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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 2024 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 2024 on 5 November 2024.

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 2024 on 5 November 2024 (the “**Melco Resorts’ Earnings Release**”). Extracts of the unaudited financial results of Melco Resorts are provided below.

The Third Quarter 2024 Results of Melco Resorts

Total operating revenues for the third quarter of 2024 were US\$1.18 billion, representing an increase of approximately 16% from US\$1.02 billion for the comparable period in 2023. The increase in total operating revenues was primarily attributable to the improved performance in all gaming segments and non-gaming operations, led by the continued recovery in inbound tourism to Macau during the third quarter of 2024.

Operating income for the third quarter of 2024 was US\$138.6 million, compared with operating income of US\$94.7 million in the third quarter of 2023.

Melco Resorts generated 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**”), integrated resort and casino rent, corporate and other expenses and other non-operating income and expenses) of US\$322.5 million in the third quarter of 2024, compared with Adjusted Property EBITDA of US\$280.6 million in the third quarter of 2023.

Net income attributable to Melco Resorts for the third quarter of 2024 was US\$27.3 million, or US\$0.06 per ADS, compared with the net loss attributable to Melco Resorts of US\$16.3 million, or US\$0.04 per ADS, in the third quarter of 2023. The net loss attributable to noncontrolling interests was US\$14.6 million and US\$20.5 million during the third quarters of 2024 and 2023, respectively, the majority of which related to the net loss attributable to Studio City and City of Dreams Mediterranean and Other.

Other Factors Affecting Earnings

Total net non-operating expenses for the third quarter of 2024 were US\$121.0 million, which mainly included interest expense, net of amounts capitalized of US\$121.4 million, partially offset by interest income of US\$3.8 million.

Depreciation and amortization costs of US\$135.9 million were recorded in the third quarter of 2024, of which US\$5.0 million related to the amortization expense for land use rights.

Financial Position and Capital Expenditures

Total cash and bank balances as of 30 September 2024 aggregated to US\$1.25 billion, including US\$125.7 million of restricted cash. Total debt, net of unamortized deferred financing costs and original issue premiums, was US\$7.17 billion at the end of the third quarter of 2024, a reduction of approximately US\$57 million compared to the total debt, net balance as of 30 June 2024, primarily as a result of the repurchases of the 6.00% senior notes due 2025 issued by Studio City Finance Limited. Available liquidity, including cash and undrawn revolving credit facilities as of 30 September 2024 was approximately US\$3 billion.

Melco Resorts repurchased approximately 20.7 million ADSs for approximately US\$112 million during the third quarter using cash on hand. Approximately 17.7 million ADSs and underlying ordinary shares were subsequently cancelled.

Capital expenditures for the third quarter of 2024 were US\$64.6 million, which included costs related to enhancement projects at City of Dreams in Macau and Studio City, and the development project in Sri Lanka.

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 2024 and nine months ended 30 September 2024 and the condensed consolidated balance sheets as at 30 September 2024 (unaudited) and 31 December 2023 (audited) of Melco Resorts and its subsidiaries are provided below:

Melco Resorts & Entertainment Limited and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
(In thousands, except share and per share data)

	Three Months Ended 30 September		Nine Months Ended 30 September	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
Operating revenues:				
Casino	\$ 944,352	\$ 812,086	\$ 2,800,640	\$ 2,179,536
Rooms	110,993	96,113	313,217	234,776
Food and beverage	73,512	60,370	211,191	143,668
Entertainment, retail and other	<u>46,276</u>	<u>48,646</u>	<u>122,147</u>	<u>123,654</u>
Total operating revenues	<u>1,175,133</u>	<u>1,017,215</u>	<u>3,447,195</u>	<u>2,681,634</u>
Operating costs and expenses:				
Casino	(624,121)	(533,311)	(1,866,346)	(1,437,761)
Rooms	(33,528)	(25,345)	(93,046)	(59,567)
Food and beverage	(59,828)	(48,251)	(168,277)	(111,669)
Entertainment, retail and other	(22,868)	(25,770)	(62,515)	(68,336)
General and administrative	(140,506)	(130,447)	(411,849)	(358,776)
Payments to the Philippine Parties	(10,508)	(9,979)	(29,532)	(32,638)
Pre-opening costs	(5,763)	(10,184)	(10,935)	(40,444)
Development costs	(1,469)	-	(3,541)	-
Amortization of land use rights	(4,993)	(5,672)	(14,948)	(16,990)
Depreciation and amortization	(130,861)	(134,996)	(392,218)	(381,666)
Property charges and other	<u>(2,103)</u>	<u>1,442</u>	<u>(6,317)</u>	<u>(14,445)</u>
Total operating costs and expenses	<u>(1,036,548)</u>	<u>(922,513)</u>	<u>(3,059,524)</u>	<u>(2,522,292)</u>
Operating income	<u>138,585</u>	<u>94,702</u>	<u>387,671</u>	<u>159,342</u>
Non-operating income (expenses):				
Interest income	3,769	6,064	12,600	17,837
Interest expense, net of amounts capitalized	(121,438)	(131,128)	(366,950)	(363,597)
Other financing costs	(2,061)	(1,097)	(5,661)	(3,021)

