

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

(Stock Code: 200)

DISCLOSEABLE AND CONNECTED TRANSACTIONS

PRIVATE PLACEMENTS BY STUDIO CITY INTERNATIONAL HOLDINGS LIMITED

PRIVATE PLACEMENTS BY SCIHL

Reference is made to the 7 July Announcement, in respect of possible discloseable and connected transactions of the Company relating to a series of private placement offers of securities by SCIHL to certain of its existing institutional shareholders and ADS holders.

On 31 July 2020 (after trading hours of the Hong Kong Stock Exchange), MCO Cotai entered into subscription agreements with SCIHL pursuant to which SCIHL agreed to issue to MCO Cotai, and MCO Cotai agreed to purchase from SCIHL 72,185,488 Class A Shares at a price of US\$3.89 (equivalent to approximately HK\$30.15) per Class A Share and an aggregate subscription price of US\$280,801,548.32 (equivalent to approximately HK\$2,176.21 million).

Immediately prior to the Private Placements, MCO Cotai held Class A Shares representing approximately 54.1% of the issued share capital of SCIHL and, upon completion of the Private Placements, is expected to hold approximately 54.7% of SCIHL's issued share capital.

In addition, New Cotai and one of its affiliates entered into subscription agreements with SCIHL, pursuant to which New Cotai and its affiliate agreed to purchase from SCIHL, in aggregate, 49,119,164 Class A Shares, including Class A Shares underlying ADSs, at a price of US\$3.89 (equivalent to approximately HK\$30.15) per Class A Share and an aggregate subscription price of US\$191,073,547.96 (equivalent to approximately HK\$1,480.82 million).

Based on the shareholding records maintained by, and other information available to, SCIHL and immediately prior to the Private Placements, New Cotai and its affiliates were, in aggregate, interested in approximately 36.82% of the issued share capital of SCIHL and, upon completion of the Private Placements, are expected to be interested in approximately 37.22% of the issued share capital of SCIHL.

LISTING RULES IMPLICATIONS

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

Based on the shareholding records maintained by, and other information available to, SCIHL and immediately prior to the Private Placements, New Cotai and its affiliates were interested, in aggregate, approximately 36.82% of the issued share capital of SCIHL and are, therefore, substantial shareholders of SCIHL and connected persons of the Company for the purposes of the Listing Rules. The New Cotai Subscriptions are, therefore, a connected transaction for the Company. However, New Cotai and its affiliates are only connected at the subsidiary level. As (i) one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Cotai Subscriptions is 5% or more, (ii) the Board has approved the New Cotai Subscriptions, and (iii) the independent non-executive Directors have confirmed that the terms of the New Cotai Subscriptions are fair and reasonable, and that the New Cotai Subscriptions are on normal commercial terms or better (as far as the Company is concerned) and in the interest of the Company and the Shareholders as a whole, the New Cotai Subscriptions are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the New Cotai Subscriptions and, hence, no Director is required under the Listing Rules to abstain from voting on the resolutions of the Board approving the New Cotai Subscriptions.

Reference is made to the 7 July Announcement, in respect of possible discloseable and connected transactions relating to a series of private placement offers of securities by SCIHL to certain of its existing institutional shareholders and ADS holders.

PRIVATE PLACEMENTS BY SCIHL

MCO Cotai Subscription

On 31 July 2020 (after trading hours of the Hong Kong Stock Exchange), MCO Cotai entered into subscription agreements with SCIHL, pursuant to which SCIHL agreed to issue to MCO Cotai, and MCO Cotai agreed to purchase from SCIHL, 72,185,488 Class A Shares at a price of US\$3.89 (equivalent to approximately HK\$30.15) per Class A Share and an aggregate subscription price of US\$280,801,548.32 (equivalent to approximately HK\$2,176.21 million).

The 72,185,488 Class A Shares agreed to be subscribed by MCO Cotai under such subscription agreements represent MCO Cotai's pro rata entitlement to Class A Shares amongst the subscribing offerees under the Private Placements. Immediately prior to the Private Placements, MCO Cotai held Class A Shares representing approximately 54.1% of the issued share capital of SCIHL upon completion of the Private Placements, and is expected to hold approximately 54.7% of SCIHL's issued share capital.

