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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

Website : [www.melco-group.com](http://www.melco-group.com)

(Stock Code : 200)

### **ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 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 fourth quarter and full year ended 31 December 2022 on 1 March 2023.**

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 2022 on 1 March 2023 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

#### **The Fourth Quarter 2022 Results of Melco Resorts**

Total operating revenues for the fourth quarter of 2022 were US\$337.1 million, representing a decrease of approximately 30% from US\$480.6 million for the comparable period in 2021. The decrease in total operating revenues was primarily attributable to the 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.

Operating loss for the fourth quarter of 2022 was US\$199.5 million, compared with operating loss of US\$104.4 million in the fourth quarter of 2021.

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\$6.8 million in the fourth quarter of 2022, compared with Adjusted Property EBITDA of US\$94.0 million in the fourth quarter of 2021.

Net loss attributable to Melco Resorts for the fourth quarter of 2022 was US\$251.9 million, or US\$0.57 per ADS, compared with US\$159.9 million, or US\$0.34 per ADS, in the fourth quarter of 2021. The net loss attributable to noncontrolling interests was US\$42.1 million and US\$30.0 million during the fourth 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 fourth quarter of 2022 were US\$93.9 million, which mainly included interest expenses of US\$104.7 million, net of amounts capitalized, partially offset by interest income of US\$9.4 million.

Depreciation and amortization costs of US\$121.9 million were recorded in the fourth quarter of 2022 of which US\$2.9 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 31 December 2022 aggregated to US\$1.99 billion, including US\$175.7 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$8.41 billion at the end of the fourth quarter of 2022.

Available liquidity, including cash and undrawn revolving credit facilities, as of 31 December 2022, was US\$2.06 billion.

Capital expenditures for the fourth quarter of 2022 were US\$112.0 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 2022, Melco Resorts reported total operating revenues of US\$1.35 billion versus US\$2.01 billion in the prior year. The decrease in total operating revenues was primarily attributable to travel restrictions in Macau and mainland China related to COVID-19 during the year as well as the government mandated temporary closure of Melco Resorts’ casinos in Macau in July which led to softer performance in the rolling chip and mass market table games segments as well as lower non-gaming revenues.

The operating loss for 2022 was US\$743.1 million, compared with an operating loss of US\$577.5 million for 2021.

Melco Resorts generated Adjusted Property EBITDA of US\$0.6 million for the year ended 31 December 2022, compared with Adjusted Property EBITDA of US\$235.1 million in 2021.

Net loss attributable to Melco Resorts for 2022 was US\$930.5 million, or US\$2.01 per ADS, compared with net loss attributable to Melco Resorts of US\$811.8 million, or US\$1.70 per ADS, for 2021. The net loss attributable to noncontrolling interests was US\$166.6 million and US\$144.7 million for 2022 and 2021, respectively, all of which were related to Studio City, City of Dreams Manila and the Cyprus Operations.

### **Recent Developments**

Since 8 January 2023, travellers arriving in Macau from Mainland China, Hong Kong and Taiwan were no longer required to present negative nucleic acid tests which thereby contributed to a 233% increase in Macau's gross gaming revenue from MOP3.5 billion in December 2022 to MOP11.6 billion in January 2023 according to data reported by the Gaming Inspection and Coordination Bureau of Macau. In addition, in Macau, from 27 February 2023, masks are not required in outdoor places. However, masks are still required on public transportation (except taxis) and in certain indoor areas, such as medical facilities and elderly homes. Requirement to wear masks has been waived in most private indoor areas by their operators or supervisory entities.

While quarantine-free travel within Greater China has resumed, the pace of recovery remains highly uncertain, and disruptions caused by the COVID-19 outbreak continue to have a material adverse impact on Melco Resorts' operations, financial position and future prospects into the first quarter of 2023.

### **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 2022 and the condensed consolidated balance sheets as at 31 December 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 31 December		Year Ended 31 December	
	2022	2021	2022	2021
Operating revenues:				
Casino	\$ 267,468	\$ 390,659	\$ 1,076,398	\$ 1,676,263
Rooms	27,275	44,666	116,552	157,501
Food and beverage	23,280	25,641	85,518	97,665
Entertainment, retail and other	<u>19,065</u>	<u>19,642</u>	<u>71,509</u>	<u>80,927</u>
Total operating revenues	<u>337,088</u>	<u>480,608</u>	<u>1,349,977</u>	<u>2,012,356</u>
Operating costs and expenses:				
Casino	(227,248)	(286,280)	(912,839)	(1,320,882)
Rooms	(11,142)	(12,625)	(46,199)	(49,895)
Food and beverage	(20,909)	(22,758)	(82,000)	(91,533)
Entertainment, retail and other	(5,583)	(6,355)	(22,419)	(29,463)
General and administrative	(120,742)	(100,006)	(423,225)	(426,407)
Payments to the Philippine Parties	(2,016)	(6,102)	(28,894)	(26,371)
Pre-opening costs	(6,670)	(1,383)	(15,585)	(4,157)
Development costs	-	1,302	-	(30,677)
Amortization of gaming subconcession	(2,853)	(14,286)	(32,785)	(57,276)
Amortization of land use rights	(5,672)	(5,695)	(22,662)	(22,832)
Depreciation and amortization	(113,350)	(124,147)	(466,492)	(499,739)
Property charges and other	<u>(20,387)</u>	<u>(6,638)</u>	<u>(39,982)</u>	<u>(30,575)</u>
Total operating costs and expenses	<u>(536,572)</u>	<u>(584,973)</u>	<u>(2,093,082)</u>	<u>(2,589,807)</u>
Operating loss	<u>(199,484)</u>	<u>(104,365)</u>	<u>(743,105)</u>	<u>(577,451)</u>
Non-operating income (expenses):				
Interest income	9,433	1,457	26,458	6,618
Interest expenses, net of amounts capitalized	(104,667)	(85,448)	(376,722)	(350,544)
Other financing costs	(957)	(1,080)	(6,396)	(11,033)

