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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website : <http://www.melco-group.com>

(Stock Code : 200)

ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017 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 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, which has announced its unaudited financial results for the second quarter ended 30 June 2017 and declared quarterly dividend on 27 July 2017.

Melco Resorts & Entertainment Limited, a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the second quarter ended 30 June 2017 and declared quarterly dividend on 27 July 2017.

Melco Resorts & Entertainment Limited (“**Melco Resorts & Entertainment**”), a listed subsidiary of the Company, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States, has announced its unaudited financial results for the second quarter ended 30 June 2017 and declared quarterly dividend on 27 July 2017. Extracts of the unaudited financial results of Melco Resorts & Entertainment are provided below:

The Second Quarter 2017 Results of Melco Resorts & Entertainment

Net revenue of Melco Resorts & Entertainment for the second quarter of 2017 was US\$1,298.2 million, representing an increase of approximately 21% from US\$1,070.4 million for the comparable period in 2016. The increase in net revenue was primarily attributable to improved group-wide rolling chip revenues.

On a U.S. GAAP (i.e. general accepted accounting principles) basis, operating income of Melco Resorts & Entertainment for the second quarter of 2017 was US\$127.4 million, compared with operating income of US\$72.4 million in the second quarter of 2016, representing an increase of 76%.

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, net gain on disposal of property and equipment to Belle Corporation, corporate and others expenses and other non-operating income and expenses) of Melco Resorts & Entertainment was US\$329.5 million for the second quarter of 2017, as compared to Adjusted property EBITDA of US\$245.3 million in the second quarter of 2016, representing an increase of 34%. The year-on-year improvement in Adjusted property EBITDA was mainly attributable to better performance in the group-wide rolling chip segment.

On a U.S. GAAP basis, net income attributable to Melco Resorts & Entertainment for the second quarter of 2017 was US\$36.5 million, or US\$0.08 per ADS (i.e. American Depositary Share), compared with US\$30.8 million, or US\$0.06 per ADS, in the second quarter of 2016. The net loss attributable to noncontrolling interests during the second quarter of 2017 of US\$8.0 million was related to Studio City and City of Dreams Manila.

Other Factors Affecting Earnings

Total net non-operating expenses of Melco Resorts & Entertainment for the second quarter of 2017 were US\$97.9 million, which mainly included interest expenses, net of capitalized interest of US\$58.5 million, other finance costs of US\$8.3 million, loss on extinguishment of debt of US\$31.5 million and costs associated with debt modification of US\$1.9 million. Melco Resorts & Entertainment recorded US\$9.0 million of capitalized interest during the second quarter of 2017, relating to the development of Morpheus at City of Dreams.

The year-on-year increase of US\$28.8 million in net non-operating expenses of Melco Resorts & Entertainment was primarily a result of loss on extinguishment of debt arising from the refinancing of the US\$1 billion Senior Notes issued in 2013 by Melco Resorts Finance Limited (formerly known as MCE Finance Limited).

Depreciation and amortization costs of Melco Resorts & Entertainment of US\$135.5 million were recorded in the second quarter of 2017, of which US\$14.3 million was related to the amortization of Melco Resorts & Entertainment’s gaming subconcession and US\$5.7 million was related to the amortization of land use rights.

Financial Position and Capital Expenditure

Total cash and bank balances of Melco Resorts & Entertainment as of 30 June 2017 were US\$1.5 billion, including US\$52.7 million of bank deposits with original maturities over three months and US\$42.2 million of restricted cash, primarily related to Studio City. Total debt, net of unamortized deferred financing costs of Melco Resorts & Entertainment at the end of the second quarter of 2017, was US\$3.7 billion.

Capital expenditures of Melco Resorts & Entertainment for the second quarter of 2017 were US\$121.3 million, which predominantly related to various projects at City of Dreams, including Morpheus.

