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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 2019 AND DECLARATION OF QUARTERLY DIVIDEND

**BY A LISTED SUBSIDIARY
— MELCO RESORTS & ENTERTAINMENT LIMITED**

This is not an announcement of the 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 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 2019 and declaration of quarterly dividend on 20 February 2020.

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 2019 and declaration of quarterly dividend on 20 February 2020 (the “**Melco Resorts’ earnings release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The Fourth Quarter 2019 Results of Melco Resorts

In connection with Melco Resorts’ acquisition of a 75% interest in ICR Cyprus Holdings Limited (“**ICR Cyprus**”) from the Company on 31 July 2019, all periods presented in this announcement have been restated to include the assets and liabilities and financial results of the ICR Cyprus group in accordance with applicable accounting standards.

Total operating revenues for the fourth quarter of 2019 were US\$1.45 billion, representing an increase of approximately 3% from US\$1.41 billion for the comparable period in 2018. The increase in total operating revenues was primarily attributable to better performance in the mass market table games segment.

Operating income for the fourth quarter of 2019 was US\$173.4 million, compared with operating income of US\$203.3 million in the fourth 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\$409.8 million for the fourth quarter of 2019 compared to adjusted property EBITDA of US\$427.5 million in the fourth quarter of 2018, representing a decrease of 4%.

Net income attributable to Melco Resorts for the fourth quarter of 2019 was US\$68.1 million, or US\$0.14 per ADS, compared with US\$126.6 million, or US\$0.26 per ADS, in the fourth quarter of 2018. The net income attributable to noncontrolling interests during the fourth quarter of 2019 was US\$12.7 million and the net income attributable to noncontrolling interests during the fourth quarter of 2018 was US\$1.7 million, 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 2019 were US\$91.1 million, which mainly included interest expenses of US\$84.4 million.

Depreciation and amortization costs of US\$169.3 million were recorded in the fourth 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 December 2019 aggregated to US\$1.43 billion, including US\$37.5 million of restricted cash, which was primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the fourth quarter of 2019 was US\$4.39 billion, within which US\$0.1 million was classified as current.

Capital expenditures for the fourth quarter of 2019 were US\$134.6 million, which primarily related to various projects at City of Dreams, City of Dreams Manila and Studio City as well as developments at City of Dreams Mediterranean.

Full Year Results of Melco Resorts

For the year ended 31 December 2019, Melco Resorts reported total operating revenues of US\$5.74 billion versus US\$5.19 billion in the prior year. The increase in total operating revenues was primarily attributable to better performance in the mass market table games segment.

Operating income for 2019 was US\$747.7 million, compared with operating income of US\$613.4 million for 2018, representing an increase of 22%.

Adjusted property EBITDA for the year ended 31 December 2019 was US\$1.69 billion compared to adjusted property EBITDA of US\$1.49 billion in 2018. The year-over-year

improvement in adjusted property EBITDA was mainly attributable to better performance in the mass market table games segment.

Net income attributable to Melco Resorts for 2019 was US\$373.2 million, or US\$0.78 per ADS, compared with US\$340.3 million, or US\$0.68 per ADS, for 2018. The net income attributable to noncontrolling interests for 2019 was US\$21.1 million and the net loss attributable to noncontrolling interests for 2018 was US\$1.4 million, all of which were related to Studio City, City of Dreams Manila and the Cyprus Operations.

Quarterly Dividend Declaration

On 20 February 2020, the board of directors of Melco Resorts considered and approved the declaration and payment of a quarterly dividend of US\$0.05504 per ordinary share (equivalent to US\$0.16512 per ADS) for the fourth quarter of 2019 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about 12 March 2020 to the shareholders of Melco Resorts whose names appear on the register of members of Melco Resorts at the close of business on 2 March 2020, being the record date for determination of entitlements to the Quarterly Dividend.

