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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : www.melco-group.com

(Stock Code : 200)

- (1) ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018;
(2) DECLARATION OF QUARTERLY DIVIDEND;
AND
(3) SHARE REPURCHASE (DISCLOSEABLE TRANSACTION)**

BY A LISTED SUBSIDIARY

— MELCO RESORTS & ENTERTAINMENT LIMITED

This is not an announcement of financial results of Melco International Development Limited (the “Company”, together with its subsidiaries the “Group”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(2) and Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) to provide shareholders of the Company with information of the financial results of a listed subsidiary of the Company, Melco Resorts & Entertainment Limited, which has announced its unaudited financial results for the third quarter ended 30 September 2018, declared a quarterly dividend on 8 November 2018, and with information regarding share repurchases by Melco Resorts & Entertainment Limited.

The Third Quarter 2018 Results of 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, has announced its unaudited financial results for the third quarter ended 30 September 2018 and declaration of quarterly dividend on 8 November 2018 (“**3Q Results Announcement**”).

The Share Repurchase

The Company is notified by Melco Resorts that pursuant to the Existing Share Repurchase Program announced on 21 March 2018, Melco Resorts has repurchased a total of 22,571,663 ADSs (equivalent to 67,714,989 Melco Resorts Shares) on the open market, for an aggregate consideration (before expenses) of approximately US\$490 million (equivalent to approximately HK\$3,822 million). The Share Repurchase constitutes a discloseable transaction for the Company under the Listing Rules, as one or more of the applicable percentage ratios exceed 5% but all the applicable percentage ratios are less than 25%.

New Share Repurchase Program

Melco Resorts also announced in the 3Q Results Announcement that the board of directors of Melco Resorts has also approved the New Share Repurchase Program. The New Share Repurchase Program is effective immediately and is in addition to the Existing Share Repurchase Program. The New Share Repurchase Program permits Melco Resorts to purchase up to US\$500 million of Melco Resorts Shares and/or ADSs over a three-year period commencing from 8 November 2018.

THE THIRD QUARTER 2018 RESULTS OF MELCO RESORTS

Melco Resorts & Entertainment Limited (“**Melco Resorts**”, together with its subsidiaries the “**Melco Resorts Group**”), a listed subsidiary of the Company, whose American depositary shares (“**ADSs**”) are listed on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the third quarter ended 30 September 2018 and declaration of quarterly dividend on 8 November 2018. Extracts of the unaudited financial results of Melco Resorts are provided below:

Net revenue for the third quarter of 2018 was US\$1,220.3 million, representing a decrease of approximately 11% from US\$1,376.8 million for the comparable period in 2017. The decrease in net revenue was primarily attributable to higher commissions reported as a reduction in revenue upon Melco Resorts’ adoption of a new revenue recognition standard issued by the Financial Accounting Standards Board (the “**New Revenue Standard**”) and lower group-wide rolling chip gross gaming revenues, partially offset by higher group-wide mass market table games and gaming machines gross gaming revenues. Melco Resorts adopted the New Revenue Standard using the modified retrospective method from 1 January 2018. Results for the periods beginning on or after 1 January 2018 are presented under the New Revenue Standard, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis. Under the previous basis, before the adoption of the New Revenue Standard, net revenue for the third quarter of 2018 would have been US\$1,311.6 million, which would have represented a decrease of approximately 5% from the US\$1,376.8 million for the comparable period in 2017.

Operating income for the third quarter of 2018 was US\$83.6 million, compared with operating income of US\$192.7 million in the third quarter of 2017, representing a decrease of 57%.

Adjusted property EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “**Philippine Parties**”), land rent to Belle Corporation, corporate and other expenses and other non-operating income and expenses) was US\$295.4 million for the third quarter of 2018, as compared to Adjusted property EBITDA of US\$400.2 million in the third quarter of 2017, representing a decrease of 26%. The decline in Adjusted property EBITDA was mainly attributable to poorer performance in the group-wide rolling chip segment and a one-time special gift granted to non-management employees.

