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## **Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

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

(Stock Code: 200)

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “Board”) of Melco International Development Limited (the “Company” or “Melco International”) herein announces the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2024 as follows:

#### **FINANCIAL HIGHLIGHTS**

1. Net revenues were HK\$17.77 billion for the six months ended 30 June 2024, which represented an increase of HK\$4.73 billion or 36.3%, compared to HK\$13.04 billion for the six months ended 30 June 2023. The increase in net revenues was primarily attributable to the continued recovery in inbound tourism to Macau which led to improved performance in our casino and hospitality operations for the six months ended 30 June 2024.
2. The Group generated Adjusted EBITDA of HK\$4.49 billion for the six months ended 30 June 2024, compared to Adjusted EBITDA of HK\$3.20 billion for the six months ended 30 June 2023.
3. Loss after tax was HK\$0.44 billion for six months ended 30 June 2024, compared to loss after tax of HK\$1.40 billion for the six months ended 30 June 2023.
4. Basic loss per share attributable to owners of the Company was HK\$0.17 for the six months ended 30 June 2024, compared to basic loss per share attributable to owners of the Company of HK\$0.49 for the six months ended 30 June 2023.
5. Net asset value per share attributable to owners of the Company was HK\$0.2 as of 30 June 2024, compared to HK\$0.4 as of 31 December 2023.
6. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2024*

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
NET REVENUES	4	<u><b>17,765,628</b></u>	<u>13,038,389</u>
<b>OPERATING COSTS AND EXPENSES</b>			
Gaming tax and license fees		<b>(7,062,230)</b>	(5,203,349)
Employee benefits expenses		<b>(3,324,382)</b>	(2,991,729)
Depreciation and amortisation	5	<b>(2,250,395)</b>	(2,099,709)
Other operating expenses, gains and losses, net		<u><b>(3,308,429)</b></u>	<u>(2,108,517)</u>
Total operating costs and expenses, net		<u><b>(15,945,436)</b></u>	<u>(12,403,304)</u>
OPERATING INCOME		<u><b>1,820,192</b></u>	<u>635,085</u>
<b>NON-OPERATING INCOME/(EXPENSES)</b>			
Interest income		<b>76,929</b>	110,632
Interest expense, net of amounts capitalised		<b>(2,133,337)</b>	(2,056,236)
Losses on modification or extinguishment of debts		<b>(6,798)</b>	(82,222)
Other financing costs		<b>(30,019)</b>	(16,954)
Foreign exchange gains/(losses), net		<b>6,503</b>	(7,460)
Other (expenses)/income, net		<b>(84,276)</b>	7,982
Share of losses of a joint venture	10	<b>(152)</b>	(631)
Share of losses of associates		<u><b>(660)</b></u>	<u>(4,267)</u>
Total non-operating expenses, net		<u><b>(2,171,810)</b></u>	<u>(2,049,156)</u>
LOSS BEFORE INCOME TAX	5	<b>(351,618)</b>	(1,414,071)
Income tax (expense)/credit	6	<u><b>(92,011)</b></u>	<u>11,449</u>
LOSS FOR THE PERIOD		<u><b>(443,629)</b></u>	<u>(1,402,622)</u>

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(135,493)</u>	<u>(154,194)</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u><b>(135,493)</b></u>	<u><b>(154,194)</b></u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u><b>(579,122)</b></u>	<u><b>(1,556,816)</b></u>
Loss for the period attributable to:		
Owners of the Company	<u>(253,216)</u>	<u>(733,248)</u>
Non-controlling interests	<u>(190,413)</u>	<u>(669,374)</u>
	<u><b>(443,629)</b></u>	<u><b>(1,402,622)</b></u>
Total comprehensive loss for the period attributable to:		
Owners of the Company	<u>(325,089)</u>	<u>(787,381)</u>
Non-controlling interests	<u>(254,033)</u>	<u>(769,435)</u>
	<u><b>(579,122)</b></u>	<u><b>(1,556,816)</b></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
	8	
Basic	<u><b>HK\$(0.17)</b></u>	<u><b>HK\$(0.49)</b></u>
Diluted	<u><b>HK\$(0.17)</b></u>	<u><b>HK\$(0.49)</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>43,498,740</b>	44,989,049
Right-of-use assets		<b>4,999,558</b>	5,079,373
Intangible assets		<b>19,225,195</b>	19,357,150
Goodwill		<b>5,299,451</b>	5,299,451
Investment in a joint venture	10	<b>53,490</b>	161,860
Investments in associates		<b>17,890</b>	18,556
Prepayments, deposits and other receivables		<b>1,245,215</b>	801,381
Restricted cash		<b>974,382</b>	975,076
		<hr/>	<hr/>
Total non-current assets		<b>75,313,921</b>	76,681,896
<b>CURRENT ASSETS</b>			
Inventories		<b>244,264</b>	229,874
Trade receivables	9	<b>748,888</b>	715,857
Prepayments, deposits and other receivables		<b>906,582</b>	938,336
Tax recoverable		<b>1,288</b>	759
Restricted cash		<b>80,942</b>	79,249
Cash and bank balances		<b>9,199,738</b>	10,765,478
		<hr/>	<hr/>
Total current assets		<b>11,181,702</b>	12,729,553

		<b>30 June</b>	31 December
		<b>2024</b>	2023
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	11	<b>175,987</b>	91,807
Other payables, accruals and deposits received	12	<b>7,690,539</b>	7,982,093
Tax payable		<b>233,860</b>	220,739
Interest-bearing borrowings	13	<b>7,811,237</b>	1,000
Lease liabilities		<b>405,661</b>	430,475
		<hr/>	<hr/>
Total current liabilities		<b>16,317,284</b>	8,726,114
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		<b>(5,135,582)</b>	4,003,439
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>70,178,339</b>	80,685,335
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Other payables, accruals and deposits received	12	<b>2,434,597</b>	2,527,612
Interest-bearing borrowings	13	<b>53,755,754</b>	63,556,455
Lease liabilities		<b>1,792,025</b>	1,885,781
Deferred tax liabilities		<b>2,350,526</b>	2,342,280
		<hr/>	<hr/>
Total non-current liabilities		<b>60,332,902</b>	70,312,128
		<hr/>	<hr/>
Net assets		<b>9,845,437</b>	10,373,207
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Share capital		<b>5,701,853</b>	5,701,853
Deficit		<b>(5,400,984)</b>	(5,036,855)
		<hr/>	<hr/>
Equity attributable to owners of the Company		<b>300,869</b>	664,998
Non-controlling interests		<b>9,544,568</b>	9,708,209
		<hr/>	<hr/>
Total equity		<b>9,845,437</b>	10,373,207
		<hr/> <hr/>	<hr/> <hr/>

## NOTES

### 1. ORGANISATION AND BUSINESS

#### (a) Corporate and group information

Melco International Development Limited (the “Company”) is a public company with limited liability incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”) as an investment holding company. The address of the registered office of the Company is 38<sup>th</sup> Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The Company together with its subsidiaries (collectively referred to as the “Group”) is a developer, owner and operator of integrated resort facilities in Asia and Europe. The Group operates its gaming business through Melco Resorts & Entertainment Limited (“Melco Resorts”), a majority-owned subsidiary of the Company and its American depositary shares (“ADSs”) are listed on the Nasdaq Global Select Market in the United States of America (the “U.S.”). In the Macau Special Administrative Region of the People’s Republic of China (“Macau”), Melco Resorts currently operates City of Dreams and Altira Macau, integrated resorts located at Cotai and Taipa, Macau, respectively, and Grand Dragon Casino, a casino located at Taipa, Macau. Melco Resorts’ business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. Melco Resorts, through its subsidiaries, including Studio City International Holdings Limited, which is majority-owned by Melco Resorts and its ADSs are listed on the New York Stock Exchange in the U.S., also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco Resorts operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco Resorts, through its majority-owned subsidiary, ICR Cyprus Holdings Limited and its subsidiaries, operates City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus (“Cyprus”) and licensed satellite casinos in Cyprus.

The principal activities of the Group are divided into two operating and reportable segments, namely (i) the Casino and Hospitality segment; and (ii) the Others segment. See note 3 for additional information about the Group’s segments.

**(b) Recent developments related to business operations**

On 27 March 2024, the Sri Lanka government granted a casino license (the “Sri Lanka License”) to Bluehaven Services (Private) Limited (“Bluehaven”), a wholly-owned subsidiary of Melco Resorts, to operate a casino business (“Sri Lanka Casino”) for a term of 20 years effective from 1 April 2024 in an integrated resort currently under development by Waterfront Properties (Private) Limited (“WPL”), a subsidiary of John Keells Holdings PLC (“John Keells”), an independent third party, in Colombo, Sri Lanka which will upon opening be rebranded as City of Dreams Sri Lanka as part of the partnership arrangement with John Keells as announced by the Company on 30 April 2024. A casino license fee of Sri Lankan Rupees (“LKR”) 5,000,000,000 (equivalent to approximately Hong Kong dollars (“HK\$”) 129,880,000) was paid in March 2024 for the Sri Lanka License. Details of other commitments for the Sri Lanka License and the investment plan in Sri Lanka Casino are disclosed in note 15. In July 2024, a lease agreement was signed for the operation of Sri Lanka Casino for a term of 20 years with details disclosed in note 16(c).

City of Dreams Mediterranean continues to be impacted by the Israel-Hamas and Russia-Ukraine on-going military conflicts and restrictions on the ability to accept certain customers from Russia which have a negative impact on the Group’s business and may materially and adversely affect the Group’s business in Cyprus. The Group is currently unable to reasonably estimate the financial impact on its future results of operations, cash flows and financial position from these disruptions.

As at 30 June 2024, the Group had net current liabilities of HK\$5,135,582,000 (31 December 2023: net current assets of HK\$4,003,439,000). As at 30 June 2024, the Group had cash and bank balances of HK\$9,199,738,000 and available unused borrowing capacity of HK\$15,217,857,000, subject to the satisfaction of certain conditions precedent.

The Group believes it is able to support continuing operations and capital expenditures for at least 12 months after the reporting period end date of this unaudited condensed consolidated interim financial information. Accordingly, the accompanying unaudited condensed consolidated interim financial information is prepared on a going concern basis.

**2.1 BASIS OF PREPARATION**

The unaudited condensed consolidated interim financial information has been prepared under the historical cost convention and is presented in HK\$ except when otherwise indicated.

