



MELCO

**INTERIM REPORT 中期報告 2023**

MELCO INTERNATIONAL DEVELOPMENT LIMITED  
新濠國際發展有限公司

Incorporated in Hong Kong with limited liability · A Hong Kong listed company (Stock Code : 200)  
於香港註冊成立之有限公司 · 香港上市公司 (股票代號 : 200)



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# MANAGEMENT DISCUSSION AND ANALYSIS

## SIGNIFICANT EVENTS AND DEVELOPMENTS

The relaxation of social-distancing measures and the reopening of borders worldwide since the beginning of this year has allowed Melco International Development Limited (“Melco International” or the “Company”) and its subsidiaries (collectively, the “Group”) to see a sustained improvement in business momentum. The Group was able to swiftly launch several exciting new initiatives once the markets recovered, which further reinforce the Group’s long-standing commitment to delivering exceptional world-class entertainment and hospitality offerings across all of its operating locations.

Specifically, in Macau, visitor arrivals have increased significantly since the relaxation of travel restrictions effective 8 January 2023. During the first half of 2023, Macau’s gross gaming revenue increased by 205% year-over-year, while turnover in the Group’s premium direct VIP segments outperformed the same period in 2019.

The Group’s continuous development of new attractions, including Studio City Phase 2 and Melco Residency Concert Series, Asia’s first-ever residency concert series with an incredible line-up of superstars, has contributed to gains in market share. With the majority of labour supply issues now largely resolved, the Group has the operational capacity in place to meet the growing customer demand across Macau.

Outside of Macau, the mass market segment is also driving recovery in the Philippines, with gaming volume at City of Dreams Manila continuing to outperform 2019 levels. Furthermore, in the Republic of Cyprus (“Cyprus”), the Group opened City of Dreams Mediterranean to the public in July 2023, following a successful soft opening in June 2023.



Studio City Phase 2 demonstrates the Group’s unwavering commitment to the continued growth and diversification of Macau’s tourism industry.

## BUSINESS REVIEW

### Integrated Gaming and Entertainment Resorts

Melco International operates its gaming business primarily through its subsidiary, Melco Resorts & Entertainment Limited (“Melco Resorts”), a developer, owner and operator of integrated resort facilities in Asia and Europe. As at 30 June 2023, Melco International, through its subsidiary, held approximately 51.69% of the total issued shares of Melco Resorts.

Melco Resorts currently 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 (“ICR Cyprus”) and, through its subsidiaries, operates City of Dreams Mediterranean in Limassol in Cyprus after the closure of a temporary casino in June 2023. It also continues to operate three satellite casinos in other cities in Cyprus.

The Group’s net revenues totalled Hong Kong dollar (“HK\$”) 13.04 billion for the six months ended 30 June 2023, an increase of 116.4% compared with HK\$6.03 billion recorded in the corresponding period of 2022. The increase was primarily attributable to the improved performance in all gaming segments and non-gaming operations primarily due to the relaxation of COVID-19 related restrictions in Macau in January 2023, the openings of Studio City Phase 2’s Epic Tower and indoor waterpark in April 2023, as well as the launch of residency concerts at Studio City in the same month. Loss for the six months ended 30 June 2023 was HK\$1.40 billion, compared with a loss of HK\$4.58 billion in the same period of 2022.



Opened in September 2023, W Macau – Studio City added approximately 560 hotel rooms to the Group’s portfolio, unveiling a lifestyle luxury experience in Macau.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *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 2023, the property operated an average of approximately 430 gaming tables and 637 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. As part of this commitment, ongoing facility upgrade work is being carried out at City of Dreams. Currently, the iconic attraction, The House of Dancing Water, is temporarily closed and is expected to re-open in 2024. The eagerly anticipated return of The House of Dancing Water promises to deliver an unparalleled and enhanced entertainment experience to the market. The Group is also concurrently reviewing its strategy with regards to the future operation of The Countdown.

Leveraging the synergies between its exceptional gaming and non-gaming entertainment offerings, which include an optimized retail selection and an array of top-notch restaurants, City of Dreams has solidified its position as the foremost premium-mass market leisure destination in Macau.



With its continuous development of new attractions, the Group will continue to drive international tourism and position Macau as a leading destination for leisure and entertainment.

### **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 2023, the property operated an average of approximately 246 gaming tables and 670 gaming machines.

