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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 SECOND QUARTER ENDED 30 JUNE 2019, AMENDMENT OF DIVIDEND POLICY 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 (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 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 second quarter ended 30 June 2019, amendment of its dividend policy and declaration of quarterly dividend on 24 July 2019.

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 second quarter ended 30 June 2019, amendment of its dividend policy and declaration of quarterly dividend on 24 July 2019 (the “**Melco Resorts’ earnings release**”). Extracts of the unaudited financial results of Melco Resorts are provided below:

The Second Quarter 2019 Results of Melco Resorts

Total operating revenues for the second quarter of 2019 were US\$1,442.7 million, representing an increase of approximately 17% from US\$1,228.6 million for the comparable period in 2018. The increase in total operating revenues was primarily attributable to better performance in the rolling chip and mass market table games segments and higher non-gaming revenue as a result of the opening of Morpheus in June 2018.

Operating income for the second quarter of 2019 was US\$205.3 million, compared with operating income of US\$118.1 million in the second quarter of 2018, representing an increase of 74%.

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\$442.2 million for the second quarter of 2019 compared to adjusted property EBITDA of US\$355.5 million in the second quarter of 2018, representing an increase of 24%.

Net income attributable to Melco Resorts for the second quarter of 2019 was US\$100.3 million, or US\$0.22 per ADS, compared with US\$57.3 million, or US\$0.12 per ADS, in the second quarter of 2018. The net loss attributable to noncontrolling interests during the second quarter of 2019 and 2018 were US\$3.0 million and US\$4.1 million, respectively, which were related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses for the second quarter of 2019 were US\$107.4 million, which mainly included interest expenses of US\$75.9 million and other net non-operating expenses of US\$23.1 million.

Depreciation and amortization costs of US\$159.8 million were recorded in the second 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 30 June 2019 aggregated US\$1.6 billion, including US\$60.2 million of a bank deposit with original maturity over three months and US\$44.4 million of restricted cash, which was primarily related to Studio City. Total debt, net of unamortized deferred financing costs at the end of the second quarter of 2019 was US\$4.7 billion.

Capital expenditures for the second quarter of 2019 were US\$173.7 million, which predominantly related to an addition to the air transport fleet of Melco Resorts and various projects at City of Dreams.

Amendment of Dividend Policy of Melco Resorts

To reaffirm Melco Resorts’ commitment to returning surplus capital to its shareholders, the board of directors of Melco Resorts, after evaluating Melco Resorts’ current liquidity position and future expected capital needs, has amended its quarterly dividend policy from one targeting a quarterly cash dividend payment of US\$0.0517 per ordinary share (equivalent to US\$0.1551 per ADS, each representing three ordinary shares) of Melco Resorts to one targeting a quarterly cash dividend payment of US\$0.05504 per ordinary share (equivalent to US\$0.16512 per ADS) of Melco Resorts.

The new dividend policy of Melco Resorts will take effect beginning with any dividends declared by the board of directors of Melco Resorts for the second quarter of 2019 and continue until amended or otherwise determined by the board of directors of Melco Resorts. Distribution of dividends under this new dividend policy is subject to Melco Resorts' accumulated and future earnings, cash availability, future commitments and other factors that the board of directors of Melco Resorts may deem relevant.

The board of directors of Melco Resorts will continue to review Melco Resorts' dividend policy from time to time as part of its commitment to maximizing shareholder value, taking into consideration the financial performance of Melco Resorts and market conditions.

Pursuant to the quarterly dividend declared by the board of directors of Melco Resorts for the second quarter of 2019 referred to below in this announcement, and based on the number of shares of Melco Resorts held by the Company through its subsidiary as at the date of this announcement, it is expected that the Company will receive an amount of approximately US\$41.7 million (equivalent to approximately HK\$325.1 million) from Melco Resorts, as compared to approximately US\$39.1 million (equivalent to approximately HK\$305.4 million) that would have been received under Melco Resorts' previous dividend policy, being an additional dividend income of approximately US\$2.6 million (equivalent to approximately HK\$19.7 million).