Foreign exchange losses, net	(1,790)	(3,833)	(1,283)	(2,292)
Other income, net	601	438	3,206	1,756
(Loss) gain on extinguishment of debt	<u>(114)</u>	<u>80</u>	<u>(983)</u>	<u>80</u>
Total non-operating expenses, net	<u>(121,033)</u>	<u>(129,476)</u>	<u>(359,071)</u>	<u>(349,237)</u>
Income (loss) before income tax	17,552	(34,774)	28,600	(189,895)
Income tax (expense) benefit	<u>(4,862)</u>	<u>(2,021)</u>	<u>(16,647)</u>	<u>1,295</u>
Net income (loss)	12,690	(36,795)	11,953	(188,600)
Net loss attributable to noncontrolling interests	<u>14,567</u>	<u>20,492</u>	<u>51,864</u>	<u>67,568</u>
Net income (loss) attributable to Melco Resorts & Entertainment Limited	\$ <u>27,257</u>	\$ <u>(16,303)</u>	\$ <u>63,817</u>	\$ <u>(121,032)</u>
Net income (loss) attributable to Melco Resorts & Entertainment Limited per share:				
Basic	\$ <u>0.021</u>	\$ <u>(0.012)</u>	\$ <u>0.049</u>	\$ <u>(0.092)</u>
Diluted	\$ <u>0.021</u>	\$ <u>(0.012)</u>	\$ <u>0.049</u>	\$ <u>(0.092)</u>
Net income (loss) attributable to Melco Resorts & Entertainment Limited per ADS:				
Basic	\$ <u>0.063</u>	\$ <u>(0.037)</u>	\$ <u>0.146</u>	\$ <u>(0.276)</u>
Diluted	\$ <u>0.063</u>	\$ <u>(0.037)</u>	\$ <u>0.146</u>	\$ <u>(0.276)</u>
Weighted average shares outstanding used in net income (loss) attributable to Melco Resorts & Entertainment Limited per share calculation:				
Basic	<u>1,294,946,572</u>	<u>1,311,270,775</u>	<u>1,308,860,794</u>	<u>1,315,728,852</u>
Diluted	<u>1,295,758,173</u>	<u>1,311,270,775</u>	<u>1,312,221,773</u>	<u>1,315,728,852</u>

Note: The Adjusted EBITDA for Studio City for the three months ended 30 September 2024 referred to in the Melco Resorts' Earnings Release was US\$24.7 million more than the Adjusted EBITDA of Studio City contained in the earnings release for Studio City International Holdings Limited ("SCIHL") dated 5 November 2024 (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 gaming concession related costs and 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, except share and per share data)

	30 September 2024 US\$	31 December 2023 US\$
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,120,850	\$ 1,310,715
Restricted cash	395	27
Accounts receivable, net	82,884	91,638
Receivables from affiliated companies	1,430	797
Inventories	31,977	29,427
Prepaid expenses and other current assets	120,058	111,688
Total current assets	1,357,594	1,544,292
Property and equipment, net	5,336,922	5,533,994
Intangible assets, net	301,292	304,652
Goodwill	81,979	81,582
Long-term prepayments, deposits and other assets, net	133,861	100,320
Restricted cash	125,344	125,094
Operating lease right-of-use assets	87,243	62,356
Land use rights, net	570,593	582,782
Total assets	\$ 7,994,828	\$ 8,335,072
LIABILITIES AND DEFICIT		
Current liabilities:		
Accounts payable	\$ 22,117	\$ 11,752
Accrued expenses and other current liabilities	999,055	1,008,316
Income tax payable	33,055	28,183
Operating lease liabilities, current	18,561	19,685
Finance lease liabilities, current	35,101	35,307
Current portion of long-term debt, net	34,248	-

Payables to affiliated companies	<u>64</u>	<u>377</u>
Total current liabilities	<u>1,142,201</u>	<u>1,103,620</u>
Long-term debt, net	7,132,126	7,472,620
Other long-term liabilities	320,838	322,591
Deferred tax liabilities, net	36,877	34,959
Operating lease liabilities, non-current	78,100	53,858
Finance lease liabilities, non-current	<u>175,917</u>	<u>187,474</u>
Total liabilities	<u>8,886,059</u>	<u>9,175,122</u>
Deficit:		
Ordinary shares, par value \$0.01; 7,300,000,000 shares authorized; 1,404,679,067 and 1,404,679,067 shares issued; 1,259,127,649 and 1,311,270,775 shares outstanding, respectively	14,047	14,047
Treasury shares, at cost; 145,551,418 and 93,408,292 shares, respectively	(338,177)	(255,068)
Additional paid-in capital	3,099,944	3,109,212
Accumulated other comprehensive losses	(78,168)	(98,599)
Accumulated losses	<u>(3,993,055)</u>	<u>(4,056,872)</u>
Total Melco Resorts & Entertainment Limited shareholders' deficit	(1,295,409)	(1,287,280)
Noncontrolling interests	<u>404,178</u>	<u>447,230</u>
Total deficit	<u>(891,231)</u>	<u>(840,050)</u>
Total liabilities and deficit	<u>\$ 7,994,828</u>	<u>\$ 8,335,072</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, 5 November 2024

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, and three Independent Non-executive Directors, namely Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.