Net income attributable to Melco Resorts for the third quarter of 2018 was US\$9.6 million, or US\$0.02 per ADS, compared with US\$115.9 million, or US\$0.24 per ADS, in the third quarter of 2017. The net loss attributable to noncontrolling interests during the third quarter of 2018 and 2017 were US\$2.4 million and US\$3.3 million, respectively, which were related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses for the third quarter of 2018 were US\$75.1 million, which mainly included interest expenses of US\$70.8 million.

Depreciation and amortization costs of US\$152.9 million were recorded in the third quarter of 2018 of which US\$14.3 million was related to the amortization of Melco Resorts' gaming subconcession and US\$5.7 million was related to the amortization of land use rights.

Financial Position and Capital Expenditures

Total cash and bank balances as of 30 September 2018 aggregated US\$1.3 billion, including US\$20.0 million on a bank deposit with an original maturity over three months and US\$87.2 million of restricted cash, primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the third quarter of 2018, was US\$3.8 billion.

Capital expenditures for the third quarter of 2018 were US\$140.0 million, which predominantly related to Morpheus and other various projects at City of Dreams as well as corporate and other.

Quarterly Dividend Declaration

On 8 November 2018, the board of directors of Melco Resorts considered and approved the declaration and payment of a quarterly dividend of US\$0.04835 per ordinary share (equivalent to US\$0.14505 per ADS) for the third quarter of 2018 (the "**Quarterly Dividend**"). The Quarterly Dividend will be paid on or about 29 November 2018 to the shareholders of Melco Resorts whose names appear on the register of members of Melco Resorts at the close of business on 19 November 2018, being the record date for determination of entitlements to the Quarterly Dividend.

Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The condensed consolidated statements of operations for the three months ended 30 September 2018 and nine months ended 30 September 2018 and the condensed consolidated balance sheet as at 30 September 2018 of Melco Resorts Group are provided below:

Melco Resorts & Entertainment Limited and Subsidiaries
Condensed Consolidated Statements of Operations
(In thousands of U.S. dollars, except share and per share data)

| | Three Months Ended 30 September | | Nine Months Ended 30 September | |
|--------------------------------------|------------------------------------|---------------------|-----------------------------------|---------------------|
| | 2018 (Unaudited) | 2017 (Unaudited) | 2018 (Unaudited) | 2017 (Unaudited) |
| OPERATING REVENUES | | | | |
| Casino | \$ 1,029,861 | \$ 1,285,107 | \$ 3,253,139 | \$ 3,688,084 |
| Rooms | 86,149 | 68,310 | 221,515 | 200,336 |
| Food and beverage | 53,282 | 45,196 | 148,112 | 133,706 |
| Entertainment, retail and other | 50,985 | 57,357 | 139,289 | 159,839 |
| Gross revenues | 1,220,277 | 1,455,970 | 3,762,055 | 4,181,965 |
| Less: promotional allowances | - | (79,143) | - | (229,698) |
| Net revenues | 1,220,277 | 1,376,827 | 3,762,055 | 3,952,267 |
| OPERATING COSTS AND EXPENSES | | | | |
| Casino | (724,391) | (861,518) | (2,189,105) | (2,508,949) |
| Rooms | (22,819) | (8,037) | (55,787) | (24,252) |
| Food and beverage | (42,134) | (13,629) | (116,171) | (41,871) |
| Entertainment, retail and other | (25,470) | (22,604) | (70,836) | (66,656) |
| General and administrative | (146,559) | (110,924) | (381,376) | (344,505) |
| Payments to the Philippine Parties | (10,754) | (13,288) | (45,748) | (42,549) |
| Pre-opening costs | (1,974) | (177) | (33,087) | (1,177) |
| Development costs | (4,821) | (14,054) | (11,728) | (18,139) |
| Amortization of gaming subconcession | (14,309) | (14,310) | (42,928) | (42,928) |
| Amortization of land use rights | (5,704) | (5,704) | (17,112) | (17,112) |
| Depreciation and amortization | (132,926) | (113,991) | (354,360) | (347,070) |
| Property charges and other | (4,774) | (5,874) | (20,957) | (18,401) |
| Total operating costs and expenses | (1,136,635) | (1,184,110) | (3,339,195) | (3,473,609) |
| OPERATING INCOME | 83,642 | 192,717 | 422,860 | 478,658 |

