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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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 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 third quarter ended 30 September 2022 on 2 November 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 third quarter ended 30 September 2022 on 2 November 2022 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The Third Quarter 2022 Results of Melco Resorts

Total operating revenues for the third quarter of 2022 were US\$241.8 million, representing a decrease of approximately 46% from US\$446.4 million for the comparable period in 2021. The decrease in total operating revenues was primarily attributable to the government mandated temporary closure of Melco Resorts’ casinos in Macau in July and heightened travel restrictions in Macau and mainland China related to COVID-19 during the quarter which led to softer performance in the rolling chip and mass market table games segments.

Melco Resorts generated negative 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\$34.9 million in the third quarter of 2022, compared with Adjusted Property EBITDA of US\$31.9 million in the third quarter of 2021.

Operating loss for the third quarter of 2022 was US\$198.5 million, compared with operating loss of US\$182.2 million in the third quarter of 2021.

Net loss attributable to Melco Resorts for the third quarter of 2022 was US\$243.8 million, or US\$0.53 per ADS, compared with net loss attributable to Melco Resorts of US\$233.2 million, or US\$0.49 per ADS, in the third quarter of 2021. The net loss attributable to noncontrolling interests was US\$42.8 million and US\$35.3 million during the third quarters of 2022 and 2021, 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 third quarter of 2022 were US\$86.0 million, which mainly included interest expenses of US\$93.7 million, net of amounts capitalized, partially offset by interest income of US\$8.8 million.

Depreciation and amortization costs of US\$122.0 million were recorded in the third quarter of 2022 of which US\$2.8 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 30 September 2022 aggregated to US\$1.57 billion, including US\$51.1 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$7.73 billion at the end of the third quarter of 2022.

Available liquidity, including cash and undrawn revolving credit facilities, as of 30 September 2022, was US\$2.32 billion.

US\$154.4 million of ADSs were repurchased in the third quarter of 2022, of which US\$152.7 million were repurchased through a privately-negotiated transaction with Melco Leisure and Entertainment Group Limited, a wholly-owned subsidiary of the Company.

Capital expenditures for the third quarter of 2022 were US\$167.2 million, which primarily related to the construction projects at Studio City Phase 2 and City of Dreams Mediterranean.

Recent Developments

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

On 2 August 2022, the validity of nucleic acid tests to enter Macau was set at 48 hours for entry from Zhuhai and reduced to 24 hours from 30 October 2022. Since 1 September 2022, tourists became eligible to enter Macau without prior approval provided they held passports issued by the 41 countries specified by the Macau government or comply with certain conditions imposed by the Macau government, subject to valid nucleic acid tests, 7-day quarantine at a government designated facility and a 3-day self-monitoring period. On 1 November 2022, China's National Immigration Administration commenced electronic processing of visa applications for individual or group travel to Macau.

As of 30 May 2022, restrictions for inbound travellers into the Philippines were eased and negative RT-PCR test results no longer required for people fully vaccinated. In addition, as of 28 October 2022, the mandatory wearing of masks in the Philippines has been limited to healthcare facilities, medical transport vehicles and public transport. In Cyprus, as of 1 June 2022, passengers travelling to Cyprus were no longer required to present any sort of vaccination or

recovery certificates, nor a negative COVID-19 test result. Furthermore, masks were no longer mandatory other than in healthcare facilities, pharmacies and public transport. Although travel restrictions have eased in the Philippines and Cyprus, the respective governments continue to closely monitor the status.

Uncertainty around COVID-19 outbreaks is expected to continue for at least the remainder of 2022 with travel bans or restrictions, visa restrictions, and quarantine requirements being key factors impacting performance for the year.

Unaudited Condensed Consolidated Statements of Operations and Condensed Consolidated Balance Sheets

The unaudited condensed consolidated statements of operations for the three months ended 30 September 2022 and nine months ended 30 September 2022 and the condensed consolidated balance sheets as at 30 September 2022 (unaudited) and 31 December 2021 (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 30 September		Nine Months Ended 30 September	
	2022	2021	2022	2021
Operating revenues:				
Casino	\$ 181,962	\$ 373,170	\$ 808,930	\$ 1,285,604
Rooms	25,976	33,428	89,277	112,835
Food and beverage	17,973	20,529	62,238	72,024
Entertainment, retail and other	15,926	19,259	52,444	61,285
Total operating revenues	<u>241,837</u>	<u>446,386</u>	<u>1,012,889</u>	<u>1,531,748</u>
Operating costs and expenses:				
Casino	(173,805)	(297,847)	(685,591)	(1,034,602)
Rooms	(10,863)	(11,592)	(35,057)	(37,270)
Food and beverage	(17,279)	(20,967)	(61,091)	(68,775)
Entertainment, retail and other	(5,145)	(7,110)	(16,836)	(23,108)
General and administrative	(98,819)	(112,011)	(302,483)	(326,401)
Payments to the Philippine Parties	(8,417)	(3,176)	(26,878)	(20,269)
Pre-opening costs	(3,313)	(650)	(8,915)	(2,774)
Development costs	-	(24,648)	-	(31,979)
Amortization of gaming subconcession	(2,844)	(14,307)	(29,932)	(42,990)
Amortization of land use rights	(5,653)	(5,703)	(16,990)	(17,137)
Depreciation and amortization	(113,549)	(127,663)	(353,142)	(375,592)
Property charges and other	(696)	(2,945)	(19,595)	(23,937)
Total operating costs and expenses	<u>(440,383)</u>	<u>(628,619)</u>	<u>(1,556,510)</u>	<u>(2,004,834)</u>
Operating loss	<u>(198,546)</u>	<u>(182,233)</u>	<u>(543,621)</u>	<u>(473,086)</u>
Non-operating income (expenses):				
Interest income	8,814	1,580	17,025	5,161
Interest expenses, net of amounts capitalized	(93,747)	(87,387)	(272,055)	(265,096)
Other financing costs	(1,755)	(3,473)	(5,439)	(9,953)

