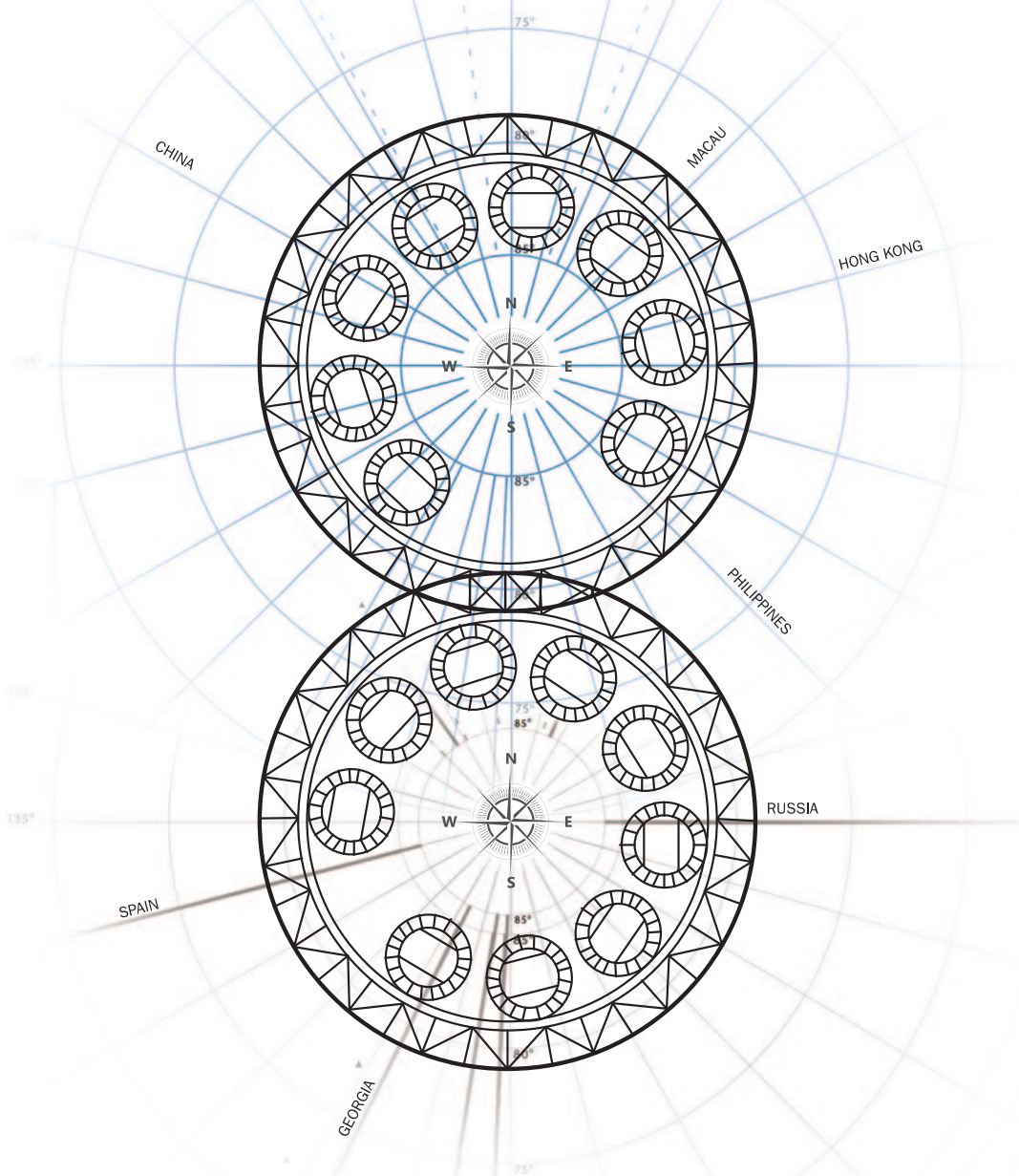


CHARGING FORWARD
BREAKING NEW GROUND
征八方 展雄圖



Melco International Development Limited

新濠國際發展有限公司

(Incorporated in Hong Kong with limited liability 於香港註冊成立之有限公司)

A Hong Kong Listed Company 香港上市公司

(Stock Code 股票代號: 200)

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MANAGEMENT DISCUSSION AND ANALYSIS



Celebrated its significant 6th anniversary this year, City of Dreams is prepared to deliver a new era of premium entertainment experience to all

SIGNIFICANT EVENTS AND DEVELOPMENTS

Despite facing a challenging environment in Macau's gaming market, Melco International Development Limited ("Melco" or the "Group") has continued to make progress on its exciting development pipeline, forging ahead in fulfilling its commitment to deliver unprecedented new levels of entertainment-driven offerings in Macau and overseas.

Melco Crown Entertainment Limited (“Melco Crown Entertainment”), the Group’s core gaming arm, has delivered a solid operating performance in the first half of 2015. Its latest large-scale integrated resort, Studio City, is well underway to a grand opening on 27 October 2015. As Macau’s new cinematically-themed entertainment and leisure destination, Studio City is to introduce the most diversified mix of entertainment ever contemplated in Macau, thereby substantially enhancing Macau’s appeal to an increasingly sophisticated Asian consumer who is continually seeking a world-class, multi-faceted tourism experience. In addition, Studio City complements Melco Crown Entertainment’s already unique and innovative portfolio of assets including City of Dreams, which remains the leading premium-focused integrated resort in Macau.

Outside of Macau, City of Dreams Manila continues to build on its early success, with its mass market gaming operations and non-gaming attractions delivering robust growth since its successful opening in December 2014. The Group is also actively evaluating development opportunities and expanding its property portfolio beyond Asia. MelcoLot Limited (“MelcoLot”), the Group’s subsidiary, is planning to establish a boutique casino project in Tbilisi, Georgia and a premium integrated resort project in Spain adjacent to Barcelona.

CORE BUSINESS

Gaming Business in Asia

The Group’s core gaming business operated through its major associate Melco Crown Entertainment delivered a solid operating and financial performance in what continues to be a challenging environment within Macau. Net revenue and Adjusted property EBITDA amounted to US\$1,971.0 million and US\$458.2 million respectively



The thrilling new cinematically-themed entertainment and leisure destination in Macau, *Studio City*, will officially open on 27 October 2015

in the first half of 2015, representing a decrease of 22.9% and 34.6% respectively. The decreases were primarily attributable to lower group-wide rolling chip revenues and mass market table games revenues in Macau, partially offset by the net revenue generated by City of Dreams Manila, which started operations in December 2014.

For the first half of 2015, the Group's flagship property in Macau, City of Dreams, has recorded a net revenue of US\$1,460.1 million and an Adjusted property EBITDA of US\$414.8 million, representing a decrease of 28.5% and 34.3% compared to US\$2,041.5 million and US\$631.6 million in the comparable period of 2014. The decline in Adjusted property EBITDA was primarily a result of lower rolling chip revenues and mass market table games revenues. Mass market table games drop decreased by 8.8% to US\$2,397.8 million compared with US\$2,629.9 million in the first half of 2014. Total non-gaming revenue at City of Dreams has recorded a 5.3% year-over-year decrease to US\$130.5 million.

Melco Crown Entertainment has always strived to offer visitors a unique and diverse entertainment experience and have consistently supported the Macau Government's long term vision for Macau as a world-class leisure and tourism destination. Underscoring this support, Melco Crown Entertainment is about to embark on its next major stage of development, with the opening of the highly-anticipated US\$3.2 billion Studio City on 27 October 2015. The prestigious opening celebration will feature the world's premiere of the "The Audition", starring legends of Hollywood, Robert De Niro, Leonardo DiCaprio, Brad Pitt and Academy-award winning director Martin Scorsese.



Studio City is set to become Asia's Entertainment Capital and to take Macau's entertainment destination proposition to unprecedented new levels

The Hollywood-inspired Studio City is to take best-of-class entertainment-fuelled leisure offerings to a whole new level in Macau, with a wide variety of global brands and non-gaming attractions such as the world's highest figure-8 Ferris wheel, the Golden Reel; an action-packed 4D flight simulation ride, Batman Dark Flight; a family entertainment centre for kids filled with Warner Bros.' and DC Comics' franchise characters and play-rides, Warner Bros. Fun Zone; and a live magical experience showcasing the world's greatest magicians, The House of Magic.

Outside of Macau, City of Dreams Manila, which has commenced operations since December 2014, continues to grow revenues across all business segments. The property's world-class array of gaming and non-gaming attractions enables City of Dreams Manila to enjoy market-leading visitation in that area, positioning the property for long term success as the city develops into one of the leading tourism destinations in Asia. In the first half of 2015, City of Dreams Manila has recorded mass market table games drop of US\$218.4 million and the total non-gaming revenue at City of Dreams Manila was US\$48.8 million.

Gaming Machine Revenue Participation Business in Southeast Asia

Entertainment Gaming Asia Inc. ("EGT"), a company listed on the NASDAQ Capital Market, in which the Group has an effective equity interest of 64.8%, recorded consolidated revenue of US\$15.9 million for the first half of 2015, up approximately 65.2% year-on-year due to increases in both its gaming chip and plaque sales and gaming operations revenue. EGT posted a consolidated net income and Adjusted EBITDA of US\$2.0 million and US\$5.7 million, respectively, for the first half of 2015. EGT has recorded a cash balance of US\$24.6 million and zero debt as of 30 June 2015.



Studio City's stunning Art Deco facade includes the "Golden Reel", the world's highest figure-8 Ferris wheel

EGT has an established presence in the gaming markets of Cambodia and the Philippines through its slot operations business, which generated US\$8.9 million in revenue for the first half of 2015. As of 30 June 2015, EGT had approximately 1,600 electronic gaming machine seats in operation. This included 670 seats placed under the joint management of EGT and NagaWorld Limited, a wholly owned subsidiary of NagaCorp Ltd., in NagaWorld Resort and Casino located in Phnom Penh, Cambodia. EGT's slot operations achieved an average daily net win of US\$120 per machine seat for the first half of 2015, while its operations in NagaWorld achieved an average daily net win of US\$223 per machine seat for the same period.

During the first half of 2015, EGT's gaming chips and plaques business generated approximately US\$7.0 million in revenue due to strong reorders from existing customers. EGT has continued efforts to improve production efficiencies and capacity utilization for its manufacturing facilities in Hong Kong and achieved a gross profit for this business in the first half of 2015.

Lottery Management Business in Asia

MelcoLot, in which the Group holds a 40.65% equity interest, is engaged in the provision of lottery-related technologies, systems and solutions in the People's Republic of China (the "PRC"). MelcoLot is a distributor of high quality, versatile lottery terminals and parts for the China Sports Lottery Administration Centre, which is the exclusive sports lottery operator in the PRC. MelcoLot also provides game upgrading technology and system maintenance service for the rapid draw game, "Shi Shi Cai", in the Chongqing Municipality, and has developed a presence in the PRC by managing a network of retail outlets. During the first half of 2015, MelcoLot's



Studio City will offer the ultimate in sophisticated hotel, retail and dining experiences, designed to appeal to the wide spectrum of leisure-destination seekers from across China, Asia and around the world

revenue increased by approximately 6.8% to HK\$24.1 million, compared to the same period in 2014. The distribution business continues to be MelcoLot's major revenue generator and contributed to approximately 79.4% of its revenue for the six-month period ended 30 June 2015, compared to 92.7% in 2014.

The overall China lottery market continues to expand and paperless distribution channels are envisaged to be a key growth engine, given their ability to effectively penetrate wide geographic areas and reach untapped market segments. MelcoLot aims to maintain and enhance its position as a lottery terminal and parts provider in the PRC, and also focus on the development of paperless tickets, online sales and mobile phone applications. The Chinese lottery market remains challenging with the continuous changes of the regulatory framework by Chinese authorities, but these changes will no doubt bring new opportunities for the Group to use our competitive strength to capitalize on.

In line with the leisure and entertainment corporate philosophy of Melco, MelcoLot has also been diligently pursuing investment opportunities outside of lottery and the PRC market. MelcoLot is engaged in discussions to establish a new boutique casino project in Tbilisi, Georgia, and is also continuing in the planning process in relation to the development of a premium integrated resort project in Spain, adjacent to Barcelona.



Melco continues to benefit the society with programmes carefully designed to foster and promote youth development, environment and education, which are the three CSR pillars of Melco

MelcoLot's plan to launch a boutique casino project in the Republic of Georgia continued to make headway. Although it has taken longer than originally anticipated to settle the terms of the casino premises lease, that process is now in its final stage. The conclusion of the casino premises lease is one of the conditions precedent to the closing of the deemed disposal of MelcoLot's interest in the special purpose vehicle for this project (as announced by MelcoLot on 20 November 2014) and so the deemed disposal has yet to be completed. Regarding the development of a premium integrated resort near Barcelona, Spain, it is expected that the second phase public tender will commence shortly. Our planning process has been continuing.

NON-CORE BUSINESS

Ski Resort Business in China

The Group owns 16.69% of Mountain China Resorts (Holding) Limited ("MCR"), which owns and operates Sun Mountain Yabuli Resort ("Yabuli Resort"), one of the most renowned ski resorts in China, located in Heilongjiang Province.

The Club Med Yabuli business, established through a strategic partnership with Club Med Asia S.A. to operate and manage two of the hotels at Yabuli Resort, has been growing progressively over the winter season of 2015. A steady year-on-year rise in revenue was recorded in the first half of 2015, resulting from the successful shift in the company's sales strategy to focus on China's domestic market for the 2014-2015 winter season and the overall improvements in service quality. China's ski market is growing rapidly as this winter sport gains increasingly widespread popularity with the number of skiers substantially increasing, and MCR is capitalizing on the immense market opportunities. Winter sports in general and skiing in particular are expected to receive an added publicity boost with more participants as Beijing has been awarded the 2022 Winter Olympic Games.



As an environmentally responsible corporation, Melco supports green education efforts by NGO partners to enlighten our next generation on the importance of environmental protection

MCR is an official partner and playing field provider of the 2016 World Championships of Snowboarding, the world's most prestigious snowboarding competition to be held in Yabuli. The Yabuli Resort has been upgraded in recent years with a 30,000-square-meter snowboarding park and improved heating system for its cable cars and a new mogul ski track, all in preparation of the games.

ACHIEVEMENTS AND AWARDS

While striving to attain sustainable growth, Melco is also steadfastly committed to maintaining high standards of corporate governance and corporate social responsibility, along with achieving enhanced transparency and accountability. During the period under review, the Group's efforts here have again been widely acclaimed and enjoyed solid support across all quarters of society.

Corporate Governance

In 2015, Melco's management has gained continued recognition within the business and investor community for its strong business leadership and management team. Group Chairman and Chief Executive Officer, Mr. Lawrence Ho was once again honoured as the "Asia's Best CEO" by *Corporate Governance Asia*. In addition, the Group has been honoured with the "Best Investor Relations Company" award, presented by *Corporate Governance Asia*. All of these accolades clearly demonstrate that the Group's efforts in corporate governance are widely appreciated.

Corporate Social Responsibility

Melco always regards corporate social responsibility ("CSR") as an essential part of the Group's operations by devoting its utmost efforts in contributing to society as well as caring for the environment and the community in which we live and work.



"Caring for our community" is part of Melco's corporate culture

After recognition by *Corporate Governance Asia Magazine* for the previous two consecutive years, in 2015, the Group has again garnered the “Best Environmental Responsibility” and “Best CSR” titles. Melco has continued to proactively make significant progress on the environmental front by launching initiatives consistent with the Group’s CSR focus on the environment.

In addition, the Group’s annual Corporate Social Responsibility Report has been awarded the “Gold Prize” in the International ARC Awards under the category of “Specialized Annual Report: Corporate Social Responsibility Report”.