The Group unveiled two exhilarating additions to Studio City Phase 2 in April 2023, demonstrating its unwavering commitment to fostering the continued growth and economic diversification in Macau. The space-themed all-weather indoor waterpark, featuring 16 heart-pumping waterslides and attractions, promises visitors a year-round aquatic adventure. Simultaneously, the Group introduced its own-branded Epic Tower, a symbol of opulent hospitality boasting 338 glamorous suites in 8 distinct room types, including 2 lavish villas. The tower's design seamlessly blends innovation, fashion, and city chic, reflecting the Group's hallmark for exceptional guest experiences. The other new hotel tower, W Macau – Studio City, is expected to open in September 2023\*.

Adding to the excitement, the much-anticipated Melco Residency Concert Series kicked off in April 2023 at Studio City, offering a three-year world-class residency entertainment spectacle. This spectacular lineup features a host of superstars, with an impressive total of 90 shows scheduled. Pop sensations such as Joey Yung, Leon Lai, and Aaron Kwok have already graced the stage, captivating audiences with their outstanding performances.

\* The opening of W Macau – Studio City took place on 8 September 2023.



Melco Residency Concert Series, Asia's first-ever residency concert series with an incredible line-up of superstars, kicked off in April 2023 at Studio City, offering a three-year world-class residency entertainment spectacle.

## MANAGEMENT DISCUSSION AND ANALYSIS

### ***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 14<sup>th</sup> consecutive year in 2023. In the first half of 2023, Altira Macau operated an average of approximately 45 gaming tables and 153 gaming machines operated under the brand Mocha at Altira Macau.

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

Mocha Clubs comprises 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 2023, Mocha Clubs operated an average of approximately 875 gaming machines (excluding approximately 153 gaming machines at Altira Macau).

In addition to the 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 2023, Grand Dragon Casino operated an average of approximately 16 gaming tables.



The mass market segment is driving recovery in the Philippines, with gaming volumes at City of Dreams Manila continuing to outperform 2019 levels.

***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. The property operated an average of approximately 267 gaming tables and 2,297 gaming machines in the first half of 2023.

***City of Dreams Mediterranean and Other***

City of Dreams Mediterranean, Europe's first and largest integrated resort, opened to the public in July 2023 following a successful soft opening in June 2023, heralding a new era for premium tourism in Cyprus. The project was developed by ICR Cyprus, a joint venture company 75% held by Melco Resorts. ICR Cyprus holds a 30-year casino gaming license which commenced in June 2017, the first 15 years of which are on an exclusive basis.

With a total investment exceeding Euro ("EUR") 600 million (equivalent to approximately HK\$5,111 million), the iconic fourteen-storey City of Dreams Mediterranean hotel boasts 500 luxury hotel rooms and suites, alongside cutting-edge MICE space spanning over 8,000 square metres. The resort also features an outdoor amphitheatre, a family adventure park, contemporary gaming experience, and an array of upscale dining and luxury retail outlets. With sustainability at its core, City of Dreams Mediterranean is the first development in Cyprus to achieve a BREEAM Excellent rating for its sustainability strategy at its design stage.

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 2023, City of Dreams Mediterranean and Other operated an average of approximately 38 gaming tables and 463 gaming machines.



Bringing a one-of-a-kind development to Cyprus, City of Dreams Mediterranean showcases an unparalleled array of offerings, including Europe's grandest casino, fine dining, extensive entertainment, and the biggest expo center in Cyprus.

**OUTLOOK**

The global travel and tourism industry had a positive start to 2023, as travel restrictions were eased in most parts of the world after the COVID-19 pandemic subsided, leading to a significant recovery in all core markets where the Group operates.

Macau, a key market for the Group, reported a notable uptick in tourism, with number of visitor arrivals expanding by 236.1% year-over-year to 11.65 million during the first half of 2023. The daily average number of visitors topped 64,000, a rebound to 59.6% of the pre-pandemic figure in 2019.

The Group fully supports the Macau government’s initiatives to boost international visitor arrivals and invests in a diverse range of cultural and tourism initiatives to offer visitors innovative and varied entertainment and travel experiences. This September, the Group will launch W Macau – Studio City\*, adding approximately 560 hotel rooms to its portfolio. Alongside new non-gaming offerings like the indoor waterpark at Studio City, TheArsenale V5 Flagship Store, Mr Doodle First Exhibition in Macao, the Black Pearl Diamond Restaurants Gastronomic Series, and the Melco Residency Concert Series, the Group aims to encourage visitors to extend their stay in Macau in line with the government’s objective of developing the city into the world’s premier tourism destination. Additionally, in July 2023, the Group entered into strategic partnerships with renowned media companies in the Mainland, EE-Media and Vanilla Media, to co-develop a variety of films and variety shows in Macau to promote Macau’s tourism and cultural elements more effectively to the nationwide audience.

