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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 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 released its unaudited financial results for the fourth quarter and full year ended 31 December 2021 on 1 March 2022.

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 released its unaudited financial results for the fourth quarter and full year ended 31 December 2021 on 1 March 2022 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The Fourth Quarter 2021 Results of Melco Resorts

Total operating revenues for the fourth quarter of 2021 were US\$480.6 million, representing a decrease of approximately 9% from US\$528.0 million for the comparable period in 2020. The decrease in total operating revenues was primarily attributable to softer performance in the rolling chip segment.

Operating loss for the fourth quarter of 2021 was US\$104.4 million, compared with operating loss of US\$144.8 million in the fourth 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\$94.0 million in the fourth quarter of 2021, compared with Adjusted Property EBITDA of US\$53.4 million in the fourth quarter of 2020.

Net loss attributable to Melco Resorts for the fourth quarter of 2021 was US\$159.9 million, or US\$0.34 per ADS, compared with net loss attributable to Melco Resorts of US\$199.7 million, or US\$0.42 per ADS, in the fourth quarter of 2020. The net loss attributable to noncontrolling interests was US\$30.0 million and US\$35.1 million during the fourth 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 fourth quarter of 2021 were US\$82.8 million, which mainly included interest expense of US\$85.4 million, net of amounts capitalized.

Depreciation and amortization costs of US\$144.1 million were recorded in the fourth quarter of 2021, of which US\$14.3 million related to the amortization expense for the 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 2021 aggregated to US\$1.65 billion, including US\$0.4 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$6.56 billion at the end of the fourth quarter of 2021.

Approximately 3.3 million ADSs were repurchased in the fourth quarter of 2021, for a total consideration of US\$31 million.

Capital expenditures for the fourth quarter of 2021 were US\$250.5 million, which primarily related to the construction projects at Studio City Phase 2 and City of Dreams Mediterranean.

Full Year Results of Melco Resorts

For the year ended 31 December 2021, Melco Resorts reported total operating revenues of US\$2.01 billion versus US\$1.73 billion in the prior year. The increase in total operating revenues was primarily attributable to improved performances in the mass market table games and gaming machine segments as well as higher non-gaming revenues, partially offset by softer performance in the rolling chip segment.

The operating loss for 2021 was US\$577.5 million, compared with an operating loss of US\$940.6 million for 2020.

Melco Resorts generated Adjusted Property EBITDA of US\$235.1 million for the year ended 31 December 2021, compared with negative Adjusted Property EBITDA of US\$104.3 million in 2020.

Net loss attributable to Melco Resorts for 2021 was US\$811.8 million, or US\$1.70 per ADS, compared with net loss attributable to Melco Resorts of US\$1.26 billion, or US\$2.65 per ADS, for 2020. The net loss attributable to noncontrolling interests was US\$144.7 million and US\$191.1 million for 2021 and 2020, respectively, all of which were related to Studio City, City of Dreams Manila and the Cyprus Operations.

Subsequent Events

On 7 February 2022, Studio City Company Limited (“**Studio City Company**”), a subsidiary of Melco Resorts, announced an offering of senior secured notes and, concurrently, Studio City International Holdings Limited (“**SCIHL**”) announced that it had entered into subscription agreements with certain existing institutional holders of its ordinary shares and ADSs, each

representing four Class A ordinary shares, which hold, in aggregate, over 99% of SCIHL's outstanding shares, for total proceeds of US\$300 million. SCIHL is in the process of closing the private placement.

The senior secured notes were issued on 16 February 2022 with an aggregate principal amount of US\$350 million, 7.0% coupon and a tenor of 5 years (the “Notes”). Net proceeds from the issuance of the Notes will be used to partially fund the capital expenditures of the remaining project for Studio City and for general corporate purposes.

Recent Developments

COVID-19 outbreaks continue to have a material effect on Melco Resorts' operations, financial position, and future prospects into the first quarter of 2022.