Business Operations

Through offering consistently exquisite culinary masterpieces, Jade Dragon and The Tasting Room at City of Dreams have been honoured with the coveted Michelin Star respectively for the second and third year in a row, making them two of the only 11 Michelin-star restaurants in Macau with the release of the latest *Michelin Guide*. The prestigious recognition has also maintained City of Dreams’ status as the property with the most Michelin-star restaurants on Cotai, Macau in 2015.

Once again, hotels, spa facilities and restaurants at Altira Macau and Crown Towers at City of Dreams have garnered the Five-Star Awards in 2015 *Forbes Travel Guide*, which recognizes properties around the world that meet the most demanding hospitality standards. With eight Forbes Star-graded facilities, the most in Macau, Melco’s everlasting commitment to unparalleled service across all its properties has been well-rewarded.



Our staff members are encouraged to extend care and contribute to the communities where we live and work

These accolades, as acknowledged by associated industries and communities, highlight the Group's success in pursuing excellence in corporate governance and its outstanding operational performance. These awards underline Melco's high appreciation by local communities due to its steadfast commitment to serving the public in the best way possible.

OUTLOOK

Macau gaming industry has been facing unprecedented challenges with unfavourable market conditions which are notably anticipated to remain difficult in the short term.

Factors including full smoking ban in casinos and restriction on visitations have inevitably affected the overall gaming revenue. Despite economic slowdown in China over the years, both Macau and the Central government have been very supportive in diversifying Macau towards non-gaming development. Melco, as the pioneer in non-gaming market, has been dedicated to providing world-class entertainment offerings to diversify Macau's economy to non-gaming tourism and the world centre for tourism and leisure.

The upcoming Studio City, with arrays of innovative leisure and entertainment options will further enrich the Group's entertainment portfolio whilst strengthen our market share. Besides being ideally located with just a short walking distance away to the Lotus Bridge connecting Hengqin Island in China, Studio City is also a future station-point for the Macau Light Rapid Transit, enabling more convenient access to tourists. With possible change of new smoking ban regulations and lengthening of tourist visa, these will potentially facilitate more visitations to Macau.



The House of Dancing Water, world's largest and most spectacular water-based extravaganza, has enriched the non-gaming tourism elements of Macau and is one of the major entertainment highlights for Macau's visitors

With increasing competitions from other operators scheduling new properties to open in coming years, Melco Crown Entertainment is well prepared to bolster our presence in the mass market to grasp the opportunities in this segment. Not only have we developed a distinguished new project Studio City, we also completed substantial and innovative enhancements to our flagship property – City of Dreams, the new social hub SOHO offering diverse dining, entertainment and street cultural experience to visitors, expansion of the retail offerings, and also revamped Kids' City, the largest family entertainment playground in Macau. Within Macau, we believe ensuring diversification and innovation are paramount in overcoming the challenges and maintain sustainable success in the city.

Apart from Macau, Melco continues to strengthen its presence overseas. The recently opened integrated casino entertainment resort City of Dreams Manila is targeting the burgeoning and increasingly important Asian middle class with rapidly-rising disposable incomes. We believe City of Dreams Manila can boost local tourism and introduce the Melco Crown Entertainment and City of Dreams brands to tourists from neighbouring Southeast Asian countries, thereby strengthening our presence in the region. Beyond Asia, the Group is also actively evaluating development opportunities and MelcoLot, a subsidiary of the Group, is looking specifically at a boutique casino project in Tbilisi, Georgia and a premium integrated resort project in Spain, close to Barcelona as previously announced.

Opportunities from other countries such as Japan have been carefully considered. Looking ahead, Melco will continue our vision of becoming a global market leader in the gaming, leisure and entertainment industry, strive for diversification and seize opportunities in offering a wide spectrum of both gaming and non-gaming business worldwide.



The first and only permanent world-class production exclusively tailor-made for Macau, *The House of Dancing Water* has thrilled more than 3.2 million spectators from all over the world over the course of more than 2,000 shows

FINANCIAL REVIEW

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Segment Results:		
Gaming, Leisure and Entertainment	1,900	(18,494)
Property and Other Investments	18,100	15,843
	20,000	(2,651)
Share of profits of associates	220,431	1,055,908
Share of losses of joint ventures	(2,554)	(628)
(Loss) gain on deemed disposal of partial interest in an associate	(2,812)	4,687
Central administrative costs and other unallocated corporate expenses	(104,257)	(149,882)
Finance costs	(21,697)	(21,843)
Profit before tax	109,111	885,591
Income tax expense	(458)	(121)
Profit for the period	108,653	885,470
Non-controlling interests	2,493	22,162
Profit for the period attributable to owners of the Company	111,146	907,632

For the six-month period ended 30 June 2015, the Group reported profit attributable to owners of the Company of HK\$111.1 million compared to HK\$907.6 million for the same period in 2014.

SEGMENT RESULTS

Gaming, Leisure and Entertainment

The gaming, leisure and entertainment businesses are mainly formed by the core (i) Macau gaming business (conducted via 34.29%-owned Melco Crown Entertainment), in which the brief descriptions for the performance of the core Macau gaming business for the six-month period ended 30 June 2015 are included under the heading “SHARE OF PROFITS OF ASSOCIATES” below, (ii) electronic gaming machine participation and design, manufacture and distribution of gaming chips and plaques business (conducted through 64.84%-owned EGT), and (iii) lottery business (conducted through 40.65%-owned MelcoLot), together with other non-core businesses.

Below table shows the breakdown of segment results for Gaming, Leisure and Entertainment:

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
EGT (1)	26,979	–
MelcoLot (2)	(21,048)	(18,339)
Jumbo Kingdom (3)	(3,888)	150
Others (4)	(143)	(305)
	<u>1,900</u>	<u>(18,494)</u>



TABOO, another world-class resident show at City of Dreams, is evolving to the next level of sophistication and sensation in its new season

(1) EGT

On 26 November 2014, EGT Entertainment Holding Limited, an indirect wholly-owned subsidiary, subscribed for 26,062,294 new shares of EGT at US\$0.54 (equivalent to HK\$4.20) per share with a total consideration of US\$14,074,000 (equivalent to approximately HK\$109,493,000) under EGT's rights issue ("EGT Rights Issue").

Immediately prior to the EGT Rights Issue, the Company indirectly owned 11,450,000 shares of EGT, representing 38.04% of the outstanding shares of EGT. Upon completion of the EGT Rights Issue, the Company indirectly owned 37,512,294 shares of EGT, representing approximately 64.81% of the outstanding shares of EGT. Accordingly, EGT became a subsidiary of the Group from 26 November 2014 onwards. As at 30 June 2015, the Group owns approximately 64.84% of EGT.

EGT is engaged in slot operations, development and operation of regional casinos and gaming clubs in the Indo-China region and design, manufacture and distribution of gaming chips and plaques. For the period under review, the Group's attributable segment profit arising from EGT amounted to HK\$27.0 million (six-month period ended 30 June 2014: Nil) after taking into account the adjustments in accordance with Hong Kong Financial Reporting Standards.



Exclusively presented by City of Dreams, *SPLASH* has grown into the biggest party in Asia since the series began five years ago

The performance of EGT during the period under review is described below:

According to the unaudited results (prepared in accordance with the United States Generally Accepted Accounting Principles (“U.S. GAAP”) of EGT announced on 6 August 2015, it reported EGT’s revenue of US\$15.9 million for the six-month period ended 30 June 2015, an increase of 65.2% compared to US\$9.6 million for the six-month period ended 30 June 2014 due to increase in both the gaming operations and gaming products business.

Gaming operations revenue was US\$8.9 million for the six-month period ended 30 June 2015, an increase of 7.5% compared to US\$8.3 million for the six-month period ended 30 June 2014 due to improvement in the Cambodia operations partially offset by a decline in the Philippines operations.

Revenue from gaming products was US\$7.0 million for the six-month period ended 30 June 2015, an increase of 424% compared to US\$1.3 million for the six-month period ended 30 June 2014 due to strong reorder levels from existing customers for the product of gaming chips and plaques.

EGT reported net income of US\$2.0 million for the six-month period ended 30 June 2015. This compared to a net loss of US\$1.0 million for the six-month period ended 30 June 2014.

(2) MelcoLot

MelcoLot continues to be engaged in a single operating segment which is the lottery business. For the period under review, the Group’s attributable segment loss arising from MelcoLot amounted to HK\$21.0 million (six-month period ended 30 June 2014: HK\$18.3 million).

The performance of MelcoLot during the period under review is described below:

According to the unaudited results of MelcoLot announced on 10 August 2015, it reported MelcoLot’s loss of HK\$19.3 million (six-month period ended 30 June 2014: HK\$ 20.8 million). It was mainly attributable to the following reasons:

- (i) Slight increase in revenue, specifically for provision of services and solutions for the distribution of lottery products;
- (ii) Net foreign exchange loss was minimal for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: loss of HK\$7.0 million);
- (iii) Finance costs decreased by 100% from HK\$3.1 million for the six-month period ended 30 June 2014 to nil for the corresponding period in 2015. The decrease was due to the fully settlement of an amount due to its immediate holding company in June 2014; and

- (iv) Employee benefits costs were increased to HK\$18.9 million for the six-month period ended 30 June 2015, compared to HK\$8.7 million for the corresponding period in 2014. The increase was primarily due to the non-cash expenses arising from share option scheme granted in August 2014.

(3) Jumbo Kingdom

Jumbo Kingdom includes the Jumbo and Tai-Pak floating restaurants located in Aberdeen, Hong Kong.

The catering business segment recorded a loss of HK\$3.9 million for the six-month period ended 30 June 2015 compared to a profit of HK\$0.2 million for the same period in 2014. The decrease was mainly due to drop in revenue coupled with an increase in staff costs during the six-month period ended 30 June 2015.

(4) Others

Other items mainly consist of professional fees incurred for the administration of intermediate holding companies as well as exchange differences arising from the settlement of expenses.

Property and Other Investments

This segment handles property and other treasury investments for the Group. For the six-month period ended 30 June 2015, it recorded a segment profit of HK\$18.1 million, an increase of 14.2% compared to HK\$15.8 million for the same period in 2014 largely due to increase in interest income and the minimal net foreign exchange loss for the six-month period ended 30 June 2015.



City of Dreams Manila represents an important milestone for Melco as the Company embarks on its plans to become the leading gaming, leisure and entertainment company in Asia

SHARE OF PROFITS OF ASSOCIATES

The Group's share of profits of associates is made up of the following:

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Share of profit of Melco Crown Entertainment (1)	<u>220,431</u>	<u>1,055,908</u>

In previous years, the Group wrote down its investments in MCR and ChariLot Company Limited ("ChariLot") to zero. During the period under review, no reversal of impairment loss was considered necessary to the Group from the aforesaid associates, as MCR and ChariLot continued to make losses.

(1) Share of profit of Melco Crown Entertainment

For the period under review, the Group's attributable profit arising from its 34.29% ownership of Melco Crown Entertainment amounted to approximately HK\$220.4 million (six-month period ended 30 June 2014: HK\$1,055.9 million) after taking into account the adjustments in accordance with Hong Kong Financial Reporting Standards.

According to the unaudited results (prepared in accordance with the U.S. GAAP) of Melco Crown Entertainment announced on 6 August 2015, it reported net revenue of US\$1,971.0 million for the six-month period ended 30 June 2015 versus US\$2,556.9 million in the six-month period ending 30 June 2014. The decline in net revenue was primarily attributable to lower rolling chip revenues and mass market table games revenues in Macau, partially offset by the net revenue generated by City of Dreams Manila, which started operations in December 2014.

The Adjusted property EBITDA was US\$458.2 million for the first six months of 2015, as compared to Adjusted property EBITDA of US\$701.1 million in the first six months of 2014. The 34.6% year-over-year decline in Adjusted property EBITDA was attributable to lower group-wide rolling chip volumes and rolling chip win rate, together with a lower contribution from the mass market table games segment.

Net income attributable to Melco Crown Entertainment for the first half of 2015 was US\$84.9 million, compared with net income attributable to Melco Crown Entertainment of US\$383.2 million in the corresponding period of 2014.

City of Dreams

For the six-month period ended 30 June 2015, net revenue at City of Dreams was US\$1,460.1 million compared to US\$2,041.5 million in the same period of 2014. City of Dreams generated Adjusted EBITDA of US\$414.8 million in the first half of 2015, representing a decrease of 34.3% compared to US\$631.6 million in the comparable period of 2014. The decline in Adjusted EBITDA was primarily a result of lower rolling chip revenues and mass market table games revenues.

Rolling chip volume totaled US\$24.6 billion for the first half of 2015 versus US\$46.8 billion in the same period of 2014. The rolling chip win rate was 3.2% and 2.7% in the first quarter and second quarter of 2015 respectively. The expected rolling chip win rate range is 2.7%–3.0%. Mass market table games drop decreased to US\$2,397.8 million compared with US\$2,629.9 million in the comparable period of 2014. The mass table games hold percentage was 35.9% in the first quarter and 32.4% in the second quarter of 2015.

Gaming machine handle for the six-month period ended 30 June 2015 was US\$2,358.7 million, down 21.4% from US\$3,001.1 million generated for the six-month period ended 30 June 2014.

Total non-gaming revenue at City of Dreams in the first half of 2015 was US\$130.5 million, down from US\$137.8 million for the same period in 2014.



The world's first DreamWorks-themed, indoor interactive play and creativity center, *DreamPlay by DreamWorks* at City of Dreams Manila, is a first-of-its-kind environment where kids can play and participate in a wide range of creative activities and fun-filled experiences with the characters of DreamWorks Animation's world-famous films

Altira Macau

For the six-month period ended 30 June 2015, net revenue at Altira Macau was US\$292.6 million compared to US\$411.4 million in the same period of 2014.

Altira Macau generated Adjusted EBITDA of US\$13.3 million in the current review period compared with Adjusted EBITDA of US\$50.3 million in the comparable period in 2014. The year-over-year decrease in Adjusted EBITDA was primarily a result of lower rolling chip revenues.

Rolling chip volume totaled US\$13.9 billion in the first half of 2015 versus US\$18.4 billion in the same period of 2014. The rolling chip win rate was 2.5% in the first quarter and 2.7% in the second quarter of 2015. The expected rolling chip win rate range is 2.7% – 3.0%. In the mass market table games segment, drop totaled US\$326.0 million in the first half of 2015, a decrease of 18.6% from US\$400.6 million generated in the comparable period of 2014.

In the first quarter of 2015, the mass market hold rate was 17.2% while in the second quarter, it was 15.9%. Total non-gaming revenue at Altira Macau in the first half of 2015 was US\$16.7 million, slightly decreased from US\$18.5 million for the same period in 2014.

Mocha Clubs

Net revenue from Mocha Clubs totaled US\$68.1 million in the six-month period ended 30 June 2015, down from US\$76.1 million in the corresponding period of 2014. Mocha Clubs generated US\$15.4 million of Adjusted EBITDA in the review period, a decrease of 22.6% when compared to Adjusted EBITDA of US\$19.9 million in the same period in 2014. The number of gaming machines in operation at Mocha Clubs averaged approximately 1,200 in both the first and second quarter of 2015, compared to approximately 1,400 and 1,200 in the comparable periods in 2014. The net win per gaming machine per day was US\$316 in the first quarter and US\$299 in the second quarter of 2015, as compared with US\$316 and US\$331 in the comparable period in 2014.

City of Dreams Manila

For the six-month period ended 30 June 2015, net revenue at City of Dreams Manila was US\$127.7 million. City of Dreams Manila generated Adjusted EBITDA of US\$15.5 million in the first half of 2015.