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements for the year ended 31 December 2023.

The financial information relating to the year ended 31 December 2023 that is included in this unaudited condensed consolidated interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as set out below.

The Company has delivered the consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company's predecessor auditor has reported on the consolidated financial statements for the year ended 31 December 2023. The auditor's report was unqualified, did not include a reference to any matters to which the predecessor auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## **2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

The accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024 are consistent with those of the Group as set out in the Group's audited consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's unaudited condensed consolidated interim financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The adoption of the amendments to HKFRSs had no material impact on the unaudited condensed consolidated interim financial information.

## **2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs**

The Group has not early adopted any new or amended HKFRSs that have been issued but are not yet effective in the unaudited condensed consolidated interim financial information for the six months ended 30 June 2024.



### 3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two operating and reportable segments as follows:

- (a) the “Casino and Hospitality” segment, which comprises the operation of casinos and the provision of hospitality services and facilities through Melco Resorts; and
- (b) the “Others” segment comprises investments in a joint venture and associates and other.

Management monitors the results of the Group’s operating and reportable segments separately for the purpose of making decisions about resource allocations and performance assessments. Segment performance is evaluated based on Adjusted EBITDA, which is a non-HKFRS financial measure and the segment results of the Group, is the loss for the period before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to SM Investments Corporation, Belle Corporation and PremiumLeisure and Amusement, Inc. (collectively referred to as the “Philippine Parties”), integrated resort and casino rent\*, corporate expenses, share of losses of a joint venture, share of losses of associates and other non-operating income and expenses. This is the measure reported to the chief operating decision-maker for the purposes of resource allocations and performance assessments. Not all companies calculate Adjusted EBITDA in the same manner. As a result, Adjusted EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

Segment assets exclude other corporate unallocated assets which are managed on a group basis.

Segment liabilities exclude those borrowings, dividends payable, deferred tax liabilities and other corporate unallocated liabilities which are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made and services provided to third parties at the prevailing market prices.

\* *Integrated resort and casino rent represents land rent and variable lease payments to Belle Corporation.*

**Segment net revenues and results**

**Six months ended 30 June 2024**

	<b>Casino and Hospitality HK\$'000 (Unaudited)</b>	<b>Others HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
<b>Segment net revenues</b>			
Sales to external customers <i>(note 4)</i>	17,765,628	–	17,765,628
Intersegment sales	6,653	–	6,653
	<u>17,772,281</u>	<u>–</u>	<u>17,772,281</u>
Elimination of intersegment sales			<u>(6,653)</u>
Total net revenues			<u>17,765,628</u>
<b>Adjusted EBITDA</b>	<u>4,500,216</u>	<u>(10,957)</u>	<u>4,489,259</u>
Operating costs and expenses			
Depreciation and amortisation			(2,250,395)
Share-based compensation expenses			(154,794)
Pre-opening costs			(40,431)
Development costs			(16,205)
Property charges and other			(32,951)
Payments to the Philippine Parties			(148,736)
Integrated resort and casino rent			(5,237)
Corporate expenses			<u>(20,318)</u>
Operating income			<u>1,820,192</u>
Non-operating income/(expenses)			
Interest income			76,929
Interest expense, net of amounts capitalised			(2,133,337)
Losses on extinguishment of debts			(6,798)
Other financing costs			(30,019)
Foreign exchange gains, net			6,503
Other expenses, net			(84,276)
Share of losses of a joint venture			(152)
Share of losses of associates			<u>(660)</u>
Total non-operating expenses, net			<u>(2,171,810)</u>
Loss before income tax			(351,618)
Income tax expense			<u>(92,011)</u>
<b>LOSS FOR THE PERIOD</b>			<u><u>(443,629)</u></u>

**Six months ended 30 June 2023**

	Casino and Hospitality <i>HK\$'000</i> (Unaudited)	Others <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>Segment net revenues</b>			
Sales to external customers ( <i>note 4</i> )	13,038,389	–	13,038,389
Intersegment sales	<u>10,211</u>	<u>–</u>	<u>10,211</u>
	<u>13,048,600</u>	<u>–</u>	<u>13,048,600</u>
Elimination of intersegment sales			<u>(10,211)</u>
Total net revenues			<u>13,038,389</u>
<b>Adjusted EBITDA</b>	<u>3,206,033</u>	<u>(3,399)</u>	3,202,634
Operating costs and expenses			
Depreciation and amortisation			(2,099,709)
Share-based compensation expenses			(196,673)
Pre-opening costs			(220,458)
Property charges and other, net			149,642
Payments to the Philippine Parties			(177,717)
Corporate expenses			<u>(22,634)</u>
Operating income			<u>635,085</u>
Non-operating income/(expenses)			
Interest income			110,632
Interest expense, net of amounts capitalised			(2,056,236)
Losses on modification of debts			(82,222)
Other financing costs			(16,954)
Foreign exchange losses, net			(7,460)
Other income, net			7,982
Share of losses of a joint venture			(631)
Share of losses of associates			<u>(4,267)</u>
Total non-operating expenses, net			<u>(2,049,156)</u>
Loss before income tax			(1,414,071)
Income tax credit			<u>11,449</u>
<b>LOSS FOR THE PERIOD</b>			<u>(1,402,622)</u>

**30 June 2024**

	<b>Casino and Hospitality HK\$'000 (Unaudited)</b>	<b>Others HK\$'000 (Unaudited)</b>	<b>Total HK\$'000 (Unaudited)</b>
<b>Segment assets</b>	<b>86,045,913</b>	<b>167,288</b>	<b>86,213,201</b>
Corporate and other unallocated assets			<u>282,422</u>
Total assets			<u><b>86,495,623</b></u>
<b>Segment liabilities</b>	<b>71,384,087</b>	<b>54,284</b>	<b>71,438,371</b>
Corporate and other unallocated liabilities			<u>5,211,815</u>
Total liabilities			<u><b>76,650,186</b></u>

**31 December 2023**

	<b>Casino and Hospitality HK\$'000 (Audited)</b>	<b>Others HK\$'000 (Audited)</b>	<b>Total HK\$'000 (Audited)</b>
<b>Segment assets</b>	<b>88,545,958</b>	<b>274,396</b>	<b>88,820,354</b>
Corporate and other unallocated assets			<u>591,095</u>
Total assets			<u><b>89,411,449</b></u>
<b>Segment liabilities</b>	<b>73,787,002</b>	<b>51,843</b>	<b>73,838,845</b>
Corporate and other unallocated liabilities			<u>5,199,397</u>
Total liabilities			<u><b>79,038,242</b></u>

## Geographical information

The Group's operations are mainly located in Macau, the Philippines, Cyprus, Singapore and Hong Kong. Information about the Group's net revenues is presented based on the locations of the operations of the relevant group entities. Information about the Group's non-current segment assets is presented based on the locations of the assets and for investments in a joint venture and associates, by location of their head offices.

### Net revenues from external customers

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Casino and Hospitality		
Macau	15,172,173	10,619,906
The Philippines	1,717,577	1,957,761
Cyprus	875,878	460,722
	<u>17,765,628</u>	<u>13,038,389</u>
Total	<u><u>17,765,628</u></u>	<u><u>13,038,389</u></u>

### Non-current segment assets

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Macau	67,584,468	69,662,303
Cyprus	5,023,252	5,347,000
The Philippines	944,130	1,081,819
Hong Kong	470,777	384,024
Sri Lanka	140,180	–
The People's Republic of China (the "PRC")	53,490	161,860
Others	18,697	21,162
	<u>74,234,994</u>	<u>76,658,168</u>
Total	<u><u>74,234,994</u></u>	<u><u>76,658,168</u></u>

#### 4. NET REVENUES

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Casino revenues	14,516,622	10,723,324
Entertainment and resort facilities:		
Rooms	1,581,419	1,087,362
Food and beverage	1,076,672	653,197
Entertainment, retail and other	590,915	574,506
	<u>17,765,628</u>	<u>13,038,389</u>
Sales to external customers (note 3)	<u>17,765,628</u>	<u>13,038,389</u>

For the six months ended 30 June 2024, entertainment, retail and other include rental income of HK\$222,522,000 (six months ended 30 June 2023: HK\$194,016,000).

For the six months ended 30 June 2024, the revenue from contracts with customers was HK\$17,543,106,000 (six months ended 30 June 2023: HK\$12,844,373,000).

## 5. LOSS BEFORE INCOME TAX

The Group's loss before income tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Depreciation and amortisation:		
Depreciation of property, plant and equipment	<b>1,944,785</b>	1,799,058
Amortisation of intangible assets	<b>130,508</b>	140,788
Depreciation of right-of-use assets	<b>175,102</b>	167,001
Less: capitalised in construction in progress	–	(7,138)
	<b>2,250,395</b>	2,099,709
Included in other operating expenses, gains and losses, net:		
Advertising and promotions	<b>831,561</b>	481,531
Repairs and maintenance	<b>415,201</b>	323,730
Other gaming operations expenses	<b>408,751</b>	256,587
Costs of inventories	<b>404,198</b>	255,830
Utilities and fuel	<b>322,064</b>	291,796
Payments to the Philippine Parties	<b>148,736</b>	177,717
Legal and professional fees	<b>110,083</b>	74,342
Operating supplies	<b>106,916</b>	58,940
Insurance	<b>86,356</b>	86,198
Other taxes and licenses	<b>78,146</b>	31,244
Transportation expenses	<b>62,564</b>	112,038
Rental and other expenses	<b>34,576</b>	34,418
Impairment/(reversal of impairment) of non-financial assets	<b>12,178</b>	(268,824)
Reversal of allowances for credit losses, net	<b>(7,954)</b>	(83,336)
	<b>104,171</b>	–

## 6. INCOME TAX EXPENSE/(CREDIT)

An analysis of the income tax expense/(credit) for the period is as follows:

