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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 FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2020 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 fourth quarter and full year ended 31 December 2020 on 25 February 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 fourth quarter and full year ended 31 December 2020 on 25 February 2021 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The Fourth Quarter 2020 Results of Melco Resorts

Total operating revenues for the fourth quarter of 2020 were US\$0.53 billion, representing a decrease of approximately 64% from US\$1.45 billion for the comparable period in 2019. The decrease in total operating revenues was primarily attributable to softer performance in all gaming segments and non-gaming operations as a result of the COVID-19 pandemic, which resulted in a significant decline in inbound tourism throughout 2020 which continued through the fourth quarter.

Operating loss for the fourth quarter of 2020 was US\$144.8 million, compared with operating income of US\$173.4 million in the fourth quarter of 2019.

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\$53.4 million in the fourth quarter of 2020, compared with Adjusted Property EBITDA of US\$409.8 million in the fourth quarter of 2019.

Net loss attributable to Melco Resorts for the fourth quarter of 2020 was US\$199.7 million, or US\$0.42 per ADS, compared with net income attributable to Melco Resorts of US\$68.1 million, or US\$0.14 per ADS, in the fourth quarter of 2019. The net loss attributable to noncontrolling interests during the fourth quarter of 2020 was US\$35.1 million and the net income attributable to noncontrolling interests during the fourth quarter of 2019 was US\$12.7 million, all of which was related to Studio City, City of Dreams Manila, and the Cyprus Operations.

Other Factors Affecting Earnings

Total net non-operating expenses for the fourth quarter of 2020 were US\$87.8 million, which mainly included interest expenses, net of amounts capitalized, of US\$90.6 million.

Depreciation and amortization costs of US\$147.6 million were recorded in the fourth quarter of 2020, of which US\$14.4 million related to the amortization expense for gaming subconcession of Melco Resorts 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 December 2020 aggregated to US\$1.76 billion, including US\$0.4 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$5.65 billion at the end of the fourth quarter of 2020.

Capital expenditures for the fourth quarter of 2020 were US\$168.2 million, which primarily related to various projects at City of Dreams, Studio City Phase 2, and City of Dreams Mediterranean construction.

On 14 January 2021, Studio City Finance Limited (“**Studio City Finance**”), a subsidiary of Melco Resorts, issued US\$750 million in aggregate principal amount of 5.000% senior notes due 2029 (the “**Studio City 2029 Notes**”). Net proceeds from the issuance of the Studio City 2029 Notes were used to fund the conditional cash tender offer announced by Studio City Finance on 4 January 2021 for any and all of its outstanding 7.250% senior notes due 2024 (the “**Studio City 2024 Notes**”) and fully redeem the Studio City 2024 Notes which remained outstanding following the completion of such conditional cash tender offer. The remaining balance will be used to partially fund the capital expenditures of the Studio City Phase 2 project and for general corporate purposes.

On 21 January 2021, Melco Resorts Finance Limited (“**Melco Resorts Finance**”), a subsidiary of Melco Resorts, issued an additional US\$250 million in aggregate principal amount of its 5.375% senior notes due 2029 (the “**Additional Melco Resorts Finance 2029 Notes**”). Net proceeds from the issuance of the Additional Melco Resorts Finance 2029 Notes were used for repayment of the principal amount drawn under the revolving credit facility under the senior facilities agreement entered into by MCO Nominee One Limited on 29 April 2020, together with accrued interest and associated costs. The remaining balance will be used for general corporate purposes.

Full Year Results of Melco Resorts

For the year ended 31 December 2020, Melco Resorts reported total operating revenues of US\$1.73 billion, versus US\$5.74 billion in the prior year. The decrease in total operating revenues was primarily attributable to softer performance in all gaming segments and non-gaming operations as a result of the COVID-19 pandemic, which resulted in temporary casino closures and a significant decline in inbound tourism in 2020.

Operating loss for 2020 was US\$940.6 million, compared with operating income of US\$747.7 million for 2019.

Melco Resorts generated negative Adjusted Property EBITDA of US\$0.10 billion for the year ended 31 December 2020, compared with Adjusted Property EBITDA of US\$1.69 billion in 2019.

Net loss attributable to Melco Resorts for 2020 was US\$1.26 billion, or US\$2.65 per ADS, compared with net income attributable to Melco Resorts of US\$373.2 million, or US\$0.78 per ADS, for 2019. The net loss attributable to noncontrolling interests for 2020 was US\$191.1 million and the net income attributable to noncontrolling interests for 2019 was US\$21.1 million, all of which were related to Studio City, City of Dreams Manila and the Cyprus Operations.

