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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : www.melco-group.com

(Stock Code : 200)

DISCLOSEABLE AND CONNECTED TRANSACTION

PRICING OF THE AMERICAN DEPOSITARY SHARES OF STUDIO CITY AND SEPARATE LISTING OF STUDIO CITY ON THE NEW YORK STOCK EXCHANGE

NOTICE UNDER RULE 13.43 OF THE LISTING RULES OF THE DATE FIXED FOR A BOARD MEETING AT WHICH THE DECLARATION OF THE DISTRIBUTION IN SPECIE IS EXPECTED TO BE DECIDED

Spin-off and separate listing of Studio City

Reference is made to the announcements of the Company dated 14 August 2017, 20 August 2018, 10 September 2018 and 10 October 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 pricing of the ADSs completed on 17 October 2018 (New York time), at a final offer price under the Global Offering of US\$12.5 (equivalent to approximately HK\$97.5) per ADS. Trading in the ADSs on the New York Stock Exchange will commence on 18 October 2018 (New York time).

The number of ADSs to be issued pursuant to the Global Offering is 28,750,000 ADSs, representing 115,000,000 Class A Ordinary Shares, being approximately 38.7% of the enlarged issued share capital of Studio City upon the closing of the Global Offering and completion of the acquisition of Class A Ordinary Shares by the Company under the Subscription Agreement (prior to any exercise of over-allotment option granted to the Underwriters).

Based on the final offer price for the ADSs, the aggregate amount raised by the Global Offering (prior to any exercise of the Underwriters' over-allotment option which is exercisable within 30 days from the date of the Prospectus) will be approximately US\$359.4 million (equivalent to approximately HK\$2,803.3 million).

Upon the closing of the Global Offering and completion of the acquisition of Class A Ordinary Shares by the Company under the Subscription Agreement (prior to any exercise of over-allotment option granted to the Underwriters), Melco Resorts' interest in Studio City will be diluted from 60% to 57.3%, but Melco Resorts will remain as Studio City's majority shareholder.

On or around 18 October 2018 (New York time), Studio City will file a Prospectus under the United States Securities Act of 1933, as amended, with the SEC in connection with the Global Offering. A copy of the Prospectus will be available at <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001713334&owner=exclude&count=40&hidefilings=0>.

Listing Rules implications of the spin-off and separate listing of Studio City

The dilution of the Company's interest in Studio City resulting from the Global Offering is a deemed disposal for the Company under the Listing Rules. The purchase of ADSs by MCE Cotai from the Underwriters as part of the Global Offering and the subscription for Class A Ordinary Shares by the Company under the Subscription Agreement, each described below in this announcement, are acquisitions by the Company under the Listing Rules.

In accordance with Rule 14.24 of the Listing Rules, in the case of a transaction involving both an acquisition and a disposal, the Stock Exchange will apply the percentage ratios to both the acquisition and the disposal and the transaction will be classified by reference to the larger of the acquisition or disposal.

For both the deemed disposal resulting from the dilution of the Company's interest in Studio City as a result of the Global Offering and the acquisition of ADSs by MCE Cotai from the Underwriters as part of the Global Offering and of Class A Ordinary Shares by the Company (as described below in this announcement), one or more of the applicable percentage ratios is 5% or more but all the applicable percentage ratios are less than 25%. Accordingly, the Global Offering is a discloseable transaction for the Company under the Listing Rules.

The Pre-IPO Reorganization undertaken by Studio City and the New Cotai Placement (each described below in this announcement) involve agreements entered by and between Studio City and/or other subsidiaries of the Company (on one hand) and New Cotai and/or its affiliates (on the other hand). The Pre-IPO Reorganization has no effect on the Company's economic interest or other rights in respect of Studio City.

New Cotai held 40% of Studio City immediately prior to the Global Offering and is, therefore, a substantial shareholder of Studio City and a connected person of the Company for the purposes of the Listing Rules. However, New Cotai is only connected at the subsidiary level.

