

*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.*

*This announcement is for information purposes only and does not constitute, and is not intended to be, an invitation or offer to acquire, purchase or subscribe for, or offer to sell or a solicitation of any offer to buy securities in Hong Kong, the United States or elsewhere. Securities may not be offered or sold in the United States absent registration with the U.S. Securities and Exchange Commission or an exemption from registration. Neither this announcement nor any content contained herein shall form the basis of any contract or commitment whatsoever. Such offer or invitation will be made only by means of a prospectus and only in jurisdictions in which such offer or invitation may legally and validly be made.*



## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

Website : [www.melco-group.com](http://www.melco-group.com)

(Stock Code : 200)

### **INFORMATION ON THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY ON THE NEW YORK STOCK EXCHANGE**

#### **Spin-off and separate listing of Studio City**

On 9 October 2018 (New York time), Studio City publicly filed a Revised Registration Statement under the United States Securities Act of 1933, as amended, with the SEC in connection with the Global Offering. A copy of the Revised Registration Statement is available at

<https://www.sec.gov/Archives/edgar/data/1713334/000119312518296079/d552298df1a.htm>.

The Revised Registration Statement contains, among other things, a preliminary offer price range for the ADSs of between US\$10.50 (equivalent to approximately HK\$81.90) and US\$12.50 (equivalent to approximately HK\$97.50) per ADS. Based on such price range, the Global Offering is expected to generate gross proceeds of between US\$301.88 million (equivalent to approximately HK\$2,354.66 million) and US\$359.38 million (equivalent to approximately HK\$2,803.16 million), in each case prior to any exercise of the underwriters' over-allotment option which is exercisable within 30 days from the date of the final prospectus to be filed in relation to the Global Offering.

#### **Proposed distribution in specie**

As referred to in the Company's 14 August 2017 announcement, in fulfilment of the requirement of PN15 to have due regard to the interests of its Shareholders by providing them with an assured entitlement to ADSs, the Company proposes to subscribe for Class A ordinary shares and make a distribution in specie of ADSs representing those Class A

ordinary shares to the Company's eligible Shareholders in connection with the Global Offering.

The Company proposes to make a distribution equal to approximately 1.5% of the gross proceeds of the Global Offering (prior to any exercise of the underwriters' over-allotment option). Based on the preliminary offer price range for the ADSs contained in the Revised Registration Statement, the aggregate amount of the proposed distribution would be in the range of approximately US\$4.53 million (equivalent to approximately HK\$35.33 million) to US\$5.39 million (equivalent to approximately HK\$42.04 million). ADSs would be valued at the final offer price under the Global Offering for this purpose.

Details of the proposed distribution in specie have not yet been finalized. The proposed distribution in specie and its detailed terms, including the basis of entitlement of Shareholders and the timetable and record date, are all subject to determination by the Board and the declaration of the distribution by the Board or a duly authorized committee of the Board to be established. Following closing of the Global Offering, the Company will convene a meeting of the Board to consider the declaration and terms of the proposed distribution in specie.

The Company will announce the date of the Board meeting to be convened to consider the declaration and terms of the proposed distribution in specie, in accordance with the requirements of Rule 13.43 of the Listing Rules, and will announce the declaration and detailed terms of the proposed distribution in specie immediately after it is declared, in accordance with the requirements of Rule 13.45 of the Listing Rules.

#### **Global Offering and proposed distribution in specie are subject to conditions**

As the Global Offering is subject to, amongst others, the Revised Registration Statement being declared effective by the SEC and the New York Stock Exchange granting approval for the listing, the Global Offering may not proceed. If the Global Offering does not proceed, the proposed distribution in specie will not proceed. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

#### **Further announcements**

The Company will make further announcements in relation to the Global Offering and separate listing of Studio City on the New York Stock Exchange and the proposed distribution in specie in accordance with the requirements of the Listing Rules and Part XIVA of the SFO.

