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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 2021 BY A LISTED SUBSIDIARY — MELCO RESORTS & ENTERTAINMENT LIMITED

This is not an announcement of the 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) 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 in respect of the financial results of a listed subsidiary of the Company, Melco Resorts & Entertainment Limited (“Melco Resorts”), which has announced its unaudited financial results for the first quarter ended 31 March 2021 on 28 April 2021.

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 2021 on 28 April 2021 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The First Quarter 2021 Results of Melco Resorts

Total operating revenues for the first quarter of 2021 were US\$0.52 billion, representing a decrease of approximately 36% from US\$0.81 billion for the comparable period in 2020. The decrease in total operating revenues was primarily attributable to a year-over-year decline in inbound tourism in the first quarter of 2021, compared to the first quarter of 2020, which was only partially impacted by the restrictions from the COVID-19 pandemic.

Operating loss for the first quarter of 2021 was US\$162.8 million, compared with operating loss of US\$149.9 million in the first quarter of 2020.

Melco Resorts generated Adjusted Property EBITDA (i.e. net income/loss 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) of US\$30.1 million in the first quarter of 2021, compared with Adjusted Property EBITDA of US\$75.3 million in the first quarter of 2020.

Net loss attributable to Melco Resorts for the first quarter of 2021 was US\$232.9 million, or US\$0.49 per ADS, compared with net loss attributable to Melco Resorts of US\$364.0 million, or US\$0.76 per ADS, in the first quarter of 2020. The net loss attributable to noncontrolling interests was US\$44.6 million and US\$42.0 million during the first quarters of 2021 and 2020, respectively, all of which were related to Studio City, City of Dreams Manila and the Cyprus Operations.

Other Factors Affecting Earnings

Total net non-operating expenses for the first quarter of 2021 were US\$114.0 million, which mainly included interest expenses of US\$90.6 million, net of amounts capitalized, and loss on extinguishment of debt of US\$28.8 million.

Depreciation and amortization costs of US\$141.1 million were recorded in the first quarter of 2021, of which US\$14.3 million related to the amortization expense for Melco Resorts' Macau gaming subconcession and US\$5.7 million related to the amortization expense for the land use rights.

Financial Position and Capital Expenditures

Total cash and bank balances as of 31 March 2021 aggregated to US\$1.58 billion, including US\$0.4 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$5.80 billion at the end of the first quarter of 2021.

Capital expenditures for the first quarter of 2021 were US\$157.4 million, which primarily related to various construction projects at City of Dreams, Studio City Phase 2, and City of Dreams Mediterranean.

Recent Developments

The COVID-19 outbreak continues to have a material effect on Melco Resorts' operations, financial position, and prospects during the second quarter of 2021.

Despite the nationwide resumption of issuance of Individual Visit Scheme visas by China in September 2020, Melco Resorts' operations in Macau continue to be impacted by significant travel bans, restrictions, and quarantine requirements imposed by the governments in Macau, Hong Kong and China, and such bans, restrictions and requirements have been, and may continue to be, modified by the relevant authorities from time to time as COVID-19 developments unfold. Additionally, health-related precautionary measures remain in place at Melco Resorts' properties in Macau, which continue to impact visitation and customer spending.

Melco Resorts' Philippines casino gaming operations were closed due to the enhanced community quarantine for the entire island of Luzon, including Metro Manila, which began in March 2020. Despite the general closure, in June 2020, City of Dreams Manila was able to conduct a dry run of its gaming and hospitality operations with a limited number of participants, strictly adhering to the new guidelines on social distancing and hygiene and sanitation procedures imposed by the government of the Philippines and as permitted by Philippine Amusement and Gaming Corporation ("PAGCOR"). The PAGCOR-sanctioned dry run aimed at addressing all potential operational concerns to achieve a seamless re-opening for City of Dreams Manila. The dry run was expected to continue until PAGCOR issued a formal notice that City of Dreams Manila could resume operations again on a regular basis in the future.