These initiatives reinforce the Group’s long-standing commitment to bring unique, world class entertainment and hotel offerings to Macau. With a diverse range of events that are being planned for the future, the Group will continue to drive international tourism and position Macau as a leading destination for leisure and entertainment.

\* The opening of W Macau – Studio City took place on 8 September 2023.



City of Dreams Mediterranean opened to the public in July 2023 following a successful soft opening in the month prior, heralding a new era for premium tourism in Cyprus.

Turning to the Philippines, the tourism sector is on a strong recovery path, with over 3.2 million visitor arrivals in the first seven months of 2023, according to data from the Philippines' Department of Tourism. In Cyprus, the tourism industry also continued to enjoy an upward trend during the first half of 2023. With the opening of City of Dreams Mediterranean to the public in July 2023, the Group is now able to tap into new tourism markets, targeting travelers from the Middle East, Europe, and North Africa. The Group is optimistic about the prospects of this new venture as it ramps up its operations in Cyprus.

Looking ahead, with its exceptional portfolio of properties and innovative leisure and entertainment experiences, the Group is well positioned to capitalize on the opportunities created by the recovery in the global travel industry. While remaining agile in navigating the uncertain and challenging operating environment, the Group will continue to focus on optimizing operational efficiency and capitalizing on emerging trends and remain committed to maintaining the highest standards of safety and security for guests and colleagues worldwide.

### **ACHIEVEMENTS AND AWARDS**

Over the years, Melco International has demonstrated a steadfast commitment to upholding the highest standards of Environmental, Social and Governance. As a world-leading operator of leisure and entertainment businesses, the Group has been relentless in its pursuit of operational excellence and has implemented a number of policies and initiatives to promote transparency, accountability and sustainability across its operations, which have been recognized with a number of accolades in the first half of 2023.

#### **Corporate Governance**

The Group has received prestigious leadership awards from the business and investment communities in recognition of its commendable corporate governance practices. In 2023, Melco International won the Best Investor Relations Company award and the Group's Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, was named Asia's Best CEO, both for the 12<sup>th</sup> year, at the Asian Excellence Awards organized by Corporate Governance Asia magazine. These awards are a testament to Melco International's strong commitment to excellence in corporate governance, a cornerstone of its long-term sustainable development.

#### **Business Operations**

The Group strives to consolidate its leadership position among global integrated resort operators and provide guests with unparalleled culinary, hospitality, and entertainment experiences.

The Group was awarded a total of 97 Stars by the 2023 FTG, maintaining its lead among integrated resorts in Macau and Asia. FTG honoured the Group with a total of 17 Five-Star awards across its property portfolio. Notably, Altira Macau is celebrating its 14<sup>th</sup> consecutive year as an FTG Five-Star award winner in both the Hotel and Spa categories.

In addition, the Group's world-class culinary offerings have been honoured by the Michelin Guide Hong Kong Macau 2023, with a collective total of seven stars for four of its signature restaurants located at City of Dreams, Studio City and Altira Macau. This marks the Group as one of the integrated resort operators with the most Michelin stars in Macau. The Group's Cantonese fine-dining restaurant, Jade Dragon at City of Dreams, has been awarded the highest honour of three Michelin stars for the fifth consecutive year, while Alain Ducasse at Morpheus has been honoured with two Michelin stars for the fifth consecutive year. The Group's Cantonese restaurants Pearl Dragon at Studio City and Ying at Altira Macau have each been awarded one Michelin star.

## MANAGEMENT DISCUSSION AND ANALYSIS

Jade Dragon was also awarded the Three Diamond distinction in the Black Pearl Restaurant Guide 2023 for the fourth consecutive year, and upheld its Black Diamond status on the Trip.com 2023 Gourmet Top Global Restaurant List for the third consecutive year. Meanwhile, Yí at Morpheus, City of Dreams was awarded the Black Pearl Restaurant Guide's One Diamond accolade for the fourth consecutive year. Pearl Dragon at Studio City was awarded Platinum Gold for the third consecutive year by the Trip.com 2023 Gourmet Top Global Restaurant List, while Sushi Kinetsu at City of Dreams, renowned for its authentic Edomae sushi (omakase), also received its first Platinum Gold honour from the list.