Recent Developments

On 4 February 2020, the Macau government announced all casinos in Macau would be closed for a 15-day period commencing on 5 February 2020. On 17 February 2020, the Macau government announced, subject to the implementation of certain health-related precautionary measures, casinos in Macau may resume operations on 20 February 2020. The Macau government further announced casinos in Macau will be allowed a period of up to 30 days from 20 February 2020 to resume operations. Gaming operations at City of Dreams, Mocha Clubs and Studio City resumed on 20 February 2020. Gaming operations at Altira Macau will resume at a subsequent date.

Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The condensed consolidated statements of operations for the three months and full year ended 31 December 2019 and the condensed consolidated balance sheets as at 31 December 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 December		Year Ended 31 December	
	2019 (Unaudited)	2018 (Restated) ^(Note 1)	2019 (Unaudited)	2018 (Restated) ^(Note 1)
OPERATING REVENUES				
Casino	\$ 1,248,916	\$ 1,226,193	\$ 4,976,686	\$ 4,496,625
Rooms	90,990	89,513	349,908	311,028
Food and beverage	62,375	56,057	235,120	204,171
Entertainment, retail and other	48,360	40,223	175,087	177,118
Total operating revenues	<u>1,450,641</u>	<u>1,411,986</u>	<u>5,736,801</u>	<u>5,188,942</u>
OPERATING COSTS AND EXPENSES				
Casino	(843,550)	(804,846)	(3,266,736)	(3,001,310)
Rooms	(22,553)	(22,590)	(89,778)	(78,377)
Food and beverage	(48,004)	(44,190)	(181,456)	(161,184)
Entertainment, retail and other	(26,906)	(21,613)	(99,945)	(92,449)
General and administrative	(136,480)	(124,032)	(559,480)	(505,930)
Payments to the Philippine Parties	(11,433)	(15,030)	(57,428)	(60,778)
Pre-opening costs	(209)	(4,998)	(4,847)	(55,390)
Development costs	(17,560)	(11,301)	(57,433)	(23,029)
Amortization of gaming subconcession	(14,240)	(13,881)	(56,841)	(56,809)
Amortization of land use rights	(5,677)	(5,534)	(22,659)	(22,646)
Depreciation and amortization	(149,343)	(132,453)	(571,705)	(488,446)
Property charges and other	(1,237)	(8,190)	(20,815)	(29,147)
Total operating costs and expenses	<u>(1,277,192)</u>	<u>(1,208,658)</u>	<u>(4,989,123)</u>	<u>(4,575,495)</u>
OPERATING INCOME	<u>173,449</u>	<u>203,328</u>	<u>747,678</u>	<u>613,447</u>
NON-OPERATING INCOME (EXPENSES)				
Interest income	2,142	1,422	9,311	5,471
Interest expenses, net of capitalized interest	(84,434)	(73,992)	(310,102)	(264,880)
Other finance costs	(1,065)	(564)	(2,738)	(4,630)
Foreign exchange losses, net	(1,347)	(4,823)	(10,756)	(10,497)
Other (expenses) income, net	(3,748)	672	(23,914)	3,684
Loss on extinguishment of debt	(2,612)	(3,248)	(6,333)	(3,461)
Costs associated with debt modification	-	-	(579)	-
Total non-operating expenses, net	<u>(91,064)</u>	<u>(80,533)</u>	<u>(345,111)</u>	<u>(274,313)</u>
INCOME BEFORE INCOME TAX	82,385	122,795	402,567	339,134
INCOME TAX (EXPENSE) CREDIT	<u>(1,562)</u>	<u>5,477</u>	<u>(8,339)</u>	<u>(238)</u>
NET INCOME	<u>80,823</u>	<u>128,272</u>	<u>394,228</u>	<u>338,896</u>

