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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

DISCLOSEABLE TRANSACTION

DISPOSAL OF 9.99% INTEREST IN CROWN RESORTS LIMITED

BY A LISTED SUBSIDIARY – MELCO RESORTS & ENTERTAINMENT LIMITED

THE DISPOSAL

The Board has been notified by Melco Resorts that, on 29 April 2020, the Seller, a wholly-owned subsidiary of Melco Resorts, disposed of an aggregate of 67,675,000 Crown Resorts Shares representing approximately 9.99% of the issued share capital of Crown Resorts as at the date of this announcement at a sale price of AU\$8.15 (equivalent to approximately HK\$40.75) per Crown Resorts Share (exclusive of transaction costs) to the Buyer.

The aggregate consideration for the Sale Shares is AU\$551,551,250 (equivalent to approximately HK\$2,757,756,000) (before transaction costs).

As a result of the Disposal, the Group has ceased to be a shareholder of Crown Resorts.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and therefore is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

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representing approximately 9.99% of the issued share capital of Crown Resorts as at the date of this announcement at a sale price of AU\$8.15 (equivalent to approximately HK\$40.75) per Crown Resorts Share (exclusive of transaction costs) to the Buyer. The Disposal was facilitated by broker special crossing through the rules of the ASX. No share sale agreement was entered into between the Seller and the Buyer.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Seller's and the Buyer's respective brokerage agent, the Buyer and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

As a result of the Disposal, the Group has ceased to be a shareholder of Crown Resorts.

Consideration

AU\$8.15 (equivalent to approximately HK\$40.75) per Sale Share (exclusive of transaction costs).

The aggregate gross sale proceeds of the Disposal are AU\$551,551,250 (equivalent to approximately HK\$2,757,756,000) (before transaction costs), which are receivable in full in cash on settlement, which is expected to take place on the date of this announcement. The consideration for the Disposal was determined by reference to recent market prices of Crown Resorts Shares on the ASX. The price per Sale Share represents a discount of approximately 2.37% to the average closing price on the ASX of AU\$8.348 per Crown Resorts Share for the five ASX trading days prior to the date of this announcement.

INFORMATION OF THE PARTIES

Melco Resorts

Melco Resorts is a listed Subsidiary of the Company, whose American depositary shares are listed on the NASDAQ Global Select Market in the United States of America. Melco Resorts is a developer, owner and operator of casino gaming and entertainment casino resort facilities in Asia and Europe.

The Seller

The Seller is a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of Melco Resorts. The Seller is an investment holding company.

Crown Resorts

Crown Resorts is a company incorporated under the laws of Victoria, Australia with its shares listed on the ASX. Its core businesses and investments are in the integrated resorts sector.

Set out below is the financial information of Crown Resorts extracted from its audited consolidated financial statements for the two financial years ended 30 June 2019 and 30 June 2018 published in the 2019 annual report of Crown Resorts:

- (1) for the financial year ended 30 June 2019, Crown Resorts' audited profit before taxation was approximately AU\$579,300,000 (equivalent to approximately HK\$2,896,500,000) and Crown Resorts' audited profit after taxation was approximately AU\$402,900,000 (equivalent to approximately HK\$2,014,500,000).
- (2) for the financial year ended 30 June 2018, Crown Resorts' audited profit before taxation was approximately AU\$744,200,000 (equivalent to approximately HK\$3,721,000,000) and Crown Resorts' audited profit after taxation was approximately AU\$573,200,000 (equivalent to approximately HK\$2,866,000,000).
- (3) as at 30 June 2019, Crown Resorts' audited net asset value was approximately AU\$5,096,900,000 (equivalent to approximately HK\$25,484,500,000).

The Company

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

The Buyer

The Buyer is ultimately Midnight Acacia Holdings Pte. Limited, an investment holding company owned by certain funds managed and/or advised by The Blackstone Group Inc. and its affiliates.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

The Directors consider that the Disposal is an opportunity for the Group to realize its investment in Crown Resorts at a market price and to re-allocate the Group's resources to facilitate its core operations (including operations in Macau, the Philippines, and Cyprus) and to strengthen the balance sheet of Melco Resorts during the recent COVID-19 pandemic. The Directors believe that the terms of the Disposal were fair and reasonable and in the interest of the Shareholders as a whole.

The Disposal proceeds will be used for general working capital of the Group.

FINANCIAL IMPACT OF THE DISPOSAL TO THE GROUP

The 9.99% investment in Crown Resorts has been accounted for as a financial asset with changes in fair value through profit or loss in the Group's consolidated financial statements. It is estimated that the Group will record a loss (exclusive of transaction expenses) of approximately HK\$1,306,128,000 for the financial year ending 31 December 2020. The estimate of the loss is the net difference amongst (i) the aggregate consideration for the Sale Shares of AU\$551,551,250 (equivalent to approximately HK\$2,757,756,000); (ii) the carrying value of the 9.99% investment in Crown Resorts of approximately HK\$4,431,451,000 as of 31 December 2019; and (iii) the associated exchange difference of approximately HK\$367,567,000 on translation of foreign operations to be included in other comprehensive income.

The estimated loss is calculated using the approximate exchange rate of AU\$1.00 = HK\$5.00 in this announcement. The actual loss to be recorded by the Group will be finalized based on the exchange rate in accordance with the Group’s accounting policies and therefore may be different from the amount mentioned above.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and therefore is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context requires, the following terms used in this announcement shall have the following meanings:

“ASX”	the Australian Securities Exchange
“AU\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of directors of the Company
“Buyer”	Midnight Acacia Holdings Pte. Limited, a company incorporated in Singapore with limited liability, and the ultimate buyer of the Sale Shares
“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
“Crown Resorts”	Crown Resorts Limited (ACN 125 709 953), a company incorporated in Victoria, Australia with limited liability and the shares of which are listed on the ASX
“Crown Resorts Share(s)”	ordinary share(s) in the capital of Crown Resorts
“Disposal”	the disposal of the Crown Resorts Shares by the Seller
“Directors”	the directors of the Company
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Melco Resorts”	Melco Resorts & Entertainment Limited, a listed Subsidiary of the Company, whose American depositary shares are listed on the NASDAQ Global Select Market in the United States of America
“Sale Shares”	a total of 67,675,000 Crown Resorts Shares beneficially owned by the Seller sold under the Disposal
“Seller”	MCO (KittyHawk) Investments Limited, a company incorporated in the Cayman Islands with limited liability, being an indirect wholly-owned subsidiary of Melco Resorts and the beneficial owner of the Sale Shares before the Disposal
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning ascribed to it under the Listing Rules, and “Subsidiaries” shall be construed accordingly
“%”	per cent.

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

Hong Kong, 29 April 2020

Translations of quoted currency values are made on an approximate basis and at the rate of AU\$1.00 = HK\$5.00. Percentages and figures expressed have been rounded.

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. John William Crawford, Mr. Chow Kwong Fai, Edward and Ms. Karuna Evelyne Shinsho.