Quarterly Dividend Declaration

On 27 July 2017, the board of directors of Melco Resorts & Entertainment considered and approved the declaration and payment of a quarterly dividend of US\$0.03 per share (equivalent to US\$0.09 per ADS) for the second quarter of 2017 (the “**Quarterly Dividend**”). The Quarterly Dividend will be paid on or about 23 August 2017 to the shareholders of Melco Resorts & Entertainment whose names appear on the register of members of Melco Resorts & Entertainment at the close of business on 8 August 2017, 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 and six months ended 30 June 2017 and the condensed consolidated balance sheets as at 30 June 2017 of Melco Resorts & Entertainment 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	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
OPERATING REVENUES				
Casino	\$ 1,213,968	\$ 994,530	\$ 2,402,977	\$ 2,016,788
Rooms	65,589	64,417	132,026	127,869
Food and beverage	43,684	41,387	88,510	82,371
Entertainment, retail and other	49,600	42,853	102,482	91,055
Gross revenues	1,372,841	1,143,187	2,725,995	2,318,083
Less: promotional allowances	(74,621)	(72,789)	(150,555)	(144,118)
Net revenues	1,298,220	1,070,398	2,575,440	2,173,965
OPERATING COSTS AND EXPENSES				
Casino	(844,698)	(696,444)	(1,647,431)	(1,420,027)
Rooms	(8,025)	(7,885)	(16,215)	(16,421)
Food and beverage	(13,622)	(16,422)	(28,242)	(34,495)
Entertainment, retail and other	(21,644)	(25,551)	(44,052)	(54,626)
General and administrative	(122,786)	(103,697)	(233,581)	(214,016)
Payments to the Philippine Parties	(13,822)	(8,249)	(29,261)	(15,409)
Pre-opening costs	(525)	(88)	(1,000)	(723)
Development costs	(3,068)	(1)	(4,085)	(7)
Amortization of gaming subconcession	(14,309)	(14,310)	(28,618)	(28,619)
Amortization of land use rights	(5,704)	(5,704)	(11,408)	(11,408)
Depreciation and amortization	(115,510)	(117,674)	(233,079)	(237,645)
Property charges and other	(7,063)	(1,954)	(12,527)	(2,358)
Total operating costs and expenses	(1,170,776)	(997,979)	(2,289,499)	(2,035,754)

OPERATING INCOME	<u>127,444</u>	<u>72,419</u>	<u>285,941</u>	<u>138,211</u>
NON-OPERATING INCOME (EXPENSES)				
Interest income	915	199	1,472	3,003
Interest expenses, net of capitalized interest	(58,549)	(58,529)	(117,105)	(111,019)
Other finance costs	(8,264)	(14,065)	(17,052)	(27,903)
Foreign exchange gains, net	689	2,474	9,398	5,030
Other income, net	729	877	1,388	1,719
Loss on extinguishment of debt	(31,459)	-	(31,459)	-
Costs associated with debt modification	<u>(1,912)</u>	<u>-</u>	<u>(1,912)</u>	<u>-</u>
Total non-operating expenses, net	<u>(97,851)</u>	<u>(69,044)</u>	<u>(155,270)</u>	<u>(129,170)</u>
INCOME BEFORE INCOME TAX	29,593	3,375	130,671	9,041
INCOME TAX (EXPENSE) CREDIT	<u>(1,136)</u>	<u>(1,416)</u>	<u>617</u>	<u>(2,354)</u>
NET INCOME	28,457	1,959	131,288	6,687
NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	<u>8,020</u>	<u>28,832</u>	<u>18,635</u>	<u>63,900</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED	<u>\$ 36,477</u>	<u>\$ 30,791</u>	<u>\$ 149,923</u>	<u>\$ 70,587</u>
NET INCOME ATTRIBUTABLE TO MELCO RESORTS & ENTERTAINMENT LIMITED PER SHARE:				
Basic	<u>\$ 0.025</u>	<u>\$ 0.020</u>	<u>\$ 0.102</u>	<u>\$ 0.045</u>
Diluted	<u>\$ 0.025</u>	<u>\$ 0.020</u>	<u>\$ 0.101</u>	<u>\$ 0.045</u>