Rolling chip volume totaled US\$681.3 million for the first half of 2015. The rolling chip win rate was negative 0.8% in the first quarter and positive 2.4% in the second quarter of 2015. The expected rolling chip win rate range is 2.7%–3.0%.

Mass market table games drop was US\$218.4 million and the mass market table games hold percentage was 25.2% in the first quarter and 25.4% in the second quarter of 2015. Gaming machine handle for the first half of 2015 was US\$850.8 million. The number of gaming machines in operation at City of Dreams Manila averaged approximately 1,700 in the second quarter of 2015. The net win per gaming machine per day was US\$183 for the second quarter of 2015.

Total non-gaming revenue at City of Dreams Manila in the review period was US\$48.8 million.



The trendsetting boutique *Nobu Hotel* celebrated its opening to deliver a thrilling, celebrity-inspired and “fun-luxury” experience fused with the utmost quality to visitors to City of Dreams Manila

(LOSS) GAIN ON DEEMED DISPOSAL OF PARTIAL INTEREST IN AN ASSOCIATE

During the six-month period ended 30 June 2015, the Group recognized a loss on deemed disposal of partial interest in an associate of HK\$2.8 million (six-month period ended 30 June 2014: gain of HK\$4.7 million) resulting from the exercise of share options and the vesting of certain restricted shares issued by Melco Crown Entertainment.

CENTRAL ADMINISTRATIVE COSTS AND OTHER UNALLOCATED CORPORATE EXPENSES

Unallocated corporate expenses decreased by 30.4% from HK\$149.9 million in the first half of 2014 to HK\$104.3 million in the first half of 2015. The decrease was primarily due to decline in the amortization expenses arising from share options and share award granted in the period under review, together with an one-off open offer expense for a subsidiary of the Group, MelcoLot, was recorded in the same period of 2014.

FINANCE COSTS

Finance costs remained constant and was approximately HK\$21.7 million for the six-month period ended 30 June 2015, compared to approximately HK\$21.8 million for the six-month period ended 30 June 2014. They consisted predominantly of the interest expenses on the bank and other borrowings.

INCOME TAX EXPENSE

Income tax expense represented the PRC enterprise income tax expense and tax provision arising from several foreign jurisdictions for the six-month period ended 30 June 2015, compared to PRC enterprise income tax expense for the six-month period ended 30 June 2014.

LIQUIDITY AND FINANCIAL RESOURCES/CAPITAL STRUCTURE/ CHARGE ON GROUP ASSETS

The Group finances its business operations and investments with internal resources, cash revenues generated from operating activities, and bank and other borrowings.

As of 30 June 2015, total assets of the Group were HK\$14,467.7 million (31 December 2014: HK\$14,097.1 million) which were financed by shareholders' funds of HK\$12,422.7 million (31 December 2014: HK\$12,331.6 million), non-controlling interests of HK\$393.4 million (31 December 2014: HK\$387.9 million), current liabilities of HK\$301.2 million (31 December 2014: HK\$570.8 million), and non-current liabilities of HK\$1,350.4 million (31 December 2014: HK\$806.8 million). The Group's current ratio, expressed as current assets over current liabilities, was maintained at a satisfactory level of 8.1 (31 December 2014: 3.9).

During the six-month period ended 30 June 2015, the Group recorded a net cash outflow of HK\$52.0 million (six-month period ended 30 June 2014: net cash inflow of HK\$970.2 million). As of 30 June 2015, cash and cash equivalents of the Group totaled HK\$497.7 million (31 December 2014: HK\$549.5 million). The decrease was mainly due to the purchase of 24-month puttable step-up coupon notes issued by BOCI Financial Products Limited in the principal amount of HK\$50.0 million on 25 June 2015. The gearing ratio, expressed as a percentage of total borrowings over shareholders' funds, was at a satisfactory level of 11% as of 30 June 2015 (31 December 2014: 10%).

In illustrating the Group's adoption of a prudent treasury policy, 84% of bank balances and cash are put in short-term fixed deposits. All borrowings, bank deposits and bank balances and cash are mainly denominated in Hong Kong dollars, U.S. dollars and Renminbi to maintain stable exposure to foreign exchange risks. Also, as at 30 June 2015, the Group's bank deposits of approximately HK\$0.9 million (31 December 2014: HK\$0.9 million) were pledged as security for obtaining utilities for certain subsidiaries of the Group.

As at 30 June 2015, the guaranteed bonds issued by the Group amounted to HK\$760.0 million, which are interest bearing of 4.15% per annum and mature on 5 March 2018. The bonds are guaranteed by the Company. As at 30 June 2015, the Group's total available bank loan facilities from various banks amounted to HK\$582.8 million (31 December 2014: HK\$429.3 million), of which HK\$36.8 million (31 December 2014: HK\$39.3 million) was secured by pledging HK\$170.0 million of the Group's investment properties. As at 30 June 2015, the Group utilized HK\$546.0 million and HK\$36.8 million of unsecured and secured bank loan facilities respectively (31 December 2014: unsecured HK\$390.0 million; secured HK\$39.3 million). Details of bank and other borrowings are given in note 16 to the condensed consolidated financial statements.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

Other than those disclosed in this report, there were no material acquisitions, disposals and significant investments by the Company during the six-month period ended 30 June 2015.

HEADCOUNT/EMPLOYEES' INFORMATION

The total number of the Group's and associates' employees was 19,789 as of 30 June 2015. Excluding the employees from associates such as Melco Crown Entertainment, MCR and ChariLot, the total number of the Group's employees became 764 as of 30 June 2015 (31 December 2014: 829). Among the 764 employees, 344 are located in Hong Kong, 420 are located in Philippines, US, Cambodia, Macau and the PRC. The related staff costs for the six-month period ended 30 June 2015, including directors' emoluments, share options expenses and share award expenses, amounted to HK\$157.4 million (six-month period ended 30 June 2014: HK\$148.1 million).

Melco believes that the key to success lies in its people. The Group strives to create an environment that makes people proud to be part of it. All of its employees are given equal opportunities for advancement and personal growth. The Group believes only by growing its business, it creates opportunities and delivers value to its people. Thus, the Group encourages its people to do their best at work and grow with the Group. Melco builds employees' loyalty through recognition, involvement and participation.

Melco's people policy, systems and practices are directly aligned with the Group's mission and values which contribute to its business success.

CONTINGENT LIABILITIES

No contingent liability was noted for the Group as at 30 June 2015.

FOREIGN EXCHANGE EXPOSURE

It is the Group's policy that its operating entities operate in their corresponding local currencies to minimize currency risks. The Group's principal businesses are conducted and recorded in Hong Kong dollar, Macau Patacas, United States dollar, Renminbi and Philippine Peso. As the impact from foreign exchange exposure is minimal, no hedging against foreign currency exposure is necessary.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Material capital expenditure will be incurred when the Company begins to pursue different projects in the coming years. The Company expects the respective project companies to secure required funding themselves using different financing options available. The Company will also provide the required equity capital to the new projects coming ahead, provided the projects are deemed to be appropriate.

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.
德勤

**TO THE BOARD OF DIRECTORS OF MELCO INTERNATIONAL DEVELOPMENT
LIMITED**

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Melco International Development Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 27 to 50, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
31 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Notes	Six-month period ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	3	212,644	89,556
Other income, other gains or losses		6,017	6,955
Investment income		–	1,338
Purchases and changes in inventories of finished goods and work in progress		(55,158)	(32,791)
Raw materials and consumables used		(7,816)	–
Employee benefits expense		(157,373)	(148,144)
Depreciation of property, plant and equipment		(19,421)	(2,826)
(Loss) gain on deemed disposal of partial interest in an associate	11	(2,812)	4,687
Share of losses of joint ventures		(2,554)	(628)
Share of profits of associates	11	220,431	1,055,908
Other expenses		(63,150)	(66,621)
Finance costs		(21,697)	(21,843)
Profit before tax	5	109,111	885,591
Income tax expense	6	(458)	(121)
Profit for the period		108,653	885,470
Other comprehensive (expense) income			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(29)	7,067
Fair value loss on available-for-sale investments		–	(1,444)
Share of exchange differences of an associate		(2,735)	10,474
Share of exchange differences of joint ventures		827	156
Other comprehensive (expense) income for the period, net of income tax		(1,937)	16,253
Total comprehensive income for the period		106,716	901,723
Profit (loss) for the period attributable to:			
Owners of the Company		111,146	907,632
Non-controlling interests		(2,493)	(22,162)
		108,653	885,470

		Six-month period ended 30 June	
		2015	2014
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Note			
<hr/>			
Total comprehensive income (expense)			
for the period attributable to:			
		109,231	919,677
	Owners of the Company		
	Non-controlling interests	(2,515)	(17,954)
		<hr/> 106,716 <hr/>	<hr/> 901,723 <hr/>
Earnings per share	8		
Basic (HK cents)		<hr/> 7.2 <hr/>	<hr/> 58.9 <hr/>
Diluted (HK cents)		<hr/> 7.1 <hr/>	<hr/> 57.3 <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Non-current assets			
Investment properties	9 & 10	170,000	170,000
Property, plant and equipment	9	118,200	123,693
Other intangible assets		5,700	5,700
Interests in joint ventures		37,491	39,218
Interests in associates	11	11,585,276	11,465,997
Amount due from a joint venture	14	53,562	53,562
Deposits and other tax receivables		8,814	11,215
Deferred tax assets		1,087	1,101
Structured notes	12	50,000	–
		12,030,130	11,870,486
Current assets			
Inventories		30,786	22,276
Trade receivables	13	16,887	20,930
Prepayments, deposits and other receivables		65,245	66,724
Held-for-trading investments		160	173
Amounts due from associates	14	8,259	7,788
Amount due from a related company	14	53	160
Pledged bank deposits	10	947	947
Bank deposits with original maturity over three months		1,817,504	1,558,002
Bank balances and cash		497,676	549,578
		2,437,517	2,226,578
Current liabilities			
Trade payables	15	23,511	17,959
Other payables	15	122,879	123,219
Dividend payable		116,798	1,451
Taxation payable		33,009	33,160
Borrowings – due within one year	16	4,980	394,980
		301,177	570,769
Net current assets		2,136,340	1,655,809
Total assets less current liabilities		14,166,470	13,526,295

		30 June	31 December
		2015	2014
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
Non-current liabilities			
Deferred tax liabilities		5,912	5,912
Other payables		6,719	6,575
Borrowings – due after one year	16	1,337,780	794,270
		1,350,411	806,757
		12,816,059	12,719,538
Capital and reserves			
Share capital	17	5,436,556	5,435,321
Reserves		6,986,128	6,896,335
Equity attributable to owners of the Company		12,422,684	12,331,656
Non-controlling interests		393,375	387,882
		12,816,059	12,719,538

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Attributable to owners of the Company													
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Shares held under share award schemes HK\$'000	Share awards reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2014 (Audited)	768,190	4,418,042	211,475	698,278	5,796	202,575	(40,369)	168,030	(100,075)	12,574	5,344,432	11,688,948	(73,601)	11,615,347
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of exchange differences of an associate	-	-	-	-	-	-	2,859	-	-	-	-	2,859	4,208	7,067
Share of exchange differences of joint ventures	-	-	-	-	-	-	10,474	-	-	-	-	10,474	-	10,474
Fair value loss on available-for-sale investments	-	-	-	-	-	(1,444)	156	-	-	-	-	156	-	156
Other comprehensive (expense) income for the period	-	-	-	-	-	(1,444)	13,489	-	-	-	-	12,045	4,208	16,253
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	907,632	907,632	(22,162)	885,470
Total comprehensive (expense) income for the period	-	-	-	-	-	(1,444)	13,489	-	-	-	907,632	919,677	(17,954)	901,723
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance (note (i))	4,418,042	(4,418,042)	-	-	-	-	-	(86,363)	-	-	-	-	-	-
Exercise of share options	248,833	-	-	-	-	-	-	59,014	-	40,639	-	162,470	1,363	162,470
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	(72)	-	-	72	89,653	-	101,016
Transfer of share option reserve upon expiry of share options	-	-	-	-	-	-	-	-	62,691	(46,065)	(16,626)	-	-	-
Shares vested under the share award scheme	-	-	-	-	-	-	-	-	-	-	-	1,623	(1,623)	-
Deemed disposal of partial interest in a subsidiary	-	-	-	1,623	-	-	-	-	-	-	-	1,623	-	-
Disposal of partial interest in a subsidiary	-	-	-	116,977	-	-	-	-	-	-	-	116,977	(6,774)	110,203
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(324,909)	(324,909)	(3,320)	(324,909)
Dividend paid (Note 7)	-	-	-	149,736	-	-	-	-	-	-	-	149,736	-	149,736
Share of net assets changes of an associate (note (i))/(Note 11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	390,685	390,685
At 30 June 2014 (Unaudited)	5,435,065	-	211,475	966,614	5,796	201,131	(26,880)	140,609	(37,384)	7,148	5,910,601	12,814,175	288,776	13,102,951

Attributable to owners of the Company

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share options reserve HK\$'000	Shares held under share award schemes HK\$'000	Share awards reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2015 (Audited)	5,435,321	-	30,253	445,188	5,796	201,229	(51,767)	190,349	(137,189)	21,926	6,190,550	12,331,656	387,882	12,719,538
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(7)	-	-	-	-	(7)	(22)	(29)
Share of exchange differences of an associate	-	-	-	-	-	-	(2,735)	-	-	-	-	(2,735)	-	(2,735)
Share of exchange differences of joint ventures	-	-	-	-	-	-	827	-	-	-	-	827	-	827
Other comprehensive expense for the period	-	-	-	-	-	-	(1,915)	-	-	-	-	(1,915)	(22)	(1,937)
Profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	111,146	111,146	(2,493)	108,653
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(1,915)	-	-	-	111,146	109,231	(2,515)	106,716
Exercise of share options	1,235	-	-	-	-	-	-	(483)	-	-	-	752	-	752
Recognition of equity-settled share based payments	-	-	-	-	-	-	-	39,108	-	30,812	-	69,920	8,014	77,934
Shares vested under the share award scheme	-	-	-	-	-	-	-	-	52,564	(47,978)	(4,586)	-	-	-
Deemed disposal of partial interest in a subsidiary	-	-	-	89	-	-	-	-	-	-	-	89	(89)	-
Acquisition of partial interest in a subsidiary	-	-	-	(54)	-	-	-	-	-	-	-	(54)	54	-
Dividend paid (Note 7)	-	-	-	-	-	-	-	-	-	-	(116,000)	(116,000)	-	(116,000)
Increase in associate's equity attributable to the Group's interest arising on equity transactions of associate (Note 11)	-	-	-	25,907	-	-	-	-	-	-	-	25,907	-	25,907
Share of special reserve and other revaluation reserve upon deemed disposal of partial interest in an associate	-	-	-	1,183	-	44	-	-	-	-	(44)	1,183	-	1,183
Capital contribution from non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	29	29
At 30 June 2015 (Unaudited)	5,436,556	-	30,253	472,313	5,796	201,273	(53,682)	228,974	(64,625)	4,760	6,181,066	12,422,684	388,375	12,811,059

Notes:

- (i) The Company's shares have no par value from the commencement date of Chapter 622 of the new Hong Kong Companies Ordinance (i.e. 3 March 2014).
- (ii) Amount in prior period represents share of net assets changes of an associate, Melco Crown Entertainment Limited ("Melco Crown Entertainment"), in relation to the issuance of shares and sales of treasury shares of one of its subsidiaries, Melco Crown (Philippines) Resorts Corporation ("MCP").