City of Dreams Mediterranean, a landmark project and the Group's first major venture in Europe, brings the Group's award-winning standards of entertainment, leisure and innovation to Cyprus' luxury hotel scene. The integrated resort was honoured the Best Hotel Architecture Cyprus and Best New Hotel Construction & Design Cyprus awards in the European Property Awards 2023.

### People

Implementing a systematic approach to accelerate talent development through its Whole Person Development philosophy, the Group has launched various talent diversification initiatives to nurture non-gaming and creative talent and contribute to the diversification of the integrated resort industry. Among these initiatives, the Group's Foundation Acceleration Program was selected by the Association for Talent Development ("ATD") as a winner in the Career Development category of its 2023 Excellence in Practice Awards, marking the second consecutive year that the Group's efforts in talent development have been recognized by the ATD.

The Group also achieved excellent results in the 5<sup>th</sup> Macao Integrated Tourism and Leisure Enterprises Vocational Skills Competition 2023, co-organized by the Labour Affairs Bureau and the Macao Federation of Trade Unions, fully demonstrating the Group's dedication and efforts made towards colleague talent development.

In addition to fostering professional development, the Group attaches equal importance to the physical and mental well-being of its colleagues. In line with the Macau government's emphasis on the promotion of physical and mental health, the Group has developed and launched the Reach! program to encourage colleagues to adopt a healthier and more active lifestyle. The program encourages colleagues of all fitness levels to reach their full potential in sports and physical activity, including the provision of training support and resources such as the supply of facilities, venues and sports medicine, and also helps colleagues involved in competitive sports to achieve their best performance.

### Corporate Social Responsibility

As a socially responsible company, the Group spares no effort in making meaningful contributions to the betterment of society.

In recognition of mental wellness as an emerging issue to be addressed in the community, the “Feel Better Mental Wellness” program, co-organized by the Group and the Women’s General Association of Macau, has been extended from serving the Group’s colleagues to their families and the community in 2023.

Committed to the promotion of responsible gaming, the Group was honoured by the Asia Gaming Awards 2023 for its achievements in the Best Responsible Gaming Program and Outstanding Contribution in Corporate Social Responsibility. At the same time, the Group’s proactive contributions and innovative corporate social responsibility initiatives in giving back to the community, in particular through its volunteering initiative, Simple Acts of Kindness 2.0, were honoured for the second consecutive year with Corporate Social Responsibility of the Year by the prestigious Global Gaming Awards Asia-Pacific 2023.

In Cyprus, the Group has launched the “Cultural Ambassadors” program in partnership with the Limassol Tourism Board, aiming to educate all colleagues about the country’s history, traditions, and attractions to make them “tourism ambassadors” for guests.



Through its Whole Person Development program, the Group provides colleagues with an array of learning opportunities to enhance their professional skills and encourage lifelong learning, thus helping them establish fruitful careers.

### Environmental Sustainability

Melco International has continued to sharpen its focus on the needs of the planet and its people, and its role in creating shared value through its commitment to “Rise to go Above & Beyond”.

With sustainability at the core of its development strategy, the Group has become the world’s first hospitality group and integrated resort operator to launch the NORDAQ water purification and bottling solution across its global property portfolio, including at its properties in Macau, the Philippines and Cyprus. The Group aims to gradually replace single-use plastic bottles with refillable glass bottles across its operations. The initiative continued to gain traction, with NORDAQ installed across 43% of the Group’s hotel rooms and three restaurant outlets in Macau and Manila, eliminating more than 1.4 million single-use plastic bottles at its Macau properties and City of Dreams Manila. Once fully operational at all of the Group’s properties in Macau alone, it is estimated that 14.8 million plastic bottles will be eliminated annually at normalized business volumes. The NORDAQ system has also been launched at the Group’s newest integrated resort property, City of Dreams Mediterranean.

To achieve more sustainable and responsible practices, the Group has also partnered with Lever Foundation to fulfill its commitment to cage-free eggs, and is implementing a new initiative of sourcing only cage-free eggs across all of its operations in Macau and globally. Since March 2022, 100% of the eggs served at City of Dreams Manila have been from cage-free, local sources. With the majority of the Group’s F&B outlets in Macau following suit, the Group is on track to fulfill its commitment to sourcing and offering 100% cage-free eggs across its entire property portfolio by 2025.

In the first half of 2023, the Group received the Best Environmental Responsibility title at the Asian Excellence Awards organized by Corporate Governance Asia magazine, and its City of Dreams Mediterranean resort was named Best Sustainable Commercial Development at the European Property Awards 2023, reflecting the Group’s relentless efforts and outstanding performance in promoting environmental sustainability.