NET INCOME
ATTRIBUTABLE TO
MELCO RESORTS &
ENTERTAINMENT
LIMITED
PER ADS:

Basic	\$	<u>0.075</u>	\$	<u>0.061</u>	\$	<u>0.307</u>	\$	<u>0.135</u>
Diluted	\$	<u>0.074</u>	\$	<u>0.060</u>	\$	<u>0.304</u>	\$	<u>0.134</u>

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

Basic	<u>1,467,501,531</u>	<u>1,522,898,329</u>	<u>1,466,468,014</u>	<u>1,570,457,116</u>
Diluted	<u>1,479,331,486</u>	<u>1,531,076,031</u>	<u>1,477,811,276</u>	<u>1,578,594,809</u>

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

	<u>30 June 2017</u> (Unaudited)	<u>31 December 2016</u> (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,369,704	\$ 1,702,310
Bank deposits with original maturities over three months	52,707	210,840
Restricted cash	42,091	39,152
Accounts receivable, net	167,216	225,438
Amounts due from affiliated companies	167	1,103
Inventories	32,547	32,600
Prepaid expenses and other current assets	<u>71,757</u>	<u>68,111</u>
Total current assets	<u>1,736,189</u>	<u>2,279,554</u>
PROPERTY AND EQUIPMENT, NET	5,629,632	5,655,823
GAMING SUBCONCESSION, NET	284,702	313,320
INTANGIBLE ASSETS	4,220	4,220
GOODWILL	81,915	81,915
LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS	209,611	194,911
RESTRICTED CASH	130	130
DEFERRED TAX ASSETS	220	152
LAND USE RIGHTS, NET	<u>798,908</u>	<u>810,316</u>
TOTAL ASSETS	<u>\$ 8,745,527</u>	<u>\$ 9,340,341</u>

**LIABILITIES AND SHAREHOLDERS'
EQUITY**

CURRENT LIABILITIES

Accounts payable	\$	16,788	\$	17,434
Accrued expenses and other current liabilities		1,352,240		1,369,943
Income tax payable		4,585		7,422
Capital lease obligations, due within one year		31,723		30,730
Current portion of long-term debt, net		50,779		50,583
Amounts due to affiliated companies		<u>6,931</u>		<u>3,028</u>
Total current liabilities		<u>1,463,046</u>		<u>1,479,140</u>

LONG-TERM DEBT, NET		3,678,797		3,669,692
OTHER LONG-TERM LIABILITIES		55,649		49,287
DEFERRED TAX LIABILITIES		55,876		56,451
CAPITAL LEASE OBLIGATIONS, DUE AFTER ONE YEAR		260,749		262,357
AMOUNT DUE TO AN AFFILIATED COMPANY		689		-

SHAREHOLDERS' EQUITY

Ordinary shares		14,784		14,759
Treasury shares		(105)		(108)
Additional paid-in capital		3,706,633		2,783,062
Accumulated other comprehensive losses		(25,615)		(24,768)
(Accumulated losses) retained earnings		<u>(925,337)</u>		<u>570,925</u>
Total Melco Resorts & Entertainment Limited shareholders' equity		2,770,360		3,343,870
Noncontrolling interests		<u>460,361</u>		<u>479,544</u>
Total equity		<u>3,230,721</u>		<u>3,823,414</u>
TOTAL LIABILITIES AND EQUITY	\$	<u><u>8,745,527</u></u>	\$	<u><u>9,340,341</u></u>

The full text of Melco Resorts & Entertainment's unaudited financial results for the second quarter ended 30 June 2017 and declaration of Quarterly Dividend has been posted on the Company's website at <http://www.melco-group.com> and on the website of The Stock Exchange of Hong Kong Limited at <http://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, 27 July 2017

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 (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. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.