The independent non-executive Directors have confirmed that the terms of the Pre-IPO Reorganization and the New Cotai Placement are, in each case, fair and reasonable and that the Pre-IPO Reorganization and the New Cotai Placement are each on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole. Accordingly, the Pre-IPO Reorganization and the New Cotai Placement are each exempt from

the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

Proposed distribution in specie

As referred to in the Company's 14 August 2017 and 10 October 2018 announcements, 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 Shareholders in connection with the Global Offering.

The Company proposes to make a distribution having an aggregate value of approximately 1.5% of the gross proceeds of the Global Offering (prior to any exercise of the Underwriters' over-allotment option which is exercisable within 30 days from the date of the Prospectus). Based on the final offer price for the ADSs, the aggregate amount of the proposed distribution would be approximately US\$5.4 million (equivalent to approximately HK\$42.1 million). ADSs are 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 Distribution in Specie Board Committee which has been established by the Board for this purpose.

Notice under Listing Rule 13.43 of date fixed for a board meeting at which the declaration of the distribution in specie is expected to be decided

Notice is hereby given for the purposes of Rule 13.43 of the Listing Rules that a meeting of the Distribution in Specie Board Committee has been convened to be held on 2 November 2018 for the purpose of considering the declaration of the proposed distribution in specie referred to in this announcement.

The Company 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.

SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY

Reference is made to the announcements of the Company dated 14 August 2017, 20 August 2018, 10 September 2018 and 10 October 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 the pricing of the ADSs completed on 17 October 2018 (New York time), at a final offer price under the Global Offering of US\$12.5 (equivalent to approximately HK\$97.5) per ADS. Trading in the ADSs on the New York Stock Exchange will commence on 18 October 2018 (New York time).

The Global Offering comprised an initial public offering of 28,750,000 ADSs representing 115,000,000 Class A Ordinary Shares with each ADS representing four Class A Ordinary Shares. The Global Offering represents approximately 38.7% of the enlarged issued share capital of Studio City, taking into account the Class A Ordinary Shares to be issued to the Company under the Subscription Agreement but prior to any exercise of the Underwriters' over-allotment option which is exercisable within 30 days from the date of the Prospectus.

Based on the final offer price for the ADSs, the aggregate amount raised by the Global Offering (prior to any exercise of the Underwriters' over-allotment option which is exercisable within 30 days from the date of the Prospectus) will be approximately US\$359.4 million (equivalent to approximately HK\$2,803.3 million).

MCE Cotai (a wholly owned subsidiary of Melco Resorts which held 60% of Studio City immediately prior to the Global Offering) and certain affiliates of New Cotai (which held the remaining 40% of Studio City immediately prior to the Global Offering) have agreed to purchase 15,330,000 ADSs and 10,220,000 ADSs, respectively in the Global Offering from the Underwriters. Such ADSs represent in aggregate approximately 88.9% of the total amount of ADSs offered in the Global Offering.

On 17 October 2018, in order to implement the Global Offering, Studio City and its subsidiary MSC Cotai Limited entered into the Underwriting Agreement with the representatives of the Underwriters, pursuant to which Studio City agreed to sell 28,750,000 ADSs to the Underwriters upon and subject to the terms and conditions of the Underwriting Agreement. The purchase price payable by the Underwriters for ADSs under the Underwriting Agreement is payable in full in cash on closing under the Underwriting Agreement. Closing of the Global Offering under the Underwriting Agreement is expected to be on 22 October 2018.

The principal factors that were considered in determining the offer price for the ADSs included:

- (a) the information presented in the Revised Registration Statement and otherwise available to the Underwriters;
- (b) the history of, and prospects for, the industry in which Studio City will compete;
- (c) the ability of the management of Studio City;
- (d) the prospects for future earnings of Studio City;
- (e) the present state of development, results of operations and current financial condition of Studio City;
- (f) the general condition of the securities markets at the time of the Global Offering;
- (g) the indication of interest of the existing shareholders and/or their affiliates of Studio City to subscribe for a substantial portion of the offered ADSs at the offer price; and
- (h) the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies of Studio City.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriters and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Upon the closing of the Global Offering and completion of the acquisition of Class A Ordinary Shares by the Company under the Subscription Agreement (prior to any exercise of over-allotment option granted to the Underwriters), Melco Resorts' interest in Studio City will be reduced from 60% to 57.3%, but Melco Resorts will remain as Studio City's majority shareholder. The Company's indirect interest in Melco Resorts is unaffected by the Global Offering.