NON-OPERATING INCOME
(EXPENSES)

| | | | | |
|---|-----------------|-------------------|-------------------|-------------------|
| Interest income | 1,354 | 1,025 | 4,049 | 2,497 |
| Interest expenses, net of capitalized interest | (70,769) | (63,853) | (190,888) | (195,073) |
| Other finance costs | (1,299) | (1,567) | (4,066) | (4,504) |
| Foreign exchange (losses) gains, net | (5,730) | 2,793 | (5,359) | 12,191 |
| Other income, net | 1,561 | 870 | 3,012 | 2,258 |
| Loss on extinguishment of debt | (213) | (16,939) | (213) | (48,398) |
| Costs associated with debt modification | <u>-</u> | <u>(881)</u> | <u>-</u> | <u>(2,793)</u> |
| Total non-operating expenses, net | <u>(75,096)</u> | <u>(78,552)</u> | <u>(193,465)</u> | <u>(233,822)</u> |
| INCOME BEFORE INCOME TAX | 8,546 | 114,165 | 229,395 | 244,836 |
| INCOME TAX EXPENSE | <u>(1,319)</u> | <u>(1,552)</u> | <u>(5,715)</u> | <u>(935)</u> |
| NET INCOME | 7,227 | 112,613 | 223,680 | 243,901 |
| NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS | <u>2,375</u> | <u>3,294</u> | <u>(172)</u> | <u>21,929</u> |
| NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED | \$ <u>9,602</u> | \$ <u>115,907</u> | \$ <u>223,508</u> | \$ <u>265,830</u> |
| NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE: | | | | |
| Basic | \$ <u>0.007</u> | \$ <u>0.079</u> | \$ <u>0.152</u> | \$ <u>0.181</u> |
| Diluted | \$ <u>0.007</u> | \$ <u>0.078</u> | \$ <u>0.151</u> | \$ <u>0.180</u> |
| NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER ADS: | | | | |
| Basic | \$ <u>0.020</u> | \$ <u>0.237</u> | \$ <u>0.457</u> | \$ <u>0.544</u> |
| Diluted | \$ <u>0.020</u> | \$ <u>0.235</u> | \$ <u>0.453</u> | \$ <u>0.539</u> |

WEIGHTED AVERAGE
 SHARES OUTSTANDING
 USED IN NET INCOME
 ATTRIBUTABLE TO
 MELCO RESORTS &
 ENTERTAINMENT LIMITED
 PER SHARE
 CALCULATION:

| | | | | |
|---------|----------------------|----------------------|----------------------|----------------------|
| Basic | <u>1,458,911,371</u> | <u>1,468,293,998</u> | <u>1,468,530,346</u> | <u>1,467,083,364</u> |
| Diluted | <u>1,466,184,293</u> | <u>1,479,677,417</u> | <u>1,480,000,417</u> | <u>1,478,440,011</u> |

Note: Melco Resorts adopted the New Revenue Standard using the modified retrospective method from 1 January 2018. Results for the periods beginning on or after 1 January 2018 are presented under the New Revenue Standard, while prior year amounts are not adjusted and continue to be reported in accordance with the previous basis.