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Current tax:		
Macau Complementary Tax	33,801	–
Lump sum in lieu of Macau Complementary Tax on dividends	27,379	6,291
Philippine withholding tax on dividends	11,539	–
Hong Kong Profits Tax	5,622	108
Philippine Corporate Income Tax	–	13
Income tax in other jurisdictions	160	678
	<hr/>	<hr/>
Sub-total	78,501	7,090
	<hr/>	<hr/>
Under/(over) provision in prior periods:		
Macau Complementary Tax	361	(718)
Lump sum in lieu of Macau Complementary Tax on dividends	(112)	(10,420)
Hong Kong Profits Tax	26	(7,320)
Philippine Corporate Income Tax	3,739	–
Income tax in other jurisdictions	(1,456)	451
	<hr/>	<hr/>
Sub-total	2,558	(18,007)
	<hr/>	<hr/>
Deferred tax	10,952	(532)
	<hr/>	<hr/>
Total	92,011	(11,449)
	<hr/> <hr/>	<hr/> <hr/>



Pursuant to a Dispatch of the Macau Chief Executive dated 29 January 2024, Melco Resorts (Macau) Limited (“Melco Resorts Macau”), a subsidiary of Melco Resorts and a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau from 1 January 2023 to 31 December 2032 (the “Concession”) and the holder of a previous gaming subconcession to operate gaming business in Macau which expired on 31 December 2022, continues to benefit from the Macau Complementary Tax exemption on profits generated from gaming operations, under the Concession for the period of five years from 2023 to 2027. Studio City Entertainment Limited (“Studio City Entertainment”), a subsidiary of Melco Resorts, was also exempted from the Macau Complementary Tax on profits generated from income received from Melco Resorts Macau under the previous gaming subconcession for five years from 2017 to 2021, to the extent that such income was derived from Studio City gaming operations and had been subject to gaming tax pursuant to a notice issued by the Macau government in January 2017. Studio City Entertainment applied for an extension of the Macau Complementary Tax exemption for 2022 under the previous gaming subconcession and for the period of 10 years from 2023 to 2032 under the Concession. These applications are subject to the discretionary approval of the Macau government. Subsequent to the reporting period end date of this unaudited condensed consolidated interim financial information, a notice dated 8 July 2024 from the Macau Financial Services Bureau notified that the application of Studio City Entertainment for 10 years Macau Complementary Tax exemption for 2023 to 2032 was rejected. Studio City Entertainment has filed an objection with the Macau Financial Service Bureau and such procedure is currently pending issuance of a final decision which remains subject to the discretion of the Macau government. During the six months ended 30 June 2024, an estimated amount of Macau Complementary Tax of HK\$33,937,000 was provided in connection with this notice.

In February 2024, Melco Resorts Macau entered into an agreement with the Macau government in relation to the payment in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of Melco Resorts Macau on dividend distribution from gaming profits from 1 January 2023 to 31 December 2025. Such annual payment is required regardless of whether dividends are actually distributed or whether Melco Resorts Macau had distributable profits in the relevant year. During the six months ended 30 June 2024, an amount of HK\$27,379,000 (six months ended 30 June 2023: HK\$6,291,000) was provided for such arrangement.

Global Anti-Base Erosion Model Rules (“Pillar Two”) have been enacted or substantively enacted in certain jurisdictions where the Group operates. Pillar Two is effective for the Group’s financial year beginning on or after 1 January 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group’s potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two transitional safe harbour relief will apply or the effective tax rates are above 15% in 2024. Therefore, based on management’s best estimate, the Group does not have a significant exposure to Pillar Two top-up taxes as at the date of this condensed consolidated interim financial information.

Other than the aforesaid changes, there were no significant changes to the tax exposures as disclosed in the Group’s audited consolidated financial statements for the year ended 31 December 2023.

## 7. DIVIDENDS

In line with the suspension of the Company's semi-annual dividend program as announced on 14 May 2020, the Board does not recommend the payment of any interim dividends for the six months ended 30 June 2024 and 2023.

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period</b>		
Loss attributable to owners of the Company for the purpose of basic loss per share	<b>(253,216)</b>	(733,248)
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options and restricted shares issued by a subsidiary of the Company	<b>(468)</b>	–
Loss attributable to owners of the Company for the purpose of diluted loss per share	<b>(253,684)</b>	(733,248)
	<b>1,502,256</b>	1,505,736

  

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>1,502,256</b>	1,505,736

The number of shares adopted in the calculation of the basic and diluted loss per share has been derived by excluding the shares of the Company held under trust arrangements for the Company's share award schemes.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding and assumed conversion of all dilutive potential ordinary shares, and the earnings as adjusted to reflect the dilution effect of the share options and restricted shares issued by a subsidiary of the Company. For the six months ended 30 June 2024, a subsidiary of the Company has outstanding share options and restricted shares that would have dilutive effect on loss per share. For the six months ended 30 June 2023, no adjustment was made to the basic loss per share amount presented in respect of a dilution as the impact of the outstanding share options and unvested restricted shares/awarded shares had an anti-dilutive effect on the basic loss per share amount presented.

## 9. TRADE RECEIVABLES

An aging analysis of trade receivables as at the end of the reporting period, based on due dates, is as follows:

	<b>30 June 2024</b>	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
Within 1 month	<b>494,170</b>	412,655
More than 1 month but within 3 months	<b>71,311</b>	75,523
More than 3 months but within 6 months	<b>15,639</b>	64,952
More than 6 months	<b>1,221,658</b>	1,315,768
	<b>1,802,778</b>	1,868,898
Allowances for credit losses	<b>(1,053,890)</b>	(1,153,041)
	<b>748,888</b>	715,857

## 10. INVESTMENT IN A JOINT VENTURE

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Cost of investment in a joint venture	<b>180,150</b>	180,150
Share of losses	<b>(3,115)</b>	(2,963)
Share of changes in exchange reserve	<b>(19,374)</b>	(15,327)
Impairment recognised	<b>(104,171)</b>	–
	<b>53,490</b>	161,860

Particulars of the Group's joint venture are as follows:

Name	Particulars of registered capital	Place of registration and business	Ownership interest <i>(Note)</i>	Voting power	Principal activity
Zhongshan Melco Yachuang Real Estate Development Co., Ltd.* 中山新濠雅創房地產開發有限公司	Renminbi 1,000,000,000	The PRC	51%	50%	Property development

\* *for identification purposes only*

*Note:*

Notwithstanding that the above joint venture is held as to 51% by the Group, under the Joint Venture Cooperation Agreement as defined below, the Group is solely entitled to all profits or losses arising from its ownership and operation of a theme park to be developed therein.

A notice dated 13 July 2022 from the Group was served to the joint venture partner to terminate a cooperation agreement and its supplemental agreements (collectively, the "Joint Venture Cooperation Agreement") in accordance with the Civil Code of the PRC (the "JV Termination") because certain provisions in the Joint Venture Cooperation Agreement were not met by the joint venture partner. On 30 June 2023, the Group entered into a framework agreement, as further supplemented on 29 November 2023, with the joint venture partner for the separation plan regarding the JV Termination. During the six months ended 30 June 2024, an impairment of HK\$104,171,000 for the cost of investment was recognised in light of the liquidity pressure faced by the joint venture partner.

## 11. TRADE PAYABLES

An aging analysis of trade payables as at the end of the reporting period, based on invoice dates, is as follows:

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
Within 1 month	145,215	58,397
More than 1 month but within 3 months	17,668	20,441
More than 3 months but within 6 months	1,064	1,441
More than 6 months	12,040	11,528
	<u>175,987</u>	<u>91,807</u>

## 12. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	<b>30 June 2024 HK\$'000 (Unaudited)</b>	31 December 2023 HK\$'000 (Audited)
<b>Current liabilities</b>		
Advance deposits and ticket sales	1,994,187	1,960,406
Accrued operating expenses and other liabilities	1,368,601	1,338,445
Gaming tax and license fee payables	1,197,259	1,244,304
Interest payable	949,056	900,336
Accrued employee benefits expenses	671,237	800,213
Outstanding gaming chips	458,082	648,473
Loyalty program liabilities	315,511	281,225
Payable for acquisition of property, plant and equipment	300,760	292,955
Concession and license liabilities	221,929	230,040
Construction cost payable	210,975	281,360
Dividends payable	2,942	4,336
	<u>7,690,539</u>	<u>7,982,093</u>
<b>Non-current liabilities</b>		
Concession and license liabilities	2,111,969	2,203,552
Other liabilities	219,592	226,603
Deposits received	60,993	55,174
Accrued employee benefits expenses	42,043	42,283
	<u>2,434,597</u>	<u>2,527,612</u>

### 13. INTEREST-BEARING BORROWINGS

		<b>30 June 2024</b>	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Audited)</b>
Unsecured notes	a	<b>52,493,195</b>	47,496,913
Secured bank loans	b	<b>5,135,856</b>	5,135,975
Secured notes		<b>2,705,940</b>	2,702,567
Unsecured bank loans	c	<b>1,232,000</b>	8,222,000
		<b>61,566,991</b>	63,557,455
Non-current portion		<b>(53,755,754)</b>	(63,556,455)
Current portion		<b>7,811,237</b>	1,000
Analysed into borrowings repayable:			
Bank loans:			
Within one year or on demand		–	1,000
In the second year		<b>5,143,661</b>	8,222,000
In the third to fifth years, inclusive		<b>1,233,000</b>	5,145,831
		<b>6,376,661</b>	13,368,831
Less: deferred financing costs and adjustments on modification of debts, net		<b>(8,805)</b>	(10,856)
		<b>6,367,856</b>	13,357,975
Senior notes:			
Within one year or on demand		<b>7,808,474</b>	–
In the second year		<b>6,199,702</b>	10,913,039
In the third to fifth years, inclusive		<b>26,548,812</b>	21,872,951
After five years		<b>14,836,100</b>	17,576,478
		<b>55,393,088</b>	50,362,468
Less: deferred financing costs and original issue premiums, net		<b>(193,953)</b>	(162,988)
		<b>55,199,135</b>	50,199,480

The interest rate exposure of the Group's interest-bearing borrowings is as follows:

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Fixed-rate borrowings	<b>55,199,135</b>	50,199,479
Variable-rate borrowings	<b>6,367,856</b>	13,357,976
	<b><u>61,566,991</u></b>	<b><u>63,557,455</u></b>

The carrying amounts of the Group's interest-bearing borrowings are denominated in the following currencies:

	<b>30 June 2024</b>	31 December 2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
United States dollars ("US\$")	<b>60,332,991</b>	55,333,455
HK\$	<b>1,234,000</b>	8,224,000
	<b><u>61,566,991</u></b>	<b><u>63,557,455</u></b>

*Notes:*

- (a) As at 30 June 2024, the unsecured notes bear interest rates ranging from 4.875% to 7.625% (31 December 2023: 4.875% to 6.50%) per annum and are repayable at maturities from 2025 to 2032 (31 December 2023: from 2025 to 2029). The unsecured notes are denominated in US\$. Certain unsecured notes are guaranteed by certain subsidiaries of the Company.

