The Form of Election is only being sent to, and only needs to be completed by, Qualifying Shareholders holding 4,000 Shares or more. Qualifying Shareholders holding less than 4,000 Shares will receive cash only provided that the cash amount payable to the relevant Qualifying Shareholder is HK\$20 or more. Accordingly, Qualifying Shareholders holding less than 4,000 Shares will not receive the Form of Election and do not need to take any action.

Qualifying Shareholders holding 4,000 Shares or more who wish to receive their entitlements in the form of Distribution ADSs or partly in the form of Distribution ADSs and partly in cash

Step 1: Required certification

Qualifying Shareholders who wish to receive Distribution ADSs, in addition to certain other certifications and agreements in Section 1 of the Form of Election, must either: (1) certify, by completing Section 1 of the Form of Election, that they are not located in the US nor are they US Persons, nor are they located in Switzerland; and for Qualifying Shareholders who are not Beneficial Owners, they must also certify in respect of the relevant number of Distribution ADSs they wish to receive that they are not receiving those Distribution ADSs for the account or for the benefit of a Beneficial Owner located in the US or who is a US Person or located in one of the other jurisdictions specified above in this paragraph; or (2), if they are Qualifying Shareholders who are not US Persons, not located in the US and not located in one of the other jurisdictions specified above in this paragraph and they are holding Shares as a nominee, trustee, depository or other authorised custodian, provide the Company with a form of certification made by the persons for whom they act as such nominee, trustee, depository or custodian to substantially the same effect as the certification in Section 1 of the Form of Election.

Qualifying Shareholders who do not provide the requisite certification in one of the forms permitted in the paragraph above will not be entitled to receive their entitlement under the Distribution in Specie in the form of Distribution ADSs but will instead receive cash in lieu of the number of Distribution ADSs in respect of which no such certification is provided. The amount of cash will be calculated as described in paragraph (b) under the sub-heading “Distribution Ratio” above.

Step 2: Specify the number of Distribution ADSs you wish to receive (which cannot exceed your entitlement to Distribution ADSs shown on the first page of the Form of Election)

Qualifying Shareholders wishing to receive their Distribution in Specie in the form of Distribution ADSs should specify, in Section 2 of the Form of Election, the number of Distribution ADSs they wish to receive (which cannot exceed the entitlement to Distribution ADSs shown on the first page of the Form of Election) by specifying the relevant number(s) of Distribution ADSs in the box set out in Section 2 of the Form of Election.

If Section 2 of the Form of Election is completed in respect of only part of a Qualifying Shareholder's aggregate entitlement to Distribution ADSs specified on the first page of the Form of Election, the Qualifying Shareholder will receive cash in lieu of the remainder of the Distribution ADSs specified on the first page of the Form of Election to which the Qualifying Shareholder would otherwise be entitled. However, for the avoidance of doubt, if the cash amount payable in lieu of such remainder of the Distribution ADSs specified on the first page of the Form of Election is less than HK\$20, no cash will be distributed to the Qualifying Shareholder. Therefore, there is no need for Qualifying Shareholders to specify in Section 2 of the Form of Election the number of Distribution ADSs in respect of which cash will be paid in lieu of the remainder of the Distribution ADSs.

Step 3: Provide details of your DTC participant account or details of the account of your designated broker dealer or other financial institution which is a direct or indirect DTC participant

The Distribution ADSs are to be held electronically in book entry form through the facilities of DTC directly in the name of the Qualifying Shareholder (only if the Qualifying Shareholder is a participant in DTC) or indirectly through the Qualifying Shareholder's account at a broker dealer or other financial institution which is a direct or indirect participant in DTC.

A Qualifying Shareholder holding 4,000 Shares or more is only able to receive Distribution ADSs if he/she/it specifies in Section 2 of the Form of Election information as to the details of (1) his/her/its DTC participant account or (2) his/her/its broker dealer or other financial institution who is a direct or indirect DTC participant, including details of that broker dealer's or other financial institution's DTC participant name, account to which the ADSs can be credited, contact name and contact telephone number. Furthermore, a Qualifying Shareholder is only able to receive Distribution ADSs if the broker dealer or other financial institution specified by the relevant Qualifying Shareholder accepts such Distribution ADSs for crediting. Information required by the Form of Election in respect of a Qualifying Shareholder's DTC participant account or the account of his/her/its broker dealer or other financial institution which is a direct or indirect DTC participant must be completed in the Form of Election and be valid, failing which the Qualifying Shareholder will be deemed to have elected to receive cash in lieu of the Distribution ADSs to which the Qualifying Shareholder is entitled. **Qualifying Shareholders who have elected to receive Distribution ADSs must instruct and coordinate with their respective broker dealers or other financial institutions on their elections and the settlement of their respective Distribution ADSs.**