The amendment of Melco Resorts' dividend policy described above does not affect the Company's previously announced dividend policy, which was announced by the Company on 28 March 2014 and remains in effect. In accordance with the Company's dividend policy, as set forth in the Company's 28 March 2014 announcement, the Company intends to provide its shareholders with semi-annual dividends in an aggregate amount per year of approximately 20% of the Company's annual consolidated net income attributable to its shareholders, subject to the Company's capacity to pay from accumulated and future earnings, liquidity position and future commitments at the time of declaration of dividend and the other factors referred to in the announcement.

Quarterly Dividend Declaration

On 24 July 2019, 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 second quarter of 2019 (the "**Quarterly Dividend**"). The Quarterly Dividend will be paid on or about 15 August 2019 to the shareholders of Melco Resorts whose names appear on the register of members of Melco Resorts at the close of business on 5 August 2019, 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 ended 30 June 2019 and six months ended 30 June 2019 and the condensed consolidated balance sheets as at 30 June 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 30 June		Six Months Ended 30 June	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
OPERATING REVENUES				
Casino	\$ 1,265,649	\$ 1,069,525	\$ 2,442,298	\$ 2,223,278
Rooms	86,411	67,795	170,480	135,366
Food and beverage	57,421	46,582	113,594	94,830
Entertainment, retail and other	33,172	44,728	78,327	88,304
Total operating revenues	<u>1,442,653</u>	<u>1,228,630</u>	<u>2,804,699</u>	<u>2,541,778</u>
OPERATING COSTS AND EXPENSES				
Casino	(806,968)	(710,665)	(1,577,979)	(1,464,714)
Rooms	(21,845)	(17,142)	(44,338)	(32,968)
Food and beverage	(43,564)	(36,950)	(88,442)	(74,037)
Entertainment, retail and other	(26,423)	(22,404)	(48,231)	(45,366)
General and administrative	(141,783)	(126,591)	(269,771)	(234,817)
Payments to the Philippine Parties	(23,203)	(23,617)	(37,255)	(34,994)
Pre-opening costs	(7)	(28,765)	(2,572)	(31,113)
Development costs	(3,920)	(3,018)	(9,440)	(6,907)
Amortization of gaming subconcession	(14,209)	(14,310)	(28,395)	(28,619)
Amortization of land use rights	(5,664)	(5,704)	(11,319)	(11,408)
Depreciation and amortization	(139,955)	(111,747)	(276,457)	(221,434)
Property charges and other	<u>(9,774)</u>	<u>(9,637)</u>	<u>(17,206)</u>	<u>(16,183)</u>
Total operating costs and expenses	<u>(1,237,315)</u>	<u>(1,110,550)</u>	<u>(2,411,405)</u>	<u>(2,202,560)</u>
OPERATING INCOME	<u>205,338</u>	<u>118,080</u>	<u>393,294</u>	<u>339,218</u>

NON-OPERATING INCOME
(EXPENSES)

Interest income	1,448	1,286	3,572	2,695
Interest expenses, net of capitalized interest	(75,922)	(61,383)	(145,545)	(120,119)
Other finance costs	(507)	(1,390)	(790)	(2,767)
Foreign exchange (losses) gains, net	(9,373)	(4,253)	(9,868)	371
Other (expenses) income, net	(23,071)	3,257	(16,360)	1,451
Loss on extinguishment of debt	-	-	(3,721)	-
Costs associated with debt modification	-	-	(579)	-
Total non-operating expenses, net	<u>(107,425)</u>	<u>(62,483)</u>	<u>(173,291)</u>	<u>(118,369)</u>
INCOME BEFORE INCOME TAX	97,913	55,597	220,003	220,849
INCOME TAX EXPENSE	<u>(579)</u>	<u>(2,458)</u>	<u>(4,270)</u>	<u>(4,396)</u>
NET INCOME	97,334	53,139	215,733	216,453
NET LOSS (INCOME) ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>2,978</u>	<u>4,134</u>	<u>1,934</u>	<u>(2,547)</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	\$ <u>100,312</u>	\$ <u>57,273</u>	\$ <u>217,667</u>	\$ <u>213,906</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:				
Basic	\$ <u>0.073</u>	\$ <u>0.039</u>	\$ <u>0.158</u>	\$ <u>0.145</u>
Diluted	\$ <u>0.072</u>	\$ <u>0.038</u>	\$ <u>0.157</u>	\$ <u>0.144</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER ADS:				
Basic	\$ <u>0.218</u>	\$ <u>0.117</u>	\$ <u>0.473</u>	\$ <u>0.436</u>
Diluted	\$ <u>0.216</u>	\$ <u>0.115</u>	\$ <u>0.470</u>	\$ <u>0.432</u>