New Cotai Subscriptions

In addition, New Cotai and one of its affiliates entered into subscription agreements with SCIHL, pursuant to which New Cotai and its affiliate agreed to purchase from SCIHL, in aggregate, 49,119,164 Class A Shares, including Class A Shares underlying ADSs, at a price of US\$3.89 (equivalent to approximately HK\$30.15) per Class A Share and an aggregate subscription price of US\$191,073,547.96 (equivalent to approximately HK\$1,480.82 million).

Based on the shareholding records maintained by, and other information available to, SCIHL and immediately prior to the Private Placements, New Cotai and its affiliates were, in aggregate, interested in approximately 36.82% of the issued share capital of SCIHL and, upon completion of the Private Placements, are expected to be interested in approximately 37.22% of the issued share capital of SCIHL.

SUBSCRIPTION AGREEMENTS

The principal terms of the subscription agreements entered into by SCIHL with (i) MCO Cotai and (ii) New Cotai and its affiliate, respectively, are summarized below:

Date

31 July 2020 (after trading hours of the Hong Kong Stock Exchange)

Parties

- (1) SCIHL
- (2) MCO Cotai or New Cotai (or its affiliate), as the case may be, each as a purchaser

Subject Matter

MCO Cotai Subscription

SCIHL has agreed to issue, sell and deliver to MCO Cotai, free and clear of all liens or encumbrances, and MCO Cotai has agreed to purchase and acquire from SCIHL, an aggregate of 72,185,488 Class A Shares, for an aggregate consideration of US\$280,801,548.32 (equivalent to approximately HK\$2,176.21 million), which is payable in full in cash on closing (which shall be no later than 7 August 2020) under the relevant subscription agreements.

New Cotai Subscriptions

SCIHL has agreed to issue, sell and deliver to New Cotai (or its affiliate, as the case may be), free and clear of all liens or encumbrances, and New Cotai and its affiliate have agreed to purchase and acquire from SCIHL, an aggregate of 49,119,164 Class A Shares, including Class A Shares underlying ADSs, for an aggregate consideration of US\$191,073,547.96 (equivalent to approximately HK\$1,480.82 million), which is payable in full in cash on closing (which shall be no later than 7 August 2020) under the relevant subscription agreements.

Consideration

The subscription price per Class A Share is, in each case, US\$3.89 (equivalent to approximately HK\$30.15), which was determined by reference to the volume weighted average prices of SCIHL's ADSs on the NYSE prior to the launch of the Private Placements. The subscription price per Class A Share represents a premium of approximately 5.2% to the average closing price of a Class A Share, derived from the closing prices of the ADSs on the NYSE, for the five NYSE trading days prior to the date of this announcement, of US\$14.79 (equivalent to approximately HK\$114.62). One ADS represents four Class A Shares.

MCO Cotai intends to finance the purchase of the Class A Shares by internal source of funding.

INFORMATION OF THE PARTIES

SCIHL

SCIHL is a company incorporated in the Cayman Islands with limited liability and is a listed subsidiary of Melco Resorts, whose ADSs are listed on the NYSE in the United States. SCIHL owns and operates a world-class integrated resort located in Cotai, Macau.

Set out below is the financial information of SCIHL extracted from its audited consolidated financial statements for the two financial years ended 31 December 2019 and 31 December 2018 published in the 2019 annual report of SCIHL:

- (1) for the financial year ended 31 December 2019, SCIHL's audited consolidated net income before taxation was approximately US\$44,031,000 (equivalent to approximately HK\$341,240,250) and SCIHL's audited consolidated net income after taxation was approximately US\$43,629,000 (equivalent to approximately HK\$338,124,750).
- (2) for the financial year ended 31 December 2018, SCIHL's audited consolidated net loss before taxation was approximately US\$20,201,000 (equivalent to approximately HK\$156,557,750) and SCIHL's audited consolidated net loss after taxation was approximately US\$20,745,000 (equivalent to approximately HK\$160,773,750).
- (3) as at 31 December 2019, SCIHL's audited consolidated net asset value was approximately US\$1,158,659,000 (equivalent to approximately HK\$8,979,607,250).

MCO Cotai

MCO Cotai is an investment holding company, holding an investment in SCIHL, and is an indirect wholly-owned subsidiary of Melco Resorts.

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. Melco Resorts is a developer, owner and operator of integrated resort facilities in Asia and Europe.

New Cotai

New Cotai is a private limited liability company organised in Delaware that is indirectly owned by certain investment funds.

REASONS FOR AND BENEFITS OF THE PRIVATE PLACEMENTS

Upon completion of the Private Placements, SCIHL will receive gross proceeds of approximately US\$500 million (equivalent to approximately HK\$3,875 million).