When a Form of Election will be treated as invalid

A Form of Election will be treated as invalid if:

- (i) it is incomplete; or
- (ii) the Shareholder is unable to provide the correct details of his/her/its DTC participant account or (as the case may be) his/her/its broker dealer or other financial institution (including details of the DTC participant account to which the Distribution ADSs are to be credited and other information required by the Form of Election); or
- (iii) the broker dealer or other financial institution is not a direct or indirect DTC participant or refuses to accept Distribution ADSs, such that the Distribution ADSs could not be credited to the account specified in Section 2 of the Form of Election. If a Form of Election is treated as invalid the relevant Qualifying Shareholder will be deemed to have elected to receive cash in lieu of the Qualifying Shareholder's entire entitlement to Distribution ADSs. The cash amount would be calculated in accordance with the methodology described in paragraph (b) under the sub-heading "Distribution Ratio" above.

Step 4: Return of the completed Form of Election

The Form of Election must be completed in accordance with the instructions printed thereon and in this Circular and lodged to the Company's Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, No 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on 17 December 2018. No acknowledgement of receipt of the Form of Election will be issued.

The latest time for submission of the Forms of Election will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 17 December 2018. Instead the deadline for the submission of Forms of Election will be 5:00 p.m. on the same Hong Kong business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 17 December 2018. Instead the deadline for the submission of the Forms of Election will be rescheduled to 4:00 p.m. on the next Hong Kong business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

No elections may, after the relevant Forms of Election are signed and lodged with the Company's Registrar, be in any way withdrawn, revoked, superseded or altered without the agreement of the Company. **If you do not complete and return the Form of Election before the time stated above, you will receive cash in lieu of the Distribution ADSs to which you would otherwise have been entitled.** The cash amount would be calculated in accordance with the methodology described in paragraph (b) under the sub-heading "Distribution Ratio" above.

Questions regarding completion of the Form of Election

Should you have any queries on the Form of Election, you should contact the Company's Registrar at its hotline on + 852 2980 1333 during normal business hours from 9:00 a.m. on 26 November 2018 to 4:00 p.m. on 17 December 2018. You should note, however, that the Company's Registrar cannot advise on the merits of the Distribution in Specie or on your election for Distribution ADSs or cash.

ACTION TO BE TAKEN BY BENEFICIAL OWNERS

Any Beneficial Owner who wishes to receive Distribution ADSs should contact his/her/its respective Intermediary to make arrangements and provide the Intermediary with instructions so that the Qualifying Shareholder holding the Shares for the Beneficial Owner will be able to provide the requisite certification (either in the form of the Qualifying Shareholder making the certification in Section 1 of the Form of Election or the Qualifying Shareholder providing a form of certification made by the person for whom he/she/it acts as a nominee, trustee, depository or custodian to substantially the same effect as the certification in Section 1 of the Form of Election). Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed "EXPECTED TIMETABLE" below and otherwise in accordance with the requirements of the Intermediary, in order to allow the Intermediary sufficient time to ensure that such instructions/arrangements are given effect.

ACTION TO BE TAKEN BY CCASS INVESTOR PARTICIPANTS

Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in the Distribution in Specie should be dealt with.

TRANSFER OF DISTRIBUTION ADSs TO QUALIFYING SHAREHOLDERS AND CHEQUES TO QUALIFYING SHAREHOLDERS RECEIVING CASH AND NON-QUALIFYING SHAREHOLDERS

The expected date for the transfer of Distribution ADSs under the Distribution in Specie is 31 December 2018. The expected date for the despatch of cheques to Qualifying Shareholders receiving cash and to Non-Qualifying Shareholders is 4 January 2019.

On 31 December 2018, at the direction of Studio City and the Company, DTC will credit the account of (i) the Qualifying Shareholder (if the Qualifying Shareholder is a participant in DTC) or (ii) the broker dealer or other financial institution which is a direct or indirect participant in DTC designated by the Qualifying Shareholder, in either case as specified in the completed Form of Election, with the number of Distribution ADSs to which such Qualifying Shareholder is entitled and has elected to receive.

EXPECTED TIMETABLE

Despatch of this Circular and the Form of Election.	26 November 2018
Latest time for lodging the Form of Election	4:00 p.m. on 17 December 2018
Transfer of Distribution ADSs to Qualifying Shareholders	31 December 2018
Despatch of cheques to Qualifying Shareholders receiving cash and Non-Qualifying Shareholders	4 January 2019

All times above refer to Hong Kong local time.

If there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force at any time prior to 4:00 p.m. on 17 December 2018, the deadline for lodging of the Form of Election will be changed. Further information is set out in the section headed “QUALIFYING SHAREHOLDERS HOLDING 4,000 SHARES OR MORE WHO WISH TO RECEIVE THEIR ENTITLEMENTS IN THE FORM OF DISTRIBUTION ADSs OR PARTLY IN THE FORM OF DISTRIBUTION ADSs AND PARTLY IN CASH” above.