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

Basic	<u>1,381,194,779</u>	<u>1,472,695,529</u>	<u>1,380,626,688</u>	<u>1,471,225,884</u>
Diluted	<u>1,389,396,505</u>	<u>1,485,815,747</u>	<u>1,387,856,833</u>	<u>1,484,794,529</u>

Note: The Adjusted EBITDA for Studio City for the three months ended 30 June 2019 referred to in the Melco Resorts' earnings release is US\$12.3 million more than the Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("**SCIHL**") dated 24 July 2019 (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 VIP operations at Studio City Casino.

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

	30 June 2019	31 December 2018
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,449,819	\$ 1,436,558
Investment securities	73,098	91,598
Bank deposit with original maturity over three months	60,152	-
Restricted cash	44,272	48,037
Accounts receivable, net	283,841	242,089
Amounts due from affiliated companies	5,317	7,603
Inventories	42,357	40,828
Prepaid expenses and other current assets	91,846	90,749
Total current assets	2,050,702	1,957,462
PROPERTY AND EQUIPMENT, NET	5,646,973	5,661,653
GAMING SUBCONCESSION, NET	169,493	197,533
INTANGIBLE ASSETS, NET	31,004	30,072
GOODWILL	81,564	81,376
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	158,875	186,515
INVESTMENT SECURITIES	591,708	-
RESTRICTED CASH	130	129
DEFERRED TAX ASSETS	3,169	2,992
OPERATING LEASE RIGHT-OF-USE ASSETS	148,108	-
LAND USE RIGHTS, NET	750,047	759,651
TOTAL ASSETS	\$ 9,631,773	\$ 8,877,383

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$	20,502	\$	24,879
Accrued expenses and other current liabilities		1,513,145		1,658,550
Income tax payable		4,739		4,903
Operating lease liabilities, current		36,651		-
Finance lease liabilities, current		37,278		34,659
Current portion of long-term debt, net		884,536		395,547
Amounts due to affiliated companies		<u>6,002</u>		<u>11,469</u>
Total current liabilities		<u>2,502,853</u>		<u>2,130,007</u>

LONG-TERM DEBT, NET		3,815,519		3,665,370
OTHER LONG-TERM LIABILITIES		12,117		28,866
DEFERRED TAX LIABILITIES		56,266		54,063
OPERATING LEASE LIABILITIES, NON-CURRENT		127,260		-
FINANCE LEASE LIABILITIES, NON-CURRENT		259,341		253,374
AMOUNT DUE TO AN AFFILIATED COMPANY		<u>282</u>		<u>-</u>
TOTAL LIABILITIES		<u>6,773,638</u>		<u>6,131,680</u>

SHAREHOLDERS' EQUITY

Ordinary shares		14,010		14,830
Treasury shares		(93,345)		(657,389)
Additional paid-in capital		2,971,373		3,523,275
Accumulated other comprehensive losses		(25,513)		(49,804)
Accumulated losses		<u>(628,715)</u>		<u>(703,576)</u>
Total Melco Resorts & Entertainment Limited shareholders' equity		2,237,810		2,127,336

Noncontrolling interests	<u>620,325</u>	<u>618,367</u>
Total equity	<u>2,858,135</u>	<u>2,745,703</u>
TOTAL LIABILITIES AND EQUITY	\$ <u>9,631,773</u>	\$ <u>8,877,383</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, 24 July 2019

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 two Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward and Ms. Karuna Evelyne Shinsho.