NET (INCOME) LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	(12,684)	(1,689)	(21,055)	1,403
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	\$ 68,139	\$ 126,583	\$ 373,173	\$ 340,299
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:				
Basic	\$ 0.047	\$ 0.087	\$ 0.260	\$ 0.226
Diluted	\$ 0.047	\$ 0.087	\$ 0.258	\$ 0.224
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER ADS:				
Basic	\$ 0.142	\$ 0.261	\$ 0.779	\$ 0.678
Diluted	\$ 0.142	\$ 0.260	\$ 0.775	\$ 0.673
WEIGHTED AVERAGE SHARES OUTSTANDING USED IN NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE CALCULATION:				
Basic	1,437,196,123	1,454,682,399	1,436,569,083	1,506,551,789
Diluted	1,444,028,468	1,459,705,276	1,443,447,422	1,516,410,062

Notes:

1. In connection with Melco Resorts' acquisition of a 75% interest in ICR Cyprus from the Company on 31 July 2019, all periods presented in these financial statements have been restated to include the assets and liabilities and financial results of the ICR Cyprus group in accordance with applicable accounting standards.
2. The Adjusted EBITDA for Studio City for the three months ended 31 December 2019 referred to in the Melco Resorts' earnings release is US\$14.1 million more than the Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("SCIHL") dated 20 February 2020 (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 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)

	31 December 2019	31 December 2018
	(Unaudited)	(Restated) ^(Note)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,394,982	\$ 1,472,423
Investment securities	49,369	91,598
Restricted cash	37,390	48,037
Accounts receivable, net	284,333	242,089
Amounts due from affiliated companies	442	87,394
Inventories	43,959	41,093
Prepaid expenses and other current assets	84,197	95,176
Total current assets	1,894,672	2,077,810
PROPERTY AND EQUIPMENT, NET	5,723,909	5,784,343
GAMING SUBCONCESSION, NET	141,440	197,533
INTANGIBLE ASSETS, NET	31,628	31,454
GOODWILL	95,620	81,376
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	176,478	186,708
INVESTMENT SECURITIES	568,936	-
RESTRICTED CASH	130	129
DEFERRED TAX ASSETS	3,558	2,992
OPERATING LEASE RIGHT-OF-USE ASSETS	111,043	-
LAND USE RIGHTS, NET	741,008	759,651
TOTAL ASSETS	\$ 9,488,422	\$ 9,121,996
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 21,882	\$ 25,003
Accrued expenses and other current liabilities	1,420,516	1,671,630
Income tax payable	8,516	4,903
Operating lease liabilities, current	33,152	-
Finance lease liabilities, current	39,725	34,659
Current portion of long-term debt, net	146	395,547
Amounts due to affiliated companies	1,523	15,186
Total current liabilities	1,525,460	2,146,928
LONG-TERM DEBT, NET	4,393,985	3,665,370
OTHER LONG-TERM LIABILITIES	18,773	29,286
DEFERRED TAX LIABILITIES	56,677	54,746
OPERATING LEASE LIABILITIES, NON-CURRENT	88,259	-
FINANCE LEASE LIABILITIES, NON-CURRENT	262,040	253,374
TOTAL LIABILITIES	6,345,194	6,149,704
SHAREHOLDERS' EQUITY		
Ordinary shares	14,565	15,385
Treasury shares	(90,585)	(657,389)
Additional paid-in capital	3,178,579	3,715,579
Accumulated other comprehensive losses	(18,803)	(59,332)

Accumulated losses	(644,788)	(716,966)
Total Melco Resorts & Entertainment Limited shareholders' equity	2,438,968	2,297,277
Noncontrolling interests	704,260	675,015
Total equity	3,143,228	2,972,292
TOTAL LIABILITIES AND EQUITY	<u>\$ 9,488,422</u>	<u>\$ 9,121,996</u>

Note: In connection with Melco Resorts' acquisition of a 75% interest in ICR Cyprus from the Company on 31 July 2019, all periods presented in these financial statements have been restated to include the assets and liabilities and financial results of the ICR Cyprus group in accordance with applicable accounting standards.

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, 20 February 2020

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. John William Crawford, Mr. Chow Kwong Fai, Edward and Ms. Karuna Evelyne Shinsho.