On 8 April 2024, the Group initiated a cash tender offer (the "2024 Tender Offer") which expired on 6 May 2024, subject to the terms and conditions, to purchase for up to an aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$782,601,000) of the outstanding 6.000% senior notes due 2025 (the "2025 Senior Notes"). On 19 April 2024, an aggregate principal amount of US\$307,150,000 (equivalent to approximately HK\$2,403,760,000) of the 2025 Senior Notes were tendered on the early tender date and on 22 April 2024, the Group amended and increased the aggregate principal amount of the 2024 Tender Offer of the 2025 Senior Notes from US\$100,000,000 (equivalent to approximately HK\$782,601,000) to US\$100,029,000 (equivalent to approximately HK\$782,828,000) (the maximum tender amount), with all other terms and conditions of the 2024 Tender Offer unchanged. The Group accepted for purchase an aggregate principal amount of US\$100,029,000 (equivalent to approximately HK\$782,828,000) of the 2025 Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2024 Tender Offer, as amended, and settled the consideration of US\$100,029,000 (equivalent to approximately HK\$782,828,000) on 24 April 2024. In addition, on 25 June 2024, the Group repurchased an aggregate principal amount of US\$3,000,000 (equivalent to approximately HK\$23,425,000) of the 2025 Senior Notes. In connection with such repurchase and the 2024 Tender Offer, the Group recorded an aggregate loss on extinguishment of debt of HK\$6,798,000 during the six months ended 30 June 2024. As at 30 June 2024, the outstanding principal amount of the 2025 Senior Notes was US\$293,971,000 (equivalent to approximately HK\$2,295,465,000) (31 December 2023: US\$397,000,000 (equivalent to approximately HK\$3,101,272,000)).

On 17 April 2024, the Group issued an aggregate principal amount of US\$750,000,000 (equivalent to approximately HK\$5,869,509,000) 7.625% unsecured senior notes due 2032 at an issue price of 100% of the principal amount (the “2032 Senior Notes”). The net proceeds from the offering of the 2032 Senior Notes were mainly used to partially repay the principal amount outstanding under the 2020 Credit Facilities (as defined at note (c) below).

The indenture governing the unsecured notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of the issuer and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the ability of the restricted subsidiaries of relevant borrowing groups to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with shareholders or affiliates; and (viii) effect a consolidation or merger. The indenture governing the unsecured notes also contains conditions and events of default customary for such financings. In the events that relate to a change of control or a termination of the Concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indentures governing the unsecured notes, each holder of the unsecured notes will have the right to require the Group to repurchase all or any part of such holder’s unsecured notes at a fixed redemption price.

- (b) As at 30 June 2024 and 31 December 2023, the secured bank loans are denominated in US\$ or HK\$ and bear interest at the term Secured Overnight Financing Rate plus an applicable credit adjustment spread of 0.06% and margin of 2.35% per annum or the Hong Kong Interbank Offered Rate (“HIBOR”) plus applicable margins ranging from 1.00% to 4.00% per annum, respectively. The secured bank loans consisted of term loan facilities and revolving credit facilities. As at 30 June 2024, the term loan facilities were repayable at maturity within the period from 2026 to 2028 (31 December 2023: from 2024 to 2028) and the revolving credit facilities are repayable on the last day of an agreed upon interest period or rolled over subject to compliance with certain covenants and satisfaction of conditions precedent. The Group has complied with the covenants under the facility agreements of the secured bank loans as at 30 June 2024. The secured bank loans are guaranteed by certain subsidiaries of the Company.

On 6 June 2024, the maturity date of a secured credit facility of HK\$2,000,000 was extended from 24 June 2024 to 24 June 2026.

- (c) On 29 April 2020, the Group entered into a senior credit facilities agreement with a syndicate of banks (the “2020 Credit Facilities”) for a HK\$14,850,000,000 revolving credit facility. As at 30 June 2024 and 31 December 2023, the 2020 Credit Facilities are denominated in HK\$ and bear interest at the HIBOR plus applicable margins ranging from 1.00% to 2.00% per annum.

The indebtedness under the 2020 Credit Facilities is guaranteed by certain subsidiaries of the Company. The 2020 Credit Facilities are unsecured.

During the six months ended 30 June 2024, the Group repaid an aggregate principal amount of HK\$6,990,000,000 along with accrued interest under the 2020 Credit Facilities.



On 8 April 2024, the maturity date of the 2020 Credit Facilities was extended from 29 April 2025 to 29 April 2027. The extension was made pursuant to a second amendment and restatement agreement dated 8 April 2024 (the “2024 Amendment and Restatement Agreement”). Key terms such as facility size, pricing and financial covenants remain unchanged. In connection with the 2024 Amendment and Restatement Agreement, the Group paid an amendment fee of HK\$169,188,000 to the consenting lenders.

As at 30 June 2024, the outstanding principal amount of the 2020 Credit Facilities was HK\$1,232,000,000 (31 December 2023: HK\$8,222,000,000).

The 2020 Credit Facilities contain certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of certain subsidiaries. The 2020 Credit Facilities include conditions and events of default customary for such financings. The 2020 Credit Facilities also contain financial condition covenants, including senior leverage ratio, total leverage ratio and interest cover ratio, with applicable test dates on 31 March, 30 June, 30 September and 31 December of each year until the 2020 Credit Facilities mature. The Group has complied with the covenants under the 2020 Credit Facilities as at 30 June 2024.

- (d) The availability period of an unsecured credit facility amounting to Philippine Peso (“PHP”) 2,350,000,000 (equivalent to approximately HK\$311,713,000) was extended to 29 July 2024 during the six months ended 30 June 2024, and was further extended to 30 June 2025 in July 2024 with no material changes in the underlying terms and conditions.
- (e) As at 30 June 2024, borrowings in an aggregate principal amount of HK\$7,877,627,000 (31 December 2023: HK\$7,880,949,000) are secured by certain assets of the Group.

Other than the aforesaid financing activities, there were no other significant changes to the interest-bearing borrowings as disclosed in the Group’s audited consolidated financial statements for the year ended 31 December 2023.

As at 30 June 2024, the Group had a total available and unutilised borrowing capacity of HK\$15,217,857,000 (31 December 2023: HK\$8,246,959,000), subject to satisfaction of certain conditions precedent.

## 14. CHANGE IN OWNERSHIP INTERESTS OF CERTAIN SUBSIDIARIES

### **Melco Resorts**

During the six months ended 30 June 2024, certain restricted shares under the Melco Resorts share incentive plans were vested which decreased the Group's ownership interest in Melco Resorts. As a result, the Group's ownership interest in Melco Resorts decreased from 52.42% on 1 January 2024 to 52.02% on 30 June 2024. The Group recognised a decrease of HK\$46,446,000 in special reserve and an increase of HK\$46,430,000 in non-controlling interests.

### **The Philippine subsidiaries**

During the six months ended 30 June 2024, the Group, through a subsidiary, purchased 11,815,864 common shares of Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), a subsidiary of the Company, at a total consideration of PHP42,833,000 (equivalent to approximately HK\$5,811,000) from the non-controlling interests, which increased the Group's ownership interest in MRP.

As a net result of the above transaction and aforesaid change in the Group's ownership interest in Melco Resorts, the Group's ownership interest in MRP decreased from 52.17% on 1 January 2024 to 51.83% on 30 June 2024. The Group recognised a decrease of HK\$2,406,000 in special reserve and a decrease of HK\$3,405,000 in non-controlling interests.

## 15. OTHER COMMITMENTS

### **Sri Lanka License**

In accordance with the casino business regulation in Sri Lanka and the Sri Lanka License granted by the Sri Lanka government to Bluehaven on 27 March 2024, Bluehaven is required to (i) invest a minimum amount of US\$100,000,000 (equivalent to approximately HK\$780,847,000) in a casino; and (ii) operate such casino in an integrated resort currently under development by WPL in Colombo, Sri Lanka, as approved by the Sri Lanka government. In July 2024, a lease agreement was entered between Bluehaven and WPL, under which WPL agreed to lease to Bluehaven the entertainment space of the relevant integrated resorts for conducting the casino business for 20 years. Details are disclosed in note 16(c).

### **Agreement with the Board of Investment of Sri Lanka**

On 28 June 2024, Bluehaven signed an agreement (the "BOI Agreement") with the Board of Investment of Sri Lanka to agree its investment plan and commitment, in return for certain import and labour-related concessions. Pursuant to the BOI Agreement, Bluehaven, subject to the terms and certain conditions, is obligated to set up and operate a "recreation centre including a casino and related activities" at City of Dreams Sri Lanka with an investment amount of US\$100,000,000 (equivalent to approximately HK\$780,847,000) (the "Investment") within 24 months from 28 June 2024 (such investment requirement will be satisfied by the investment in the Sri Lanka Casino). The Investment shall be funded by equity and loan capital (20% equity to 80% loan capital) as foreign direct investment, as scheduled. As at 30 June 2024, the Group has made an equity investment of LKR 6,040,000,000 (equivalent to approximately HK\$153,612,000) in Bluehaven for its operation and development of the casino.

## 16. SUBSEQUENT EVENTS

- (a) During the period from 1 July 2024 up to 30 August 2024, the date of issuance of this result announcement, Melco Resorts repurchased 13,842,356 ADSs (equivalent to 41,527,068 ordinary shares) from the open market for an aggregate consideration of approximately US\$74,869,000 (equivalent to approximately HK\$584,953,000), of which nil shares repurchased were cancelled. The Group's ownership interest in Melco Resorts increased as a result.
- (b) On 5 July 2024 and 19 August 2024, the Group repurchased an aggregate principal amount of US\$34,782,000 (equivalent to approximately HK\$271,751,000) of the 2025 Senior Notes. The Group recognised a loss on extinguishment of debt for the repurchase.
- (c) On 10 July 2024, Bluehaven and WPL entered into a lease agreement under which WPL agreed to lease to Bluehaven the entertainment space of an integrated resort currently under development by WPL and upon opening to be rebranded as City of Dreams Sri Lanka in Colombo, Sri Lanka, together with the common area rights as defined in the lease agreement, for the purpose of establishing, developing and operating a casino gaming business. The lease agreement became effective on 10 July 2024 and ends on the date of the expiry of the Sri Lanka License. The Group subsequently recognised a right-of-use asset and a lease liability for the lease agreement.
- (d) On 8 August 2024, the Group drew down HK\$782,000,000 under the 2020 Credit Facilities.

