

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : www.melco-group.com

(Stock Code : 200)

CONTINUING CONNECTED TRANSACTION RENEWAL OF PURCHASE OF FERRY TICKETS

INTRODUCTION

Reference is made to the announcement of the Company dated 7 October 2016 in relation to the continuing connected transactions under the Existing Ferry Ticket Sales Framework Agreement.

RENEWAL OF CONTINUING CONNECTED TRANSACTION

The Existing Ferry Ticket Sales Framework Agreement will expire on 31 December 2018. As the Group intends to continue carrying out the transactions under the Existing Ferry Ticket Sales Framework Agreement, MRSL (for itself and on behalf of the Group) and STCTSML entered into the New Ferry Ticket Sales Framework Agreement, relating to purchase from time to time by the Group of Ferry Tickets from STCTSML for a term of three years ending 31 December 2021.

LISTING RULES IMPLICATIONS

MRSL is a Subsidiary of Melco Resorts which in turn is a Subsidiary of the Company. Mr. Ho is a substantial Shareholder, the Chairman and Chief Executive Officer of the Company.

STCTSML is a majority-controlled company of certain family members of Mr. Ho. STCTSML is, therefore, an associate of Mr. Ho and a connected person of the Company.

The transactions contemplated under the New Ferry Ticket Sales Framework Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps are 0.1% or more but all the applicable percentage ratios are less than 5%, the transactions contemplated under the New Ferry Ticket Sales Framework Agreement constitute non-

exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 7 October 2016 in relation to the continuing connected transactions under the Existing Ferry Ticket Sales Framework Agreement.

RENEWAL OF CONTINUING CONNECTED TRANSACTION

The Existing Ferry Ticket Sales Framework Agreement will expire on 31 December 2018. As the Group intends to continue carrying out the transactions under the Existing Ferry Ticket Sales Framework Agreement, MRSL (for itself and on behalf of the Group) and STCTSML entered into the New Ferry Ticket Sales Framework Agreement, relating to purchase from time to time by the Group of Ferry Tickets from STCTSML for a term of three years ending 31 December 2021.

NEW FERRY TICKET SALES FRAMEWORK AGREEMENT

On 14 December 2018, MRSL and STCTSML entered into the New Ferry Ticket Sales Framework Agreement, the terms of which are summarized below:

Date

14 December 2018

Parties

- (1) MRSL (for itself and on behalf of the Group)
- (2) STCTSML

Term

1 January 2019 to 31 December 2021 (“**Initial Term**”). The duration of the New Ferry Ticket Sales Framework Agreement is renewable for periods of not more than three years (“**Renewal Term**”) by 30 days' written notice by MRSL prior to expiration of the Initial Term or the Renewal Term (as the case may be), subject to an annual price review.

Subject matter

The Group may, from time to time, purchase Ferry Tickets from STCTSML.

Pricing Policy

The price at which Ferry Tickets may be purchased by any member of the Group from STCTSML shall be determined in accordance with the then prevailing market price with bulk purchase discount at which Ferry Tickets are offered for sale by the STCTS Group to the general public. Payment for Ferry Tickets purchased under the New Ferry Ticket Sales Framework Agreement is required to be settled on a monthly basis.

The Company considers that this pricing policy constitutes normal commercial terms which are no less favourable to the Group than those obtainable from an independent third party, generally having regard to the nature of business of the Group, quantity, quality and type of Ferry Tickets ordered and other special circumstances. The STCTS Group's market prices for Ferry Tickets are publicly available. The market prices at which Ferry Tickets are offered for sale to the general public by the STCTS Group's principal competitor, Cotai Water Jet (an independent third party and not a connected person of the Company), are also publicly available. MRSL purchases Ferry Tickets from both STCTSML and Cotai Water Jet.

The consideration for the Ferry Tickets under the New Ferry Ticket Sales Framework Agreement was determined after arm's length negotiations between the parties and applying a bulk purchase discount to the prevailing market prices at which Ferry Tickets are offered by the STCTS Group to the general public from time to time, which retail prices are publicly available information. The bulk purchase discount rate will be subject to the volume of Ferry Tickets expected to be purchased by MRSL and mutually agreed by the parties to the New Ferry Ticket Sales Framework Agreement. MRSL will annually review the STCTS Group's publicly available market prices for Ferry Tickets and the bulk purchase discount rate, to ensure that the terms under the New Ferry Ticket Sales Framework Agreement remain competitive and on normal commercial terms or better, as far as MRSL and the Group are concerned. The Company considers that pricing by reference to the publicly available market prices offered to the general public with bulk purchase discount is a fair and transparent means of ascertaining the price.

