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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019 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 (the “Listing Rules”) 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 2019 and declaration of quarterly dividend on 7 May 2019.

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 first quarter ended 31 March 2019 and declaration of quarterly dividend.

Melco Resorts & Entertainment Limited (“**Melco Resorts**”), 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 first quarter ended 31 March 2019 and declaration of quarterly dividend on 7 May 2019 (the “**Melco Resorts’ earnings release**”). Extracts of the unaudited financial results of Melco Resorts are provided below:

The First Quarter 2019 Results of Melco Resorts

Total operating revenues for the first quarter of 2019 were US\$1,362.0 million, representing an increase of approximately 4% from US\$1,313.1 million for the comparable period in 2018. The increase in total operating revenues was primarily attributable to a better performance in the mass market table games segment and higher non-gaming revenue as a result of the opening of Morpheus in June 2018.

Operating income for the first quarter of 2019 was US\$188.0 million, compared with operating income of US\$221.1 million in the first quarter of 2018, representing a decrease of 15%.

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 others expenses and other non-operating income and expenses) was US\$406.8 million for the first quarter of 2019, as compared to adjusted property EBITDA of US\$401.8 million in the first quarter of 2018, representing an increase of 1%.

Net income attributable to Melco Resorts for the first quarter of 2019 was US\$117.4 million, or US\$0.26 per ADS, compared with US\$156.6 million, or US\$0.32 per ADS, in the first quarter of 2018. The net income attributable to noncontrolling interests during the first quarter of 2019 and 2018 were US\$1.0 million and US\$6.7 million, respectively, which were related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses for the first quarter of 2019 were US\$65.9 million, which mainly included interest expenses of US\$69.6 million, partially offset by other net non-operating income of US\$6.7 million.

Depreciation and amortization costs of US\$156.3 million were recorded in the first quarter of 2019 of which US\$14.2 million was related to the amortization expense for the gaming subconcession of Melco Resorts and US\$5.7 million was related to the amortization expense for the land use rights.

Financial Position and Capital Expenditures

Total cash and bank balances as of 31 March 2019 aggregated US\$1.6 billion, including US\$63.2 million of restricted cash which was primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the first quarter of 2019, was US\$4.2 billion.

Capital expenditures for the first quarter of 2019 were US\$63.4 million, which predominantly related to various projects at City of Dreams and Studio City.

Quarterly Dividend Declaration

On 7 May 2019, the board of directors of Melco Resorts considered and approved the declaration and payment of a quarterly dividend of US\$0.0517 per ordinary share (equivalent to US\$0.1551 per ADS) for the first quarter of 2019 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about 30 May 2019 to shareholders of Melco Resorts whose names appear on the register of members of Melco Resorts at the close of business on 20 May 2019, 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 2019 and the condensed consolidated balance sheets as at 31 March 2019 of Melco Resorts 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	
	2019	2018
	(Unaudited)	(Unaudited)
OPERATING REVENUES		
Casino	\$ 1,176,649	\$ 1,153,753
Rooms	84,069	67,571
Food and beverage	56,173	48,248
Entertainment, retail and other	45,155	43,576
Total operating revenues	1,362,046	1,313,148
OPERATING COSTS AND EXPENSES		
Casino	(771,011)	(754,049)
Rooms	(22,493)	(15,826)
Food and beverage	(44,878)	(37,087)
Entertainment, retail and other	(21,808)	(22,962)
General and administrative	(127,988)	(108,226)
Payments to the Philippine Parties	(14,052)	(11,377)
Pre-opening costs	(2,565)	(2,348)
Development costs	(5,520)	(3,889)
Amortization of gaming subconcession	(14,186)	(14,309)
Amortization of land use rights	(5,655)	(5,704)
Depreciation and amortization	(136,502)	(109,687)

Property charges and other	<u>(7,432)</u>	<u>(6,546)</u>
Total operating costs and expenses	<u>(1,174,090)</u>	<u>(1,092,010)</u>
OPERATING INCOME	<u>187,956</u>	<u>221,138</u>
NON-OPERATING INCOME (EXPENSES)		
Interest income	2,124	1,409
Interest expenses, net of capitalized interest	(69,623)	(58,736)
Other finance costs	(283)	(1,377)
Foreign exchange (losses) gains, net	(495)	4,624
Other income (expenses), net	6,711	(1,806)
Loss on extinguishment of debt	(3,721)	-
Costs associated with debt modification	<u>(579)</u>	<u>-</u>
Total non-operating expenses, net	<u>(65,866)</u>	<u>(55,886)</u>
INCOME BEFORE INCOME TAX	122,090	165,252
INCOME TAX EXPENSE	<u>(3,691)</u>	<u>(1,938)</u>
NET INCOME	118,399	163,314
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>(1,044)</u>	<u>(6,681)</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	\$ <u><u>117,355</u></u>	\$ <u><u>156,633</u></u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:		
Basic	\$ <u><u>0.085</u></u>	\$ <u><u>0.107</u></u>
Diluted	\$ <u><u>0.085</u></u>	\$ <u><u>0.106</u></u>