## **SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY**

Reference is made to the announcements of the Company dated 14 August 2017, 20 August 2018 and 10 September 2018, relating to the spin-off and separate listing of Studio City on the New York Stock Exchange.

The Company is pleased to announce that, on 9 October 2018 (New York time), Studio City publicly filed a Revised Registration Statement under the United States Securities Act of 1933, as amended, with the SEC in connection with the Global Offering. A copy of the Revised Registration Statement is available at <https://www.sec.gov/Archives/edgar/data/1713334/000119312518296079/d552298df1a.htm>.

The Revised Registration Statement contains, among other things, a preliminary offer price range for the ADSs of between US\$10.50 (equivalent to approximately HK\$81.90) and US\$12.50 (equivalent to approximately HK\$97.50) per ADS. Based on such price range, the Global Offering is expected to generate gross proceeds of between US\$301.88 million (equivalent to approximately HK\$2,354.66 million) and US\$359.38 million (equivalent to approximately HK\$2,803.16 million), in each case prior to any exercise of the underwriters' over-allotment option which is exercisable within 30 days from the date of the final prospectus to be filed in relation to the Global Offering.

MCE Cotai (a wholly owned subsidiary of Melco Resorts and currently the holder of 60% of Studio City) and certain affiliates of New Cotai (which currently holds the remaining 40% of Studio City), have indicated an interest in purchasing up to an aggregate of 25,550,000 ADSs (representing approximately 88.9% of the total amount of ADSs being offered in the Global Offering). Studio City and the underwriters are under no obligation to sell any ADSs to MCE Cotai or such affiliates of New Cotai.

On closing of the Global Offering, assuming that MCE Cotai and certain affiliates of New Cotai purchase 25,550,000 ADSs, and after closing of the subscription of Class A ordinary shares by the Company for the purpose of the distribution in specie as described below, but before any exercise of the underwriters' over-allotment option, Melco Resorts will remain as Studio City's majority shareholder. The Company's indirect interest in Melco Resorts will not be affected by the Global Offering and the Company will remain as Melco Resorts' majority shareholder.

#### **PROPOSED DISTRIBUTION IN SPECIE**

As referred to in the Company's 14 August 2017 announcement, in fulfilment of the requirement of PN15 to have due regard to the interests of its Shareholders by providing them with an assured entitlement to ADSs, the Company proposes to subscribe for Class A ordinary shares and make a distribution in specie of ADSs representing those Class A ordinary shares to the Company's eligible Shareholders in connection with the Global Offering.

Shareholders who do not wish to receive ADSs pursuant to the distribution in specie will be permitted to elect to receive a cash payment in lieu of the distribution ADSs to which they would otherwise be entitled. Shareholders who do not qualify to receive ADSs under the distribution in specie by reason of being resident or located in jurisdictions outside Hong Kong in respect of which the Board considers the exclusion of such Shareholders from receiving ADSs to be necessary or expedient on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of a regulatory body or stock exchange in that jurisdiction (in accordance with Rule 13.36(2) of the Listing Rules) would receive cash payments in lieu of the distribution ADSs to which they would otherwise be entitled under the distribution in specie.

The Company proposes to make a distribution equal to approximately 1.5% of the gross proceeds of the Global Offering (prior to any exercise of the underwriters' over-allotment option). Based on the preliminary offer price range for the ADSs contained in the Revised Registration Statement, the aggregate amount of the proposed distribution would be in the range of approximately US\$4.53 million (equivalent to approximately HK\$35.33 million) to approximately US\$5.39 million (equivalent to approximately HK\$42.04 million). ADSs would be valued at the final offer price under the Global Offering for this purpose.

As at the date of this announcement, Mr. Ho and his associates collectively hold Shares representing approximately 53.60% of the total issued Shares. Mr. Ho and his associates have confirmed to the Company that they would elect for cash under the distribution in specie in respect of all the Shares held by them. That confirmation reduces the amount of the Company's cash required to be used for subscriptions for Class A ordinary shares which may not ultimately be distributed in specie to Shareholders in the form of ADSs (if Shareholders elect for cash in lieu of distribution ADSs or are not eligible to receive distribution ADSs and receive cash instead), which would consequently continue to be held by the Company subject to restrictions on disposal.