Melco Resorts & Entertainment Limited and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of U.S. dollars)

| | 30 September 2018 | 31 December 2017 |
|--|------------------------------|-----------------------------|
| | <u>(Unaudited)</u> | <u>(Audited)</u> |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 1,226,504 | \$ 1,408,211 |
| Investment securities | 92,827 | 89,874 |
| Bank deposits with original maturities over three months | 20,000 | 9,884 |
| Restricted cash | 87,089 | 45,412 |
| Accounts receivable, net | 198,900 | 176,544 |
| Amounts due from affiliated companies | 7,129 | 2,377 |
| Inventories | 40,086 | 34,988 |
| Prepaid expenses and other current assets | <u>82,657</u> | <u>77,503</u> |
| Total current assets | <u>1,755,192</u> | <u>1,844,793</u> |
| | | |
| PROPERTY AND EQUIPMENT, NET | 5,740,402 | 5,730,760 |
| GAMING SUBCONCESSION, NET | 213,155 | 256,083 |
| INTANGIBLE ASSETS | 4,220 | 4,220 |
| GOODWILL | 81,915 | 81,915 |
| | | |
| LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS | 200,620 | 189,645 |
| RESTRICTED CASH | 130 | 130 |
| DEFERRED TAX ASSETS | 143 | 11 |
| LAND USE RIGHTS, NET | <u>770,387</u> | <u>787,499</u> |
| TOTAL ASSETS | <u>\$ 8,766,164</u> | <u>\$ 8,895,056</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

| | | | | |
|--|----|------------------|----|------------------|
| Accounts payable | \$ | 24,290 | \$ | 16,041 |
| Accrued expenses and other current liabilities | | 1,643,290 | | 1,563,585 |
| Income tax payable | | 7,859 | | 3,179 |
| Capital lease obligations, due within one year | | 32,916 | | 33,387 |
| Current portion of long-term debt, net | | 86,588 | | 51,032 |
| Amounts due to affiliated companies | | <u>7,890</u> | | <u>16,790</u> |
| Total current liabilities | | <u>1,802,833</u> | | <u>1,684,014</u> |

LONG-TERM DEBT, NET 3,720,981 3,506,530

OTHER LONG-TERM LIABILITIES 28,503 48,087

DEFERRED TAX LIABILITIES 54,742 53,994

CAPITAL LEASE OBLIGATIONS,
DUE AFTER ONE YEAR 245,835 265,896

AMOUNTS DUE TO AFFILIATED COMPANIES - 919

SHAREHOLDERS' EQUITY

Ordinary shares 14,830 14,784

Treasury shares (441,028) (90)

Additional paid-in capital 3,692,379 3,671,805

Accumulated other comprehensive losses (31,046) (26,610)

Accumulated losses (763,783) (772,338)

Total Melco Resorts & Entertainment Limited
shareholders' equity 2,471,352 2,887,551

Noncontrolling interests 441,918 448,065

Total equity 2,913,270 3,335,616

TOTAL LIABILITIES AND EQUITY \$ 8,766,164 \$ 8,895,056

The full text of Melco Resorts' unaudited financial results for the third quarter ended 30 September 2018 and declaration of Quarterly Dividend has been posted on the Company's website at www.melco-group.com and on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk, as an overseas regulatory announcement, for the information of the Company's shareholders.

THE SHARE REPURCHASE

Reference is made to an announcement of the Company dated 21 March 2018 in relation to the share repurchase program of Melco Resorts (the "**Existing Share Repurchase Program**"), pursuant to which Melco Resorts is permitted to purchase up to US\$500 million of Melco Resorts shares ("**Melco Resorts Shares**", and three of which are equivalent to one ADS) and/or ADSs over a three-year period commencing from 21 March 2018, details of which are more particularized in the Company's announcement dated 21 March 2018.

The Company is notified by Melco Resorts that pursuant to the Existing Share Repurchase Program announced on 21 March 2018, Melco Resorts has repurchased 22,571,663 ADSs (equivalent to 67,714,989 Melco Resorts Shares) on the open market (the "**Share Repurchase**"), for an aggregate consideration (before expenses) of approximately US\$490 million (equivalent to approximately HK\$3,822 million) (the "**Consideration**").