## FINANCIAL REVIEW

## RESULTS FOR THE SIX MONTHS ENDED 30 JUNE

<i>HK\$'million</i>	<b>2023</b> <b>(Unaudited)</b>	<b>2022</b> <b>(Unaudited)</b>	<b>YoY%</b>
Net revenues	13,038.4	6,025.1	116.4%
Adjusted EBITDA	3,202.6	168.2	1,804.6%
Loss attributable to owners of the Company	(733.2)	(2,374.6)	69.1%
Basic loss per share attributable to owners of the Company (HK\$)	(0.49)	(1.58)	69.1%

## FINANCIAL POSITION

<i>HK\$'million</i>	<b>30 June</b> <b>2023</b> <b>(Unaudited)</b>	<b>31 December</b> <b>2022</b> <b>(Audited)</b>	<b>YoY%</b>
Total assets	93,946.1	97,091.6	-3.2%
Total liabilities	81,840.6	83,705.6	-2.2%
Equity attributable to owners of the Company	1,504.7	1,791.3	-16.0%
Net assets value per share attributable to owners of the Company (HK\$)	1.0	1.2	-16.0%
Gearing ratio (%)	71.2%	74.4%	N/A



The Group's proactive contributions and innovative corporate social responsibility initiatives were honoured for the second consecutive year with Corporate Social Responsibility of the Year by the prestigious Global Gaming Awards Asia-Pacific 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Net Revenues

Net revenues of the Group increased by 116.4% from HK\$6.03 billion for the six months ended 30 June 2022 to HK\$13.04 billion for the six months ended 30 June 2023. The increase in net revenues was primarily attributable to the relaxation of COVID-19 related restrictions in Macau in January 2023, the openings of Studio City Phase 2's Epic Tower and indoor waterpark in April 2023, as well as the launch of residency concerts at Studio City in the same month which led to improved performance in our casino and hospitality operations in the six months ended 30 June 2023.

HK\$'million	Six months ended 30 June		YoY%
	2023 (Unaudited)	2022 (Unaudited)	
Casino revenue	10,723.3	4,904.9	118.6%
Entertainment and resort facilities:			
Rooms	1,087.4	495.4	119.5%
Food and beverage	653.2	346.5	88.5%
Entertainment, retail and other	574.5	278.4	106.4%
	13,038.4	6,025.1	116.4%

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

The Group generated Adjusted EBITDA of HK\$3.20 billion for the six months ended 30 June 2023, compared to Adjusted EBITDA of HK\$168.2 million for the six months ended 30 June 2022. The change in Adjusted EBITDA was mainly attributable to improved performance in our casino and hospitality operations as a result of the relaxation of COVID-19 related restrictions in Macau in January 2023, the openings of Studio City Phase 2's Epic Tower and indoor waterpark in April 2023, as well as the launch of residency concerts at Studio City in the same month.

### Loss Attributable to Owners of the Company

Loss attributable to owners of the Company was HK\$733.2 million for the six months ended 30 June 2023, compared to loss attributable to owners of the Company of HK\$2.37 billion for the six months ended 30 June 2022. The change was mainly attributable to improved performance in our casino and hospitality operations as a result of the relaxation of COVID-19 related restrictions in Macau in January 2023, the openings of Studio City Phase 2's Epic Tower and indoor waterpark in April 2023, as well as the launch of residency concerts at Studio City in the same month, partially offset by higher interest expenses, net of amounts capitalized, in the six months ended 30 June 2023.

<sup>(1)</sup> Adjusted EBITDA is the profit/loss for the period before interest, income tax, depreciation and amortization, share-based compensation expenses, pre-opening costs, property charges and other, payments to the Philippine Parties, 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 interim report 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\$0.49 per share for the six months ended 30 June 2023, compared to basic loss per share attributable to owners of the Company of HK\$1.58 per share for the six months ended 30 June 2022.

### Financial and Operational Performance

Melco Resorts, a majority-owned subsidiary of the Group as at 30 June 2023, contributed the most majority of the financial results of the Group.

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 United States dollar (“US\$”) 1.66 billion for the six months ended 30 June 2023 versus US\$771.1 million for the six months ended 30 June 2022. The increase in total operating revenues was primarily attributable to improved performance in all gaming segments and non-gaming operations primarily due to the relaxation of COVID-19 related restrictions in Macao in January 2023, the openings of Studio City Phase 2’s Epic Tower and indoor waterpark in April 2023, as well as the launch of residency concerts at Studio City in the same month.