The dry run was suspended for more than two weeks in early August 2020 due to the rising number of COVID-19 cases, before resuming in late August 2020. However, due to a recent resurgence in COVID-19 cases, on 12 April 2021, the government placed Metro Manila under a modified enhanced community quarantine, which is expected to be in effect until 30 April 2021. City of Dreams Manila was temporarily closed beginning on 29 March 2021, and will remain closed while such quarantine measures remain in place.

In Cyprus, on 12 November 2020, as part of a regional lockdown, Melco Resorts' casino operations in Limassol and Paphos were suspended until 30 November 2020. Thereafter, the government of Cyprus has announced a series of nationwide measures in an effort to prevent the spread of COVID-19 which included, among others, curfews, restrictions on gatherings, sports activities and operation of food and beverage and retail businesses and closure of various other businesses, including Melco Resorts' casino operations in Cyprus. As a result, Melco Resorts' operations in Cyprus are currently closed and will remain closed while such measures remain in place.

The COVID-19 outbreak has also impacted the construction of the Studio City Phase 2 project and the progress of construction work at the City of Dreams Mediterranean project. Melco Resorts currently expects additional time will be needed to complete the construction of these projects.

As the disruptions from the COVID-19 outbreak are ongoing, any recovery from such disruptions will depend on future events, such as the successful production, distribution and widespread acceptance of safe and effective vaccines, the development of effective treatments for COVID-19, including for new strains of COVID-19, the duration of travel and visa restrictions as well as customer sentiment and behavior, including the length of time before customers resume traveling and participating in entertainment and leisure activities at high-density venues and the impact of potential higher unemployment rates, declines in income levels and loss of personal wealth resulting from the COVID-19 outbreak on consumer behavior related to discretionary spending and traveling, all of which are highly uncertain.

Unaudited Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The unaudited condensed consolidated statements of operations for the three months ended 31 March 2021 and 31 March 2020 and the condensed consolidated balance sheets as at 31 March 2021 (unaudited) and 31 December 2020 (audited) of Melco Resorts and its subsidiaries are provided below:

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

	Three Months Ended 31 March	
	<u>2021</u>	<u>2020</u>
Operating revenues:		
Casino	\$ 433,796	\$ 712,555
Rooms	39,680	44,821
Food and beverage	26,051	28,943
Entertainment, retail and other	<u>19,395</u>	<u>24,856</u>
Total operating revenues	<u>518,922</u>	<u>811,175</u>
Operating costs and expenses:		
Casino	(366,929)	(563,841)
Rooms	(12,839)	(17,941)
Food and beverage	(24,122)	(32,230)
Entertainment, retail and other	(7,704)	(20,324)
General and administrative	(108,160)	(131,297)
Payments to the Philippine Parties	(10,625)	(7,706)
Pre-opening costs	(997)	(395)
Development costs	(3,519)	(13,430)
Amortization of gaming subconcession	(14,342)	(14,323)
Amortization of land use rights	(5,717)	(5,709)
Depreciation and amortization	(121,040)	(142,233)
Property charges and other	<u>(5,724)</u>	<u>(11,672)</u>
Total operating costs and expenses	<u>(681,718)</u>	<u>(961,101)</u>
Operating loss	<u>(162,796)</u>	<u>(149,926)</u>

Non-operating income (expenses):