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **SIGNIFICANT EVENTS AND DEVELOPMENTS**

Throughout the first half of 2024, the business improvement momentum continued, fueled by the Group's strategic initiatives aimed at expanding revenue streams, enhancing profitability, and fostering sustainable growth.

As part of the commitment to delivering unparalleled experiences to esteemed patrons in Macau, significant investments have been made in the workforce and property enhancements. These endeavours are geared towards ensuring the utmost premium experience available within the region.

In a significant move that underscores dedication to setting new standards in entertainment, Studio City Cinema was introduced in June 2024, marking the debut of the first Dolby Cinema in Macau and Hong Kong.

In the Philippines, City of Dreams Manila has maintained its solid performance. In Cyprus, positive momentum at City of Dreams Mediterranean and the satellite casinos continued.

The Group is committed to expanding its footprint and delivering exceptional leisure and entertainment offerings on a global scale. The Group announced its strategic partnership with John Keells Holdings PLC to establish Sri Lanka's inaugural integrated resort, City of Dreams Sri Lanka. Additionally, a wholly-owned local subsidiary of Melco Resorts has been awarded a 20-year casino license by the Government of Sri Lanka.

### **BUSINESS REVIEW**

#### **Integrated Gaming and Entertainment Resorts**

Melco International operates its gaming business primarily through its subsidiary, Melco Resorts, a developer, owner and operator of integrated resort facilities in Asia and Europe. As at 30 June 2024, Melco International, through its subsidiary, held approximately 51.69% of the total number of issued shares of Melco Resorts.

Melco Resorts currently owns and operates Altira Macau, an integrated resort located in Taipa, Macau; City of Dreams, an integrated resort located in Cotai, Macau; and Mocha Clubs, the largest non-casino-based operator of electronic gaming machines in Macau. Furthermore, it has a majority ownership of and operates Studio City, a cinematically themed integrated resort located in Cotai, Macau.

Beyond Macau, a Philippine subsidiary of Melco Resorts currently operates and manages City of Dreams Manila, an integrated resort at the Entertainment City complex in Manila. In Europe, Melco Resorts currently holds a 75% equity interest in ICR Cyprus Holdings Limited and, through its subsidiaries, operates City of Dreams Mediterranean in Limassol in Cyprus. It also continues to operate three satellite casinos in other cities in Cyprus.

The Group's net revenues totalled HK\$17.77 billion for the six months ended 30 June 2024, an increase of 36.3% compared with HK\$13.04 billion recorded in the corresponding period of 2023. The increase was primarily attributable to the continued recovery in inbound tourism to Macau which led to improved performance in our casino and hospitality operations for the six months ended 30 June 2024. Loss for the six months ended 30 June 2024 was HK\$443.6 million, compared with a loss of HK\$1.40 billion in the same period of 2023.

### *City of Dreams*

City of Dreams in Macau is Melco Resorts' flagship integrated resort, a premium-focused property that targets high-end customers and rolling chip players from regional markets across Asia. In the first half of 2024, the property operated an average of approximately 430 gaming tables and 624 gaming machines.

In pursuit of its vision to establish world-leading hospitality and entertainment in Macau, the Group remains unwavering in its efforts to attract new and high-quality tourism to the city. The iconic attraction, The House of Dancing Water, is expected to re-open early next year. The eagerly anticipated return of The House of Dancing Water promises to deliver an unparalleled and enhanced entertainment experience to the market.

Leveraging the synergies between its exceptional gaming and non-gaming entertainment offerings, which include an optimised retail selection and an array of top-notch restaurants, City of Dreams strives to be the leading premium-mass market leisure destination in Macau.

### *Studio City*

The cinematically themed integrated resort, Studio City, is designed to be the most diverse entertainment offering in Macau. In the first half of 2024, the property operated an average of approximately 249 gaming tables and 656 gaming machines.

Beyond the thrilling indoor waterpark and the exceptional Epic Tower and W Macau – Studio City which opened last year, the Group introduced Studio City Cinema, which features the first Dolby Cinema in Macau and Hong Kong in June 2024. Offering the best screen and sound quality in Macau, this 770-seat cineplex features 9 screening houses, including 5 VIP suites and a screening house with specially paired seating.

The Group has revealed plans to develop a Skateboard Park at Studio City, catering to enthusiasts with a well-equipped venue. It is set to be an ideal place for the hosting of urban sports events, positioning the city as a welcoming destination for sports enthusiasts and further enhancing Macau's status as a diversified destination.

### ***Altira Macau***

Altira Macau is an integrated resort designed to provide a casino and hotel experience that caters to premium market customers and players. Located in Taipa, it offers an oasis of sophistication with spectacular panoramic views of the Macau Peninsula. By delivering impeccable services customised for each guest, both Altira Macau and Altira Spa attained a Five-Star ranking from Forbes Travel Guide (“FTG”) for the 15th consecutive year in 2024. In the first half of 2024, Altira Macau operated an average of approximately 41 gaming tables and 137 gaming machines operated under the brand Mocha at Altira Macau.

### ***Mocha Clubs and Other***

Mocha Clubs comprise the largest non-casino-based operator of electronic gaming machines in Macau. As a pioneer in Macau’s electronic gaming industry, Mocha Clubs has invested in a series of innovative and top-quality electronic gaming machines from around the world to offer a contemporary entertainment mix to a broader range of visitors. In the first half of 2024, Mocha Clubs operated an average of approximately 905 gaming machines (excluding approximately 137 gaming machines at Altira Macau).

In addition to Mocha Clubs, the Group also operates Grand Dragon Casino, which focuses on mass market table games, under a right-to-use agreement. In the first half of 2024, Grand Dragon Casino operated an average of approximately 17 gaming tables.

### ***City of Dreams Manila***

Beyond Macau, City of Dreams Manila, which is strategically located at the gateway of Entertainment City, provides an unparalleled entertainment and hospitality experience for the Southeast Asian market and continues to set the benchmark for the Group’s robust capacity to execute its international vision. This dynamic property boasts the ultimate in entertainment, hotel, retail, dining, and lifestyle experiences and features an extensive gaming space, including VIP and mass-market gaming facilities. In the first half of 2024, the property operated an average of approximately 269 gaming tables and 2,279 gaming machines.

### *City of Dreams Mediterranean and Other*

City of Dreams Mediterranean, Europe's first and largest integrated resort, opened to the public in July 2023, heralding a new era for premium tourism in Cyprus.

City of Dreams Mediterranean is a pioneering integrated resort which aims to establish Cyprus as a premier year-round tourism and business destination. The integrated resort comprises 500 guest rooms and suites, over 8,000 square metres of MICE space, an outdoor amphitheatre, a family adventure park and a variety of premium dining and retail outlets. Drawing from the Group's international standards of luxury yet customised for Cyprus, sustainability remains core to its distinct Mediterranean design which achieved the country's first BREEAM Excellent certification. This validation confirms the Group's growing influence in transforming regional tourism sectors to reach global benchmarks of distinction.

In addition to City of Dreams Mediterranean, the Group continues to operate three satellite casinos in Cyprus located at Nicosia, Ayia Napa and Paphos. In the first half of 2024, the facilities in Cyprus had an average of approximately 103 gaming tables and 890 gaming machines, with an average of approximately 99 gaming tables and 730 gaming machines being operated under City of Dreams Mediterranean.

### **OUTLOOK**

The first half of 2024 has proven to be a dynamic period for the Group. Macau, its key market, is showing strong signs of recovery, with visitor arrivals up by 43.6% compared to the same period in 2023, now reaching 82.4% of pre-pandemic levels from the first half of 2019. Recent strategic initiatives announced by the Chinese government, including the introduction of multi-entry group tour visas between Macau and Hengqin, the expansion of the Individual Visit Scheme to new cities in March and May 2024, simplified online visa applications for residents of China's top 20 cities, and the proposed Shenzhen-Macau-Zhuhai bridge connection, are enhancing accessibility to Macau and expanding the Group's customer base.

The Group upholds its commitment to supporting Macau's "1+4" diversification strategy towards a sustainable future by investing in a diverse range of cultural and tourism initiatives. Its latest collection of unique and diverse attractions, including Asia's first exclusive residency concert series featuring prominent figures in the Chinese music scene, Macau's pioneering water music festival WAVEFest, the highly anticipated return of The House of Dancing Water, the world's largest water-based show, and the forthcoming Skateboard Park, are expected to draw a wide variety of visitors from the region and beyond, enriching Macau's allure as a dynamic entertainment hub.

In the Philippines, international visitors have been driving the tourism market. In the first half of 2024, the number of foreign tourist arrivals increased by 13.7% compared to the same period last year, as reported by the Department of Tourism. This surge in foreign visitor numbers indicates a strong demand for tourism in the country. City of Dreams Manila is well positioned to capitalise on this growth in inbound tourism.

Turning to Cyprus, tourist arrivals continue to rise, exceeding 1.65 million in the first half of 2024. This represents a 2.4% increase compared to the corresponding period in 2023. To capitalise on this growing trend in visitation, City of Dreams Mediterranean has implemented significant property upgrades post-opening. These include the establishment of the Marcos Baghdatis Tennis Academy, which offers a premier tennis experience on state-of-the-art courts. Additionally, the integrated resort has opened a new family game centre, launched a summer pool party series and created an all-day exclusive club at Anaïs, as well as rebranded a restaurant into a popular steakhouse. These improvements have not only enriched guest satisfaction but also boosted overall performance.

In addition, the Group continues its global expansion through partnering with John Keells Holdings PLC for an integrated resort development in Sri Lanka. This transformative project represents a capital-light investment with an appealing return profile, enabling the Group to extend the City of Dreams brand and broaden its customer base. Slated to open in the fourth quarter of 2024 with its hotel, restaurants and banquet facilities, the integrated resort will undergo rebranding as City of Dreams Sri Lanka, marking a pioneering venture in Sri Lanka and South Asia. It is set to redefine luxury hospitality, entertainment, and leisure in Sri Lanka and South Asia with its exceptional architecture and diverse offerings. The Group’s engagement will encompass the fit-out and operations of the casino, anticipated to commence operations in mid-2025, and management of the top five floors of the hotel under its Nüwa brand of ultra high-end luxury rooms, which represents 113 of the 800 total hotel rooms at City of Dreams Sri Lanka.