The operating income for the six months ended 30 June 2023 was US\$64.6 million, compared with operating loss of US\$345.1 million for the same period in 2022.



The Group welcomed its community partners to the “Mr Doodle First Exhibition in Macao” to discover Mr Doodle’s creative philosophy and experience the fun of artistic co-creation.

## MANAGEMENT DISCUSSION AND ANALYSIS

Melco Resorts generated Adjusted Property EBITDA<sup>(2)</sup> of US\$458.0 million for the six months ended 30 June 2023, compared with Adjusted Property EBITDA of US\$42.2 million for the same period in 2022.

Net loss attributable to the financial performance of Melco Resorts for the six months ended 30 June 2023 was US\$104.7 million, compared with a net loss attributable to the financial performance of Melco Resorts of US\$434.7 million for the same period in 2022.

### **City of Dreams**

For the six months ended 30 June 2023, total operating revenues at City of Dreams were US\$864.5 million, compared to US\$354.1 million for the same period in 2022. City of Dreams generated Adjusted Property EBITDA of US\$256.2 million for the six months ended 30 June 2023, compared with Adjusted Property EBITDA of US\$15.9 million in the same period in 2022.

### **Gaming Performance**

US\$ million	Six months ended 30 June		
	2023	2022	YoY%
<b>VIP Gaming</b>			
Rolling chip volume	9,799.8	3,197.2	206.5%
Win rate	2.69%	3.61%	N/A
<b>Mass Market</b>			
Table drop	2,260.5	761.7	196.8%
Hold percentage	29.7%	31.3%	N/A
<b>Gaming Machine</b>			
Handle	1,427.2	597.2	139.0%
Win rate	3.3%	3.1%	N/A

### **Non-Gaming Performance**

Total non-gaming revenue at City of Dreams for the six months ended 30 June 2023 was US\$127.2 million, compared with US\$62.1 million in the same period in 2022.

<sup>(2)</sup> Adjusted Property EBITDA is net income/loss before interest, taxes, depreciation and amortization, pre-opening costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle Corporation, 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 interim report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

**Altira Macau**

For the six months ended 30 June 2023, total operating revenues at Altira Macau were US\$53.1 million, compared to US\$21.2 million in the same period in 2022. Altira Macau generated Adjusted Property EBITDA of US\$2.3 million for the six months ended 30 June 2023, compared with negative Adjusted Property EBITDA of US\$20.6 million in the same period in 2022.

*Gaming Performance*

US\$'million	Six months ended 30 June		
	2023	2022	YoY%
<b>Mass Market</b>			
Table drop	199.3	73.7	170.2%
Hold percentage	24.5%	22.8%	N/A
<b>Gaming Machine</b>			
Handle	156.3	92.0	69.9%
Win rate	3.5%	4.1%	N/A

*Non-Gaming Performance*

Total non-gaming revenue at Altira Macau for the six months ended 30 June 2023 was US\$8.6 million, compared with US\$4.4 million in the same period in 2022.



With sustainability at the core of its development strategy, the Group aims to gradually replace single-use plastic bottles with refillable glass bottles across all its operations.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *Mocha and Other*

Effective from 27 June 2022, the Grand Dragon Casino, which focuses on mass market table games and was previously reported under the corporate and other segment, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino.

Total operating revenues from Mocha and Other were US\$58.9 million for the six months ended 30 June 2023, compared to US\$38.1 million in the same period in 2022. Mocha and Other generated Adjusted Property EBITDA of US\$14.4 million for the six months ended 30 June 2023, compared with Adjusted Property EBITDA of US\$6.8 million in the same period in 2022.

#### *Gaming Performance*

US\$'million	Six months ended 30 June		
	2023	2022	YoY%
<b>Mass Market</b>			
Table drop	79.2	0.4	17,812.6%
Hold percentage	17.5%	26.9%	N/A
<b>Gaming Machine</b>			
Handle	1,021.9	884.9	15.5%
Win rate	4.6%	4.3%	N/A

### *Studio City*

For the six months ended 30 June 2023, total operating revenues at Studio City were US\$378.1 million, compared to US\$107.0 million in the same period in 2022. Studio City generated Adjusted Property EBITDA of US\$61.7 million for the six months ended 30 June 2023, compared with negative Adjusted Property EBITDA of US\$48.4 million in the same period in 2022.