Foreign exchange (losses) gains, net	(505)	1,441	2,857	3,050
Other income, net	1,145	741	2,713	2,372
Loss on extinguishment of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,817)</u>
Total non-operating expenses, net	<u>(86,048)</u>	<u>(87,098)</u>	<u>(254,899)</u>	<u>(293,283)</u>
Loss before income tax	(284,594)	(269,331)	(798,520)	(766,369)
Income tax (expense) credit	<u>(2,028)</u>	<u>837</u>	<u>(4,618)</u>	<u>(154)</u>
Net loss	(286,622)	(268,494)	(803,138)	(766,523)
Net loss attributable to noncontrolling interests	<u>42,780</u>	<u>35,273</u>	<u>124,553</u>	<u>114,709</u>
Net loss attributable to Melco Resorts & Entertainment Limited	\$ <u>(243,842)</u>	\$ <u>(233,221)</u>	\$ <u>(678,585)</u>	\$ <u>(651,814)</u>
Net loss attributable to Melco Resorts & Entertainment Limited per share:				
Basic	\$ <u>(0.176)</u>	\$ <u>(0.162)</u>	\$ <u>(0.481)</u>	\$ <u>(0.454)</u>
Diluted	\$ <u>(0.176)</u>	\$ <u>(0.162)</u>	\$ <u>(0.482)</u>	\$ <u>(0.454)</u>
Net loss attributable to Melco Resorts & Entertainment Limited per ADS:				
Basic	\$ <u>(0.528)</u>	\$ <u>(0.487)</u>	\$ <u>(1.444)</u>	\$ <u>(1.362)</u>
Diluted	\$ <u>(0.528)</u>	\$ <u>(0.487)</u>	\$ <u>(1.446)</u>	\$ <u>(1.362)</u>
Weighted average shares outstanding used in net loss attributable to Melco Resorts & Entertainment Limited per share calculation:				
Basic	<u>1,386,720,527</u>	<u>1,437,651,448</u>	<u>1,409,983,323</u>	<u>1,435,941,037</u>
Diluted	<u>1,386,720,527</u>	<u>1,437,651,448</u>	<u>1,409,983,323</u>	<u>1,435,941,037</u>

Note: The negative Adjusted EBITDA for Studio City for the three months ended 30 September 2022 referred to in the Melco Resorts' Earning Release was US\$8.1 million less than the negative Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("SCIHL") dated 2 November 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)

	30 September 2022	31 December 2021
	<u>(Unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,522,395	\$ 1,652,890
Restricted cash	50,994	285
Accounts receivable, net	49,591	54,491
Receivables from affiliated companies	211,169	384
Inventories	27,117	29,589
Prepaid expenses and other current assets	112,178	109,330
Assets held for sale	<u>12,314</u>	<u>21,777</u>
Total current assets	<u>1,985,758</u>	<u>1,868,746</u>
Property and equipment, net	5,835,074	5,910,684
Gaming subconcession, net	2,843	27,065
Intangible assets, net	45,723	51,547
Goodwill	81,185	81,721
Long-term prepayments, deposits and other assets	147,570	177,142
Restricted cash	140	140
Deferred tax assets, net	879	4,029
Operating lease right-of-use assets	59,761	68,034
Land use rights, net	<u>673,067</u>	<u>694,582</u>
Total assets	<u>\$ 8,832,000</u>	<u>\$ 8,883,690</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 5,745	\$ 5,992

Accrued expenses and other current liabilities	780,936	935,483
Income tax payable	11,192	11,913
Operating lease liabilities, current	11,837	16,771
Finance lease liabilities, current	35,502	48,551
Current portion of long-term debt, net	127	128
Payables to affiliated companies	1,316	1,548
Liabilities related to assets held for sale	<u>1,199</u>	<u>1,497</u>
Total current liabilities	<u>847,854</u>	<u>1,021,883</u>
Long-term debt, net	7,727,749	6,559,854
Other long-term liabilities	32,577	30,520
Deferred tax liabilities, net	40,179	41,030
Operating lease liabilities, non-current	56,982	62,889
Finance lease liabilities, non-current	<u>228,868</u>	<u>347,629</u>
Total liabilities	<u>8,934,209</u>	<u>8,063,805</u>
Equity:		
Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,445,052,143 and 1,456,547,942 shares issued; 1,335,266,470 and 1,423,370,314 shares outstanding, respectively	14,451	14,565
Treasury shares, at cost; 109,785,673 and 33,177,628 shares, respectively	(241,908)	(132,856)
Additional paid-in capital	3,210,907	3,238,600
Accumulated other comprehensive losses	(173,510)	(76,008)
Accumulated losses	<u>(3,478,011)</u>	<u>(2,799,555)</u>
Total Melco Resorts & Entertainment Limited shareholders' (deficit) equity	(668,071)	244,746
Noncontrolling interests	<u>565,862</u>	<u>575,139</u>
Total (deficit) equity	<u>(102,209)</u>	<u>819,885</u>
Total liabilities and (deficit) equity	<u>\$ 8,832,000</u>	<u>\$ 8,883,690</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, 2 November 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.