As disclosed in the Revised Registration Statement, Studio City is undertaking the Global Offering to create a public market for its Class A Ordinary Shares in the form of ADSs for the benefit of all of its shareholders (including the Company which will indirectly hold, through its subsidiary Melco Resorts, a majority shareholding in Studio City on closing of the Global Offering and completion of the Subscription Agreement (prior to any exercise of over-allotment option granted to the Underwriters)) and to obtain additional capital. The Revised Registration Statement states that the additional capital will be used by Studio City to acquire newly issued shares in one of its subsidiaries, MSC Cotai Limited, and that MSC Cotai Limited will use the proceeds to repay certain amounts of external indebtedness. The Company believes that Studio City establishing a public market for its shares, to raise capital to repay indebtedness and finance its future business activities, is beneficial for the Company and its Shareholders as a whole.

The dilution of the Company's indirect interest in Studio City resulting from the Global Offering is a deemed disposal for the Company under the Listing Rules. The purchase of ADSs by MCE Cotai from the Underwriters as part of the Global Offering and the subscription for Class A Ordinary Shares by the Company under the Subscription Agreement, each as described above in this announcement, are acquisitions by the Company under the Listing Rules.

In accordance with Rule 14.24 of the Listing Rules, in the case of a transaction involving both an acquisition and a disposal, the Stock Exchange will apply the percentage ratios to both the acquisition and the disposal and the transaction will be classified by reference to the larger of the acquisition or disposal.

For both the deemed disposal resulting from the dilution of the Company's interest in Studio City as a result of the Global Offering and the acquisitions of ADSs by MCE Cotai and of Class A Ordinary Shares by the Company, as referred to above, one or more of the applicable percentage ratios is 5% or more but all the applicable percentage ratios are less than 25%. Accordingly, the Global Offering is a discloseable transaction for the Company under the Listing Rules.

The Pre-IPO Reorganization undertaken by Studio City and the New Cotai Placement involve agreements entered between Studio City, Melco Resorts and/or MCE Cotai (on one hand) and New Cotai and/or its affiliates (on the other hand). The Pre-IPO Reorganization has no effect on the Company's economic interest or other rights in respect of Studio City.

New Cotai held 40% of Studio City immediately prior to the Global Offering and is, therefore, a substantial shareholder of Studio City and a connected person of the Company for the purposes of the Listing Rules. However, New Cotai is only connected at the subsidiary level.

The independent non-executive Directors have confirmed that the terms of the Pre-IPO Reorganization and the New Cotai Placement are, in each case, fair and reasonable and that the Pre-IPO Reorganization and the New Cotai Placement are each on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole. Accordingly, the Pre-IPO Reorganization and the New Cotai Placement are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

The Directors (including the independent non-executive Directors) consider the terms of the Global Offering (including the Pre-IPO Reorganization and the New Cotai Placement) to be fair and reasonable and that the Global Offering (including the Pre-IPO Reorganization and the New Cotai Placement) is in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest in the Global Offering, Pre-IPO Reorganization or New Cotai Placement which is different from the interest of any other Shareholder.

PROPOSED DISTRIBUTION IN SPECIE

As referred to in the Company's 14 August 2017 and 10 October 2018 announcements, 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 Studio City ADSs, the Company proposes to subscribe for Class A Ordinary Shares and make a distribution in specie of ADSs representing such Class A Ordinary Shares to its 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 which is exercisable within 30 days from the date of the Prospectus). Based on the final offer price for the ADSs the aggregate amount of the proposed distribution in specie would be approximately US\$5.4 million (equivalent to approximately HK\$42.1 million). ADSs are valued at the final offer price under the Global Offering for this purpose.

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 places 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 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) would receive cash payments in lieu of the distribution ADSs to which they would otherwise be entitled under the distribution in specie.