Recent Developments

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

Despite the nationwide resumption of issuance of Individual Visit Scheme visas by China in September 2020, Melco Resorts' operations continue to be impacted by significant travel bans, restrictions, and quarantine requirements imposed by the governments in Macau, Hong Kong, and certain provinces in China on visitors traveling to and from Macau, 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 could 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 on 16 March 2020 and was extended to 30 November 2020. However, as permitted by Philippine Amusement and Gaming Corporation ("PAGCOR"), since 19 June 2020, City of Dreams Manila has conducted a dry run/trial 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. The PAGCOR-sanctioned dry run/trial run, which aims to address all potential operational concerns to achieve a seamless re-opening for City of Dreams Manila, is expected to continue until such time that PAGCOR provides a formal notice that City of Dreams Manila can resume operations again on a regular basis in the future.

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 announced nationwide measures from 30 November 2020 to 31 December 2020, 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. 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 on the City of Dreams Mediterranean project. Melco Resorts currently expects additional time will be needed to complete the construction of these projects. Previously, under the gaming license granted by the government of Cyprus to Melco Resorts' subsidiary Integrated Casino Resorts Cyprus Limited, Melco Resorts was required to open the City of Dreams Mediterranean project by 31 December 2021. In February 2021, the government of Cyprus extended the opening date requirement to 30 September 2022.

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 and full year ended 31 December 2020 and the condensed consolidated balance sheets as at 31 December 2020 (unaudited) and 31 December 2019 (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 December | | Year Ended 31 December | |
|---|---|--------------------|-----------------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Operating revenues: | | | | |
| Casino | \$ 440,442 | \$ 1,248,916 | \$ 1,471,356 | \$ 4,976,686 |
| Rooms | 41,365 | 90,990 | 108,593 | 349,908 |
| Food and beverage | 26,481 | 62,375 | 74,528 | 235,120 |
| Entertainment, retail and other | 19,714 | 48,360 | 73,446 | 175,087 |
| Total operating revenues | <u>528,002</u> | <u>1,450,641</u> | <u>1,727,923</u> | <u>5,736,801</u> |
| Operating costs and expenses: | | | | |
| Casino | (363,392) | (843,550) | (1,350,210) | (3,266,736) |
| Rooms | (11,793) | (22,553) | (46,690) | (89,778) |
| Food and beverage | (23,641) | (48,004) | (86,123) | (181,456) |
| Entertainment, retail and other | (10,464) | (26,906) | (55,379) | (99,945) |
| General and administrative | (98,184) | (136,480) | (424,398) | (559,480) |
| Payments to the Philippine Parties | (5,311) | (11,433) | (12,989) | (57,428) |
| Pre-opening costs | (273) | (209) | (1,322) | (4,847) |
| Development costs | (2,983) | (17,560) | (25,616) | (57,433) |
| Amortization of gaming subconcession | (14,361) | (14,240) | (57,411) | (56,841) |
| Amortization of land use rights | (5,725) | (5,677) | (22,886) | (22,659) |
| Depreciation and amortization | (127,476) | (149,343) | (538,233) | (571,705) |
| Property charges and other | (9,233) | (1,237) | (47,223) | (20,815) |
| Total operating costs and expenses | <u>(672,836)</u> | <u>(1,277,192)</u> | <u>(2,668,480)</u> | <u>(4,989,123)</u> |
| Operating (loss) income | <u>(144,834)</u> | <u>173,449</u> | <u>(940,557)</u> | <u>747,678</u> |
| Non-operating income (expenses): | | | | |
| Interest income | 1,402 | 2,142 | 5,134 | 9,311 |
| Interest expenses, net of amounts capitalized | (90,551) | (84,434) | (340,839) | (310,102) |
| Other financing costs | (2,311) | (1,065) | (7,955) | (2,738) |
| Foreign exchange gains (losses), net | 3,038 | (1,347) | (2,079) | (10,756) |
| Other income (expenses), net | 888 | (3,748) | (150,969) | (23,914) |

