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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 THIRD QUARTER ENDED 30 SEPTEMBER 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 third quarter ended 30 September 2017 and declared quarterly dividend on 2 November 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 third quarter ended 30 September 2017 and declared quarterly dividend on 2 November 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 third quarter ended 30 September 2017 and declared quarterly dividend on 2 November 2017. Extracts of the unaudited financial results of Melco Resorts & Entertainment are provided below:

The Third Quarter 2017 Results of Melco Resorts & Entertainment

Net revenue of Melco Resorts & Entertainment for the third quarter of 2017 was US\$1,376.8 million, representing an increase of approximately 19% from US\$1,152.6 million for the comparable period in 2016. The increase in net revenue was primarily attributable to higher rolling chip revenues at City of Dreams and the commencement of rolling chip operations at Studio City in November 2016.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, operating income of Melco Resorts & Entertainment for the third quarter of 2017 was US\$192.7 million, compared with operating income of US\$108.9 million in the third quarter of 2016, representing an increase of 77%.

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, net gain on disposal of property and equipment to Belle Corporation, corporate and others expenses and other non-operating income and expenses) of Melco Resorts & Entertainment was US\$400.2 million for the third quarter of 2017, as compared to Adjusted property EBITDA of US\$289.2 million in the third quarter of 2016, representing an increase of 38%. The year-on-year improvement in Adjusted property EBITDA was mainly attributable to better performance in the group-wide rolling chip segment.

On a U.S. GAAP basis, net income attributable to Melco Resorts & Entertainment for the third quarter of 2017 was US\$115.9 million, or US\$0.24 per ADS (i.e. American Depositary Share), compared with US\$62.0 million, or US\$0.13 per ADS, in the third quarter of 2016. The net loss attributable to noncontrolling interests during the third quarter of 2017 of US\$3.3 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 third quarter of 2017 were US\$78.6 million, which mainly included interest expenses, net of capitalized interest of US\$57.7 million, other finance costs of US\$7.7 million, loss on extinguishment of debt of US\$16.9 million and costs associated with debt modification of US\$0.9 million. Melco Resorts & Entertainment recorded US\$9.1 million of capitalized interest during the third quarter of 2017, relating to the development of Morpheus at City of Dreams.

The year-on-year increase of US\$15.0 million in net non-operating expenses of Melco Resorts & Entertainment was primarily a result of the loss on extinguishment of debt arising from the issuance of the additional US\$350.0 million 4.875% senior notes in July 2017 for the refinancing of the US\$1 billion Senior Notes issued in 2013 by Melco Resorts Finance Limited.

Depreciation and amortization costs of Melco Resorts & Entertainment of US\$134.0 million were recorded in the third 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 30 September 2017 were US\$1.7 billion, including US\$35.6 million of bank deposits with original maturities over three months and US\$81.9 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 third quarter of 2017, was US\$3.7 billion.

Capital expenditures of Melco Resorts & Entertainment for the third quarter of 2017 were US\$176.0 million, which predominantly related to various projects at City of Dreams, primarily Morpheus.

Quarterly Dividend Declaration

On 2 November 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 third quarter of 2017 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about 30 November 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 14 November 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 and nine months ended 30 September 2017 and the condensed consolidated balance sheets as at 30 September 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 30 September		Nine Months Ended 30 September	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
OPERATING REVENUES				
Casino	\$ 1,285,107	\$ 1,060,035	\$ 3,688,084	\$ 3,076,823
Rooms	68,310	68,082	200,336	195,951
Food and beverage	45,196	47,240	133,706	129,611
Entertainment, retail and other	<u>57,357</u>	<u>54,063</u>	<u>159,839</u>	<u>145,118</u>
Gross revenues	1,455,970	1,229,420	4,181,965	3,547,503
Less: promotional allowances	<u>(79,143)</u>	<u>(76,867)</u>	<u>(229,698)</u>	<u>(220,985)</u>
Net revenues	<u>1,376,827</u>	<u>1,152,553</u>	<u>3,952,267</u>	<u>3,326,518</u>
OPERATING COSTS AND EXPENSES				
Casino	(861,518)	(733,997)	(2,508,949)	(2,154,024)
Rooms	(8,037)	(8,537)	(24,252)	(24,958)
Food and beverage	(13,629)	(13,074)	(41,871)	(47,569)
Entertainment, retail and other	(22,604)	(27,865)	(66,656)	(82,491)
General and administrative	(110,924)	(112,065)	(344,505)	(326,081)
Payments to the Philippine Parties	(13,288)	(9,066)	(42,549)	(24,475)
Pre-opening costs	(177)	(1,489)	(1,177)	(2,212)
Development costs	(14,054)	-	(18,139)	(7)
Amortization of gaming subconcession	(14,310)	(14,309)	(42,928)	(42,928)
Amortization of land use rights	(5,704)	(5,704)	(17,112)	(17,112)
Depreciation and amortization	(113,991)	(117,059)	(347,070)	(354,704)
Property charges and other	<u>(5,874)</u>	<u>(451)</u>	<u>(18,401)</u>	<u>(2,809)</u>
Total operating costs and expenses	<u>(1,184,110)</u>	<u>(1,043,616)</u>	<u>(3,473,609)</u>	<u>(3,079,370)</u>
OPERATING INCOME	<u>192,717</u>	<u>108,937</u>	<u>478,658</u>	<u>247,148</u>