Interest income	2,025	1,142
Interest expenses, net of amounts capitalized	(90,642)	(78,155)
Other financing costs	(2,487)	(1,244)
Foreign exchange gains (losses), net	5,199	(3,311)
Other income (expenses), net	673	(179,397)
Loss on extinguishment of debt	<u>(28,817)</u>	<u>-</u>
Total non-operating expenses, net	<u>(114,049)</u>	<u>(260,965)</u>
Loss before income tax	(276,845)	(410,891)
Income tax (expense) credit	<u>(664)</u>	<u>4,840</u>
Net loss	(277,509)	(406,051)
Net loss attributable to noncontrolling interests	<u>44,601</u>	<u>42,003</u>
Net loss attributable to Melco Resorts & Entertainment Limited	\$ <u><u>(232,908)</u></u>	\$ <u><u>(364,048)</u></u>
Net loss attributable to Melco Resorts & Entertainment Limited per share:		
Basic	\$ <u><u>(0.163)</u></u>	\$ <u><u>(0.254)</u></u>
Diluted	\$ <u><u>(0.163)</u></u>	\$ <u><u>(0.254)</u></u>
Net loss attributable to Melco Resorts & Entertainment Limited per ADS:		
Basic	\$ <u><u>(0.488)</u></u>	\$ <u><u>(0.761)</u></u>
Diluted	\$ <u><u>(0.488)</u></u>	\$ <u><u>(0.761)</u></u>
Weighted average shares outstanding used in net loss attributable to Melco Resorts & Entertainment Limited per share calculation:		
Basic	<u><u>1,432,289,789</u></u>	<u><u>1,435,762,261</u></u>
Diluted	<u><u>1,432,289,789</u></u>	<u><u>1,435,762,261</u></u>

Note: The negative Adjusted EBITDA for Studio City for the three months ended 31 March 2021 referred to in the Melco Resorts' Earnings Release was US\$8.2 million less than the negative Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("**SCIHL**") dated 28 April 2021 (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 the Melco Resorts' Earnings Release. Such intercompany charges include, among other items, fees and shared service charges billed between SCIHL and its subsidiaries and certain subsidiaries of Melco Resorts. Additionally, Adjusted EBITDA of Studio City included in the Melco Resorts' Earnings Release does not reflect certain intercompany costs related to the table games operations at Studio City Casino.

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

	31 March 2021	31 December 2020
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,580,648	\$ 1,755,351
Restricted cash	13	13
Accounts receivable, net	111,398	129,619
Amounts due from affiliated companies	281	765
Inventories	35,890	37,277
Prepaid expenses and other current assets	84,832	85,798
Assets held for sales	<u>3,321</u>	<u>-</u>
Total current assets	<u>1,816,383</u>	<u>2,008,823</u>
Property and equipment, net	5,729,003	5,681,268
Gaming subconcession, net	70,093	84,663
Intangible assets, net	57,303	58,833
Goodwill	81,958	82,203
Long-term prepayments, deposits and other assets	280,951	284,608
Restricted cash	404	406
Deferred tax assets, net	6,381	6,376
Operating lease right-of-use assets	90,624	92,213
Land use rights, net	<u>713,713</u>	<u>721,574</u>
Total assets	<u>\$ 8,846,813</u>	<u>\$ 9,020,967</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 11,976	\$ 9,483
Accrued expenses and other current liabilities	881,443	983,865
Income tax payable	11,784	14,164
Operating lease liabilities, current	28,879	27,066
Finance lease liabilities, current	24,435	80,004
Amounts due to affiliated companies	<u>1,604</u>	<u>1,668</u>
Total current liabilities	<u>960,121</u>	<u>1,116,250</u>
Long-term debt, net	5,801,344	5,645,391
Other long-term liabilities	38,563	29,213
Deferred tax liabilities, net	46,079	45,952
Operating lease liabilities, non-current	74,329	75,867
Finance lease liabilities, non-current	<u>379,801</u>	<u>270,223</u>
Total liabilities	<u>7,300,237</u>	<u>7,182,896</u>
Shareholders' equity:		
Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,436,245,498 and 1,430,965,312 shares outstanding, respectively	14,565	14,565
Treasury shares, at cost; 20,302,444 and 25,582,630 shares, respectively	(96,142)	(121,028)
Additional paid-in capital	3,212,294	3,207,312
Accumulated other comprehensive losses	(46,452)	(11,332)
Accumulated losses	<u>(2,220,304)</u>	<u>(1,987,396)</u>
Total Melco Resorts & Entertainment Limited shareholders' equity	863,961	1,102,121

Noncontrolling interests	<u>682,615</u>	<u>735,950</u>
Total shareholders' equity	<u>1,546,576</u>	<u>1,838,071</u>
Total liabilities and shareholders' equity	\$ <u><u>8,846,813</u></u>	\$ <u><u>9,020,967</u></u>

The full text of the 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, 28 April 2021

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; 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.