Looking ahead, the Group remains confident in its long-term prospects across regions, while standing ready to navigate near-term uncertainties and challenges in a prudent and agile manner.

**ACHIEVEMENTS AND AWARDS**

As a world-leading operator in leisure and entertainment industry, Melco International continuously explores and implements innovative corporate governance and sustainable development strategies. The Group’s core values are firmly rooted in the steadfast pursuit of excellence, where the highest standards of corporate governance serve as the foundational cornerstone, and sustainability is embraced as the dynamic driving force propelling future growth. It is this relentless dedication to excellence that has earned the Group a prestigious collection of accolades on the international stage, winning widespread recognition from both the industry and society in the period.



## **Corporate Governance**

The Group's outstanding performance in managerial excellence and its prestigious investor relations has been recognised through coveted leadership accolades from renowned business and investment parties. In 2024, Melco International was conferred with the esteemed accolade of Best Investor Relations Company for the 13th consecutive year, while the Group's Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, was hailed as Asia's Best CEO for the 13th consecutive year at the acclaimed Asian Excellence Awards organised by Corporate Governance Asia magazine. These prestigious accolades reflect the Group's long-standing commitment to upholding the highest standards of corporate governance and transparency in its engagement with the investment community.

## **Business Operations**

The Group's unwavering commitment to operational excellence cemented its position as a global leader among integrated resort operators. Driven by a steadfast dedication to creating extraordinary experiences, the Group continues to deliver world-class culinary, hospitality, and entertainment offerings that captivate and delight guests with unparalleled quality and satisfaction.

The Group continues to assert its preeminence among integrated resort operators in Macau and Asia, having attained the greatest number of stars in 2024 FTG, with a total of 16 Five-Star awards across its properties. Significantly, this year marks the 15th successive year that Altira Macau has achieved an FTG Five-Star award in both the Hotel and Spa categories.

Moreover, the Group's outstanding culinary excellence has been recognised by the MICHELIN Guide Hong Kong Macau 2024, with its properties, including City of Dreams, Studio City, and Altira Macau, collectively earning a remarkable total of eight MICHELIN stars. The result establishes the Group as Macau's leader with the highest number of MICHELIN stars achieved across its properties. The Cantonese fine dining restaurant Jade Dragon maintains its top-tier Three MICHELIN-Star status for the sixth consecutive year. In addition, Alain Ducasse at Morpheus, dedicated to providing great traditions and savoir-faire of French cuisine, also continues to be honoured with Two MICHELIN-stars for the sixth consecutive year, while the Cantonese restaurants Pearl Dragon at Studio City and Ying at Altira Macau, and Japanese restaurant Sushi Kinetsu at City of Dreams each garner One MICHELIN-star.

Alain Ducasse at Morpheus, Jade Dragon and Yí have also attained a collective total of five diamonds from Black Pearl Restaurant Guide 2024. Among them, Alain Ducasse at Morpheus was honoured with One Diamond in its Black Pearl Restaurant Guide debut, while Jade Dragon maintained its status as Macau’s one and only Three Diamond Chinese restaurant, marking its fifth consecutive year of achieving Black Pearl Restaurant Guide’s coveted distinction. Concurrently, the contemporary Chinese restaurant Yí at Morpheus was honoured with One Diamond for the fifth year. The recognition showcases the Groups’ efforts in enhancing the overall dining experience for guests.

The Group’s commitment to honouring innovation, creativity, reflections of local heritage and ecological efficiency in hotel construction has garnered widespread recognition. Studio City is home to one of the World’s Most Beautiful Hotels, as recognised by UNESCO’s World Architecture and Design Award, the Prix Versailles. This prestigious accolade was bestowed upon W Macau – Studio City located at the cinematically themed resort Studio City, making it the Group’s second integrated resort to receive this honour alongside City of Dreams.

## **People**

Committed to nurturing local talent and advancing the diversification of the integrated resort industry, the Group has embraced the “Whole Person Development” philosophy, a holistic and systematic system for fostering the development and growth of its human capital. In recognition of this exemplary talent development initiative, the Group has been honoured with the 2024 BEST Award by the Association for Talent Development (ATD). This marks the third consecutive year that the Group has been lauded by the prestigious ATD for its exceptional training practices.

The Group’s dedication to talent development and relentless pursuit of excellence were also demonstrated at the 6th Macao Integrated Tourism and Leisure Enterprise Vocational Skills Competition 2024 co-hosted by Labour Affairs Bureau and Macau Federation of Trade Unions. The team’s members won 10 awards with their remarkable professional skills, the highest number among all concessionaires.

To further promote “Whole Person Development” and a culture of lifelong learning, the Group has collaborated with Macau Federation of Trade Unions to launch the “Melco’s Colleagues’ Book House” initiative in April this year, marking the first time for the mobile book house initiative to be established within an integrated resort.

In support of the Macau government's call for promoting physical and mental wellbeing, the Group has also launched dedicated initiatives to encourage colleagues to adopt healthier and more active lifestyles. Under the Group's REACH! program, over 500 colleagues have participated in an array of health and sports activities in the first half of 2024, including sporting competitions, educational seminars, InBody health analyses services available at Heart-of-House employee areas and training sessions. Besides, the Group has continued to collaborate with Women's General Association of Macau on the Feel Better Mental Wellness Program. Since its launch in 2021, the program has benefited over 3,700 participants, including through 128 seminar and small group sessions and 825 personalised development support sessions.

### **Corporate Social Responsibility**

Guided by a strong sense of corporate social responsibility, the Group steadfastly endeavours to drive a meaningful and positive impact in the communities where it operates.

Moving into its fourth year since launch, the Group's Simple Acts of Kindness program has continued to deliver key initiatives and provides various types of support to local community groups, including the elderly, youth, local businesses and associations. Among the initiatives, the "Small Dreams" program was launched to help local elderlies and youth realise their wishes through individualisation and customisation, in collaboration with local associations including the General Union of Neighborhood Associations of Macau, Macau Federation of Trade Unions and Caritas Macau. The Group also partnered with Macau Special Olympics to help fulfill the wishes of children and teenagers with disabilities. In addition, the Group organised a food donation initiative for Holy House of Mercy's Centro de Reabilitação de Cegos, donating 500 food baskets.

Placing great emphasis on promoting inclusivity, Studio City has been designated as the first Certified Autism Center (CAC)<sup>TM</sup> in Macau for its attractions including Golden Reel, Super Fun Zone and Studio City Water Park. The certification awarded by the International Board of Credentialing and Continuing Education Standards (IBCCES) acknowledges that Studio City attractions are dedicated to and well-equipped for serving autistic guests and their families.

With regard to its endeavours to support local small and medium enterprises (“SMEs”), the Group co-hosted the first “Macao Ideas” roadshow with Commerce and Investment Promotion Institute at the Heart-of-House employee areas in City of Dreams, Studio City and Altira Macau in March this year. The event helped local SMEs promote their businesses specialising in products which are Macau-made, branded and designed by providing an effective and enhanced platform for increased marketing and sales exposure.

The Group also hosted a food and beverage minibar product roadshow at its Studio City Heart-of-House employee area to help generate direct sales and marketing opportunities for 18 local SMEs. In addition, with the aim of equipping its SME partners to remain competitive and achieve scale in an increasingly evolving business environment, the Group invited representatives from nearly 20 local SME businesses to a learning workshop focused on the topic of energy conservation.

### **Environmental Sustainability**

The Group’s RISE sustainability strategy has continued to guide the Group to go “Above & Beyond” in promoting environmental sustainability and contributing to a climate-fit and equitable future. Through the comprehensive RISE framework, the Group has implemented a wide range of initiatives aimed at reducing its environmental impact, investing in renewable energy and fostering sustainable practices across its operations.

During the review period, the Group received the Sustainable Asia Award at the Asian Excellence Awards organised by Corporate Governance Asia magazine, recognising its exceptional commitment and performance in integrating sustainability into its business operations. It is a testament to the Group’s unwavering dedication to sustainability and its ability to set new benchmarks in the industry.

City of Dreams Mediterranean has been recognised for its commitment to sustainability. In 2024, the integrated resort was awarded the prestigious titles of Best International Sustainable Commercial Development and Best Sustainable Commercial Development in Europe at the renowned International Property Awards. These accolades underscore the property’s exemplary sustainable design, its integration of renewable energy solutions, and its commitment to creating a more environmentally friendly and socially responsible built environment.

## FINANCIAL REVIEW

### RESULTS FOR THE SIX MONTHS ENDED 30 JUNE

<i>HK\$'million</i>	<b>2024</b> <b>(Unaudited)</b>	2023 (Unaudited)	YoY%
Net revenues	<b>17,765.6</b>	13,038.4	36.3%
Adjusted EBITDA	<b>4,489.3</b>	3,202.6	40.2%
Loss attributable to owners of the Company	<b>(253.2)</b>	(733.2)	65.5%
Basic loss per share attributable to owners of the Company (HK\$)	<b>(0.17)</b>	(0.49)	65.4%

### FINANCIAL POSITION

<i>HK\$'million</i>	<b>30 June</b> <b>2024</b> <b>(Unaudited)</b>	31 December 2023 (Audited)	YoY%
Total assets	<b>86,495.6</b>	89,411.4	-3.3%
Total liabilities	<b>76,650.2</b>	79,038.2	-3.0%
Equity attributable to owners of the Company	<b>300.9</b>	665.0	-54.8%
Net assets value per share attributable to owners of the Company (HK\$)	<b>0.2</b>	0.4	-54.8%
Gearing ratio (%)	<b>71.2%</b>	71.1%	N/A

### Net Revenues

Net revenues of the Group increased by 36.3% from HK\$13.04 billion for the six months ended 30 June 2023 to HK\$17.77 billion for the six months ended 30 June 2024. The increase in net revenues was primarily attributable to the continued recovery in inbound tourism to Macau which led to improved performance in our casino and hospitality operations for the six months ended 30 June 2024.