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Net cash from (used in) operating activities	16,850	(14,541)
Net cash (used in) from investing activities:		
Placement of bank deposits with original maturity over three months	(1,817,504)	(1,266,823)
Investments in structured notes	(50,000)	–
Purchase of property, plant and equipment	(14,669)	(671)
Redemption of bank deposits with original maturity over three months upon maturity	1,558,002	936,982
Dividend received from an associate	122,695	685,780
Proceeds from disposal of property, plant and equipment	783	35
	(200,693)	355,303
Net cash from financing activities:		
Proceeds from bank borrowings	546,000	–
Proceeds from exercise of share options	752	162,470
Capital contribution from non-controlling shareholders	29	3,562
Proceeds from an open offer of a subsidiary	–	387,123
Proceeds from disposal of partial interests in subsidiaries	–	110,203
Repayments of bank borrowings	(392,490)	(2,490)
Dividend paid	(653)	(9,602)
Other financing cash flows	(21,697)	(21,843)
	131,941	629,423
Net (decrease) increase in cash and cash equivalents	(51,902)	970,185
Cash and cash equivalents at 1 January	549,578	205,542
Cash and cash equivalents at 30 June, represented by bank balances and cash	497,676	1,175,727

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Stock Exchange”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six-month period ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are mandatorily effective for the current interim period:

- Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*;
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2010 – 2012 Cycle*; and
- Amendments to HKFRSs *Annual Improvements to HKFRSs 2011 – 2013 Cycle*

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new or revised standards or amendments to standards that have been issued at the date of these condensed consolidated financial statements are authorized for issuance but are not yet effective.

3. REVENUE

An analysis of the Group's revenue is as follows:

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Catering service income	46,606	50,317
Lottery business:		
Provision of services and solutions for distribution of lottery products	4,950	1,652
Trading of lottery terminals and parts	19,126	20,891
Interest income from authorized institutions	16,142	15,078
Property rental income	1,965	1,618
Electronic gaming machines participation	69,432	–
Manufacture and distribution of gaming chips and plaques	54,423	–
	212,644	89,556

4. SEGMENTAL INFORMATION

The Group's operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

- (1) Gaming, Leisure and Entertainment Segment: For the six-month period ended 30 June 2014, it mainly comprised provision of catering, entertainment and related services and lottery business, including the provision of services and solutions for distribution of lottery products and trading of lottery terminals and parts. Upon acquisition of Entertainment Gaming Asia Inc. ("EGT") on 26 November 2014 ("the Acquisition Date"), two new businesses relating to electronic gaming machines participation and design, manufacture and distribution of gaming chips and plaques are added into this operating and reportable segment.
- (2) Property and Other Investments Segment: It mainly comprises investment properties, available-for-sale investments, amounts due from associates and related segment bank balances, which receive dividend income, interest income and property rental income.

4. SEGMENTAL INFORMATION – continued

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by operating and reportable segments for the period under review:

Six-month period ended 30 June 2015 (Unaudited):

	Gaming, Leisure and Entertainment HK\$'000	Property and Other Investments HK\$'000	Segments' Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
External sales	194,537	18,107	212,644	-	212,644
Inter-segment sales	290	419	709	(709)	-
Total revenue	<u>194,827</u>	<u>18,526</u>	<u>213,353</u>	<u>(709)</u>	<u>212,644</u>
Segment results	<u>1,900</u>	<u>18,100</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Central administrative costs and other unallocated corporate expenses					(104,257)
Finance costs					(21,697)
Loss on deemed disposal of partial interest in an associate					(2,812)
Share of losses of joint ventures					(2,554)
Share of profits of associates					220,431
Profit before tax					<u>109,111</u>

4. SEGMENTAL INFORMATION – continued

Six-month period ended 30 June 2014 (Unaudited):

	Gaming, Leisure and Entertainment HK\$'000	Property and Other Investments HK\$'000	Segments' Total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
External sales	72,859	16,697	89,556	-	89,556
Inter-segment sales	279	744	1,023	(1,023)	-
Total revenue	<u>73,138</u>	<u>17,441</u>	<u>90,579</u>	<u>(1,023)</u>	<u>89,556</u>
Segment results	<u>(18,494)</u>	<u>15,843</u>	<u>(2,651)</u>	<u>-</u>	<u>(2,651)</u>
Central administrative costs and other unallocated corporate expenses					(149,882)
Finance costs					(21,843)
Gain on deemed disposal of partial interest in an associate					4,687
Share of loss of a joint venture					(628)
Share of profits of associates					<u>1,055,908</u>
Profit before tax					<u><u>885,591</u></u>

Segment results represent the profit earned or loss incurred by each segment without allocation of central administrative costs and other unallocated corporate expenses and items as disclosed in the above table. This is the measure reported to the Chief Executive Officer (“CEO”) of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at terms agreed by both parties.

4. SEGMENTAL INFORMATION – continued

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Gaming, Leisure and Entertainment	210,816	237,526
Property and Other Investments	2,535,180	2,277,580
Total segment assets	2,745,996	2,515,106
Interests in associates	11,585,276	11,465,997
Interests in joint ventures	37,491	39,218
Unallocated assets	98,884	76,743
Consolidated assets	14,467,647	14,097,064

Segment liabilities

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Gaming, Leisure and Entertainment	139,552	127,354
Total segment liabilities	139,552	127,354
Unallocated liabilities	1,512,036	1,250,172
Consolidated liabilities	1,651,588	1,377,526

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in joint ventures, deferred tax assets, pledged bank deposits and other assets not attributable to respective segment.
- all liabilities are allocated to operating segments other than borrowings, dividend payable, deferred tax liabilities and other liabilities not attributable to respective segment.

5. PROFIT BEFORE TAX

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Profit before tax has been arrived at after charging:		
Share options expenses (<i>Note 18</i>)	47,122	60,377
Share award expenses (<i>Note 18</i>)	30,812	40,639
Other staff costs	79,439	47,128
Total employee benefits expense (including directors' emoluments)	157,373	148,144
Loss from fair value change of held-for-trading investments (included in other expenses)	13	2
and after crediting:		
Interest income from authorized institutions	16,143	15,074
Dividend income from unlisted investments (included in investment income)	–	1,340

6. INCOME TAX EXPENSE

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
PRC Enterprise Income Tax – current period	168	121
Other jurisdictions – current period	290	–
	458	121

No provision for Hong Kong Profits Tax during the six-month periods ended 30 June 2015 and 2014 was made as there was no estimated assessable profit derived from Hong Kong. Taxation arising in other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Under the Law of Cambodia on Corporate Income Tax (CIT)/Tax on Profit (ToP), the tax rate of the Cambodia subsidiaries is 20%.

Under the Law of Philippines on Corporate Income Tax, Philippines subsidiaries are subject to a 30% regular corporate income tax rate based on net income, or to a 2% minimum corporate income tax rate based on gross income, whichever is higher.

7. DIVIDEND

During the six-month period ended 30 June 2015, a final dividend of HK7.5 cents per share, totalling HK\$116,000,000, in respect of the year ended 31 December 2014 was declared to the shareholders of the Company (six-month period ended 30 June 2014: HK20.8 cents per share, totalling HK\$324,909,000, in respect of the year ended 31 December 2013 was declared to the shareholders of the Company).

Subsequent to the end of the current interim period, the directors of the Company have determined that an interim dividend of HK1.5 cents per share, totalling HK\$23,200,000 (six-month period ended 30 June 2014: HK11.6 cents per share, totalling HK\$181,222,000), will be paid to the shareholders of the Company.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six-month period ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings		
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	111,146	907,632
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options and awarded shares issued by an associate of the Group	(1,465)	(8,967)
Adjustment in relation to share options issued by a subsidiary of the Group	(14)	–
Earnings for the purpose of diluted earnings per share	109,667	898,665
	Six-month period ended 30 June	
	2015 (Unaudited)	2014 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,541,124,467	1,540,783,813
Effect of dilutive potential ordinary shares:		
Share options and awarded shares issued by the Company	9,994,992	27,740,346
Weighted average number of ordinary shares for the purpose of diluted earnings per share	1,551,119,459	1,568,524,159

The number of shares adopted in the calculation of the basic and diluted earnings per share has been arrived at after eliminating the shares of the Company held under the Company's share award schemes.

8. EARNINGS PER SHARE – continued

During the six-month periods ended 30 June 2015 and 2014, the computation of diluted earnings per share does not assume the exercise of the Company's certain share options and the vesting of certain unvested awarded shares under the Company's long-term incentive schemes because the adjusted exercise prices of those options and unvested awarded shares are higher than the average market price of the Company's shares.

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group spent approximately HK\$14,669,000 (six-month period ended 30 June 2014: HK\$671,000) mainly on machinery and equipment, gaming equipment and furniture, fixtures and equipment for the Group's office premises.

The fair values of the Group's investment properties as at 30 June 2015 have been determined by the directors of the Company. No valuation has been performed by independent qualified professional valuers. The valuation performed by the directors of the Company was arrived at with reference to market evidence of transaction prices for similar properties in similar locations.

10. PLEDGE OF ASSETS

As at 30 June 2015, the Group's bank deposits and investment properties which amounted to approximately HK\$947,000 (31 December 2014: HK\$947,000) and HK\$170,000,000 (31 December 2014: HK\$170,000,000), respectively, were pledged as security for obtaining utilities and banking facilities for the Group.

11. INTERESTS IN ASSOCIATES

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Cost of investment in associates		
Listed in the United States of America ("US")	6,902,134	6,902,134
Listed in Canada	339,601	339,601
Unlisted	417	417
Net changes in interests in associates	1,367,623	1,343,345
Impairment losses recognized	(320,695)	(320,695)
Share of changes in net assets and exchange reserves	145,474	148,209
Share of post-acquisition results, net of dividends received	3,150,722	3,052,986
	11,585,276	11,465,997
Fair value of listed investments (<i>note</i>)	28,472,385	36,840,683
Carrying amount of interests in associates with shares listed on respective stock exchanges	11,585,276	11,465,997

Note: Fair values of listed investments are determined at the market price of listed shares as of period/year end on respective stock exchanges.

As at 30 June 2015, the Group held approximately 34.29% (31 December 2014: 34.23%) interests in Melco Crown Entertainment, 16.69% (31 December 2014: 16.69%) interests in MCR, and 40.00% (31 December 2014: 40.00%) interests in ChariLot.

11. INTERESTS IN ASSOCIATES – continued

During the six-month period ended 30 June 2015, the Group recognized a loss on deemed disposal of partial interest in an associate of approximately HK\$2,812,000 (six-month period ended 30 June 2014: a gain of approximately HK\$4,687,000) from the exercise of share options and the vesting of certain restricted shares issued by Melco Crown Entertainment. The amount represents the decrease (six-month period ended 30 June 2014: increase) in net assets attributable to the Group as a result of a decrease (six-month period ended 30 June 2014: decrease) in the Group's ownership interest in one of its associates, Melco Crown Entertainment. An additional share of net assets attributable to the Group of approximately HK\$25,907,000 (six-month period ended 30 June 2014: Nil) was also recognized in special reserve under condensed consolidated statement of changes in equity, resulting from the share repurchase and cancellation by Melco Crown Entertainment which increased the Group's effective ownership therein. During the six-month period ended 30 June 2015, the Group recognized share of profits from associates of approximately HK\$220,431,000 (six-month period ended 30 June 2014: HK\$1,055,908,000). The Group also received dividend from an associate of approximately HK\$122,695,000 (six-month period ended 30 June 2014: HK\$685,780,000).

During the six-month period ended 30 June 2014, the Group also recognized share of net assets changes of approximately HK\$149,736,000 (six-month period ended 30 June 2015: Nil), representing share of the gain recognized by Melco Crown Entertainment in its consolidated financial statements arising from deemed disposal of partial interest in its subsidiary, MCP. The deemed disposal of the partial interest in MCP related to the issuance of shares by MCP to independent third parties during the prior interim period.

The listing of the ordinary shares of Melco Crown Entertainment on the Main Board of Hong Kong Stock Exchange was withdrawn on 3 July 2015 and the shares of Melco Crown Entertainment is only listed on The National Association of Securities Dealers Automated Quotations in the US thereafter.

12. STRUCTURED NOTES

On 25 June 2015, the Group subscribed, at par, for 24-month puttable step-up coupon notes in principal amount of HK\$50,000,000 ("Notes") from a financial institution ("Issuer"). The Notes are interest-bearing at progressive rates ranging from 0.97% – 1.45% payable at the end of each quarter ("Interest Payment Date"), with maturity at 30 June 2017. The Group has the right to put the Notes, in whole but not in part, to the Issuer at par plus accrued interest on each coupon Interest Payment Date from and including the fifth Interest Payment Date to and including the Interest Payment Date immediately preceding the maturity date. If the Group exercises its right to put the Notes, the Issuer would have a corresponding obligation to redeem such Notes in respect of which the put right has been exercised. The management of the Company do not expect that the Notes will be early redeemed.

13. TRADE RECEIVABLES

The Group's trade receivables related to the catering service income from the Gaming, Leisure and Entertainment segment and Property and Other Investments segment are largely operated on cash on delivery or due immediately from date of billing, except for those well-established customers to whom credit terms of 30 to 120 days would be granted.

The Group allows credit periods ranging from 30 to 180 days to its trade customers related to the lottery business from the Gaming, Leisure and Entertainment segment.

The Group allows credit periods of 15 to 30 days to its trade customers related to the electronic gaming machines participation and gaming chips and plaques business from the Gaming, Leisure and Entertainment segment.

The following is an aged analysis of trade receivables presented based on the invoice dates at the end of the reporting period, which approximated to the respective revenue recognition dates.

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within 30 days	9,705	18,731
31 – 90 days	7,138	1,762
91 – 180 days	–	393
Over 180 days	44	44
	16,887	20,930

14. AMOUNTS DUE FROM ASSOCIATES/A JOINT VENTURE/A RELATED COMPANY

Included in amounts due from associates are:

- a) amount due from an associate consists of approximately HK\$2,378,000 (31 December 2014: HK\$2,378,000) which is unsecured, non-interest bearing and repayable on demand and approximately HK\$165,761,000 (31 December 2014: HK\$165,761,000) which is unsecured, interest bearing at 3% per annum and repayable on demand. All of the above balances were fully impaired as at 30 June 2015 and 31 December 2014; and
- b) the remaining amounts due from associates amounting to HK\$8,259,000 (31 December 2014: HK\$7,788,000) are unsecured, non-interest bearing and repayable on demand.

14. AMOUNTS DUE FROM ASSOCIATES/A JOINT VENTURE/A RELATED COMPANY – continued

Amount due from a joint venture is unsecured, non-interest bearing and repayable on 15 July 2020.

Amount due from a related company is unsecured, non-interest bearing and repayable on demand. Mr. Ho, Lawrence Yau Lung, a shareholder with significant influence of holding over 20% shareholding in, and also a director of, the Company, has significant shareholding in that related company. Maximum amount outstanding during the six-month period ended 30 June 2015 is approximately HK\$160,000 (six-month period ended 30 June 2014: HK\$58,000).

15. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within 30 days	20,522	15,802
31 – 90 days	1,078	619
Over 90 days	1,911	1,538
	23,511	17,959
Other payables:		
Advance of earnest money from a project partner (<i>note</i>)	58,350	58,350
Accrued operating expenses	21,365	37,144
Deposits received from customers	17,037	1,971
Others	26,127	25,754
	122,879	123,219

Note:

The amount represents the first advance payment received from a project partner, Firich Enterprises Co., Ltd. (“Firich”) in relation to the subscription of new shares of Express Wealth Enterprise Limited (“Express Wealth”), an indirectly non-wholly owned subsidiary of the Company, which was formed for the purpose of obtaining the gaming license and to undertake the proposed casino project situated in a project site wholly owned by Dhabi Group Georgia, LCC and located in Tbilisi, Georgia. At the date of approval of these condensed consolidated financial statements, the subscription has not yet been completed and the parties have agreed to extend the deadline for satisfaction of the conditions precedent to completion of the subscription.