#### *Gaming Performance*

US\$'million	Six months ended 30 June		
	2023	2022	YoY%
<b>VIP Gaming</b>			
Rolling chip volume	1,507.9	543.3	177.5%
Win rate	1.51%	2.37%	N/A
<b>Mass Market</b>			
Table drop	1,197.2	285.1	320.0%
Hold percentage	25.2%	29.7%	N/A
<b>Gaming Machine</b>			
Handle	1,027.1	434.7	136.3%
Win rate	3.6%	2.8%	N/A

*Non-Gaming Performance*

Total non-gaming revenue at Studio City for the six months ended 30 June 2023 was US\$99.4 million, compared with US\$21.6 million in the same period in 2022.

**City of Dreams Manila**

For the six months ended 30 June 2023, total operating revenues at City of Dreams Manila were US\$249.7 million, compared to US\$198.6 million in the same period in 2022. City of Dreams Manila generated Adjusted Property EBITDA of US\$107.9 million for the six months ended 30 June 2023, compared with Adjusted Property EBITDA of US\$82.0 million in the same period in 2022.

*Gaming Performance*

US\$'million	Six months ended 30 June		
	2023	2022	YoY%
<b>VIP Gaming</b>			
Rolling chip volume	1,176.0	1,419.2	-17.1%
Win rate	4.39%	2.11%	N/A
<b>Mass Market</b>			
Table drop	371.6	305.7	21.6%
Hold percentage	31.3%	29.3%	N/A
<b>Gaming Machine</b>			
Handle	1,988.5	1,702.3	16.8%
Win rate	5.1%	5.6%	N/A

*Non-Gaming Performance*

Total non-gaming revenue at City of Dreams Manila for the six months ended 30 June 2023 was US\$57.3 million, compared with US\$49.6 million in the same period in 2022.

**City of Dreams Mediterranean and Other**

City of Dreams Mediterranean officially opened to the public on 10 July 2023, after a soft opening in June. The Company continues to operate three satellite casinos in Cyprus in conjunction with City of Dreams Mediterranean (collectively, the “Cyprus Casinos”).

For the six months ended 30 June 2023, total operating revenues at Cyprus Casinos were US\$58.7 million, compared to US\$37.8 million in the same period in 2022. Cyprus Casinos generated Adjusted Property EBITDA of US\$15.6 million for the six months ended 30 June 2023, compared with Adjusted Property EBITDA of US\$6.5 million in the same period in 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gaming Performance

US\$'million	Six months ended 30 June		
	2023	2022	YoY%
<b>VIP Gaming</b>			
Rolling chip volume	0.6	2.4	-73.6%
Win rate	26.16%	-3.56%	N/A
<b>Mass Market</b>			
Table drop	89.3	58.2	53.2%
Hold percentage	21.8%	18.1%	N/A
<b>Gaming Machine</b>			
Handle	776.6	563.0	37.9%
Win rate	5.0%	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 2023 was US\$2.1 million, compared with US\$0.3 million in the same period in 2022.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Capital Resources

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

The Group continues to manage its financial position carefully and maintains conservative policies in cash and financial management. As at 30 June 2023, the Group's bank balances and cash amounted to HK\$11,772.8 million (31 December 2022: HK\$14,317.5 million) and restricted cash (mainly being cash collateral for concession-related guarantees to the Macau government and security under credit facilities) amounted to HK\$1,236.4 million (31 December 2022: HK\$4,006.6 million). In January 2023, restricted cash of US\$222.8 million (equivalent to approximately HK\$1.74 billion) as security under credit facilities and Macau Pataca ("MOP") 410.0 million (equivalent to approximately HK\$398.1 million) as cash collateral against a bank guarantee issued in favour of the Macau government were released.

As at 30 June 2023, the Group had available and unutilized borrowing capacity of HK\$4.84 billion (31 December 2022: HK\$0.56 billion), subject to satisfaction of certain conditions precedent.

Major changes in our indebtedness during the six months ended and subsequent to 30 June 2023 are summarized below.

During the six months ended 30 June 2023, the Group drew down HK\$7.46 billion and US\$300.0 million (equivalent to approximately HK\$2.35 billion) in aggregate under a HK\$14.85 billion unsecured senior credit facilities agreement (the “2020 Credit Facilities”). During the same period, the Group repaid principal amounts of HK\$5.31 billion and US\$1.12 billion (equivalent to approximately HK\$8.78 billion) in aggregate along with accrued interest under the 2020 Credit Facilities.