NON-OPERATING INCOME
(EXPENSES)

Interest income	1,025	1,210	2,497	4,213
Interest expenses, net of capitalized interest	(57,744)	(56,378)	(174,849)	(167,397)
Other finance costs	(7,676)	(14,549)	(24,728)	(42,452)
Foreign exchange gains, net	2,793	5,245	12,191	10,275
Other income, net	870	917	2,258	2,636
Loss on extinguishment of debt	(16,939)	-	(48,398)	-
Costs associated with debt modification	<u>(881)</u>	<u>-</u>	<u>(2,793)</u>	<u>-</u>
Total non-operating expenses, net	<u>(78,552)</u>	<u>(63,555)</u>	<u>(233,822)</u>	<u>(192,725)</u>
INCOME BEFORE INCOME TAX	114,165	45,382	244,836	54,423
INCOME TAX EXPENSE	<u>(1,552)</u>	<u>(1,662)</u>	<u>(935)</u>	<u>(4,016)</u>
NET INCOME	112,613	43,720	243,901	50,407
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>3,294</u>	<u>18,323</u>	<u>21,929</u>	<u>82,223</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	\$ <u>115,907</u>	\$ <u>62,043</u>	\$ <u>265,830</u>	\$ <u>132,630</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:				
Basic	\$ <u>0.079</u>	\$ <u>0.042</u>	\$ <u>0.181</u>	\$ <u>0.086</u>
Diluted	\$ <u>0.078</u>	\$ <u>0.042</u>	\$ <u>0.180</u>	\$ <u>0.086</u>

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

Basic	\$	<u>0.237</u>	\$	<u>0.127</u>	\$	<u>0.544</u>	\$	<u>0.259</u>
Diluted	\$	<u>0.235</u>	\$	<u>0.126</u>	\$	<u>0.539</u>	\$	<u>0.258</u>

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

Basic	<u>1,468,293,998</u>	<u>1,463,450,519</u>	<u>1,467,083,364</u>	<u>1,534,527,893</u>
Diluted	<u>1,479,677,417</u>	<u>1,471,515,182</u>	<u>1,478,440,011</u>	<u>1,542,641,243</u>

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

	30 September 2017	31 December 2016
	<u>(Unaudited)</u>	<u>(Audited)</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,576,898	\$ 1,702,310
Bank deposits with original maturities over three months	35,591	210,840
Restricted cash	81,735	39,152
Accounts receivable, net	137,731	225,438
Amounts due from affiliated companies	373	1,103
Inventories	33,646	32,600
Prepaid expenses and other current assets	<u>62,971</u>	<u>68,111</u>
Total current assets	<u>1,928,945</u>	<u>2,279,554</u>
 PROPERTY AND EQUIPMENT, NET	 5,685,386	 5,655,823
GAMING SUBCONCESSION, NET	270,392	313,320
INTANGIBLE ASSETS	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	188,447	194,911
RESTRICTED CASH	130	130
DEFERRED TAX ASSETS	246	152
LAND USE RIGHTS, NET	<u>793,204</u>	<u>810,316</u>
TOTAL ASSETS	\$ <u>8,952,885</u>	\$ <u>9,340,341</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$	17,267	\$	17,434
Accrued expenses and other current liabilities		1,514,948		1,369,943
Income tax payable		5,868		7,422
Capital lease obligations, due within one year		32,042		30,730
Current portion of long-term debt, net		196,788		50,583
Amounts due to affiliated companies		<u>11,831</u>		<u>3,028</u>
Total current liabilities		<u>1,778,744</u>		<u>1,479,140</u>

LONG-TERM DEBT, NET		3,512,524		3,669,692
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OTHER LONG-TERM LIABILITIES		44,276		49,287
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DEFERRED TAX LIABILITIES		56,104		56,451
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CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR		258,675		262,357
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AMOUNT DUE TO AN AFFILIATED COMPANY		910		-
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SHAREHOLDERS' EQUITY

Ordinary shares		14,784		14,759
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Treasury shares		(92)		(108)
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Additional paid-in capital		3,666,393		2,783,062
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Accumulated other comprehensive losses		(26,506)		(24,768)
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(Accumulated losses) retained earnings		<u>(809,430)</u>		<u>570,925</u>
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Total Melco Resorts & Entertainment Limited shareholders' equity		2,845,149		3,343,870
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Noncontrolling interests		<u>456,503</u>		<u>479,544</u>
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Total equity		<u>3,301,652</u>		<u>3,823,414</u>
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TOTAL LIABILITIES AND EQUITY	\$	<u>8,952,885</u>	\$	<u>9,340,341</u>
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The full text of Melco Resorts & Entertainment's unaudited financial results for the third quarter ended 30 September 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, 2 November 2017

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 (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, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.