16. BORROWINGS

	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Bank loans (<i>note (i)</i>)	582,760	429,250
Other borrowings (<i>note (ii)</i>)	760,000	760,000
	1,342,760	1,189,250
Secured	36,760	39,250
Unsecured	1,306,000	1,150,000
	1,342,760	1,189,250
Carrying amount repayable:		
Within one year	4,980	394,980
More than one year, but not exceeding two years	4,980	4,980
More than two years, but not exceeding five years	1,320,940	774,940
Exceeding five years	11,860	14,350
	1,342,760	1,189,250
Less: Amounts due within one year shown under current liabilities	(4,980)	(394,980)
	1,337,780	794,270

During the six-month period ended 30 June 2015, the Group obtained new bank loans amounting to HK\$546,000,000 (six-month period ended 30 June 2014: Nil) and also repaid bank loans of HK\$392,490,000 (six-month period ended 30 June 2014: HK\$2,490,000).

Notes:

- (i) All the bank borrowings are denominated in HK\$, the functional currency of relevant group entities, with interest rates of Hong Kong Interbank Offered Rates ("HIBOR") plus 1.5% to 2.5% (31 December 2014: HIBOR plus 1.5% to 2.5%) per annum.
- (ii) In February 2013, Melco Finance Limited, a wholly owned subsidiary of the Company, issued guaranteed bonds with principal amount of HK\$760,000,000 ("Bonds") to independent investors. The interest on the Bonds is accrued at a fixed rate of 4.15% per annum, payable quarterly in arrears, with maturity date of 5 March 2018. The Bonds are guaranteed by the Company. The proceeds will be used by the Company for general working capital and future investment purposes.

17. SHARE CAPITAL

	Number of ordinary shares		Amount	
	30 June 2015 (Unaudited)	31 December 2014 (Audited)	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Authorised:				
At the beginning and end of the period/year, share with no par value/HK\$0.5 each (note (i))	2,000,000,000	2,000,000,000	N/A	N/A
Issued and fully paid:				
At the beginning of the period/year, share with no par value/HK\$0.5 each	1,546,463,555	1,536,380,567	5,435,321	768,190
Transfer from share premium upon abolition of par value under the new Hong Kong Companies Ordinance effective on 3 March 2014 (note (ii))	-	-	-	4,418,042
Shares repurchased and cancelled during the period/year	-	(15,800,000)	-	-
Exercise of share options	200,000	25,882,988	1,235	249,089
At the end of the period/year, ordinary shares with no par value	1,546,663,555	1,546,463,555	5,436,556	5,435,321

Notes:

- (i) Under the new Hong Kong Companies Ordinance (Chapter 622) effective on 3 March 2014, the concept of “authorized share capital” had been abolished and the Company’s shares no longer have a par value. However, the Company’s Articles of Association specify a maximum number of shares that the Company is currently authorized to issue.
- (ii) The Company’s shares have no par value from the commencement date of the new Hong Kong Companies Ordinance (Chapter 622) (i.e. 3 March 2014). Prior to that date, the par value was HK\$0.5 each.

The shares issued during the period/year rank pari passu in all respects with the then existing shares. As at 30 June 2015, the Company’s 3,935,785 (31 December 2014: 6,290,385) and 75,000 (31 December 2014: 75,000) issued shares with aggregate weighted average purchase cost of approximately HK\$85,820,000 (31 December 2014: HK\$137,163,000) and HK\$38,000 (31 December 2014: HK\$38,000), respectively, were held by the Company’s share purchase scheme and share subscription scheme, respectively.

18. LONG-TERM INCENTIVE SCHEMES

Share option schemes

During the six-month period ended 30 June 2015, the Company granted a total of 3,113,000 share options of the Company (six-month period ended 30 June 2014: 6,576,000 share options) to the directors, certain employees and consultants of the Company. The options entitle the grantees to subscribe for a total of 3,113,000 shares of the Company at an exercise price of HK\$14.24 per share. 1,163,000, 1,160,000, 400,000 and 390,000 of the options are exercisable from 8 April 2015, 8 April 2016, 8 April 2017 and 8 April 2018, respectively to 7 April 2025. The closing price of the shares of the Company immediately before and on the dates on which the options were granted was HK\$13.16 per share and HK\$14.24 per share respectively (six-month period ended 30 June 2014: HK\$26.80 per share and HK\$26.65 per share respectively). The estimated fair values of the share options granted were measured using the Black Scholes option pricing model (six-month period ended 30 June 2014: Binomial option pricing model) as at the grant date which amounted to approximately HK\$25,766,000 (six-month period ended 30 June 2014: HK\$105,530,000) with fair value per option granted of HK\$8.28 per share (six-month period ended 30 June 2014: HK\$16.05 per share).

No share option was granted by Melcolot Limited during the six-month periods ended 30 June 2015 and 2014, and no share option was granted by EGT for period subsequent to the Acquisition Date.

The Group recognized total expenses of approximately HK\$47,122,000 for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: HK\$60,377,000) in relation to the share options granted.

Share award schemes

During the six-month period ended 30 June 2015, the Company granted a total of 3,000,000 shares of the Company (six-month period ended 30 June 2014: 2,200,000 shares) to the directors of the Company under the the Melco Share Purchase Scheme. A total of 1,310,600 awarded shares were vested immediately at the date of grant and 1,300,600, 198,400 and 190,400 of the awarded shares will be vested on 8 April 2016, 8 April 2017 and 8 April 2018 respectively. The fair value of the awarded shares amounted to HK\$42,720,000 which was determined with reference to the share price of the Company at the date of award of HK\$14.24 per share.

No share award was granted under the Melco Share Subscription Scheme for the six-month periods ended 30 June 2015 and 2014.

The Group recognized total expense of HK\$30,812,000 for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: HK\$40,639,000) in relation to share awards granted.

19. RELATED PARTY TRANSACTIONS

- a) Significant related party transactions are as follows:

	Six-month period ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Catering income received from directors and related companies	916	847
Service income received from associates	5,092	5,471
Service income received from a related company	120	120
Sales of gaming products to associates	41,798	–

The above balances/transactions with related companies are made with companies in which Mr. Ho, Lawrence Yau Lung, the Chairman and CEO and a substantial shareholder of the Company who has interests in more than 20% of the shares of the Company, and his family members have control.

- b) Compensation of key management personnel

The remuneration of directors and other members of key management during the period was as follows:

	Six-month period ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Short-term benefits	17,236	12,496
Post-employment benefits	64	56
Share-based payments	64,269	88,108
	81,569	100,660

The remuneration of directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

OTHER INFORMATION

INTERIM DIVIDEND

The board of directors of the Company (the “Board”) has resolved to declare an interim dividend of HK1.5 cents (corresponding period of 2014: HK11.6 cents) per share for the six-month period ended 30 June 2015 to shareholders whose names appear on the Register of Members of the Company on Thursday, 17 September 2015. The dividend is expected to be paid on Wednesday, 30 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Tuesday, 15 September 2015 to Thursday, 17 September 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all share certificates with completed transfer forms must be lodged with the Company’s share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 14 September 2015.

DIRECTORS’ INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group’s business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the six-month period ended 30 June 2015 or at any time during such period.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short position of each director and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (“SFO”)) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short position which the director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:

(I) Long positions in the shares and underlying shares of the Company

(a) Ordinary shares of the Company

Name of Director	Number of ordinary shares held			Total	Approximate % of total issued shares (Note 1)
	Personal interests (Note 2)	Corporate interests (Note 3)	Other interests (Note 4)		
Mr. Ho, Lawrence Yau Lung	27,699,132	443,229,077 ^(Note 5)	303,982,187 ^(Note 6)	774,910,396	50.10%
Mr. Tsui Che Yin, Frank	4,579,660	-	-	4,579,660	0.30%
Mr. Chung Yuk Man, Clarence	3,939,440	-	-	3,939,440	0.25%
Mr. Ng Ching Wo	76,000	-	-	76,000	0.005%
Mr. Sham Sui Leung, Daniel	76,000	-	-	76,000	0.005%
Dr. Tyen Kan Hee, Anthony	4,000	-	-	4,000	0.00%

(b) Share options and awarded shares granted by the Company

Name of Director	Number of underlying shares held pursuant to share options (Notes 2 & 7)	Number of awarded shares held (Notes 2 & 8)	Total	Approximate % of total issued shares (Note 1)
Mr. Ho, Lawrence Yau Lung	3,000,000	1,100,000	4,100,000	0.27%
Mr. Tsui Che Yin, Frank	3,326,000	96,000	3,422,000	0.22%
Mr. Chung Yuk Man, Clarence	2,770,000	98,000	2,868,000	0.19%
Mr. Ng Ching Wo	1,442,000	11,000	1,453,000	0.09%
Mr. Sham Sui Leung, Daniel	1,139,000	9,000	1,148,000	0.07%
Dr. Tyen Kan Hee, Anthony	937,000	9,000	946,000	0.06%

Notes:

- As at 30 June 2015, the total number of issued shares of the Company was 1,546,663,555.
- This represents interests held by the relevant director as beneficial owner.
- This represents interests held by the relevant director through his controlled corporations.
- This represents interests held by the relevant director through a discretionary trust of which the relevant director is one of the beneficiaries.
- The 443,229,077 shares relate to the 291,868,606 shares, 118,339,024 shares, 25,727,447 shares and 7,294,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited and The L3G Capital Trust respectively, representing approximately 18.87%, 7.65%, 1.66% and 0.47% of the issued shares of the Company. All of such companies/trust are owned by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies and trust.
- In addition to the deemed interests as stated in Note 5 above, Mr. Ho, Lawrence Yau Lung is also taken to have interests in the 303,982,187 shares held by Great Respect Limited, representing approximately 19.65% of the issued shares of the Company, by virtue of him being one of the beneficiaries of a discretionary family trust for the purpose of the SFO. Great Respect Limited is a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho, Lawrence Yau Lung and his immediate family members.
- Details of share options granted to the directors pursuant to the share option schemes of the Company are set out in the "Share Option Schemes" section of this report.
- Details of awarded shares granted to the directors pursuant to The Melco Share Purchase Scheme Trust are set out in the section headed "Share Award Schemes" of this report.

(II) Long positions in the shares and underlying shares of associated corporations of the Company

(A) MelcoLot Limited (“MelcoLot”) (a listed subsidiary of the Company)

(a) Ordinary shares of MelcoLot

Name of Director	Number of ordinary shares held			Total	Approximate % of total issued shares of MelcoLot (Note 1)
	Personal interests	Corporate interests (Note 3)	Other interests		
Mr. Ho, Lawrence Yau Lung	-	1,278,714,329 ^(Note 4)	-	1,278,714,329	40.65%

(b) Share options granted by MelcoLot

Name of Director	Number of underlying shares held pursuant to share options (Notes 2 & 5)	Approximate % of total issued shares of MelcoLot (Note 1)
Mr. Ho, Lawrence Yau Lung	11,769,871	0.37%
Mr. Tsui Che Yin, Frank	22,386,400	0.71%

Notes:

- As at 30 June 2015, the total number of issued shares of MelcoLot was 3,145,656,900.
- This represents interests held by the relevant director as beneficial owner.
- This represents interests held by the relevant director through his controlled corporations.
- By virtue of the SFO, Mr. Ho, Lawrence Yau Lung is taken to have interests in 1,278,714,329 shares of MelcoLot held by Melco LotVentures Holdings Limited, a wholly owned subsidiary of the Company, as a result of his interest in approximately 50.10% of the issued shares of the Company, which, in turn, holds approximately 40.65% of the issued shares of MelcoLot.
- Details of share options granted to the directors pursuant to the share option schemes of MelcoLot are set out in the section headed “Share Option Schemes” of this report.

(B) Entertainment Gaming Asia Inc. (“EGT”) (a listed subsidiary of the Company)

(a) Shares of EGT

Name of Director	Number of shares held ^(Note 1)			Total	Approximate % of total issued shares of EGT (Note 1)
	Personal interests (Note 2)	Corporate interests (Note 3)	Other interests		
Mr. Ho, Lawrence Yau Lung	-	9,378,074 ^(Note 4)	-	9,378,074	64.84%
Mr. Chung Yuk Man, Clarence	590,266	-	-	590,266	4.08%
Dr. Tyen Kan Hee, Anthony	7,500	-	-	7,500	0.05%

(b) Stock options granted by EGT

Name of Director	Number of underlying shares held pursuant to stock options (Notes 1, 2 & 5)	Approximate % of total issued shares of EGT (Note 1)
Mr. Chung Yuk Man, Clarence	288,750	2.00%
Mr. Sham Sui Leung, Daniel	9,375	0.06%
Dr. Tyen Kan Hee, Anthony	34,375	0.24%

Notes:

- EGT has effected a 1-for-4 reverse stock split (the “Reverse Stock Split”) of its shares with effect from 26 February 2015. As a result of the Reverse Stock Split, every four shares have been combined into one share. The number of shares, underlying shares in respect of stock options and the exercise prices of the stock options of EGT have been adjusted for the effect of the Reverse Stock Split. As at 30 June 2015, the total number of issued shares of EGT was 14,464,220.
- This represents interests held by the relevant director as beneficial owner.
- This represents interests held by the relevant director through his controlled corporations.
- By virtue of the SFO, Mr. Ho, Lawrence Yau Lung is taken to have interests in the 9,378,074 shares of EGT held by EGT Entertainment Holding Limited, a wholly owned subsidiary of the Company, as a result of his interest in approximately 50.10% of the issued shares of the Company, which, in turn, holds approximately 64.84% of the issued shares of EGT.
- Details of share options granted to the directors pursuant to the EGT 1999 Stock Option Plans and EGT 2008 Stock Incentive Plan are set out in the section headed “Share Option Schemes” of this report.

(C) *Melco Crown Entertainment Limited* (“*Melco Crown Entertainment*”)

(a) Ordinary shares of Melco Crown Entertainment

Name of Director	Number of ordinary shares held			Total	Approximate % of total issued shares of Melco Crown Entertainment (Note 1)
	Personal interests (Note 2)	Corporate interests (Note 3)	Other interests		
Mr. Ho, Lawrence Yau Lung	4,062,509	559,229,043 ^(Note 4)	559,229,043 ^(Note 5)	1,122,520,595	68.83%
Mr. Tsui Che Yin, Frank	11,850	-	-	11,850	0.001%
Mr. Chung Yuk Man, Clarence	33,034	-	-	33,034	0.002%

(b) Stock options and restricted shares granted by Melco Crown Entertainment

Name of Director	Number of underlying shares held pursuant to stock options (Notes 2 & 6)	Number of restricted shares held (Notes 2 & 7)	Total	Approximate % of total issued shares of Melco Crown Entertainment (Note 1)
Mr. Ho, Lawrence Yau Lung	6,947,973	565,750	7,513,723	0.46%
Mr. Chung Yuk Man, Clarence	194,664	27,810	222,474	0.01%

Notes:

1. As at 30 June 2015, the total number of issued shares of Melco Crown Entertainment was 1,630,924,523.
2. This represents interests held by the relevant director as beneficial owner.
3. This represents interests held by the relevant director through his controlled corporations.
4. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung is taken to be interested in 559,229,043 shares of Melco Crown Entertainment which are being held by Melco Leisure and Entertainment Group Limited (“Melco Leisure”), a wholly owned subsidiary of the Company, as a result of his interest in approximately 50.10% of the issued shares of the Company.

5. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung is also taken to be interested in 559,229,043 shares of Melco Crown Entertainment which are being held by Crown Asia Investments Pty. Ltd. ("Crown Asia") because of the rights of first refusal over such shares granted by Crown Asia to Melco Leisure under the amended and restated shareholders' deed entered into among Melco Crown Entertainment, Melco Leisure, the Company, Crown Asia and Crown Resorts Limited (formerly known as Crown Limited) dated 12 December 2007, as a result of his interest in approximately 50.10% of the issued shares of the Company.

6. Details of the 6,947,973 stock options held by Mr. Ho, Lawrence Yau Lung are as follows:

- 2,898,774 stock options granted on 17 March 2009 at exercise price of US\$1.09 are divided into 4 tranches exercisable from 17 March 2010, 17 March 2011, 17 March 2012 and 17 March 2013 respectively to 16 March 2019
- 755,058 stock options granted on 25 November 2009 at exercise price of US\$1.43 are divided into 4 tranches exercisable from 25 November 2010, 25 November 2011, 25 November 2012 and 25 November 2013 respectively to 17 March 2018
- 1,446,498 stock options granted on 23 March 2011 at exercise price of US\$2.52 are divided into 3 tranches exercisable from 23 March 2012, 23 March 2013 and 23 March 2014 respectively to 22 March 2021
- 474,399 stock options granted on 29 March 2012 at exercise price of US\$4.70 are divided into 3 tranches exercisable from 29 March 2013, 29 March 2014 and 29 March 2015 respectively to 28 March 2022
- 362,610 stock options granted on 10 May 2013 at exercise price of US\$8.42 are divided into 3 tranches exercisable from 10 May 2014, 10 May 2015 and 10 May 2016 respectively to 9 May 2023
- 320,343 stock options granted on 28 March 2014 at exercise price of US\$12.98 are exercisable from 28 March 2017 to 27 March 2024
- 690,291 stock options granted on 30 March 2015 at exercise price of US\$7.48 are exercisable from 30 March 2018 to 29 March 2025

Details of the 194,664 stock options held by Mr. Chung Yuk Man, Clarence are as follows:

- 56,628 stock options granted on 18 March 2008 at exercise price of US\$4.01 are divided into 4 tranches exercisable from 18 March 2009, 18 March 2010, 18 March 2011 and 18 March 2012 respectively to 17 March 2018
- 138,036 stock options granted on 17 March 2009 at exercise price of US\$1.09 are divided into 4 tranches exercisable from 17 March 2010, 17 March 2011, 17 March 2012 and 17 March 2013 respectively to 16 March 2019

7. Details of the 565,750 restricted shares held by Mr. Ho, Lawrence Yau Lung are as follows:

- 60,435 restricted shares will vest on 10 May 2016
- 160,171 restricted shares will vest on 28 March 2017
- 345,144 restricted shares will vest on 30 March 2018

Details of the 27,810 restricted shares held by Mr. Chung Yuk Man, Clarence are as follows:

- 4,833 restricted shares will vest on 10 May 2016
- One half of the 6,408 restricted shares will vest on each of the following dates: 28 March 2016 and 28 March 2017
- One third of the 16,569 restricted shares will vest on each of the following dates: 30 March 2016, 30 March 2017 and 30 March 2018

(D) *Melco Crown (Philippines) Resorts Corporation ("Melco Crown Philippines")*

(a) Ordinary shares of Melco Crown Philippines

Name of Director	Number of ordinary shares held (Note 2)	Approximate % of total issued shares of Melco Crown Philippines (Note 1)
Mr. Ho, Lawrence Yau Lung	5,202,426	0.11%
Mr. Chung Yuk Man, Clarence	3,692,924	0.07%

(b) Share options and restricted shares granted by Melco Crown Philippines

Name of Director	Number of underlying shares held pursuant to share options (Notes 2 & 3)	Number of restricted shares held (Notes 2 & 4)	Total	Approximate % of issued shares of Melco Crown Philippines (Note 1)
Mr. Ho, Lawrence Yau Lung	15,607,276	2,601,212	18,208,488	0.37%
Mr. Chung Yuk Man, Clarence	10,404,851	2,183,423	12,588,274	0.25%

Notes:

1. As at 30 June 2015, the total number of issued shares of Melco Crown Philippines (a listed subsidiary of Melco Crown Entertainment) was 4,949,799,318.
2. This represents interests held by the relevant director as beneficial owner.
3. The share options granted on 28 June 2013 at exercise price of PHP8.30 are divided into 3 tranches exercisable from 4 March 2015, 29 April 2015 and 29 April 2016 respectively to 27 June 2023.

4. Details of the 2,601,212 restricted shares held by Mr. Ho, Lawrence Yau Lung are as follows:

- 2,601,212 restricted shares will vest on 29 April 2016

Details of the 2,183,423 restricted shares held by Mr. Chung Yuk Man, Clarence are as follows:

- 1,734,141 restricted shares will vest on 29 April 2016
- One half of the 449,282 restricted shares will vest on each of the following dates: 30 May 2016 and 30 May 2017

Save as disclosed above, as at 30 June 2015, none of the directors or chief executive of the Company and their respective associates had any interests or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEMES

(I) The Company

The share option scheme adopted on 8 March 2002 (the “2002 Share Option Scheme”) had expired on 7 March 2012. No options may be and have been granted under that scheme after the expiry date, but the options granted before the expiry date continue to be valid and exercisable in accordance with their terms of issue. Subject to the aforesaid, the provisions of the 2002 Share Option Scheme remain in full force and effect, notwithstanding the expiry of the scheme.

At the annual general meeting of the Company held on 30 May 2012, the shareholders of the Company approved the adoption of a new share option scheme (the “2012 Share Option Scheme”), under which the directors of the Company may, at their discretion, grant to participants of the 2012 Share Option Scheme options to subscribe for the Company’s shares, subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme will expire on 29 May 2022.

Movements of share options granted under the 2002 Share Option Scheme and 2012 Share Option Scheme during the six-month period ended 30 June 2015 are set out below:

Under the 2002 Share Option Scheme

Category of participants	Number of share options					As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period				
Directors									
Mr. Ho, Lawrence Yau Lung	200,000	-	(200,000)	-	-	-	07.04.2010	3.76	6
	200,000	-	(200,000)	-	-	-			
Mr. Tsui Che Yin, Frank	170,000	-	-	-	-	170,000	07.04.2010	3.76	6
	1,200,000	-	-	-	-	1,200,000	27.01.2012	7.1	8
	1,370,000	-	-	-	-	1,370,000			
Mr. Chung Yuk Man, Clarence	307,000	-	-	-	-	307,000	13.02.2006	11.8	9
	170,000	-	-	-	-	170,000	07.04.2010	3.76	6
	330,000	-	-	-	-	330,000	27.01.2012	7.1	8
	807,000	-	-	-	-	807,000			
Mr. Ng Ching Wo	300,000	-	-	-	-	300,000	03.04.2006	15.87	10
	51,000	-	-	-	-	51,000	28.02.2008	11.5	11
	91,000	-	-	-	-	91,000	03.04.2009	2.99	5
	60,000	-	-	-	-	60,000	07.04.2010	3.76	12
	350,000	-	-	-	-	350,000	08.04.2011	5.75	7
	210,000	-	-	-	-	210,000	27.01.2012	7.1	8
	1,062,000	-	-	-	-	1,062,000			
Sir Roger Lobo ^(Note 2)	300,000	-	-	-	(300,000)	-	03.04.2006	15.87	10
	51,000	-	-	-	(51,000)	-	28.02.2008	11.5	11
	91,000	-	-	-	(91,000)	-	03.04.2009	2.99	5
	60,000	-	-	-	(60,000)	-	07.04.2010	3.76	12
	350,000	-	-	-	(350,000)	-	08.04.2011	5.75	7
	210,000	-	-	-	(210,000)	-	27.01.2012	7.1	8
	1,062,000	-	-	-	(1,062,000)	-			

Under the 2002 Share Option Scheme – *continued*

Category of participants	Number of share options					As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period				
Mr. Sham Sui Leung, Daniel	51,000	-	-	-	-	51,000	28.02.2008	11.5	11
	91,000	-	-	-	-	91,000	03.04.2009	2.99	5
	60,000	-	-	-	-	60,000	07.04.2010	3.76	12
	350,000	-	-	-	-	350,000	08.04.2011	5.75	7
	210,000	-	-	-	-	210,000	27.01.2012	7.1	8
	<u>762,000</u>	-	-	-	-	<u>762,000</u>			
Dr. Tyen Kan Hee, Anthony	350,000	-	-	-	-	350,000	08.04.2011	5.75	7
	210,000	-	-	-	-	210,000	27.01.2012	7.1	8
	<u>560,000</u>	-	-	-	-	<u>560,000</u>			
Sub-total	<u>5,823,000</u>	-	<u>(200,000)</u>	-	<u>(1,062,000)</u>	<u>4,561,000</u>			
Employees	380,000	-	-	-	-	380,000	13.02.2006	11.8	13
	91,300	-	-	-	-	91,300	01.04.2008	10.804	4
	111,000	-	-	-	-	111,000	03.04.2009	2.99	5
	645,000	-	-	-	-	645,000	07.04.2010	3.76	6
	1,032,000	-	-	-	-	1,032,000	08.04.2011	5.75	7
	2,463,400	-	-	-	-	2,463,400	27.01.2012	7.1	8
Sub-total	<u>4,722,700</u>	-	-	-	-	<u>4,722,700</u>			
Others	2,912,000	-	-	-	-	2,912,000	13.02.2006	11.8	13
	300,000	-	-	-	300,000	600,000	03.04.2006	15.87	10
	51,000	-	-	-	51,000	102,000	28.02.2008	11.5	11
	110,200	-	-	-	-	110,200	01.04.2008	10.804	4
	120,000	-	-	-	91,000	211,000	03.04.2009	2.99	5
	260,000	-	-	-	60,000	320,000	07.04.2010	3.76	6
	186,000	-	-	-	350,000	536,000	08.04.2011	5.75	7
	411,000	-	-	-	210,000	621,000	27.01.2012	7.1	8
Sub-total	<u>4,350,200</u>	-	-	-	<u>1,062,000</u>	<u>5,412,200</u>			
Total	<u>14,895,900</u>	-	<u>(200,000)</u>	-	-	<u>14,695,900</u>			

Under the 2012 Share Option Scheme

Category of participants	Number of share options					As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period				
Directors									
Mr. Ho, Lawrence	1,500,000	-	-	-	-	1,500,000	03.04.2014	26.65	15
Yau Lung	-	1,500,000	-	-	-	1,500,000	08.04.2015	14.24	18
	1,500,000	1,500,000	-	-	-	3,000,000			
Mr. Tsui Che Yin,	1,000,000	-	-	-	-	1,000,000	02.04.2013	13.4	14
Frank	700,000	-	-	-	-	700,000	03.04.2014	26.65	16
	-	256,000	-	-	-	256,000	08.04.2015	14.24	19
	1,700,000	256,000	-	-	-	1,956,000			
Mr. Chung Yuk Man,	1,000,000	-	-	-	-	1,000,000	02.04.2013	13.4	14
Clarence	700,000	-	-	-	-	700,000	03.04.2014	26.65	16
	-	263,000	-	-	-	263,000	08.04.2015	14.24	19
	1,700,000	263,000	-	-	-	1,963,000			
Mr. Ng Ching Wo	200,000	-	-	-	-	200,000	02.04.2013	13.4	14
	150,000	-	-	-	-	150,000	03.04.2014	26.65	16
	-	30,000	-	-	-	30,000	08.04.2015	14.24	19
	350,000	30,000	-	-	-	380,000			
Sir Roger Lobo ^(Note 2)	200,000	-	-	-	(200,000)	-	02.04.2013	13.4	14
	150,000	-	-	-	(150,000)	-	03.04.2014	26.65	16
	-	30,000	-	(30,000)	-	-	08.04.2015	14.24	19
	350,000	30,000	-	(30,000)	(350,000)	-			

Under the 2012 Share Option Scheme – *continued*

Category of participants	Number of share options					As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	Reclassified during the period				
Mr. Sham Sui Leung, Daniel	200,000	-	-	-	-	200,000	02.04.2013	13.4	14
	150,000	-	-	-	-	150,000	03.04.2014	26.65	16
	-	27,000	-	-	-	27,000	08.04.2015	14.24	19
	350,000	27,000	-	-	-	377,000			
Dr. Tyen Kan Hee, Anthony	200,000	-	-	-	-	200,000	02.04.2013	13.4	14
	150,000	-	-	-	-	150,000	03.04.2014	26.65	16
	-	27,000	-	-	-	27,000	08.04.2015	14.24	19
	350,000	27,000	-	-	-	377,000			
Sub-total	6,300,000	2,133,000	-	(30,000)	(350,000)	8,053,000			
Employees	2,564,000	-	-	-	-	2,564,000	02.04.2013	13.4	14
	2,831,000	-	-	-	-	2,831,000	03.04.2014	26.65	16
	200,000	-	-	-	-	200,000	29.08.2014	20.83	17
	-	937,000	-	-	-	937,000	08.04.2015	14.24	19
Sub-total	5,595,000	937,000	-	-	-	6,532,000			
Others	499,000	-	-	-	200,000	699,000	02.04.2013	13.4	14
	245,000	-	-	-	150,000	395,000	03.04.2014	26.65	16
	-	43,000	-	-	-	43,000	08.04.2015	14.24	19
Sub-total	744,000	43,000	-	-	350,000	1,137,000			
Total	12,639,000	3,113,000	-	(30,000)	-	15,722,000			

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. Sir Roger Lobo, an independent non-executive director of the Company, passed away on 18 April 2015.
3. During the six-month period ended 30 June 2015, no share options were cancelled under the 2002 Share Option Scheme and 2012 Share Option Scheme. In respect of the share options exercised during the period, the weighted average closing price of the shares of the Company immediately before the date on which the share options were exercised was HK\$13.32.

4. The share options granted on 1 April 2008 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 31 March 2018.
5. The share options granted on 3 April 2009 are divided into 3 tranches exercisable from 3 April 2010, 3 April 2011 and 3 April 2012 respectively to 2 April 2019.
6. The share options granted on 7 April 2010 are divided into 6 tranches exercisable from 7 April 2010, 7 April 2011, 7 April 2012, 7 April 2013, 7 April 2014 and 7 April 2015 respectively to 6 April 2020.
7. The share options granted on 8 April 2011 are divided into 4 tranches exercisable from 5 May 2011, 8 April 2012, 8 April 2013 and 8 April 2014 respectively to 7 April 2021.
8. The share options granted on 27 January 2012 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022.
9. The share options granted on 13 February 2006 are divided into 3 tranches exercisable from 1 April 2008, 1 April 2010 and 1 April 2012 respectively to 31 January 2016.
10. The share options granted on 3 April 2006 are divided into 3 tranches exercisable from 3 April 2008, 3 April 2010 and 3 April 2012 respectively to 2 April 2016.
11. The share options granted on 28 February 2008 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 27 February 2018.
12. The share options granted on 7 April 2010 are divided into 3 tranches exercisable from 7 April 2011, 7 April 2012 and 7 April 2013 respectively to 6 April 2020.
13. The share options granted on 13 February 2006 are divided into 6 tranches exercisable from 1 April 2008, 1 April 2010, 1 April 2012, 3 April 2008, 3 April 2010 and 3 April 2012 respectively to 31 January 2016.
14. The share options granted on 2 April 2013 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023.
15. The share options granted on 3 April 2014 are divided into 2 tranches exercisable from 3 April 2014 and 3 April 2015 respectively to 2 April 2024.
16. The share options granted on 3 April 2014 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024.
17. The share options granted on 29 August 2014 are divided into 3 tranches exercisable from 11 August 2016, 11 August 2017 and 11 August 2018 to 28 August 2024.
18. The share options granted on 8 April 2015 are divided into 2 tranches exercisable from 8 April 2015 and 8 April 2016 to 7 April 2025.
19. The share options granted on 8 April 2015 are divided into 4 tranches exercisable from 8 April 2015, 8 April 2016, 8 April 2017 and 8 April 2018 to 7 April 2025.
20. The category “Others” represents the former directors/employees or consultants of the Group.