Foreign exchange gains, net	1,047	1,516	3,904	4,566
Other income, net	1,217	710	3,930	3,082
Loss on extinguishment of debt	-	-	-	(28,817)
Total non-operating expenses, net	<u>(93,927)</u>	<u>(82,845)</u>	<u>(348,826)</u>	<u>(376,128)</u>
Loss before income tax	(293,411)	(187,210)	(1,091,931)	(953,579)
Income tax expense	<u>(618)</u>	<u>(2,731)</u>	<u>(5,236)</u>	<u>(2,885)</u>
Net loss	(294,029)	(189,941)	(1,097,167)	(956,464)
Net loss attributable to noncontrolling interests	<u>42,088</u>	<u>30,004</u>	<u>166,641</u>	<u>144,713</u>
Net loss attributable to Melco Resorts & Entertainment Limited	\$ <u><u>(251,941)</u></u>	\$ <u><u>(159,937)</u></u>	\$ <u><u>(930,526)</u></u>	\$ <u><u>(811,751)</u></u>
Net loss attributable to Melco Resorts & Entertainment Limited per share:				
Basic	\$ <u><u>(0.189)</u></u>	\$ <u><u>(0.112)</u></u>	\$ <u><u>(0.669)</u></u>	\$ <u><u>(0.566)</u></u>
Diluted	\$ <u><u>(0.189)</u></u>	\$ <u><u>(0.112)</u></u>	\$ <u><u>(0.669)</u></u>	\$ <u><u>(0.566)</u></u>
Net loss attributable to Melco Resorts & Entertainment Limited per ADS:				
Basic	\$ <u><u>(0.566)</u></u>	\$ <u><u>(0.336)</u></u>	\$ <u><u>(2.007)</u></u>	\$ <u><u>(1.698)</u></u>
Diluted	\$ <u><u>(0.566)</u></u>	\$ <u><u>(0.336)</u></u>	\$ <u><u>(2.008)</u></u>	\$ <u><u>(1.698)</u></u>
Weighted average shares outstanding used in net loss attributable to Melco Resorts & Entertainment Limited per share calculation:				
Basic	<u>1,335,283,346</u>	<u>1,428,587,890</u>	<u>1,391,154,836</u>	<u>1,434,087,641</u>
Diluted	<u>1,335,283,346</u>	<u>1,428,587,890</u>	<u>1,391,154,836</u>	<u>1,434,087,641</u>

Note: The negative Adjusted EBITDA for Studio City for the three months ended 31 December 2022 referred to in the Melco Resorts' Earnings Release was US\$9.1 million less than the negative Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("SCIHL") dated 1 March 2023 (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)

	<b>31 December 2022</b>	<b>31 December 2021</b>
	(Unaudited)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,812,729	\$ 1,652,890
Restricted cash	50,992	285
Accounts receivable, net	55,992	54,491
Receivables from affiliated companies	630	384
Inventories	26,416	29,589
Prepaid expenses and other current assets	119,410	109,330
Assets held for sale	8,503	21,777
Total current assets	2,074,672	1,868,746
Property and equipment, net	5,870,905	5,910,684
Gaming subconcession, net	-	27,065
Intangible assets, net	43,610	51,547
Goodwill	81,606	81,721
Long-term prepayments, deposits and other assets	159,697	177,142
Receivables from an affiliated company	216,333	-
Restricted cash	124,736	140
Deferred tax assets, net	638	4,029
Operating lease right-of-use assets	58,715	68,034
Land use rights, net	670,872	694,582
Total assets	\$ 9,301,784	\$ 8,883,690

## LIABILITIES AND (DEFICIT) EQUITY

### Current liabilities:

Accounts payable	\$	6,730	\$	5,992
Accrued expenses and other current liabilities		809,305		935,483
Income tax payable		11,610		11,913
Operating lease liabilities, current		12,761		16,771
Finance lease liabilities, current		34,959		48,551
Current portion of long-term debt, net		322,500		128
Payables to affiliated companies		761		1,548
Liabilities related to assets held for sale		-		1,497
Total current liabilities		<u>1,198,626</u>		<u>1,021,883</u>
Long-term debt, net		8,090,008		6,559,854
Other long-term liabilities		33,712		30,520
Deferred tax liabilities, net		39,677		41,030
Operating lease liabilities, non-current		55,832		62,889
Finance lease liabilities, non-current		<u>198,291</u>		<u>347,629</u>
Total liabilities		<u>9,616,146</u>		<u>8,063,805</u>
(Deficit) equity:				
Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,445,052,143 and 1,456,547,942 shares issued; 1,335,307,327 and 1,423,370,314 shares outstanding, respectively		14,451		14,565
Treasury shares, at cost; 109,744,816 and 33,177,628 shares, respectively		(241,750)		(132,856)
Additional paid-in capital		3,218,895		3,238,600
Accumulated other comprehensive losses		(111,969)		(76,008)
Accumulated losses		<u>(3,729,952)</u>		<u>(2,799,555)</u>
Total Melco Resorts & Entertainment Limited shareholders' (deficit) equity		(850,325)		244,746
Noncontrolling interests		<u>535,963</u>		<u>575,139</u>

Total (deficit) equity	<u>(314,362)</u>	<u>819,885</u>
Total liabilities and (deficit) equity	\$ <u><u>9,301,784</u></u>	\$ <u><u>8,883,690</u></u>

The full text of the Melco Resorts' Earnings Release has been posted on the Company's website at [www.melco-group.com](http://www.melco-group.com) and on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](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, 1 March 2023

*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.*