

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.



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

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

(Stock Code : 200)

ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2017 AND DECLARATION OF QUARTERLY DIVIDEND BY A LISTED SUBSIDIARY — MELCO RESORTS & ENTERTAINMENT LIMITED

This is not an announcement of financial results of Melco International Development Limited (the “Company”). This announcement is made by the Company pursuant to the requirements of Rule 13.09(2) 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 first quarter ended 31 March 2017 and declared quarterly dividend on 4 May 2017.

Melco Resorts & Entertainment Limited, a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the first quarter ended 31 March 2017 and declared quarterly dividend on 4 May 2017.

Melco Resorts & Entertainment Limited (“**Melco Resorts & Entertainment**”), a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the first quarter ended 31 March 2017 and declared quarterly dividend on 4 May 2017. Extracts of the unaudited financial results of Melco Resorts & Entertainment are provided below:

The First Quarter 2017 Results of Melco Resorts & Entertainment

Net revenue of Melco Resorts & Entertainment for the first quarter of 2017 was US\$1,277.2 million, representing an increase of approximately 16% from US\$1,103.6 million for the

comparable period in 2016. The increase in net revenue was primarily attributable to improved group-wide rolling chip and mass market table games revenues.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, operating income of Melco Resorts & Entertainment for the first quarter of 2017 was US\$158.5 million, compared with operating income of US\$65.8 million in the first quarter of 2016, representing an increase of 141%.

Adjusted property EBITDA (i.e. earnings before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and others, share-based compensation, payments to the Philippine parties under the cooperative arrangement (the “**Philippine Parties**”), land rent to Belle Corporation, corporate and others expenses and other non-operating income and expenses) of Melco Resorts & Entertainment was US\$353.3 million for the first quarter of 2017, as compared to Adjusted property EBITDA of US\$248.8 million in the first quarter of 2016, representing an increase of 42%. The year-on-year improvement in Adjusted property EBITDA was mainly attributable to better performance in group-wide rolling chip and mass market table games segments.

On a U.S. GAAP basis, net income attributable to Melco Resorts & Entertainment for the first quarter of 2017 was US\$113.4 million, or US\$0.23 per ADS (i.e. American Depositary Share), compared with net income attributable to Melco Resorts & Entertainment of US\$39.8 million, or US\$0.07 per ADS, in the first quarter of 2016. The net loss attributable to noncontrolling interests during the first quarter of 2017 of US\$10.6 million was related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses of Melco Resorts & Entertainment for the first quarter of 2017 were US\$57.4 million, which mainly included interest expenses, net of capitalized interest, of US\$58.6 million, other finance costs of US\$8.8 million and a net foreign exchange gain of US\$8.7 million. Melco Resorts & Entertainment recorded US\$8.9 million of capitalized interest during the first quarter of 2017, primarily relating to the development of Morpheus at City of Dreams.

The year-on-year decrease of US\$2.7 million in net non-operating expenses of Melco Resorts & Entertainment was primarily a result of higher net foreign exchange gain in the current quarter.

Depreciation and amortization costs of Melco Resorts & Entertainment of US\$137.6 million were recorded in the first quarter of 2017, of which US\$14.3 million was related to the amortization of Melco Resorts & Entertainment’s gaming subconcession and US\$5.7 million was related to the amortization of land use rights.

Financial Position and Capital Expenditure

Total cash and bank balances of Melco Resorts & Entertainment as of 31 March 2017 were US\$1.5 billion, including US\$20.0 million of bank deposits with original maturities over three months and US\$78.7 million of restricted cash, primarily related to Studio City. Total debt, net of unamortized deferred financing costs of Melco Resorts & Entertainment at the end of the first quarter of 2017, was US\$3.7 billion.

Capital expenditures of Melco Resorts & Entertainment for the first quarter of 2017 were US\$93.9 million, which predominantly related to various projects at City of Dreams, including Morpheus.

Quarterly Dividend Declaration

On 4 May 2017, the board of directors of Melco Resorts & Entertainment considered and approved the declaration and payment of a quarterly dividend of US\$0.03 per share (equivalent to US\$0.09 per ADS) for the first quarter of 2017 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about Wednesday, 31 May 2017 to the shareholders of Melco Resorts & Entertainment whose names appear on the register of members of Melco Resorts & Entertainment at the close of business on Tuesday, 16 May 2017, 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 31 March 2017 and the condensed consolidated balance sheets as at 31 March 2017 of Melco Resorts & Entertainment and its subsidiaries 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 31 March	
	2017	2016
	(Unaudited)	(Unaudited)
OPERATING REVENUES		
Casino	\$ 1,189,009	\$ 1,022,258
Rooms	66,437	63,452
Food and beverage	44,826	40,984
Entertainment, retail and others	52,882	48,202
Gross revenues	1,353,154	1,174,896
Less: promotional allowances	(75,934)	(71,329)
Net revenues	1,277,220	1,103,567
OPERATING COSTS AND EXPENSES		
Casino	(802,733)	(723,583)
Rooms	(8,190)	(8,536)
Food and beverage	(14,620)	(18,073)
Entertainment, retail and others	(22,408)	(29,075)
General and administrative	(110,795)	(110,319)
Payments to the Philippine Parties	(15,439)	(7,160)
Pre-opening costs	(475)	(635)
Development costs	(1,017)	(6)
Amortization of gaming subconcession	(14,309)	(14,309)
Amortization of land use rights	(5,704)	(5,704)
Depreciation and amortization	(117,569)	(119,971)

