

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

(Stock Code : 200)

VOLUNTARY ANNOUNCEMENT

SALE OF SHARES IN MELCOLOT LIMITED

SALE OF SHARES IN MELCOLOT LIMITED

On 29 May 2017 (after trading hours), Melco LottVentures, 500.com and the Company entered into a sale and purchase agreement, pursuant to which Melco LottVentures has agreed to sell, and 500.com has agreed to purchase, 1,278,714,329 MelcoLot Shares, representing approximately 40.65% of the issued share capital of MelcoLot, at a price of HK\$0.252 per MelcoLot Share for an aggregate consideration of HK\$322,236,010.91.

The MelcoLot Sale Shares represent all the MelcoLot Shares owned by the Group. Immediately following Closing, the Group will cease to have any interest in MelcoLot and MelcoLot will cease to be a subsidiary of the Company.

Melco LottVentures is an indirect wholly-owned subsidiary of the Company. The Company has agreed to guarantee to 500.com the due and punctual performance by Melco LottVentures of Melco LottVentures' obligations under the Sale and Purchase Agreement.

The Sale and Purchase Agreement provides that Closing shall take place on 6 June 2017 unless the conditions to Closing have not been satisfied (or waived in accordance with the terms of the Sale and Purchase Agreement) on or before that date, in which event the Closing Date shall be any other date as mutually agreed by the parties thereto in writing.

As a result of the acquisition of the MelcoLot Sale Shares, following Closing 500.com will be required to make a mandatory general offer for all MelcoLot Shares and share options not already owned, or agreed to be acquired, by 500.com and parties acting in concert with it.

REASONS FOR AND BENEFITS OF THE MELCOLOT SHARE SALE

The Directors consider that the MelcoLot Share Sale is a good opportunity for the Group to divest its non-core investments so that management can focus on the Group's core operations and other business initiatives with more dynamic growth potential.

The Directors are of the view that the terms of the MelcoLot Share Sale are fair and reasonable and that the MelcoLot Share Sale is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratios in respect of the MelcoLot Share Sale are less than 5%, the MelcoLot Share Sale does not constitute a notifiable transaction for the Company under the Listing Rules. This announcement is made by the Company on a voluntary basis.

INTRODUCTION

On 29 May 2017 (after trading hours), Melco LottVentures, 500.com and the Company entered into a sale and purchase agreement, pursuant to which Melco LottVentures has agreed to sell, and 500.com has agreed to purchase, 1,278,714,329 MelcoLot Shares, representing approximately 40.65% of the issued share capital of MelcoLot, at a price of HK\$0.252 per MelcoLot Share for an aggregate consideration of HK\$322,236,010.91.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date

29 May 2017

Parties

Seller : Melco LottVentures

Purchaser : 500.com

Guarantor : The Company

Sale and purchase and consideration

Melco LottVentures has agreed to sell, and 500.com has agreed to purchase, the MelcoLot Sale Shares, representing approximately 40.65% of the issued share capital of MelcoLot, at a price of HK\$0.252 per MelcoLot Share for an aggregate consideration of HK\$322,236,010.91, payable by 500.com to Melco LottVentures in full in cash on Closing.

Melco LottVentures is selling its entire interest in MelcoLot

The MelcoLot Sale Shares represent all the MelcoLot Shares owned by the Group. Immediately following Closing, the Group will cease to have any interest in MelcoLot and MelcoLot will cease to be a subsidiary of the Company.

Closing

Closing under the Sale and Purchase Agreement is conditional on customary closing conditions such as continuing accuracy of representations and warranties and the current listing of the MelcoLot Shares not having been withdrawn.

The Sale and Purchase Agreement provides that Closing shall take place on 6 June 2017 unless the conditions to Closing have not been satisfied (or waived in accordance with the terms of the Sale and Purchase Agreement) on or before that date, in which event the Closing Date shall be any other date as mutually agreed by the parties thereto in writing.

Melco LottVentures is an indirect wholly-owned subsidiary of the Company. The Company has agreed to guarantee to 500.com the due and punctual performance by Melco LottVentures of Melco LottVentures' obligations under the Sale and Purchase Agreement.

As a result of the acquisition of the MelcoLot Sale Shares, following Closing 500.com will be required to make a mandatory general offer for all MelcoLot Shares and share options not already owned, or agreed to be acquired, by 500.com and parties acting in concert with it.

REASONS FOR AND BENEFITS OF THE MELCOLOT SHARE SALE

The Directors consider that the MelcoLot Share Sale is a good opportunity for the Group to divest its non-core investments so that management can focus on the Group's core operations and other business initiatives with more dynamic growth potential.

The Directors are of the view that the terms of the MelcoLot Share Sale are fair and reasonable and that the MelcoLot Share Sale is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As all of the applicable percentage ratios in respect of the MelcoLot Share Sale are less than 5%, the MelcoLot Share Sale does not constitute a notifiable transaction for the Company under the Listing Rules. This announcement is made by the Company on a voluntary basis.

INFORMATION OF THE PARTIES

The Company

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

Melco LottVentures

Melco LottVentures is an investment holding company indirectly wholly owned by the Company. As at the date of this announcement, Melco LottVentures owns 1,278,714,329 MelcoLot Shares, representing approximately 40.65% of the issued share capital of MelcoLot.

500.com

500.com is an online sports lottery service provider in the PRC. It offers a comprehensive and integrated suite of online lottery services, information, user tools and virtual community venues to its users. 500.com is one of the two entities that is authorised by the PRC Ministry of Finance to provide online lottery sales services on behalf of China Sports Lottery Administration Centre, the government authority in charge of the issuance and sale of sports lottery products in the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, 500.com and its ultimate beneficial owners are third parties independent of the Company and are not connected persons of the Company.

MelcoLot

The MelcoLot Group is engaged in the provision of lottery-related technologies, systems and solutions to two state-run lottery operators in the PRC, namely the China Welfare Lottery Issuance Centre and China Sports Lottery Administration Centre ("CSLA"). It is a distributor of high quality, versatile lottery terminals and parts for CSLA, which is the exclusive sports lottery operator in the PRC.

DEFINITIONS

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

"Closing"	Closing of the MelcoLot Share Sale under the Sale and Purchase Agreement
"Company"	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and having its shares listed and traded on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries from time to time
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Melco LottVentures”	Melco LottVentures Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Company, holding 1,278,714,329 MelcoLot Shares (representing approximately 40.65% of the issued share capital of MelcoLot), as at the date of this announcement
“MelcoLot”	MelcoLot Limited, a company incorporated in the Cayman Islands with limited liability and having its shares listed and traded on the Growth Enterprise Market of the Stock Exchange
“MelcoLot Group”	MelcoLot and its subsidiaries from time to time
“MelcoLot Sale Shares”	1,278,714,329 MelcoLot Shares, representing approximately 40.65% of the issued share capital of MelcoLot, to be sold by Melco LottVentures to 500.com under the Sale and Purchase Agreement
“MelcoLot Share(s)”	the issued share(s) of HK\$0.01 each in the capital of MelcoLot
“MelcoLot Share Sale”	the sale of the MelcoLot Sale Shares by Melco LottVentures to 500.com under the Sale and Purchase Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 29 May 2017 entered into between Melco LottVentures, 500.com and the Company in relation to the sale and purchase of the MelcoLot Sale Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“500.com”	500.com Limited, a company incorporated in the Cayman Islands with limited liability and having its shares listed and traded on the New York Stock Exchange

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

Hong Kong, 29 May 2017

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (Managing Director), 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, Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.