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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code : 200)

PROPOSED SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY IN THE UNITED STATES

INTRODUCTION

On 28 July 2017, the Listing Committee agreed to grant a waiver from paragraph 3(c) of PN15 to the Company and that the Company may proceed with the proposed spin-off and separate listing of Studio City.

On 14 August 2017, Studio City submitted on a confidential basis to the SEC a draft registration statement for a possible IPO in the United States of ADSs representing ordinary shares of Studio City.

STUDIO CITY

As at the date of this announcement, Studio City is owned as to 60% by Melco Resorts. Melco Resorts is owned as to approximately 51.2% by the Company and has been listed on NASDAQ since 2006.

Studio City, together with its subsidiaries, operates the Studio City property, a Hollywood-inspired, cinematically-themed integrated entertainment, retail and gaming resort in Cotai, Macau.

PROPOSED SPIN-OFF AND SEPARATE LISTING OF STUDIO CITY

The IPO of Studio City is expected to commence as market conditions permit, and is subject to Studio City's filing with the SEC a registration statement on Form F-1 in compliance with the U.S. Securities Act of 1933, as amended, and the SEC's declaring such registration statement effective. The number and dollar amount of Studio City ADSs proposed to be offered and sold in the IPO have not been determined.

Following completion of the Proposed Spin-off, the Company's interest in Studio City will be reduced although it is intended that the Company will remain as Studio City's majority shareholder after the IPO. Such reduction of the Company's interest in Studio City would be a discloseable transaction of the Company under Chapter 14 of the Listing Rules and, accordingly, would not be subject to approval by the Company's shareholders. The Company will comply with the applicable requirements of Chapter 14 of the Listing Rules as and when necessary.

GENERAL

The Proposed Spin-off is subject to, among others, the final decisions of the boards of directors of the Company and Studio City and market conditions. Accordingly, there is no assurance that the Proposed Spin-off will take place or as to when it may take place. Shareholders of the Company and potential investors should exercise caution when dealing in the Company's securities.

INTRODUCTION

This announcement is made pursuant to Rule 13.09(2)(a) and PN15 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

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WAIVER FROM PARAGRAPH 3(C) OF PN15

Paragraph 3(c) of PN15 provides that the Listing Committee must be satisfied that, after the listing of the entity ("**Newco**") to be spun off by the existing issuer ("**Parent**"), the Parent would retain a sufficient level of operations and sufficient assets to support its separate listing status. In particular, it would not be acceptable to the Listing Committee that one business (Newco's) supported two listing statuses (the Parent's and Newco's). In other words, the Parent itself would be required to retain, in addition to its interest in Newco, sufficient assets and operations of its own, excluding its interest in Newco, to satisfy independently the requirements of Chapter 8 of the Listing Rules.

For the purposes of paragraph 3(c) of PN15, the remaining business of the Group after the Proposed Spin-off excludes Melco Resorts and Studio City.

The remaining business of the Group would not satisfy the profit test, market capitalization/revenue test or market capitalization/revenue/cash flow test under Rule 8.05 of the Listing Rules, but satisfies all other requirements of Chapter 8 of the Listing Rules.

The Company applied to the Stock Exchange for a waiver from strict compliance with paragraph 3(c) of PN15, to the extent that it requires the remaining unlisted business of the Group to independently satisfy the profit test, market capitalization/revenue/cash flow test or the market capitalization/revenue test under Rule 8.05 of the Listing Rules, on the following bases:

- (a) the remaining business of the Group would remain viable and sustainable in the long term and would have a sufficient level of operations and assets to support the Company's continued listing on the Main Board of the Stock Exchange;
- (b) the Proposed Spin-off does not pose a regulatory concern regarding one business supporting two listing statuses, as Studio City is part of the Melco Resorts group, which was spun off by the Company in 2006 and has been separately listed on NASDAQ since then, and does not form part of the Group's remaining business for the purposes of PN15; and

- (c) the Proposed Spin-off does not alter the underlying businesses of the Company, as the Company would continue to retain its approximately 51.2% controlling interest in Melco Resorts after the Proposed Spin-off. Studio City will continue to be a consolidated subsidiary of the Company, thereby enabling the Company's shareholders to enjoy the benefits of the future development and growth of the business of the Studio City group.

On 28 July 2017, the Listing Committee agreed to grant a waiver from paragraph 3(c) of PN15 to the Company and that the Company may proceed with the Proposed Spin-off of Studio City.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

In accordance with the requirements of paragraph 3(f) of PN15, the Board proposes to give due regard to the interests of the Company's shareholders by providing qualifying shareholders with an assured entitlement to Studio City ADSs by way of a distribution in specie of Studio City ADSs if the Proposed Spin-off proceeds. Details of such assured entitlement have not yet been finalised. The Company will make further announcement(s) in this regard as and when appropriate.

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Further announcement(s) will be made by the Company in relation to the Proposed Spin-off in accordance with the requirements of the Listing Rules.

DEFINITIONS

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

“ADSs”	American Depositary Shares
“Board”	the board of directors of the Company
“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
“Group”	the Company and its subsidiaries from time to time
“IPO”	initial public offering

“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Melco Resorts”	Melco Resorts & Entertainment (formerly Melco Crown Entertainment Limited), a subsidiary of the Company, whose shares have been listed by way of ADSs on NASDAQ in the United States since 2006
“PN15”	Practice Note 15 of the Listing Rules
“Proposed Spin-off”	the proposed spin-off and separate listing of Studio City on the NASDAQ Global Market or the New York Stock Exchange
“SEC”	U.S. Securities and Exchange Commission
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Studio City”	Studio City International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability

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

Hong Kong, 14 August 2017

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 (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, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.