In Macau, Melco Resorts' operations remain impacted by travel restrictions and quarantine requirements. The appearance of COVID-19 cases in Macau in late September 2021 led to city-wide mandatory testing, mandatory closure of most entertainment and leisure venues (casinos and gaming areas excluded), and strict travel restrictions and requirements being implemented to enter and exit Macau. Since 19 October 2021, authorities have eased pandemic prevention measures such that travelers no longer require a 14-day quarantine on arrival in Zhuhai, and the validity of nucleic acid tests to enter Zhuhai was extended from 24 hours to 7 days. However, health-related precautionary measures remain in place and non-Macau resident individuals who are not residents of Taiwan, Hong Kong, or the PRC continue to be unable to enter Macau, except if they have been in Hong Kong or mainland PRC in the preceding 21 days and are eligible for an exemption application.

In the Philippines, the government announced a re-opening of the Philippines' borders to fully vaccinated international tourists with a negative RT-PCR test taken within 48 hours of departure of their country of origin, effective 10 February 2022 and lowered COVID-19 restrictions to alert level 1 from 1 March 2022 which allows casinos to operate at 100% capacity, subject to certain guidelines. Separately, Melco Resorts' online gaming offering – Live Shots - program which began on 10 August 2021 for live-dealer games and on 15 September 2021 for slot machines, was shutdown on 1 December 2021 for maintenance.

In Cyprus, with the surge in COVID-19 cases, authorities stepped up COVID-19 restrictions from the end of December 2021 by reducing the capacity at certain venues and increasing restrictions for unvaccinated people. However, such restrictions were eased from 21 February 2022 and Melco Resorts' casinos remained open during the period.

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 2021 and the condensed consolidated balance sheets as at 31 December 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 December		Year Ended 31 December	
	2021	2020	2021	2020
Operating revenues:				
Casino	\$ 390,659	\$ 440,442	\$ 1,676,263	\$ 1,471,356
Rooms	44,666	41,365	157,501	108,593
Food and beverage	25,641	26,481	97,665	74,528
Entertainment, retail and other	19,642	19,714	80,927	73,446
Total operating revenues	<u>480,608</u>	<u>528,002</u>	<u>2,012,356</u>	<u>1,727,923</u>
Operating costs and expenses:				
Casino	(286,280)	(363,392)	(1,320,882)	(1,350,210)
Rooms	(12,625)	(11,793)	(49,895)	(46,690)
Food and beverage	(22,758)	(23,641)	(91,533)	(86,123)
Entertainment, retail and other	(6,355)	(10,464)	(29,463)	(55,379)
General and administrative	(100,006)	(98,184)	(426,407)	(424,398)
Payments to the Philippine Parties	(6,102)	(5,311)	(26,371)	(12,989)
Pre-opening costs	(1,383)	(273)	(4,157)	(1,322)
Development costs	1,302	(2,983)	(30,677)	(25,616)
Amortization of gaming subconcession	(14,286)	(14,361)	(57,276)	(57,411)
Amortization of land use rights	(5,695)	(5,725)	(22,832)	(22,886)
Depreciation and amortization	(124,147)	(127,476)	(499,739)	(538,233)
Property charges and other	(6,638)	(9,233)	(30,575)	(47,223)
Total operating costs and expenses	<u>(584,973)</u>	<u>(672,836)</u>	<u>(2,589,807)</u>	<u>(2,668,480)</u>
Operating loss	<u>(104,365)</u>	<u>(144,834)</u>	<u>(577,451)</u>	<u>(940,557)</u>
Non-operating income (expenses):				
Interest income	1,457	1,402	6,618	5,134
Interest expenses, net of amounts capitalized	(85,448)	(90,551)	(350,544)	(340,839)
Other financing costs	(1,080)	(2,311)	(11,033)	(7,955)
Foreign exchange gains (losses), net	1,516	3,038	4,566	(2,079)
Other income (expenses), net	710	888	3,082	(150,969)
Loss on extinguishment of debt	-	(219)	(28,817)	(19,952)
Costs associated with debt modification	-	-	-	(310)
Total non-operating expenses, net	<u>(82,845)</u>	<u>(87,753)</u>	<u>(376,128)</u>	<u>(516,970)</u>
Loss before income tax	<u>(187,210)</u>	<u>(232,587)</u>	<u>(953,579)</u>	<u>(1,457,527)</u>
Income tax (expense) credit	<u>(2,731)</u>	<u>(2,253)</u>	<u>(2,885)</u>	<u>2,913</u>
Net loss	<u>(189,941)</u>	<u>(234,840)</u>	<u>(956,464)</u>	<u>(1,454,614)</u>
Net loss attributable to noncontrolling interests	<u>30,004</u>	<u>35,106</u>	<u>144,713</u>	<u>191,122</u>
Net loss attributable to Melco Resorts & Entertainment Limited	<u>\$ (159,937)</u>	<u>\$ (199,734)</u>	<u>\$ (811,751)</u>	<u>\$ (1,263,492)</u>
Net loss attributable to Melco Resorts & Entertainment Limited per share:				
Basic	<u>\$ (0.112)</u>	<u>\$ (0.140)</u>	<u>\$ (0.566)</u>	<u>\$ (0.882)</u>
Diluted	<u>\$ (0.112)</u>	<u>\$ (0.140)</u>	<u>\$ (0.566)</u>	<u>\$ (0.884)</u>