Having regard to such confirmation received from Mr. Ho, the Company would subscribe for 800,376 Class A ordinary shares, equivalent to 200,094 ADSs, in order to enable Shareholders other than Mr. Ho and his associates to have the opportunity to receive ADSs pursuant to the distribution in specie if they wish, and are eligible, to do so. Based on the preliminary offering price range for the ADSs contained in the Revised Registration Statement, the aggregate subscription price payable by the Company for such number of Class A ordinary shares would be in the range of US\$2.10 million (equivalent to approximately HK\$16.38 million) to US\$2.50 million (equivalent to approximately HK\$19.50 million).

Details of the proposed distribution in specie have not yet been finalized. The proposed distribution in specie and its detailed terms, including the basis of entitlement of Shareholders and the timetable and record date, are all subject to determination by the Board and the declaration of the distribution by the Board or a duly authorized committee of the Board to be established. Following closing of the Global Offering, the Company will convene a meeting of the Board to consider the declaration and terms of the proposed distribution in specie.

The Company will announce the date of the Board meeting to be convened to consider the declaration and terms of the proposed distribution in specie, in accordance with the requirements of Rule 13.43 of the Listing Rules, and will announce the declaration and detailed terms of the proposed distribution in specie immediately after it is declared, in accordance with the requirements of Rule 13.45 of the Listing Rules.

## **GLOBAL OFFERING AND PROPOSED DISTRIBUTION IN SPECIE ARE SUBJECT TO CONDITIONS**

As the Global Offering is subject to, amongst others, the Revised Registration Statement being declared effective by the SEC and the New York Stock Exchange granting approval for the listing, the Global Offering may not proceed. If the Global Offering does not proceed, the proposed distribution in specie will not proceed. Accordingly, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

## **FURTHER ANNOUNCEMENTS**

The Company will make further announcements in relation to the Global Offering and separate listing of Studio City on the New York Stock Exchange and the proposed distribution in specie, in accordance with the requirements of the Listing Rules and Part XIVA of the SFO.

## **DEFINITIONS**

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

“ADS(s)”	American depository shares issued pursuant to a deposit agreement to be entered into between Studio City and a depository, each representing four Class A ordinary shares, which it is intended will be listed on the New York Stock Exchange
“associate(s)”	has the meaning given by the SFO
“Board”	the board of Directors
“Class A ordinary share(s)”	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 with limited liability and having its shares listed and traded on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MCE Cotai”	MCE Cotai Investments Limited, a company incorporated in the Cayman Islands which is a wholly owned subsidiary of Melco Resorts
“Melco Resorts”	Melco Resorts & Entertainment Limited, a company incorporated in the Cayman Islands, with its American depository shares listed on the NASDAQ Global Select Market
“Mr. Ho”	Mr. Ho, Lawrence Yau Lung, Chairman and Chief Executive Officer of the Company
“New Cotai”	New Cotai LLC, a Delaware limited liability company in respect of which affiliates of investment funds managed by Silver Point Capital, L.P. indirectly own a controlling interest and affiliates of investment funds managed by Oaktree Capital Management L.P. indirectly own a non-controlling interest
“PN15”	Practice Note 15 of the Listing Rules
“Revised Registration Statement”	the revised registration statement, containing a preliminary prospectus, publicly filed under the United States Securities Act

of 1933, as amended, with the SEC in connection with the Global Offering

“SEC”	U.S. Securities and Exchange Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571) of Hong Kong
“Shareholders”	shareholders of the Company
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Studio City”	Studio City International Holdings Limited, a company organised under the laws of the Cayman Islands which is a subsidiary of the Company and which intends to have its ADSs listed on the New York Stock Exchange
“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 US
“%”	per cent.

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

Hong Kong, 10 October 2018

*Translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80.*

*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.*