Property charges and others	<u>(5,464)</u>	<u>(404)</u>
Total operating costs and expenses	<u>(1,118,723)</u>	<u>(1,037,775)</u>
OPERATING INCOME	<u>158,497</u>	<u>65,792</u>
NON-OPERATING INCOME (EXPENSES)		
Interest income	557	2,804
Interest expenses, net of capitalized interest	(58,556)	(52,490)
Other finance costs	(8,788)	(13,838)
Foreign exchange gain, net	8,709	2,556
Other income, net	<u>659</u>	<u>842</u>
Total non-operating expenses, net	<u>(57,419)</u>	<u>(60,126)</u>
INCOME BEFORE INCOME TAX	101,078	5,666
INCOME TAX CREDIT (EXPENSE)	<u>1,753</u>	<u>(938)</u>
NET INCOME	102,831	4,728
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>10,615</u>	<u>35,068</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	\$ <u><u>113,446</u></u>	\$ <u><u>39,796</u></u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:		
Basic	\$ <u><u>0.077</u></u>	\$ <u><u>0.025</u></u>
Diluted	\$ <u><u>0.077</u></u>	\$ <u><u>0.024</u></u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER ADS:		
Basic	\$ <u><u>0.232</u></u>	\$ <u><u>0.074</u></u>
Diluted	\$ <u><u>0.231</u></u>	\$ <u><u>0.073</u></u>

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

Basic	<u>1,465,423,013</u>	<u>1,618,015,902</u>
Diluted	<u>1,476,279,580</u>	<u>1,626,113,586</u>

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

	31 March 2017	31 December 2016
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,356,136	\$ 1,702,310
Bank deposits with original maturity over three months	20,000	210,840
Restricted cash	78,583	39,152
Accounts receivable, net	179,731	225,438
Amounts due from affiliated companies	551	1,103
Inventories	32,392	32,600
Prepaid expenses and other current assets	<u>81,465</u>	<u>68,111</u>
Total current assets	<u>1,748,858</u>	<u>2,279,554</u>
 PROPERTY AND EQUIPMENT, NET	 5,626,651	 5,655,823
GAMING SUBCONCESSION, NET	299,011	313,320
INTANGIBLE ASSETS	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	193,708	194,911
RESTRICTED CASH	130	130
DEFERRED TAX ASSETS	187	152
LAND USE RIGHTS, NET	<u>804,612</u>	<u>810,316</u>
 TOTAL ASSETS	 \$ <u><u>8,759,292</u></u>	 \$ <u><u>9,340,341</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	\$	19,039	\$	17,434
Accrued expenses and other current liabilities		1,385,951		1,369,943
Income tax payable		3,299		7,422
Capital lease obligations, due within one year		31,163		30,730
Current portion of long-term debt, net		50,699		50,583
Amounts due to affiliated companies		<u>926</u>		<u>3,028</u>
Total current liabilities		<u>1,491,077</u>		<u>1,479,140</u>

LONG-TERM DEBT, NET		3,660,102		3,669,692
---------------------	--	-----------	--	-----------

OTHER LONG-TERM LIABILITIES		50,431		49,287
-----------------------------	--	--------	--	--------

DEFERRED TAX LIABILITIES		56,030		56,451
--------------------------	--	--------	--	--------

CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR		261,239		262,357
--	--	---------	--	---------

SHAREHOLDERS' EQUITY

Ordinary shares		14,759		14,759
-----------------	--	--------	--	--------

Treasury shares		(89)		(108)
-----------------	--	------	--	-------

Additional paid-in capital		2,787,277		2,783,062
----------------------------	--	-----------	--	-----------

Accumulated other comprehensive losses		(25,232)		(24,768)
--	--	----------	--	----------

(Accumulated losses) retained earnings		<u>(4,814)</u>		<u>570,925</u>
--	--	----------------	--	----------------

Total Melco Resorts & Entertainment Limited shareholders' equity		2,771,901		3,343,870
---	--	-----------	--	-----------

Noncontrolling interests		<u>468,512</u>		<u>479,544</u>
--------------------------	--	----------------	--	----------------

Total equity		<u>3,240,413</u>		<u>3,823,414</u>
--------------	--	------------------	--	------------------

TOTAL LIABILITIES AND EQUITY	\$	<u><u>8,759,292</u></u>	\$	<u><u>9,340,341</u></u>
------------------------------	----	-------------------------	----	-------------------------

The full text of Melco Resorts & Entertainment's unaudited financial results for the first quarter ended 31 March 2017 and declaration of Quarterly Dividend has been posted on the Company's website at <http://www.melco-group.com> and on the website of The Stock Exchange of Hong Kong Limited at <http://www.hkex.com.hk>, as an overseas regulatory announcement, for the information of the Company's shareholders.

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

Hong Kong, 4 May 2017

As at the date of this announcement, the board of directors of the Company comprises four Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (Managing Director), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely 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.