SCIHL intends to use the proceeds of the Private Placements to fund the development of Phase 2 of the Studio City Project and for general corporate purposes, including but not limited to financing working capital and repayment of certain indebtedness of SCIHL.

Subscribing for new Class A Shares in SCIHL under the MCO Cotai Subscription enables the Group to maintain its existing percentage shareholding in SCIHL and to participate to that extent in the expected future growth and development of SCIHL's business.

The Directors believe that the terms of the MCO Cotai Subscription are fair and reasonable and in the interest of the Shareholders as a whole.

The subscriptions by New Cotai and its affiliate for new Class A Shares and ADSs, as applicable, under the New Cotai Subscriptions, will maintain the existing aggregate economic interest of New Cotai and its affiliates in SCIHL on closing of the Private Placements. Such subscriptions are beneficial to SCIHL (and, therefore, indirectly to the Company) by providing SCIHL with funds for the development of its business in accordance with the intended use of proceeds described above, on the same economic terms as the subscriptions made by MCO Cotai, maintaining stability associated with the continuity of ownership of SCIHL by its existing major shareholders and demonstrating the confidence of the major shareholders in SCIHL's future prospects.

The Directors (including the independent non-executive Directors) have confirmed that the terms of the New Cotai Subscriptions are fair and reasonable, the New Cotai Subscriptions are on normal commercial terms or better (as far as the Company is concerned) and in the ordinary course of business of the Group and that the New Cotai Subscriptions are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the MCO Cotai Subscription is 5% or more but all the applicable percentage ratios are less than 25%, the MCO Cotai Subscription is a discloseable transaction for the Company under

the Listing Rules, and therefore, subject to the reporting and announcement requirements applicable to a discloseable transaction under Chapter 14 of the Listing Rules.

Based on the shareholding records maintained by, and other information available to, SCIHL and immediately prior to the Private Placements, New Cotai and its affiliates were interested, in aggregate, approximately 36.82% of the issued share capital of SCIHL and are, therefore, substantial shareholders of SCIHL and connected persons of the Company for the purposes of the Listing Rules. The New Cotai Subscriptions are, therefore, a connected transaction for the Company. However, New Cotai and its affiliates are only connected at the subsidiary level. As (i) one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the New Cotai Subscriptions is 5% or more, (ii) the Board has approved the New Cotai Subscriptions, and (iii) the independent non-executive Directors have confirmed that the terms of the New Cotai Subscriptions are fair and reasonable, and that the New Cotai Subscriptions are on normal commercial terms or better (as far as the Company is concerned) and in the interest of the Company and the Shareholders as a whole, the New Cotai Subscriptions are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.101 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the New Cotai Subscriptions and, hence, no Director is required under the Listing Rules to abstain from voting on the resolutions of the Board approving the New Cotai Subscriptions.

DEFINITIONS

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

“7 July Announcement”	the announcement of the Company dated 7 July 2020 in relation to the possible discloseable and connected transactions regarding, amongst others, Melco Resorts' commitment for private placement offers of SCIHL
“ADSs”	American depositary shares of SCIHL (each representing four Class A Shares)
“Board”	the board of Directors
“Class A Shares”	Class A ordinary shares with par value of US\$0.0001 each, of SCIHL
“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 Hong Kong Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“MCO Cotai”	MCO Cotai Investments Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of Melco Resorts
“MCO Cotai Subscription”	the subscription of 72,185,488 Class A Shares by MCO Cotai under the Private Placements as described in this announcement
“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
“New Cotai”	New Cotai LLC, a private limited liability company organised in Delaware that is indirectly owned by certain investment funds
“New Cotai Subscriptions”	the subscription of an aggregate of 49,119,164 Class A Shares, including Class A Shares underlying ADSs, by New Cotai and an affiliate of New Cotai under the Private Placements, as described in this announcement
“NYSE”	The New York Stock Exchange
“Private Placements”	a private placement of an aggregate of up to US\$500 million (equivalent to approximately HK\$3,875 million) through a series of private placement offers of securities of SCIHL at a price of US\$3.89 (equivalent to approximately HK\$30.15) per Class A Share, to certain existing institutional holders of Class A Shares and ADSs, including MCO Cotai
“SCIHL”	Studio City International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, being a listed subsidiary of Melco Resorts
“Shareholder(s)”	shareholders of the Company
“United States”	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, 3 August 2020

Translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.75. 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; one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.