Net loss attributable to								
Melco Resorts & Entertainment								
Limited per ADS:								
Basic	\$	<u>(0.336)</u>	\$	<u>(0.419)</u>	\$	<u>(1.698)</u>	\$	<u>(2.647)</u>
Diluted	\$	<u>(0.336)</u>	\$	<u>(0.419)</u>	\$	<u>(1.698)</u>	\$	<u>(2.652)</u>
Weighted average shares outstanding								
used in net loss attributable to								
Melco Resorts & Entertainment								
Limited per share calculation:								
Basic		<u>1,428,587,890</u>		<u>1,430,907,993</u>		<u>1,434,087,641</u>		<u>1,432,052,735</u>
Diluted		<u>1,428,587,890</u>		<u>1,430,907,993</u>		<u>1,434,087,641</u>		<u>1,432,052,735</u>

Note: The negative Adjusted EBITDA for Studio City for the three months ended 31 December 2021 referred to in the Melco Resorts' Earnings Release was US\$10.4 million less than the negative Adjusted EBITDA of Studio City contained in the earnings release for SCIHL dated 1 March 2022 (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 2021	31 December 2020
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,652,890	\$ 1,755,351
Restricted cash	285	13
Accounts receivable, net	54,491	129,619
Amounts due from affiliated companies	384	765
Inventories	29,589	37,277
Prepaid expenses and other current assets	109,330	85,798
Assets held for sales	21,777	-
Total current assets	<u>1,868,746</u>	<u>2,008,823</u>
Property and equipment, net	5,910,684	5,681,268
Gaming subconcession, net	27,065	84,663
Intangible assets, net	51,547	58,833
Goodwill	81,721	82,203
Long-term prepayments, deposits and other assets	177,142	284,608
Restricted cash	140	406
Deferred tax assets, net	4,029	6,376
Operating lease right-of-use assets	68,034	92,213
Land use rights, net	694,582	721,574
Total assets	<u>\$ 8,883,690</u>	<u>\$ 9,020,967</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 5,992	\$ 9,483
Accrued expenses and other current liabilities	935,483	983,865
Income tax payable	11,913	14,164
Operating lease liabilities, current	16,771	27,066
Finance lease liabilities, current	48,551	80,004
Current portion of long-term debt, net	128	-
Amounts due to affiliated companies	1,548	1,668
Liabilities related to assets held for sales	1,497	-
Total current liabilities	<u>1,021,883</u>	<u>1,116,250</u>
Long-term debt, net	6,559,854	5,645,391
Other long-term liabilities	30,520	29,213
Deferred tax liabilities, net	41,030	45,952
Operating lease liabilities, non-current	62,889	75,867
Finance lease liabilities, non-current	347,629	270,223
Total liabilities	<u>8,063,805</u>	<u>7,182,896</u>

Equity:

Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,456,547,942 and 1,456,547,942 shares issued; 1,423,370,314 and 1,430,965,312 shares outstanding, respectively	14,565	14,565
Treasury shares, at cost; 33,177,628 and 25,582,630 shares, respectively	(132,856)	(121,028)
Additional paid-in capital	3,238,600	3,207,312
Accumulated other comprehensive losses	(76,008)	(11,332)
Accumulated losses	(2,799,555)	(1,987,396)
Total Melco Resorts & Entertainment Limited shareholders' equity	244,746	1,102,121
Noncontrolling interests	575,139	735,950
Total equity	819,885	1,838,071
Total liabilities and equity	\$ 8,883,690	\$ 9,020,967

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, 1 March 2022

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.