During the six-month period ended 30 June 2015, the Company granted a total of 3,113,000 share options to directors and certain employees and consultants of the Company under the 2012 Share Option Scheme on 8 April 2015. The validity period of the options is ten years, from 8 April 2015 to 7 April 2025. The options will entitle the grantees to subscribe for a total of 3,113,000 shares at an exercise price of HK\$14.24 per share of the Company. The closing price of the shares of the Company immediately before the date on which the options were granted was HK\$13.16.

The estimated fair values of the 3,113,000 share options granted on 8 April 2015 was approximately HK\$25,766,000. The fair value per option granted during the six-month period ended 30 June 2015 was HK\$8.28.

The Black-Scholes Model was used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model are as follows:

Grant date of the share options	8 April 2015	3 April 2014
Valuation model	Black-Scholes	Binominal
Exercise price	HK\$14.24	HK\$26.65
Expected volatility	56%	61%
Expected life	10 years	10 years
Risk-free rate	1.37%	2.36%
Expected dividend yield	0.56%	0.80%
Suboptimal exercise factor	N/A	3.2 – 3.8

Expected volatility was determined by using the historical volatility of the Company's share price over the previous years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group and the Company recognised total expenses of approximately HK\$33,461,000 for the six-month period ended 30 June 2015 (six-month period ended 30 June 2014: HK\$57,152,000) in relation to the share options granted by the Company.

(II) MelcoLot

The share option scheme adopted by MelcoLot on 20 April 2002 (the “MelcoLot 2002 Share Option Scheme”) had expired on 20 April 2012. No options may be and have been granted under that scheme after the expiry date, but the options granted before the expiry date continue to be valid and exercisable in accordance with their terms of issue. Subject to the aforesaid, the provisions of the MelcoLot 2002 Share Option Scheme remain in full force and effect, notwithstanding the expiry of the scheme.

At the annual general meeting of MelcoLot held on 18 May 2012, the shareholders of MelcoLot approved the adoption of a new share option scheme (the “MelcoLot 2012 Share Option Scheme”), under which the directors of MelcoLot may grant options to eligible persons to subscribe for the shares of MelcoLot, subject to the terms and conditions stipulated therein. Unless otherwise cancelled or amended, the MelcoLot 2012 Share Option Scheme will remain valid for a period of 10 years from the date of its adoption.

Movements of share options granted under the MelcoLot 2002 Share Option Scheme and MelcoLot 2012 Share Option Scheme during the six-month period ended 30 June 2015 are set out below:

(i) Share options granted to the directors of the Company

Name of Director	Number of share options				As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period				
Under MelcoLot 2012 Share Option Scheme								
Mr. Ho, Lawrence Yau Lung	7,385,871	-	-	-	7,385,871	02.07.2013	0.511	9
	4,384,000	-	-	-	4,384,000	11.08.2014	1.14	10
Mr. Tsui Che Yin, Frank	6,386,400	-	-	-	6,386,400	02.07.2013	0.511	9
	16,000,000	-	-	-	16,000,000	11.08.2014	1.14	10
Total	34,156,271	-	-	-	34,156,271			

(ii) Share options granted to other eligible participants

	Number of share options				As at 30 June 2015	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period				
Under MelcoLot 2002 Share Option Scheme								
Other eligible participants	52,300	-	-	-	52,300	12.01.2007	0.063	4
	3,143,610	-	-	-	3,143,610	31.03.2008	0.638	5
	2,956,728	-	-	-	2,956,728	16.02.2009	0.215	6
	502,084	-	(111,574)	-	390,510	10.07.2009	0.263	7
	446,297	-	-	-	446,297	18.11.2010	0.109	8
Total	7,101,019	-	(111,574)	-	6,989,445			
Under MelcoLot 2012 Share Option Scheme								
Other eligible participants	17,562,600	-	-	-	17,562,600	02.07.2013	0.511	9
	61,324,000	-	-	-	61,324,000	11.08.2014	1.14	10
Total	78,886,600	-	-	-	78,886,600			

Notes:

- For the six-month period ended 30 June 2015, no share options were cancelled under MelcoLot 2002 Share Option Scheme and MelcoLot 2012 Share Option Scheme. In respect of the share options exercised during the period, the weighted average closing price of the shares of MelcoLot immediately before the date on which the share options were exercised was HK\$0.49.
- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- The exercise price and the number of share options granted from 2007 to 2013 have been adjusted for the effect of the open offer which took place in May 2014.
- The share options granted on 12 January 2007 are divided into 4 tranches exercisable from 12 January 2008, 12 January 2009, 12 January 2010 and 12 January 2011 respectively to 11 January 2017.
- The share options granted on 31 March 2008 are divided into 2 tranches exercisable from 30 September 2008 and 31 March 2009 respectively to 30 March 2018.
- The share options granted on 16 February 2009 are divided into 3 tranches exercisable from 16 February 2010, 16 February 2011 and 16 February 2012 respectively to 15 February 2019.
- The share options granted on 10 July 2009 are divided into 3 tranches exercisable from 10 July 2010, 10 July 2011 and 10 July 2012 respectively to 9 July 2019.
- The share options granted on 18 November 2010 are divided into 2 tranches exercisable from 18 May 2011 and 18 November 2011 respectively to 17 November 2020.

9. The share options granted on 2 July 2013 are divided into 4 tranches exercisable from 2 July 2013, 2 July 2014, 2 July 2015 and 2 July 2016 respectively to 1 July 2023.
10. The share options granted on 11 August 2014 are divided into 3 tranches exercisable from 11 August 2014, 11 August 2015 and 11 August 2016 respectively to 10 August 2024.
11. “Other eligible participants” represents the directors (other than the directors of the Company), employees or consultants of MelcoLot.

(III) EGT

At the annual shareholders meeting of EGT held on 8 September 2008, a new stock option plan (the “EGT 2008 Stock Incentive Plan”) was voted on and became effective on 1 January 2009, which replaced two previous plans, the Amended and Restated 1999 Stock Option Plan and the Amended and Restated 1999 Directors’ Stock Option Plan (the “EGT 1999 Stock Option Plans”). Although the EGT 1999 Stock Option Plans terminated on 31 December 2008, the stock options granted thereunder that were outstanding as of the date of termination shall remain outstanding and subject to termination according to their terms.

The EGT 2008 Stock Incentive Plan allows for incentive awards to eligible recipients consisting of:

- Options to purchase shares that qualify as incentive stock options within the meaning of the Internal Revenue Code in the United States;
- Non-statutory stock options that do not qualify as incentive options;
- Restricted stock awards; and
- Performance stock awards which are subject to future achievement of performance criteria or free of any performance or vesting.

Movements of the stock options, which were granted under the EGT 1999 Stock Option Plans and EGT 2008 Stock Incentive Plan, during the six-month period ended 30 June 2015, are set out below:

(i) *Stock options granted to the Directors of the Company*

Name of Director	Number of stock options				As at 30 June 2015	Date of grant	Exercise price US\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period				
Under EGT 1999 Stock Option Plans								
Mr. Chung Yuk Man, Clarence	1,875	-	-	-	1,875	22.01.2008	57.92	3
	6,250	-	-	-	6,250	12.02.2008	73.44	4
	125,000	-	-	-	125,000	29.12.2008	2.72	5
Mr. Sham Sui Leung, Daniel	6,250	-	-	-	6,250	11.12.2008	1.28	15
Dr. Tyen Kan Hee, Anthony	6,250	-	-	-	6,250	11.12.2008	1.28	15
Total	145,625	-	-	-	145,625			
Under EGT 2008 Stock Incentive Plan								
Mr. Chung Yuk Man, Clarence	3,125	-	-	-	3,125	12.02.2009	2.08	6
	3,125	-	-	-	3,125	07.01.2010	4.64	7
	31,250	-	-	-	31,250	22.01.2010	4.4	8
	34,375	-	-	-	34,375	03.02.2011	5.76	9
	43,750	-	-	-	43,750	03.01.2012	3.696	10
	6,250	-	-	-	6,250	02.01.2013	7.86	11
	16,250	-	-	-	16,250	02.01.2013	7.86	12
	6,250	-	-	-	6,250	02.01.2014	4.844	13
	25,000	-	-	(13,750)	11,250	02.01.2014	4.844	14
Mr. Sham Sui Leung, Daniel	3,125	-	-	-	3,125	12.02.2009	2.08	6
Dr. Tyen Kan Hee, Anthony	3,125	-	-	-	3,125	12.02.2009	2.08	6
	3,125	-	-	-	3,125	07.01.2010	4.64	7
	3,125	-	-	-	3,125	03.02.2011	5.76	16
	6,250	-	-	-	6,250	03.01.2012	3.696	17
	6,250	-	-	-	6,250	02.01.2013	7.86	11
	6,250	-	-	-	6,250	02.01.2014	4.844	18
Total	200,625	-	-	(13,750)	186,875			

(ii) *Stock options granted to other eligible participants*

	Number of stock options				As at 30 June 2015	Date of grant	Exercise price US\$	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period				
Under EGT 1999 Stock Option Plans								
Other eligible participants	56	-	-	(56)	-	05.01.2005	26.836	23
	625	-	-	(625)	-	16.02.2005	29.28	19
	3,125	-	-	-	3,125	07.11.2005	48.00	24
	625	-	-	-	625	30.01.2006	48.48	20
	1,875	-	-	-	1,875	06.03.2007	38.88	21
	313	-	-	-	313	07.03.2007	38.339	22
	313	-	-	-	313	07.03.2007	38.339	25
	1,000	-	-	-	1,000	10.09.2007	49.76	26
	7,500	-	-	-	7,500	22.01.2008	57.92	3
	7,813	-	-	-	7,813	12.02.2008	67.516	27
	12,438	-	-	-	12,438	12.02.2008	73.44	28
	12,500	-	-	-	12,500	21.05.2008	19.52	29
	12,500	-	-	-	12,500	11.12.2008	1.28	15
	28,126	-	-	-	28,126	11.12.2008	1.28	30
Total	88,809	-	-	(681)	88,128			
Under EGT 2008 Stock Incentive Plan								
Other eligible participants	18,750	-	-	-	18,750	12.02.2009	2.08	6
	9,375	-	-	-	9,375	07.01.2010	4.64	7
	37,501	-	-	-	37,501	12.03.2010	4.16	31
	34,377	-	-	-	34,377	13.05.2010	4.24	32
	4,688	-	-	-	4,688	17.08.2010	3.84	33
	150,907	-	-	-	150,907	03.02.2011	5.76	34
	9,375	-	-	-	9,375	03.02.2011	5.76	16
	18,750	-	-	-	18,750	03.01.2012	3.696	17
	6,250	-	-	-	6,250	20.07.2012	8.676	37
	3,750	-	-	-	3,750	07.09.2012	8.564	35
	18,750	-	-	-	18,750	02.01.2013	7.86	11
	18,750	-	-	-	18,750	11.03.2013	7.496	36
	18,750	-	-	-	18,750	02.01.2014	4.844	18
Total	349,973	-	-	-	349,973			

Notes:

- EGT has effected the Reverse Stock Split with effect from 26 February 2015. As a result of the Reverse Stock Split, every four shares have been combined into one share. The exercise prices and number of stock options granted from 2005 to 2014 have been adjusted for the effect of the Reverse Stock Split.
- The vesting period of the stock options is from the date of grant until the commencement of the exercise period.
- The stock options granted on 22 January 2008 may be exercised from 23 July 2008 to 22 January 2018.

4. The stock options granted on 12 February 2008 may be exercised from 15 May 2008 to 14 November 2017.
5. The stock options granted on 29 December 2008 may be exercised from 29 December 2009 to 29 December 2018.
6. The stock options granted on 12 February 2009 may be exercised from 13 August 2009 to 12 February 2019.
7. The stock options granted on 7 January 2010 may be exercised from 8 July 2010 to 7 January 2020.
8. The stock options granted on 22 January 2010 may be exercised from 1 January 2011 to 22 January 2020.
9. The stock options granted on 3 February 2011 are divided into 2 tranches exercisable from 4 August 2011 and 1 January 2012 respectively to 3 February 2021.
10. The stock options granted on 3 January 2012 are divided into 2 tranches exercisable from 4 July 2012 and 1 January 2013 respectively to 3 January 2022.
11. The stock options granted on 2 January 2013 may be exercised from 3 July 2013 to 2 January 2023.
12. The stock options granted on 2 January 2013 may be exercised from 2 January 2016 to 2 January 2023.
13. The stock options granted on 2 January 2014 may be exercised from 3 July 2014 to 2 January 2024.
14. The stock options granted on 2 January 2014 may be exercised from 2 January 2017 to 2 January 2024.
15. The stock options granted on 11 December 2008 may be exercised from 12 June 2009 to 11 December 2018.
16. The stock options granted on 3 February 2011 may be exercised from 4 August 2011 to 3 February 2021.
17. The stock options granted on 3 January 2012 may be exercised from 4 July 2012 to 3 January 2022.
18. The stock options granted on 3 January 2014 may be exercised from 3 July 2014 to 2 January 2024.
19. The stock options granted on 16 February 2005 may be exercised from 17 August 2005 to 16 February 2015.
20. The stock options granted on 20 January 2006 may be exercised from 31 July 2006 to 30 January 2016.
21. The stock options granted on 6 March 2007 may be exercised from 7 September 2007 to 6 March 2017.
22. The stock options granted on 7 March 2007 may be exercised from 8 September 2007 to 7 March 2017.
23. The stock options granted on 5 January 2005 may be exercised from 5 January 2005 to 5 January 2015.
24. The stock options granted on 7 November 2005 are divided into 2 tranches exercisable from 7 November 2007 and 7 November 2008 respectively to 7 November 2015.

25. The stock options granted on 7 March 2007 may be exercised from 8 September 2007 to 7 March 2017.
26. The stock options granted on 10 September 2007 may be exercised from 18 November 2007 to 10 September 2017.
27. The stock options granted on 12 February 2008 are divided into 3 tranches exercisable from 14 November 2008, 14 November 2009 and 14 November 2010 respectively to 14 November 2017.
28. The stock options granted on 12 February 2008 may be exercised from 13 August 2008 to 14 November 2017.
29. The stock options granted on 21 May 2008 are divided into 3 tranches exercisable from 21 May 2009, 21 May 2010 and 21 May 2011 respectively to 21 May 2018.
30. The stock options granted on 11 December 2008 are divided into 3 tranches exercisable from 11 December 2009, 11 December 2010 and 11 December 2011 respectively to 11 December 2018.
31. The stock options granted on 12 March 2010 may be exercised from 12 March 2011 to 12 March 2020.
32. The stock options granted on 13 May 2010 are divided into 3 tranches exercisable from 13 May 2011, 13 May 2012 and 13 May 2013 respectively to 13 May 2020.
33. The stock options granted on 17 August 2010 are divided into 3 tranches exercisable from 17 August 2011, 17 August 2012 and 17 August 2013 respectively to 17 August 2020.
34. The stock options granted on 3 February 2011 are divided into 3 tranches exercisable from 3 February 2012, 3 February 2013 and 3 February 2014 respectively to 3 February 2021.
35. The stock options granted on 7 September 2012 are divided into 3 tranches exercisable from 7 September 2013, 7 September 2014 and 7 September 2015 respectively to 7 September 2022.
36. The stock options granted on 11 March 2013 are divided into 3 tranches exercisable from 11 March 2014, 11 March 2015 and 11 March 2016 respectively to 11 March 2023.
37. The stock options granted on 20 July 2012 are divided into 3 tranches exercisable from 20 July 2013, 20 July 2014 and 20 July 2015 respectively to 20 July 2022.
38. No stock options were cancelled under the EGT 1999 Stock Option Plans and EGT 2008 Stock Incentive Plan during the six-month period ended 30 June 2015.
39. "Other eligible participants" represents the directors (other than the directors of the Company), employees or consultants of EGT.