Mr. Ho and his associates collectively hold Shares representing approximately 53.6% of the total issued Shares. As referred to in the Company's announcement dated 10 October 2018, 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 has agreed to subscribe for 800,376 Class A Ordinary Shares, equivalent to 200,094 ADSs, at the final offer price per ADS under the Global Offering, 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 final offer price for the ADSs under the Global Offering, the aggregate subscription price payable by the Company for such number of Class A Ordinary Shares is approximately US\$2.5 million (equivalent to approximately HK\$19.5 million).

The 800,376 Class A Ordinary Shares are being acquired by the Company pursuant to the Subscription Agreement entered into between the Company and Studio City on 17 October 2018. The subscription price for those Class A Ordinary Shares is payable in full in cash on

closing under the Subscription Agreement. The Company will use its existing internal resources to pay for those Class A Ordinary Shares.

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 Distribution in Specie Board Committee which has been established for this purpose.

On 12 October 2018, the Board established the Distribution in Specie Board Committee, with authority to declare and determine the detailed terms of a distribution in specie of ADSs for the purpose of fulfilling the requirement of PN15 to have due regard to the interests of the Company's Shareholders by providing them with an assured entitlement to ADSs, in connection with the spin-off and separate listing of Studio City.

Notice under Listing Rule 13.43 of date fixed for board meeting at which the declaration of the distribution in specie is expected to be decided

Notice is hereby given for the purposes of Rule 13.43 of the Listing Rules that a meeting of the Distribution in Specie Board Committee has been convened to be held on 2 November 2018 for the purpose of considering the declaration of the proposed distribution in specie referred to in this announcement.

The Company 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.

INFORMATION IN RELATION TO THE PARTIES

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).

Melco Resorts

Melco Resorts, through its subsidiaries, is principally engaged in businesses in the leisure, gaming and entertainment sectors. Melco Resorts is a listed subsidiary of the Company. Melco

Resorts' American depositary shares are listed on the NASDAQ Global Select Market in the United States.

MCE Cotai

MCE Cotai is an investment holding company, holding an investment in Studio City, and is a wholly owned subsidiary of Melco Resorts.

The Company

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

The Underwriters

The Underwriters are each members of multinational groups of companies principally engaged in investment banking and financial services businesses.

New Cotai

New Cotai is a Delaware limited liability company, holding an investment in Studio City. Affiliates of investment funds managed by Silver Point Capital, L.P. indirectly own a controlling interest in New Cotai and affiliates of investment funds managed by Oaktree Capital Management L.P. indirectly own a non-controlling interest in New Cotai.

DEFINITIONS

The following terms used in this announcement have the following meanings:

“ADS(s)”	American depositary shares issued pursuant to a deposit agreement between Studio City and a depositary (each representing four Class A Ordinary Shares), which 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
“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 proposed

	distribution in specie of ADSs referred to in this announcement and to take all necessary steps to implement such distribution in specie
“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 of Hong Kong Limited
“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 depositary 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
“New Cotai Placement”	the purchase by certain affiliates of New Cotai of 10,220,000 ADSs in connection with the Global Offering, described in this announcement
“PN15”	Practice Note 15 of the Listing Rules
“Pre-IPO Reorganization”	a reorganization undertaken by Studio City for the purpose of the Global Offering, involving (1) the redomicile of Studio City from the British Virgin Islands to the Cayman Islands, (2) an intra-group transfer of assets and liabilities to a wholly owned subsidiary and (3) the creation of two classes of shares and an economic participation interest
“Prospectus”	the prospectus expected to be publicly filed under the United States Securities Act of 1933, as amended, with the SEC, in

	connection with the Global Offering on or around 18 October 2018 (New York time)
“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 on 16 October 2018 (New York time)
“SEC”	U.S. Securities and Exchange Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571) of Hong Kong
“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, a company organised under the laws of the Cayman Islands which is a subsidiary of the Company
“Subscription Agreement”	the subscription agreement dated 17 October 2018 between the Company and Studio City relating to the subscription of 800,376 Class A Ordinary Shares by the Company for the purpose of making the proposed distribution in specie of ADSs representing those Class A Ordinary Shares, as referred to in this announcement
“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
“Underwriting Agreement”	the underwriting agreement dated 17 October 2018 among Studio City, MSC Cotai Limited and the representatives of the Underwriters
“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, 18 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.