IMPLEMENTATION AGREEMENTS

One or more separate implementation agreements may be entered into from time to time in connection with the New Ferry Ticket Sales Framework Agreement, to implement the arrangements contemplated by the New Ferry Ticket Sales Framework Agreement between STCTSML and individual Subsidiaries of the Company. Those implementation agreements will provide for the sale and purchase of Ferry Tickets at prices determined in accordance with the then prevailing market price with bulk purchase discount to be mutually agreed by the parties to the New Ferry Tickets Sales Framework Agreement, but may also include detailed operational terms relating to the sale and purchase of Ferry Tickets, including the provision by STCTSML of ticket machines installed at the premises of the relevant Subsidiary of the Company.

ANNUAL CAPS AND BASIS OF DETERMINATION

The Annual Caps (inclusive of departure tax) for the Continuing Connected Transactions under the New Ferry Ticket Sales Framework Agreement (including under any implementation agreements to be entered into from time to time in connection with the New Ferry Ticket Sales Framework Agreement) are as follows:

	For the year from 1 January 2019 to 31 December 2019 (HK\$)	For the year from 1 January 2020 to 31 December 2020 (HK\$)	For the year from 1 January 2021 to 31 December 2021 (HK\$)
Annual Caps	34,200,000	37,800,000	42,000,000

The Annual Caps were calculated after taking into account (i) the amount (inclusive of departure tax and after bulk purchase discount) paid by MRSL for Ferry Tickets for the period from 7 October 2016 to 31 December 2016 being approximately HK\$7,900,537, for the year ended 31 December 2017 being approximately HK\$31,473,970, for the period from 1 January 2018 to 30 September 2018 being approximately HK\$22,099,346; (ii) the estimated number of Ferry Tickets expected to be purchased by the Group during the Initial Term; and (iii) the estimated discounted prices of Ferry Tickets during the Initial Term, having regard to general economic conditions and the inflation rate. The terms of the Existing Ferry Ticket Sales Framework Agreement expiring on 31 December 2018 were substantively the same as the terms of the New Ferry Ticket Sales Framework Agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Company, through its Subsidiary Melco Resorts, is engaged in the gaming and hospitality business in Macau. As part of the privileges offered to eligible customers, the Melco Resorts Group set up ticket terminals in its hotels and gaming areas allowing its eligible customers to directly redeem and print complimentary ferry ticketing services on site. For sea transportation to and from Macau, there are only two operators, namely, TurboJET (which is operated by the STCTS Group) and Cotai Water Jet. Eligible customers may redeem the tickets from either operator based upon their preferences, normally taking into account the scheduling and arriving ports. On top of accommodating customers' preferences and needs, the price payable by the Group for Ferry Tickets pursuant to the New Ferry Ticket Sales Framework Agreement and any implementation agreements as referred to above in this announcement will be determined in accordance with the then prevailing market prices with bulk purchase discount (net of departure tax and any fees) at which Ferry Tickets are offered to the general public by the STCTS Group. As such, the Company considers that the entering into of the New Ferry Ticket Sales Framework Agreement and any related implementation agreements is beneficial to the Group.

The Directors (including the independent non-executive Directors but excluding Mr. Ho) believe that the Continuing Connected Transactions are on normal commercial terms and entered into in the ordinary and usual course of business of the Company and the terms of the

Continuing Connected Transactions, including the Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Ho, being a substantial Shareholder, the Chairman and Chief Executive Officer of the Company and by virtue of his family members' interest in STCTSML as described above in this announcement, is considered to have a material interest in the Continuing Connected Transactions, and accordingly abstained from voting on the Board resolutions considering and approving the Continuing Connected Transactions. Other than Mr. Ho, to the best of the Directors' knowledge and information, no other Director has any material interest in, or otherwise is required to abstain from voting on, the Board resolutions considering and approving the Continuing Connected Transactions.

INFORMATION OF THE PARTIES

The Company

The Company, through its Subsidiaries, is principally engaged in leisure, gaming and entertainment and other investments.