The timetable is subject to change and any such change will be published in a further announcement.

OVERSEAS SHAREHOLDERS

All Qualifying Shareholders and Beneficial Owners resident or located outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive Distribution ADSs in satisfaction of their entitlements to the Distribution in Specie. No person receiving in any territory outside Hong Kong a copy of this Circular and/or Form of Election may treat the same as an invitation to him/her/it unless in the relevant territory such invitation could lawfully be made to him/her/it without having to comply with any unfulfilled registration or other legal requirements.

This Circular and the Form of Election will not be registered in Hong Kong or any other jurisdiction.

Pursuant to Rule 13.36(2) of the Listing Rules, the Company has made enquiries with legal advisers regarding legal restrictions and regulatory requirements relating to participation of Qualifying Shareholders and Beneficial Owners resident or located outside Hong Kong in the Distribution in Specie. The Company has decided that excluding Shareholders or Beneficial Owners who are located in the US or who are US Persons, or who are located in Switzerland is necessary and expedient and therefore such persons shall not be permitted to elect to receive ADSs under the Distribution in Specie due to the applicable legal restrictions under the laws of the relevant jurisdiction(s) requiring either a prospectus or offer document to be registered with the relevant authorities or additional steps to be taken to comply with the local requirements. Such Shareholders and Beneficial Owners will only be entitled to receive

cash in lieu of all the Distribution ADSs to which they would otherwise be entitled. The Company reserves the right to adopt the same approach in respect of any other jurisdiction(s) where the applicable laws of the relevant jurisdiction make it necessary or expedient to do so.

Accordingly, the Form of Election will not be sent to Shareholders who are located in the US or who are US Persons or who are located in Switzerland and these Shareholders will only receive this Circular for information. Such Shareholders will receive their Distribution in Specie wholly in cash.

It is the responsibility of any Qualifying Shareholders and Beneficial Owners outside Hong Kong who wish to receive Distribution ADSs under the Distribution in Specie to comply with the laws of the relevant jurisdictions including procedures and any other similar formalities. It is also the responsibility of any Qualifying Shareholders and Beneficial Owners outside Hong Kong who receive Distribution ADSs to also comply with any restrictions on the resale of the Distribution ADSs which may apply outside Hong Kong.

GENERAL

Qualifying Shareholders and Beneficial Owners are reminded that whether or not it is to their advantage to elect to receive the Distribution in Specie in cash in lieu of Distribution ADSs depends upon their own individual circumstances and preferences; and the decision in this regard and all effects resulting therefrom are the responsibility of each individual Qualifying Shareholder and Beneficial Owner. The effect on the tax position of any Qualifying Shareholder will depend on that Qualifying Shareholder's particular circumstances. Qualifying Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or Distribution ADSs is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

This Circular and the Form of Election are not, and do not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of Studio City in Hong Kong, the US or any other jurisdiction, and this Circular and the Form of Election, or any part of them, shall not form the basis of, or be relied on in connection with, any investment decision relating to securities of Studio City.

If you are in any doubt as to what to do, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

The Company does not have a current intention to dispose of the Class A Ordinary Shares acquired by the Company for the Distribution in Specie, that are not required due to Qualifying Shareholders electing to receive cash instead of Distribution ADSs.

DEFINITIONS

Unless the context otherwise requires, the following terms used in this Circular shall have the following meanings:

“ADS(s)”	American depositary share(s) issued pursuant to a deposit agreement between Studio City, the Depositary and the holders and beneficial owners of ADSs, each representing four Class A Ordinary Shares, which are listed on the New York Stock Exchange;
“Beneficial Owner”	any beneficial owner of Shares whose Shares are registered on the register of members of the Company in the name of a nominee, trustee, depository or any other authorised custodian or third party (including but not limited to HKSCC Nominees Limited in respect of Shares deposited in CCASS);
“Board”	the Board of Directors of the Company;
“CCASS”	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited;
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation;
“CCASS Participant”	a person admitted by Hong Kong Securities Clearing Company Limited as a participant of CCASS;
“Circular”	this Shareholders’ circular despatched to the Shareholders on 26 November 2018 in respect of the Distribution in Specie, which is accompanied by a Form of Election (if applicable);
“Class A Ordinary Shares”	Class A ordinary shares with par value of US\$0.0001 each, of Studio City;
“Company”	Melco International Development Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;
“Depositary”	Deutsche Bank Trust Company Americas;
“Distribution ADSs”	ADSs to be distributed to Qualifying Shareholders holding 4,000 Shares or more pursuant to the Distribution in Specie, which will be issued pursuant to the Distribution Deposit Agreement and at the end of the Distribution Compliance Period will be cancelled and replaced by ADSs;