| | | | | |
|--|----------------------|----------------------|-----------------------|----------------------|
| Loss on extinguishment of debt | (219) | (2,612) | (19,952) | (6,333) |
| Costs associated with debt modification | - | - | (310) | (579) |
| Total non-operating expenses, net | <u>(87,753)</u> | <u>(91,064)</u> | <u>(516,970)</u> | <u>(345,111)</u> |
| (Loss) income before income tax | (232,587) | 82,385 | (1,457,527) | 402,567 |
| Income tax (expense) credit | <u>(2,253)</u> | <u>(1,562)</u> | <u>2,913</u> | <u>(8,339)</u> |
| Net (loss) income | (234,840) | 80,823 | (1,454,614) | 394,228 |
| Net loss (income) attributable to noncontrolling interests | <u>35,106</u> | <u>(12,684)</u> | <u>191,122</u> | <u>(21,055)</u> |
| Net (loss) income attributable to Melco Resorts & Entertainment Limited | \$ <u>(199,734)</u> | \$ <u>68,139</u> | \$ <u>(1,263,492)</u> | \$ <u>373,173</u> |
| Net (loss) income attributable to Melco Resorts & Entertainment Limited per share: | | | | |
| Basic | \$ <u>(0.140)</u> | \$ <u>0.047</u> | \$ <u>(0.882)</u> | \$ <u>0.260</u> |
| Diluted | \$ <u>(0.140)</u> | \$ <u>0.047</u> | \$ <u>(0.884)</u> | \$ <u>0.258</u> |
| Net (loss) income attributable to Melco Resorts & Entertainment Limited per ADS: | | | | |
| Basic | \$ <u>(0.419)</u> | \$ <u>0.142</u> | \$ <u>(2.647)</u> | \$ <u>0.779</u> |
| Diluted | \$ <u>(0.419)</u> | \$ <u>0.142</u> | \$ <u>(2.652)</u> | \$ <u>0.775</u> |
| Weighted average shares outstanding used in net (loss) income attributable to Melco Resorts & Entertainment Limited per share calculation: | | | | |
| Basic | <u>1,430,907,993</u> | <u>1,437,196,123</u> | <u>1,432,052,735</u> | <u>1,436,569,083</u> |
| Diluted | <u>1,430,907,993</u> | <u>1,444,028,468</u> | <u>1,432,052,735</u> | <u>1,443,447,422</u> |

Note: The negative Adjusted EBITDA for Studio City for the three months ended 31 December 2020 referred to in the Melco Resorts' Earnings Release was US\$8.8 million less than the negative Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("SCIHL") dated 25 February 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 December 2020 | 31 December 2019 |
|--|-----------------------------|-----------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,755,351 | \$ 1,394,982 |
| Investment securities | - | 49,369 |
| Restricted cash | 144 | 37,390 |
| Accounts receivable, net | 129,619 | 284,333 |
| Amounts due from affiliated companies | 765 | 442 |
| Inventories | 37,277 | 43,959 |
| Prepaid expenses and other current assets | 86,238 | 84,197 |
| Total current assets | <u>2,009,394</u> | <u>1,894,672</u> |
| Property and equipment, net | 5,681,268 | 5,723,909 |
| Gaming subconcession, net | 84,663 | 141,440 |
| Intangible assets, net | 58,833 | 31,628 |
| Goodwill | 82,203 | 95,620 |
| Long-term prepayments, deposits and other assets | 284,168 | 176,478 |
| Investment securities | - | 568,936 |
| Restricted cash | 275 | 130 |
| Deferred tax assets, net | 6,376 | 3,558 |
| Operating lease right-of-use assets | 92,213 | 111,043 |
| Land use rights, net | 721,574 | 741,008 |
| Total assets | <u>\$ 9,020,967</u> | <u>\$ 9,488,422</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 9,483 | \$ 21,882 |
| Accrued expenses and other current liabilities | 983,865 | 1,420,516 |
| Income tax payable | 14,164 | 8,516 |
| Operating lease liabilities, current | 27,066 | 33,152 |
| Finance lease liabilities, current | 80,004 | 39,725 |
| Current portion of long-term debt, net | 129 | 146 |
| Amounts due to affiliated companies | 1,668 | 1,523 |
| Total current liabilities | <u>1,116,379</u> | <u>1,525,460</u> |
| Long-term debt, net | 5,645,262 | 4,393,985 |
| Other long-term liabilities | 29,213 | 18,773 |
| Deferred tax liabilities, net | 45,952 | 56,677 |
| Operating lease liabilities, non-current | 75,867 | 88,259 |
| Finance lease liabilities, non-current | 270,223 | 262,040 |
| Total liabilities | <u>7,182,896</u> | <u>6,345,194</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; 1,430,965,312 and 1,437,328,096 shares outstanding, respectively | 14,565 | 14,565 |
| Treasury shares, at cost; 25,582,630 and 19,219,846 shares, respectively | (121,028) | (90,585) |
| Additional paid-in capital | 3,207,312 | 3,178,579 |
| Accumulated other comprehensive losses | (11,332) | (18,803) |
| Accumulated losses | (1,987,396) | (644,788) |
| Total Melco Resorts & Entertainment Limited shareholders' equity | 1,102,121 | 2,438,968 |
| Noncontrolling interests | 735,950 | 704,260 |
| Total shareholders' equity | 1,838,071 | 3,143,228 |
| Total liabilities and shareholders' equity | \$ 9,020,967 | \$ 9,488,422 |

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, 25 February 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.