MRS�

MRS� is a wholly-owned Subsidiary of Melco Resorts.

The principal business of MRS� is provision of management services to the Melco Resorts Group.

Melco Resorts is principally engaged in businesses in the leisure, gaming and entertainment sectors. Melco Resorts has its American Depositary shares listed on the NASDAQ Global Select Market in The United States of America.

STCTSML

STCTSML is an indirect non-wholly-owned Subsidiary of Shun Tak Holdings.

The STCTS Group is the Shun Tak Group's shipping arm and is a major operator of passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta.

Shun Tak Holdings is an investment holding company and its Subsidiaries are engaged in a number of business activities including property development, investment and management, hospitality, transportation and investment.

LISTING RULES IMPLICATIONS

MRS� is a Subsidiary of Melco Resorts which in turn is a Subsidiary of the Company. Mr. Ho is a substantial Shareholder, the Chairman and Chief Executive Officer of the Company.

STCTSML is a majority-controlled company of certain family members of Mr. Ho. STCTSML is, therefore, an associate of Mr. Ho and a connected person of the Company.

The transactions contemplated under the New Ferry Ticket Sales Framework Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Annual Caps are 0.1% or more but all the applicable percentage ratios are less than 5%, the transactions contemplated under the New Ferry Ticket Sales Framework Agreement constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules and are subject to the reporting, annual review and announcement requirements, but exempt from the independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

DEFINITIONS

Unless otherwise defined, the following terms used in this announcement shall have the following meanings:

“Annual Caps”	the maximum aggregate annual values for the Continuing Connected Transactions, details of which are set out in section headed “Annual Caps” in this announcement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the New Ferry Ticket Sales Framework Agreement and any implementation agreements to be entered into to implement the terms of the New Ferry Ticket Sales Framework Agreement
“Director(s)”	the director(s) of the Company
“Existing Ferry Ticket Sales Framework Agreement”	an agreement dated 7 October 2016 entered into between MRSL and STCTSML relating to the purchase and sale of Ferry Tickets

“family member(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Ferry Tickets”	ferry tickets to and from Macau for the ferry services operated by the STCTS Group
“Group”	the Company and its Subsidiaries (from time to time), including without limitation, MRSL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Melco Resorts”	Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands with limited liability and a Subsidiary of the Company, whose American depositary shares are listed on the NASDAQ Global Select Market in The United States of America
“Melco Resorts Group”	Melco Resorts and its Subsidiaries (from time to time) (including MRSL)
“Mr. Ho”	Mr. Ho, Lawrence Yau Lung, the Chairman and Chief Executive Officer of the Company and also a substantial Shareholder, is interested in 836,563,396 shares of the Company, representing approximately 54.54% of the issued shares of the Company (including beneficial interest, interest of his controlled corporations and interest of a trust in which he is one of the beneficiaries and taken to have interest by virtue of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) as at the date of this announcement
“MRSL”	Melco Resorts Services Limited, formerly known as MPEL Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned Subsidiary of Melco Resorts
“New Ferry Ticket Sales Framework Agreement”	an agreement dated 14 December 2018 entered into between MRSL and STCTSML relating to the purchase and sale of Ferry Tickets and having the principal terms summarized in this announcement

“Shareholder(s)”	holder(s) of share in the Company
“Shun Tak Group”	Shun Tak Holdings Limited and its Subsidiaries (from time to time), including without limitation, STCTSML
“Shun Tak Holdings”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 242)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STCTS”	Shun Tak-China Travel Shipping Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly-owned Subsidiary of Shun Tak Holdings
“STCTS Group”	STCTS and its Subsidiaries (including STCTSML)
“STCTSML”	Shun Tak-China Travel Ship Management Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned Subsidiary of STCTS and in turn an indirect non-wholly-owned Subsidiary of Shun Tak Holdings
“Subsidiary” or “Subsidiaries”	has the meaning ascribed to it under the Listing Rules, and “Subsidiary” shall be construed accordingly
“%”	per cent.

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

Hong Kong, 14 December 2018

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. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence; two Non-executive Directors, namely Mr. Tsui Che Yin, Frank and Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward, Dr. Tyen Kan Hee, Anthony and Ms. Karuna Evelyne Shinsho.