“Distribution Compliance Period”	a period of 40 days commencing on the date of the last issuance of the Distribution ADSs to Qualifying Shareholders as notified by Studio City to the Depository (expected to be 31 December 2018);
“Distribution Deposit Agreement”	the Distribution Deposit Agreement dated 26 November 2018 between the Depository, Studio City, the Company and the holders and beneficial owners from time to time of the Distribution ADSs;
“Distribution in Specie”	the special dividend of the Company declared by the Distribution in Specie Board Committee to be satisfied by the distribution in specie by the Company of Distribution ADSs to Qualifying Shareholders holding at least 4,000 Shares (on the basis of an entitlement to 1 Distribution ADS for every 4,000 Shares held by each Qualifying Shareholder as at the Reference Time on the Record Date) or of cash in lieu of such entitlement, on and subject to the terms and conditions set out in this Circular;
“Distribution in Specie Board Committee”	a committee of the Board formed by a resolution of the Board passed on 12 October 2018 with authority to consider the declaration, and to determine the terms of, the Distribution in Specie and to take all necessary steps to implement the Distribution in Specie;
“DTC”	The Depository Trust Company;
“Form of Election”	the form of election accompanying this Circular, to be completed by Qualifying Shareholders pursuant to which each Qualifying Shareholder holding 4,000 Shares or more may elect to receive Distribution ADSs or cash in lieu of all or part of the Distribution ADSs to which the Qualifying Shareholder is entitled;
“Global Offering”	the initial public offering of ADSs in connection with the spin-off and separate listing of Studio City on the New York Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Non-Qualifying Shareholders”	(1) Shareholders (including Beneficial Owners) as at the Reference Time on the Record Date resident or located in places outside Hong Kong in respect of which the Distribution in Specie Board Committee considers the exclusion from receiving ADSs under the Distribution in Specie to be necessary or expedient on account of either the legal restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place; (2) without limitation to the generality of the foregoing, Shareholders (including Beneficial Owners) who are located in the US or who are US Person(s) and Shareholders (including Beneficial Owners) located in Switzerland; and (3) Shareholders who are otherwise unable to make the certifications required in the Form of Election in order to be entitled to receive the Distribution in Specie;
“Offer Price”	the final offer price per ADS under the Global Offering, being US\$12.50, translated into Hong Kong dollars at the exchange rate of US\$1.00 = HK\$7.80, being an amount of HK\$97.50 per ADS;
“PN15”	Practice Note 15 of the Listing Rules;
“Prospectus”	the prospectus dated 17 October 2018 publicly filed under the United States Securities Act of 1933, as amended, with the SEC, in connection with the Global Offering;
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company as at the Reference Time on the Record Date (i.e., at 4:30 p.m. on 23 November 2018), other than Shareholders who are, or who are acting for the account or for the benefit of, Non-Qualifying Shareholders;
“Record Date”	23 November 2018, the date by reference to which entitlements to the Distribution in Specie are determined;
“Reference Time on the Record Date”	4:30 p.m. on 23 November 2018;
“Regulation S”	Regulation S under the Securities Act;
“Shareholders”	shareholders of the Company;
“Shares”	ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Studio City”	Studio City International Holdings Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands which is a subsidiary of the Company and which has its ADSs listed on the New York Stock Exchange;
“Studio City Affiliate”	(1) any affiliate of Studio City within the meaning of Rule 144 of the US Securities Act, being any person or entity that directly, or through one or more intermediaries, controls or is controlled by, or is under common control with Studio City and (2) any director of an affiliate referred to in part (1) of this definition;
“Underwriters”	Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. International plc, Bank of Communications Co., Ltd. Macau Branch and ICBC (Macau) Capital Limited;
“US”	the United States of America (including its territories and dependencies, any state of the United States of America and the District of Columbia);
“US\$”	United States dollars, the lawful currency of the United States of America;
“US Persons”	as defined in Rule 902 under the US Securities Act: <ul style="list-style-type: none"> i. any natural person resident in the US; ii. any partnership or corporation organised or incorporated under the laws of the US; iii. any estate of which any executor or administrator is a US person; iv. any trust of which any trustee is a US person; v. any agency or branch of a foreign entity located in the US; vi. any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US person;

- vii. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the US; and
- viii. any partnership or corporation if:
 - (a) organised or incorporated under the laws of any foreign jurisdiction; and
 - (b) formed by a US person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) of the US Securities Act) who are not natural persons, estates or trusts;

“US Securities Act” the US Securities Act of 1933, as amended; and

“%” per cent.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80. Percentages and figures expressed have been rounded.

By Order of the Distribution in Specie Board Committee of
Melco International Development Limited
Leung Hoi Wai, Vincent
Company Secretary