NET INCOME ATTRIBUTABLE TO MELCO
RESORTS & ENTERTAINMENT LIMITED
PER ADS:

Basic	\$	<u>0.255</u>	\$	<u>0.320</u>
Diluted	\$	<u>0.254</u>	\$	<u>0.317</u>

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

Basic	<u>1,380,052,114</u>	<u>1,469,739,909</u>
Diluted	<u>1,386,310,676</u>	<u>1,483,754,520</u>

Note: The Adjusted EBITDA for Studio City for the three months ended 31 March 2019 referred to in the Melco Resorts' earnings release is US\$12.2 million more than the Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited dated 7 May 2019 (the "**Studio City earnings release**"). The Adjusted EBITDA of Studio City contained in the Studio City earnings release includes certain intercompany charges that are not included in the Adjusted EBITDA for Studio City contained in Melco Resorts' earnings release. Such intercompany charges include, among other items, fees and shared service charges billed between Studio City International Holdings Limited and its subsidiaries and certain subsidiaries of Melco Resorts. Also, Adjusted EBITDA of Studio City included in the Melco Resorts' earnings release does not reflect certain costs related to the VIP operations at Studio City Casino.

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

	31 March 2019	31 December 2018
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,539,268	\$ 1,436,558
Investment securities	71,029	91,598
Restricted cash	63,093	48,037
Accounts receivable, net	225,933	242,089
Amounts due from affiliated companies	8,276	7,603
Inventories	44,264	40,828
Prepaid expenses and other current assets	117,669	90,749
Total current assets	2,069,532	1,957,462
 PROPERTY AND EQUIPMENT, NET	 5,577,418	 5,661,653
GAMING SUBCONCESSION, NET	182,887	197,533
INTANGIBLE ASSETS, NET	29,653	30,072
GOODWILL	81,185	81,376
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	183,409	186,515
RESTRICTED CASH	129	129
DEFERRED TAX ASSETS	2,806	2,992
OPERATING LEASE RIGHT-OF-USE ASSETS	154,234	-
LAND USE RIGHTS, NET	752,213	759,651
TOTAL ASSETS	\$ 9,033,466	\$ 8,877,383

LIABILITIES AND SHAREHOLDERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	\$	27,396	\$	24,879
Accrued expenses and other current liabilities		1,463,159		1,658,550
Income tax payable		3,036		4,903
Operating lease liabilities, current		38,011		-
Finance lease liabilities, current		35,429		34,659
Current portion of long-term debt, net		394,356		395,547
Amounts due to affiliated companies		<u>10,142</u>		<u>11,469</u>
Total current liabilities		<u>1,971,529</u>		<u>2,130,007</u>

LONG-TERM DEBT, NET		3,822,302		3,665,370
OTHER LONG-TERM LIABILITIES		10,234		28,866
DEFERRED TAX LIABILITIES		56,240		54,063
OPERATING LEASE LIABILITIES, NON-CURRENT		132,961		-
FINANCE LEASE LIABILITIES, NON-CURRENT		252,714		253,374
AMOUNT DUE TO AN AFFILIATED COMPANY		<u>216</u>		<u>-</u>
TOTAL LIABILITIES		<u>6,246,196</u>		<u>6,131,680</u>

SHAREHOLDERS' EQUITY

Ordinary shares		14,830		14,830
Treasury shares		(651,638)		(657,389)
Additional paid-in capital		3,524,837		3,523,275
Accumulated other comprehensive losses		(59,148)		(49,804)
Accumulated losses		<u>(657,620)</u>		<u>(703,576)</u>
Total Melco Resorts & Entertainment Limited shareholders' equity		2,171,261		2,127,336

Noncontrolling interests	<u>616,009</u>	<u>618,367</u>
Total equity	<u>2,787,270</u>	<u>2,745,703</u>
TOTAL LIABILITIES AND EQUITY	\$ <u><u>9,033,466</u></u>	\$ <u><u>8,877,383</u></u>

The full text of Melco Resorts' earnings release 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.

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

Hong Kong, 7 May 2019

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.