<i>HK\$' million</i>	<b>Six Months ended 30 June</b>		YoY%
	<b>2024</b> <b>(Unaudited)</b>	2023 (Unaudited)	
Casino revenues	<b>14,516.6</b>	10,723.3	35.4%
Entertainment and resort facilities:			
Rooms	<b>1,581.4</b>	1,087.4	45.4%
Food and beverage	<b>1,076.7</b>	653.2	64.8%
Entertainment, retail and other	<b>590.9</b>	574.5	2.9%
	<b>17,765.6</b>	13,038.4	36.3%

### **ADJUSTED EBITDA <sup>(1)</sup>**

The Company generated Adjusted EBITDA of HK\$4.49 billion for the six months ended 30 June 2024, compared to Adjusted EBITDA of HK\$3.20 billion for the six months ended 30 June 2023. The change in Adjusted EBITDA was mainly attributable to the improved performance in our casino and hospitality operations as a result of the continued recovery in inbound tourism to Macau for the six months ended 30 June 2024, partially offset by higher operating expenses as a result of increased business volumes and the ramp up of operations following the opening of Studio City Phase 2 in April 2023 and City of Dreams Mediterranean in mid-2023.

### **Loss Attributable to Owners of the Company**

Loss attributable to owners of the Company was HK\$253.2 million for the six months ended 30 June 2024, compared to loss attributable to owners of the Company of HK\$733.2 million for the six months ended 30 June 2023. The change was mainly attributable to the improved performance in our casino and hospitality operations as a result of the continued recovery in inbound tourism to Macau for the six months ended 30 June 2024, partially offset by higher operating expenses as a result of increased business volumes and the ramp up of operations following the opening of Studio City Phase 2 in April 2023 and City of Dreams Mediterranean in mid-2023.

<sup>(1)</sup> Adjusted EBITDA is the profit/loss for the period before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to the Philippine Parties, integrated resort and casino rent, corporate expenses, share of losses of a joint venture, shares of losses of associates and other non-operating income and expenses. Adjusted EBITDA is used by management as the primary measure of the Group's operating performance and to compare our operating performance with that of our competitors. However, Adjusted EBITDA presented in this announcement may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

## **Basic Loss Per Share Attributable to Owners of the Company**

Basic loss per share attributable to owners of the Company was HK\$0.17 for the six months ended 30 June 2024, compared to basic loss per share attributable to owners of the Company of HK\$0.49 for the six months ended 30 June 2023.

## **Financial and Operational Performance**

Melco Resorts, a majority-owned subsidiary of the Group as at 30 June 2024, contributed the most majority of the financial results of the Group during the six months ended 30 June 2024 and 2023.

The performance of Melco Resorts during the review period is described below.

According to the unaudited financial results of Melco Resorts prepared in accordance with the U.S. generally accepted accounting principles, it recorded total operating revenues of US\$2.27 billion for the six months ended 30 June 2024 versus US\$1.66 billion for the six months ended 30 June 2023. The increase in total operating revenues was primarily attributable to the improved performance in mass market segment and non-gaming operations, led by the continued recovery in inbound tourism to Macau during the six months ended 30 June 2024.

Operating income for the six months ended 30 June 2024 was US\$249.1 million, compared with operating income of US\$64.6 million for the same period in 2023.

Melco Resorts generated Adjusted Property EBITDA<sup>(2)</sup> of US\$601.6 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$458.0 million for the same period in 2023.

Net income attributable to the financial performance of Melco Resorts for the six months ended 30 June 2024 was US\$36.6 million, compared with a net loss attributable to the financial performance of Melco Resorts of US\$104.7 million for the same period in 2023.

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<sup>(2)</sup> Adjusted Property EBITDA is net income/loss before interest, taxes, depreciation and amortisation, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, integrated resort and casino rent, corporate and other expenses and other non-operating income and expenses. Adjusted Property EBITDA is used by management as the primary measure of Melco Resorts' operating performance and to compare our operating performance with that of our competitors. However, Adjusted Property EBITDA presented in this announcement may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

### *City of Dreams*

For the six months ended 30 June 2024, total operating revenues at City of Dreams were US\$1.13 billion, compared with US\$864.5 million for the same period in 2023. City of Dreams generated Adjusted Property EBITDA of US\$318.7 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$256.2 million in the same period in 2023.

### *Gaming Performance*

<i>US\$'million</i>	<b>Six months ended 30 June</b>		YoY%
	<b>2024</b>	<b>2023</b>	
<b>VIP Gaming</b>			
Rolling chip volume	<b>10,518.7</b>	9,799.8	7.3%
Win rate	<b>2.58%</b>	2.69%	N/A
<b>Mass Market</b>			
Table drop	<b>2,938.5</b>	2,260.5	30.0%
Hold percentage	<b>32.0%</b>	29.7%	N/A
<b>Gaming Machine</b>			
Handle	<b>1,792.3</b>	1,427.2	25.6%
Win rate	<b>3.1%</b>	3.3%	N/A

### *Non-Gaming Performance*

Total non-gaming revenue at City of Dreams for the six months ended 30 June 2024 was US\$160.9 million, compared with US\$127.2 million in the same period in 2023.



### ***Altira Macau***

For the six months ended 30 June 2024, total operating revenues at Altira Macau were US\$63.5 million, compared with US\$53.1 million in the same period in 2023. Altira Macau generated negative Adjusted Property EBITDA of US\$0.6 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$2.3 million in the same period in 2023.

#### *Gaming Performance*

<i>US\$'million</i>	<b>Six months ended 30 June</b>		YoY%
	<b>2024</b>	<b>2023</b>	
<b>Mass Market</b>			
Table drop	<b>275.1</b>	199.3	38.1%
Hold percentage	<b>22.5%</b>	24.5%	N/A
<b>Gaming Machine</b>			
Handle	<b>226.0</b>	156.3	44.6%
Win rate	<b>2.9%</b>	3.5%	N/A

#### *Non-Gaming Performance*

Total non-gaming revenue at Altira Macau for the six months ended 30 June 2024 was US\$9.9 million, compared with US\$8.6 million in the same period in 2023.

### ***Mocha and Other***

Total operating revenues from Mocha and Other were US\$62.6 million for the six months ended 30 June 2024, compared with US\$58.9 million in the same period in 2023. Mocha and Other generated Adjusted Property EBITDA of US\$14.3 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$14.4 million in the same period in 2023.

#### *Gaming Performance*

<i>US\$'million</i>	<b>Six months ended 30 June</b>		YoY%
	<b>2024</b>	<b>2023</b>	
<b>Mass Market</b>			
Table drop	<b>116.9</b>	79.2	47.6%
Hold percentage	<b>17.6%</b>	17.5%	N/A
<b>Gaming Machine</b>			
Handle	<b>1,030.2</b>	1,021.9	0.8%
Win rate	<b>4.4%</b>	4.6%	N/A

### *Studio City*

For the six months ended 30 June 2024, total operating revenues at Studio City were US\$683.6 million, compared with US\$378.1 million in the same period in 2023. Studio City generated Adjusted Property EBITDA of US\$167.2 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$61.7 million in the same period in 2023.

### *Gaming Performance*

<i>US\$'million</i>	<b>Six months ended 30 June</b>		YoY%
	<b>2024</b>	<b>2023</b>	
<b>VIP Gaming</b>			
Rolling chip volume	<b>1,338.8</b>	1,507.9	-11.2%
Win rate	<b>3.27%</b>	1.51%	N/A
<b>Mass Market</b>			
Table drop	<b>1,878.8</b>	1,197.2	56.9%
Hold percentage	<b>29.8%</b>	25.2%	N/A
<b>Gaming Machine</b>			
Handle	<b>1,666.7</b>	1,027.1	62.3%
Win rate	<b>3.3%</b>	3.6%	N/A

### *Non-Gaming Performance*

Total non-gaming revenue at Studio City for the six months ended 30 June 2024 was US\$151.2 million, compared with US\$99.4 million in the same period in 2023.

### *City of Dreams Manila*

For the six months ended 30 June 2024, total operating revenues at City of Dreams Manila were US\$219.7 million, compared with US\$249.7 million in the same period in 2023. City of Dreams Manila generated Adjusted Property EBITDA of US\$78.3 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$107.9 million in the same period in 2023.

### *Gaming Performance*

<i>US\$'million</i>	<b>Six Months ended 30 June</b>		YoY%
	<b>2024</b>	<b>2023</b>	
<b>VIP Gaming</b>			
Rolling chip volume	<b>1,100.6</b>	1,176.0	-6.4%
Win rate	<b>2.72%</b>	4.39%	N/A
<b>Mass Market</b>			
Table drop	<b>355.0</b>	371.6	-4.5%
Hold percentage	<b>32.1%</b>	31.3%	N/A
<b>Gaming Machine</b>			
Handle	<b>2,161.6</b>	1,988.5	8.7%
Win rate	<b>4.9%</b>	5.1%	N/A

### *Non-Gaming Performance*

Total non-gaming revenue at City of Dreams Manila for the six months ended 30 June 2024 was US\$56.1 million, compared with US\$57.3 million in the same period in 2023.

### *City of Dreams Mediterranean and Other*

Melco Resorts operates three satellite casinos in Cyprus in conjunction with City of Dreams Mediterranean.

For the six months ended 30 June 2024, total operating revenues at City of Dreams Mediterranean and Other were US\$111.0 million, compared with US\$58.7 million in the same period in 2023. City of Dreams Mediterranean and Other generated Adjusted Property EBITDA of US\$23.6 million for the six months ended 30 June 2024, compared with Adjusted Property EBITDA of US\$15.6 million in the same period in 2023.

### *Gaming Performance*

<i>US\$'million</i>	<b>Six Months ended 30 June</b>		
	<b>2024</b>	<b>2023</b>	<b>YoY%</b>
<b>VIP Gaming</b>			
Rolling chip volume	<b>12.1</b>	0.6	1,830.8%
Win rate	<b>0.39%</b>	26.16%	N/A
<b>Mass Market</b>			
Table drop	<b>222.1</b>	89.3	148.8%
Hold percentage	<b>24.8%</b>	21.8%	N/A
<b>Gaming Machine</b>			
Handle	<b>1,026.4</b>	776.6	32.2%
Win rate	<b>5.1%</b>	5.0%	N/A

### *Non-Gaming Performance*

Total non-gaming revenue at City of Dreams Mediterranean and Other for the six months ended 30 June 2024 was US\$30.9 million, compared with US\$2.1 million in the same period in 2023.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

### **Capital Resources**

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

The Group continues to manage its financial position carefully and adopts conservative policies in cash and financial management. As at 30 June 2024, the Group's cash and bank balances amounted to HK\$9,199.7 million (31 December 2023: HK\$10,765.5 million) and restricted cash (mainly being cash collateral for concession-related guarantees to the Macau government and security under credit facilities) amounted to HK\$1,055.3 million (31 December 2023: HK\$1,054.3 million).