SHARE AWARD SCHEMES

On 18 October 2007, the Company adopted two share incentive award schemes, namely The Melco Share Purchase Scheme Trust (the “Share Purchase Scheme”) and The Melco Share Award Scheme Trust (the “Share Subscription Scheme”).

The purpose of the Share Purchase Scheme and the Share Subscription Scheme is to recognize the contributions of the directors, employees and consultants of the Group and provide them with incentives so as to retain them for the continual operation and development of the Group and to attract suitable personnel for the future development of the Group. The shares of the Company to be awarded pursuant to the Share Purchase Scheme and/or the Share Subscription Scheme may be awarded in such manner as the Board may determine from time to time. The shares awarded to the grantees under the Share Purchase Scheme will be settled by the shares of the Company purchased in the market whereas the shares awarded to the grantees under the Share Subscription Scheme will be settled by allotment of new shares of the Company.

(a) Share Purchase Scheme

Movements of the awarded shares, which were granted pursuant to the terms of the rules and trust deed of the Share Purchase Scheme, during the six-month period ended 30 June 2015 are set out below:

Category of participants	Number of awarded shares				As at 30 June 2015	Date of award	Vesting date
	As at 1 January 2015	Awarded during the period	Vested during the period	Lapsed during the period			
Directors							
Mr. Ho, Lawrence	1,100,000	-	(1,100,000)	-	-	03.04.2014	03.04.2015
Yau Lung	-	1,100,000	(1,100,000)	-	-	08.04.2015	08.04.2015
	-	1,100,000	-	-	1,100,000	08.04.2015	08.04.2016
	1,100,000	2,200,000	(2,200,000)	-	1,100,000		
Mr. Tsui Che Yin,	-	32,000	(32,000)	-	-	08.04.2015	08.04.2015
Frank	-	32,000	-	-	32,000	08.04.2015	08.04.2016
	-	32,000	-	-	32,000	08.04.2015	08.04.2017
	-	32,000	-	-	32,000	08.04.2015	08.04.2018
	-	128,000	(32,000)	-	96,000		
Mr. Chung Yuk Man,	-	33,000	(33,000)	-	-	08.04.2015	08.04.2015
Clarence	-	33,000	-	-	33,000	08.04.2015	08.04.2016
	-	33,000	-	-	33,000	08.04.2015	08.04.2017
	-	32,000	-	-	32,000	08.04.2015	08.04.2018
	-	131,000	(33,000)	-	98,000		

(a) Share Purchase Scheme – continued

Category of participants	Number of awarded shares				As at 30 June 2015	Date of award	Vesting date
	As at 1 January 2015	Awarded during the period	Vested during the period	Lapsed during the period			
Sir Roger Lobo*	-	4,000	(4,000)	-	-	08.04.2015	08.04.2015
	-	4,000	-	(4,000)	-	08.04.2015	08.04.2016
	-	4,000	-	(4,000)	-	08.04.2015	08.04.2017
	-	3,000	-	(3,000)	-	08.04.2015	08.04.2018
	-	15,000	(4,000)	(11,000)	-		
Mr. Ng Ching Wo	-	4,000	(4,000)	-	-	08.04.2015	08.04.2015
	-	4,000	-	-	4,000	08.04.2015	08.04.2016
	-	4,000	-	-	4,000	08.04.2015	08.04.2017
	-	3,000	-	-	3,000	08.04.2015	08.04.2018
	-	15,000	(4,000)	-	11,000		
Mr. Sham Sui Leung, Daniel	-	4,000	(4,000)	-	-	08.04.2015	08.04.2015
	-	3,000	-	-	3,000	08.04.2015	08.04.2016
	-	3,000	-	-	3,000	08.04.2015	08.04.2017
	-	3,000	-	-	3,000	08.04.2015	08.04.2018
	-	13,000	(4,000)	-	9,000		
Dr. Tyen Kan Hee, Anthony	-	4,000	(4,000)	-	-	08.04.2015	08.04.2015
	-	3,000	-	-	3,000	08.04.2015	08.04.2016
	-	3,000	-	-	3,000	08.04.2015	08.04.2017
	-	3,000	-	-	3,000	08.04.2015	08.04.2018
	-	13,000	(4,000)	-	9,000		
Sub-total	1,100,000	2,515,000	(2,281,000)	(11,000)	1,323,000		
Employees	-	123,600	(123,600)	-	-	08.04.2015	08.04.2015
	-	116,600	-	-	116,600	08.04.2015	08.04.2016
	-	114,400	-	-	114,400	08.04.2015	08.04.2017
	-	109,400	-	-	109,400	08.04.2015	08.04.2018
Sub-total	-	464,000	(123,600)	-	340,400		
Consultants	-	6,000	(6,000)	-	-	08.04.2015	08.04.2015
	-	5,000	-	-	5,000	08.04.2015	08.04.2016
	-	5,000	-	-	5,000	08.04.2015	08.04.2017
	-	5,000	-	-	5,000	08.04.2015	08.04.2018
Sub-total	-	21,000	(6,000)	-	15,000		
Total	1,100,000	3,000,000	(2,410,600)	(11,000)	1,678,400		

* Sir Roger Lobo, an independent non-executive director of the Company, passed away on 18 April 2015.

(b) Share Subscription Scheme

No share award was granted or outstanding under the Share Subscription Scheme during the six-month period ended 30 June 2015.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the following persons/corporations had interests in five per cent or more of the issued shares of the Company as recorded in the register required to be kept under Section 336 of the SFO. Details of the interests in the shares and underlying shares of the Company as notified to the Company are set out below:

Long positions in the shares and underlying shares of the Company

Name	Capacity	No. of shares held	No. of underlying shares held	Approximate % of total issued shares	Note(s)
Better Joy Overseas Ltd.	Beneficial owner	291,868,606	-	18.87%	2
Lasting Legend Ltd.	Beneficial owner	118,339,024	-	7.65%	2
Great Respect Limited	Beneficial owner	303,982,187	-	19.65%	4
SG Trust (Asia) Ltd.	Trustee	303,982,187	-	19.65%	4
	Trustee	410,207,630	-	26.52%	5
Mr. Ho, Lawrence Yau Lung	Beneficial owner	27,699,132	4,100,000	2.06%	7
	Interest of controlled corporations	443,229,077	-	28.66%	3
	Beneficiary of a trust	303,982,187	-	19.65%	4
Ms. Lo Sau Yan, Sharen	Interest of spouse	774,910,396	4,100,000	50.37%	6, 7
The Capital Group Companies, Inc.	Interest of controlled corporation	93,778,000	-	6.06%	-
Southeastern Asset Management, Inc.	Investment manager	310,231,788	-	20.06%	-

Notes:

- As at 30 June 2015, the total number of issued shares of the Company was 1,546,663,555.
- The 291,868,606 shares held by Better Joy Overseas Ltd. and the 118,339,024 shares held by Lasting Legend Ltd. also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company.
- The 443,229,077 shares relate to the 291,868,606 shares, 118,339,024 shares, 25,727,447 shares and 7,294,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited and The L3G Capital Trust respectively, representing approximately 18.87%, 7.65%, 1.66% and 0.47% of the issued shares of the Company. All of such companies/trust are owned by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies and trust.
- Great Respect Limited is a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho, Lawrence Yau Lung and his immediate family members (including his father, Dr. Ho Hung Sun, Stanley). SG Trust (Asia) Ltd. is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung is taken to have interests in the shares held by Great Respect Limited by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.

5. The 410,207,630 shares relate to the same block of shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. referred to in Note 2 above.
6. Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho, Lawrence Yau Lung and was deemed to be interested in the shares of the Company through the interest of her spouse, Mr. Ho, Lawrence Yau Lung, under the SFO.
7. Regarding the interests of Mr. Ho, Lawrence Yau Lung in the underlying shares of the Company (in respect of the share options and awarded shares granted by the Company), please refer to the section “Directors’ interests in shares, underlying shares and debentures” in this report.

Save as disclosed above, as at 30 June 2015, the Company has not been notified of any other interests or short position in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

CORPORATE GOVERNANCE

In 2005, the Group adopted its Code on Corporate Governance (the “Company Code”), which sets out the corporate standards and practices used by the Group in directing and managing its business affairs. The Company Code was prepared and revised with reference to the principles, Code Provisions and Recommended Best Practices stipulated in the Corporate Governance Code (the “CG Code”) contained in Appendix 14 of the Listing Rules. The Company Code not only formalizes the Group’s existing corporate governance principles and practices, it also serves to assimilate practices with benchmarks prescribed by the Stock Exchange, ultimately ensuring that the Group runs a highly transparent operation and is accountable to its shareholders.

Apart from the deviation mentioned below, the Company has complied with the Company Code and the code provisions of the CG Code during the six-month period ended 30 June 2015.

Under Paragraph A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer of a listed company should be separate and performed by different individuals. However, in view of the current composition of the Board, the in-depth knowledge of Mr. Ho, Lawrence Yau Lung of the operations of the Group and of the gaming and entertainment sector in Macau, his extensive business network and connections in that sector, and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Ho, Lawrence Yau Lung to assume the roles of Chairman and Chief Executive Officer until such time as the Board considers that such roles should be assumed by different persons.

The Company sets up the following board committees to ensure maintenance of a high corporate governance standard:

- a. Executive Committee;
- b. Audit Committee;
- c. Remuneration Committee;
- d. Nomination Committee;
- e. Corporate Governance Committee;
- f. Finance Committee;
- g. Regulatory Compliance Committee; and
- h. Corporate Social Responsibility Committee.

Terms of reference of the aforesaid committees have been posted on the Company's website at <http://www.melco-group.com> under the "Corporate Governance" section.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct and rules governing dealings by all directors in the securities of the Company. Having made specific enquiry of the directors of the Company, all the directors confirmed that they have complied with the required standard of dealings and code of conduct regarding securities transactions as set out in the Model Code throughout the six-month period ended 30 June 2015.

UPDATE ON DIRECTORS' INFORMATION

In accordance with Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the publication of the Company's 2014 Annual Report are set out below:

Name of Director	Details of Changes
Sir Roger Lobo	Sir Roger Lobo, an independent non-executive director of the Company, passed away on 18 April 2015.
Mr. Chow Kwong Fai, Edward	Mr. Chow has been appointed as an independent non-executive director, the chairman of the corporate social responsibility committee and a member of the nomination committee of the Company with effect from 12 June 2015 to fill the vacancies occasioned by the passing away of Sir Roger Lobo.

Mr. Sham Sui Leung, Daniel

Mr. Sham retired as an independent non-executive director of AEON Stores (Hong Kong) Co., Limited (“AEON”), a company listed on the Hong Kong Stock Exchange, with effect from the conclusion of the annual general meeting of AEON held on 20 May 2015.

Dr. Tyen Kan Hee, Anthony

Dr. Tyen has been appointed as the chairman of the audit committee and a member of the remuneration committee of the Company with effect from 12 June 2015 to fill the vacancies occasioned by the passing away of Sir Roger Lobo.

Dr. Tyen resigned as an independent non-executive director of ASR Logistics Holdings Limited, a company listed on the Hong Kong Stock Exchange, with effect from 23 April 2015.

AUDIT COMMITTEE

The Company’s audit committee is currently composed of a Non-executive Director and two Independent Non-executive Directors. The primary duties of the audit committee are to (i) review the Group’s annual reports, financial statements, interim reports and to provide advice and comments thereon to the board of directors of the Company; and (ii) review and supervise the financial reporting process and internal control procedures of the Group. The audit committee has reviewed the interim report of the Group for the six-month period ended 30 June 2015.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six-month period ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

INDEPENDENT REVIEW

The interim results for the six-month period ended 30 June 2015 are unaudited, but have been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants by the Company’s auditor, whose independent review report is included in this report.

BOARD OF DIRECTORS

During the six-month period ended 30 June 2015, Sir Roger Lobo, an Independent Non-executive Director, passed away. The Board was greatly indebted to Sir Roger for his invaluable contribution since he joined the Board in 1998. The vacancy occasioned by the passing away of Sir Roger has been filled.

As at the date of this report, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely 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.

On behalf of the Board of
Melco International Development Limited
Ho, Lawrence Yau Lung
Chairman and Chief Executive Officer

Hong Kong, 31 August 2015

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. HO, Lawrence Yau Lung
(Chairman and Chief Executive Officer)
Mr. TSUI Che Yin, Frank
Mr. CHUNG Yuk Man, Clarence

Non-executive Director

Mr. NG Ching Wo

Independent Non-executive Directors

Mr. CHOW Kwong Fai, Edward
Mr. SHAM Sui Leung, Daniel
Dr. TYEN Kan Hee, Anthony

EXECUTIVE COMMITTEE

Mr. HO, Lawrence Yau Lung *(Chairman)*
Mr. TSUI Che Yin, Frank
Mr. CHUNG Yuk Man, Clarence
Mr. TSANG Yuen Wai, Samuel*
Mr. TAM Chi Wai, Dennis*

AUDIT COMMITTEE

Dr. TYEN Kan Hee, Anthony *(Chairman)*
Mr. NG Ching Wo
Mr. SHAM Sui Leung, Daniel

REMUNERATION COMMITTEE

Mr. SHAM Sui Leung, Daniel *(Chairman)*
Mr. NG Ching Wo
Dr. TYEN Kan Hee, Anthony

NOMINATION COMMITTEE

Dr. TYEN Kan Hee, Anthony *(Chairman)*
Mr. NG Ching Wo
Mr. CHOW Kwong Fai, Edward

CORPORATE GOVERNANCE COMMITTEE

Mr. NG Ching Wo *(Chairman)*
Mr. SHAM Sui Leung, Daniel
Dr. TYEN Kan Hee, Anthony
Mr. TSANG Yuen Wai, Samuel*

REGULATORY COMPLIANCE COMMITTEE

Mr. HO, Lawrence Yau Lung *(Chairman)*
Mr. TSUI Che Yin, Frank
Mr. TSANG Yuen Wai, Samuel*

FINANCE COMMITTEE

Mr. HO, Lawrence Yau Lung *(Chairman)*
Mr. TSUI Che Yin, Frank
Mr. CHUNG Yuk Man, Clarence
Mr. TAM Chi Wai, Dennis*

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. CHOW Kwong Fai, Edward *(Chairman)*
Mr. HO, Lawrence Yau Lung
Mr. TSUI Che Yin, Frank
Mr. CHUNG Yuk Man, Clarence
Ms. MA Po Ming, Maggie*

COMPANY SECRETARY

Mr. TSANG Yuen Wai, Samuel

QUALIFIED ACCOUNTANT

Mr. TAM Chi Wai, Dennis

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60 Wyndham Street
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu

LEGAL ADVISORS

King & Wood Mallesons
Gibson, Dunn & Crutcher LLP

PRINCIPAL BANKERS

Credit Suisse
Bank of China, Macau Branch
UBS AG

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