The consideration for the Share Repurchase was determined by reference to the prevailing market prices of the ADSs repurchased. To the best of the knowledge, information and belief of the directors of the Company (the "**Directors**") having made all reasonable enquiry, the selling shareholders of the ADSs repurchased and their ultimate beneficial owners are third parties independent of the Company and connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company.

The Consideration was paid by Melco Resorts in full and in cash, and financed by immediately available financial resources of the Group.

Melco Resorts has yet to decide whether the Melco Resorts Shares repurchased under the Share Repurchase will be cancelled or held as treasury shares for future re-issuance. The repurchased shares currently remain registered in the name of a nominee of Deutsche Bank Trust Company Americas, as depositary in respect of Melco Resorts' ADS program. The Share Repurchase has not affected the percentage of Melco Resorts' issued share capital indirectly held by the Company as at the date of this announcement. When the repurchased shares are cancelled or determined to be held as treasury shares for future re-issuance, the Company's indirect holding of Melco Resorts' outstanding share capital will increase to approximately 53.78%.

The reasons for the Share Repurchase include to benefit from the trading of Melco Resorts' securities under current market conditions and reflect the confidence of the Company in Melco Resorts' long-term strategy and growth prospects.

The Directors (including the independent non-executive Directors) consider that the terms of the Share Repurchase are fair and reasonable, and that the Share Repurchase is on normal commercial terms or better (as far as the Company is concerned), in the ordinary and usual course of business of the Group, and in the interests of the Company and its shareholders as a whole.

Melco Resorts is a listed subsidiary of the Company, whose ADSs are listed on the NASDAQ Global Select Market in The United States of America. Melco Resorts, through its subsidiaries, is principally engaged in businesses in the leisure, gaming and entertainment sectors.

For the financial year ended 31 December 2017, Melco Resorts' audited profits before taxation were approximately US\$315,283,000 (equivalent to approximately HK\$2,459,207,400) and Melco Resorts' audited profits after taxation were approximately US\$315,293,000 (equivalent to approximately HK\$2,459,285,400).

For the financial year ended 31 December 2016, Melco Resorts' audited profits before taxation were approximately US\$75,096,000 (equivalent to approximately HK\$585,748,800) and Melco Resorts' audited profits after taxation were approximately US\$66,918,000 (equivalent to approximately HK\$521,960,400).

As at 31 December 2017, Melco Resorts' audited net asset value was approximately US\$3,335,616,000 (equivalent to approximately HK\$26,017,804,800).

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

The Share Repurchase constitutes a discloseable transaction for the Company under the Listing Rules, as one or more of the applicable percentage ratios exceed 5% but all the applicable percentage ratios are less than 25%.

NEW SHARE REPURCHASE PROGRAM

Melco Resorts also announced in the 3Q Results Announcement that the board of directors of Melco Resorts has also approved a new US\$500 million share purchase program (the “**New Share Repurchase Program**”). The New Share Repurchase Program is effective immediately and is in addition to the Existing Share Repurchase Program, which has nearly been exhausted as disclosed above. The New Share Repurchase Program permits Melco Resorts to purchase up to US\$500 million of Melco Resorts Shares and/or ADSs over a three-year period commencing from 8 November 2018. Purchases under this authorization may be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 and/or Rule 10b5-1 of the Securities Exchange Act, and/or in privately-negotiated transactions. The timing of the purchases and the amount of Melco Resorts Shares and/or ADSs purchased will be determined by Melco Resorts' management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The New Share Repurchase Program may be suspended, modified or terminated at any time, and Melco Resorts has no obligation to repurchase any amounts under the New Share Repurchase Program.

It is expected that implementation of the New Share Repurchase Program in full would, when aggregated with the Share Repurchase, be a major transaction for the Company under the Listing Rules. The Company will comply with all applicable requirements of the Listing Rules in connection with the implementation of the New Share Repurchase Program.

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

Hong Kong, 8 November 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 of directors of the Company 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.