As at 30 June 2024, the Group had a total available and unutilised borrowing capacity of HK\$15.22 billion (31 December 2023: HK\$8.25 billion), subject to satisfaction of certain conditions precedent.

Major changes in our indebtedness during the six months ended and subsequent to 30 June 2024 are summarised below.

On 28 March 2024, the Group repaid an outstanding loan principal amount of HK\$1.17 billion under the revolving credit facility under a HK\$14.85 billion unsecured senior credit facilities agreement (the "2020 Credit Facilities"), together with accrued interest.

On 8 April 2024, the maturity date of the 2020 Credit Facilities was extended by two years to 29 April 2027.

On 17 April 2024, the Group issued US\$750.0 million (equivalent to approximately HK\$5.87 billion) in aggregate principal amount of 7.625% senior notes due 2032 (the "2032 Senior Notes"). On 22 April 2024 and 30 April 2024, the Group repaid HK\$5.49 billion and HK\$333.0 million in aggregate principal amount under the 2020 Credit Facilities, respectively, together with accrued interest, with the net proceeds of the 2032 Senior Notes and cash on hand.

On 24 April 2024, the Group settled the tender offer of the 6.00% senior notes due 2025 in an aggregate principal amount of US\$500.0 million (the "2025 Senior Notes") for the aggregate principal amount of US\$100.0 million (equivalent to approximately HK\$782.8 million).

On 6 June 2024, the maturity date of a secured credit facility of HK\$2.0 million was extended from 24 June 2024 to 24 June 2026.

On 25 June 2024, the Group repurchased an aggregate principal amount of US\$3.0 million (equivalent to approximately HK\$23.4 million) of the 2025 Senior Notes.

In July and August 2024, the Group repurchased an additional aggregate principal amount of US\$34.8 million (equivalent to approximately HK\$271.8 million) of the 2025 Senior Notes.

On 8 August 2024, the Group drew down HK\$782.0 million under the 2020 Credit Facilities.

The availability period of an unsecured credit facility amounting to Philippine Peso (“PHP”) 2.35 billion (equivalent to approximately HK\$311.7 million) was extended to 29 July 2024 during the six months ended 30 June 2024, and was further extended to 30 June 2025 in July 2024, with no material changes in the underlying terms and conditions.

For further details of our indebtedness, see note 32 to the consolidated financial statements included in the Company’s 2023 Annual Report and note 13 to the unaudited condensed consolidated interim financial information contained herein, which includes information regarding the type of debt facilities used, the maturity profile of debt, the currency and interest rate structure, the charge on our assets and the nature and extent of any restrictions on our ability, and the ability of our subsidiaries, to transfer funds as cash dividends, loans or advances.

### **Gearing Ratio**

The gearing ratio, expressed as a percentage of total interest-bearing borrowings divided by total assets, was 71.2% as at 30 June 2024 (31 December 2023: 71.1%).

### **Pledges of assets**

As at 30 June 2024, borrowings in an aggregate principal amount of HK\$7,877.6 million (31 December 2023: HK\$7,880.9 million) were secured by the following assets of the Group:

- (i) certain property, plant and equipment;
- (ii) certain right-of-use land and all present and future buildings on and fixtures to such land, and land use rights (or equivalent);
- (iii) certain bank deposits;
- (iv) receivables and other assets including certain intragroup loans; and
- (v) issued shares of certain subsidiaries of the Company.

## **CONTINGENT LIABILITIES**

Other than the commitments disclosed at note 15 to the unaudited condensed consolidated interim financial information, as of 30 June 2024, there were no significant changes to the contingent liabilities as disclosed in the Group's audited consolidated financial statements for the year ended 31 December 2023.

## **FINANCIAL RISK**

### **Foreign exchange risk**

The Group's principal operations are primarily conducted and recorded in HK\$, Macau Patacas ("MOP"), US\$, PHP and Euro ("EUR"). The financial statements of foreign operations are translated into HK\$ which is the Group's functional and presentation currency. The majority of the Group's revenues are denominated in HK\$, while operating expenses are denominated predominantly in MOP, HK\$, PHP and EUR. In addition, a significant portion of our indebtedness and certain expenses are denominated in US\$.

The HK\$ is pegged to the US\$ within a narrow range and the MOP is, in turn, pegged to the HK\$, and the exchange rates between these currencies has remained relatively stable over the past several years. Accordingly, the Group does not expect fluctuations in the values of these currencies to have a material impact on the operations. The Group holds bank balances, receivables and deposits for its operations which are denominated in foreign currencies, such as PHP, EUR and Renminbi, and consequently, exposure to exchange rate fluctuations may arise and may be affected by, among other things, changes in political and economic conditions.

The Group does not currently engage in hedging transactions with respect to foreign exchange exposures of revenues and expenses in the day-to-day operations during the period under review. Instead, the Group maintains a certain amount of its operating funds in the same currencies in which the Group has obligations, thereby reducing the exposure to currency fluctuations. However, the Group occasionally enters into foreign exchange transactions as part of its financing transactions and capital expenditure programs.

### **Interest rate risk**

The Group is primarily exposed to cash flow interest rate risk in relation to borrowings which carry interest at floating rates. The Group attempts to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and mitigate the effects of fluctuations in cash flows.

## **Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group trades only with recognised and creditworthy parties. The Group issues credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is/can be given to gaming promoters. These receivables can be offset against commissions payable and front money deposits held by the Group to the respective customers and gaming promoters for which the Group intends to set-off when required. In this regard, the management of the Group considers that the Group's credit risk is adequately monitored.

## **HUMAN RESOURCES**

### **Headcount and Employees' Information**

The total number of the Group's employees was 20,686 as of 30 June 2024 (30 June 2023: 19,676). Among these employees, 215 are located in Hong Kong and the remaining 20,471 are mainly located in Macau, the Philippines, Cyprus, the PRC and Singapore. The related staff costs for the six months ended 30 June 2024, including directors' emoluments and share-based compensation expenses amounted to HK\$3,324.4 million (six months ended 30 June 2023: HK\$2,991.7 million).

Melco International believes that the key to success lies in its people. The Group strives to create environments of care and trust that make employees proud to be part of them. As an equal opportunity employer, Melco International believes that building a stable workforce and cultivating a harmonious workplace starts with embracing diversity. Equal opportunities are ensured in every area, including compensation, benefits, recruitment, promotion, transfer, training opportunities and development. The Group believes, through growing its business, it will be able to create opportunities and deliver value to its people. Thus, the Group encourages its employees to do their best at work and grow with the Group. Melco International builds employees' loyalty through recognition, involvement and participation. Melco International's people policy, systems and practices are directly aligned with the Group's mission and values which contribute to its success.

## **INTERIM DIVIDEND**

In line with the suspension of the Company's semi-annual dividend program as announced on 14 May 2020, the Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).



## **CORPORATE GOVERNANCE**

The Company has in place its code on corporate governance (the “Company Code”), which sets out the corporate standards and practices used by the Company in directing and managing its business affairs, and is revised from time to time with reference to the principles, code provisions and recommended best practices stipulated in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The Company Code not only formalises the Company’s existing corporate governance principles and practices, it also serves to assimilate practices with benchmarks prescribed by the Hong Kong Stock Exchange, ultimately ensuring that the Company 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 set out in the CG Code during the six months ended 30 June 2024.

Under Paragraph C.2.1 of Part 2 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, 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 set up the following Board committees to ensure maintenance of high corporate governance standards:

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

The Company Code and the terms of reference of the above committees have been posted on the Company’s website at [www.melco-group.com](http://www.melco-group.com) under the “Corporate Governance” section.

## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has a code for dealing in the Company's securities by the directors of the Company (the "Directors") and relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company (the "Code of Securities Dealings"), on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. We have received confirmation from all Directors that they have complied with the required standards as set out in the Code of Securities Dealings throughout the six months ended 30 June 2024.

## **AUDIT COMMITTEE**

The Company's Audit Committee is currently composed of three Independent Non-executive Directors. The primary duties of the Audit Committee are to (i) review the annual reports, interim reports and financial statements of the Group and to provide advice and comments thereon to the Board; (ii) review and supervise the Group's financial reporting process; and (iii) oversee the Group's risk management and internal control systems. The Audit Committee has reviewed the unaudited interim results and the interim report of the Company for the six months ended 30 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the Share Purchase Scheme purchased on the Hong Kong Stock Exchange a total of 17,501,000 shares of the Company at a total consideration of approximately HK\$92,688,000 for satisfying the award of shares to selected participants pursuant to the terms of the rules and trust deed of the Share Purchase Scheme.

## **AUDITOR**

Ernst & Young ("EY") has resigned as auditor of the Company with effect from 28 June 2024. The Board, with the recommendation from the Company's Audit Committee, has resolved to appoint Deloitte Touche Tohmatsu ("Deloitte") as the new auditor of the Company to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the announcement of the Company dated 28 June 2024.

## **INDEPENDENT REVIEW**

The interim results for the six months ended 30 June 2024 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 Deloitte, the Company's auditor, whose independent review report is included in the interim report for the six months ended 30 June 2024.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE COMPANY AND THE HONG KONG STOCK EXCHANGE**

This announcement is published on the Company's website ([www.melco-group.com](http://www.melco-group.com)) and the Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). The interim report for the six months ended 30 June 2024 will be available on the websites of the Company and the Hong Kong Stock Exchange and printed copies of the interim report will be sent to the shareholders of the Company who have elected to receive printed copies in due course in accordance with the Listing Rules.

### **BOARD OF DIRECTORS**

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence; and three Independent Non-executive Directors, namely Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.

By Order of the Board of  
**Melco International Development Limited**  
**Ho, Lawrence Yau Lung**  
*Chairman and Chief Executive Officer*

Hong Kong, 30 August 2024