In March 2023, the Group repaid an outstanding principal amount of US\$13.76 million (equivalent to approximately HK\$108.0 million) along with accrued interest under the term loan facility of a US\$1.0 billion secured credit facility agreement (the “2021 Credit Facilities”) in accordance with the stated repayment schedule.

On 24 April 2023, the Group obtained confirmation from the facility and security agents that certain provisions contained in the 2021 Credit Facilities were waived and amended. Such waiver and amendment allowed the Group to repay an outstanding principal amount of US\$165.1 million (equivalent to approximately HK\$1.30 billion) along with accrued interest under the term loan facility of the 2021 Credit Facilities on 26 April 2023.

On 19 June 2023, the Group obtained confirmation from the facility agent that borrowings under the 2021 Credit Facilities denominated in US\$ should bear interest at the term Secured Overnight Financing Rate (“Term SOFR”) plus an applicable credit adjustment spread of 0.06% per annum and a margin of 2.35% per annum. The Interest Rate Amendment became effective on 19 June 2023. Prior to the effective date of the Interest Rate Amendment, borrowings under the 2021 Credit Facilities denominated in US\$ bore interest at the London Interbank Offered Rate (“LIBOR”) plus a margin of 2.35% per annum.

On 29 June 2023, the 2020 Credit Facilities were amended and restated to amend the facility agreement provisions such that borrowings under the 2020 Credit Facilities denominated in US\$ should bear interest at the Term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One Limited (“MCO Nominee One”), a subsidiary of the Company, and certain of its specified subsidiaries. The amendment became effective on 29 June 2023. Prior to the effective date of the 2020 Credit Facilities Amendment and Restatement, borrowings under the 2020 Credit Facilities denominated in US\$ bore interest at the LIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries.

The availability period of an unsecured credit facility amounting to Philippine Peso (“PHP”) 2.35 billion (equivalent to approximately HK\$332.7 million) was extended to 31 January 2024 during the six months ended 30 June 2023, with no material changes in the underlying terms and conditions.

For further details of our indebtedness, please refer to note 34 to the consolidated financial statements included in the Company’s 2022 Annual Report and note 16 to the 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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 2023 (31 December 2022: 74.4%).

### Pledges of assets

As at 30 June 2023, borrowings in aggregate principal amount of HK\$7,908.2 million (31 December 2022: HK\$9,275.6 million) were secured by the following assets of the Group:

- (i) certain property, plant and equipment;
- (ii) certain 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 inter-group loans; and
- (v) issued shares of certain subsidiaries of the Company.

### CONTINGENT LIABILITIES

Other than an adequate provision made based on the progress of ILGA litigation (as particularly described in note 44 to the Group's audited consolidated financial statements for the year ended 31 December 2022 and note 20 to the Condensed Consolidated Interim Financial Information contained herein) for the six months ended 30 June 2023, as of 30 June 2023, 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 2022.

On 24 July 2023, a settlement deed was entered into for full and final settlement of all outstanding claims in respect of ILGA litigation.

### FINANCIAL RISKS

#### Foreign exchange risk

The Group's principal operations are primarily conducted and recorded in HK\$, MOP, US\$, PHP and 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 bank balances, restricted cash and 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.

**Equity price risk**

The Group is exposed to equity price risk through its investments in marketable equity securities. The Group does not engage in hedging transactions with respect to equity price exposures. The Group attempts to manage equity price risk by managing its portfolio of investments.

**FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

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

**HUMAN RESOURCES****Headcount and Employees' Information**

The total number of the Group's employees was 19,676 as of 30 June 2023 (30 June 2022: 17,270). Among these employees, 204 are located in Hong Kong and the remaining 19,472 are mainly located in Macau, the Philippines, Cyprus, the PRC and Singapore. The related staff costs for the six months ended 30 June 2023, including directors' emoluments and share-based compensation expenses amounted to HK\$2,991.7 million (six months ended 30 June 2022: HK\$2,606.7 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.

# REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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## **To the board of directors of Melco International Development Limited**

*(Incorporated in Hong Kong with limited liability)*

### **INTRODUCTION**

We have reviewed the interim financial information set out on pages 25 to 64, which comprises the condensed consolidated statement of financial position of Melco International Development Limited (the “Company”) and its subsidiaries as of 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### **SCOPE OF REVIEW**

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

### **CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong

31 August 2023

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

For the six months ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
NET REVENUES	4	13,038,389	6,025,107
OPERATING COSTS AND EXPENSES			
Gaming tax and license fees		(5,203,349)	(2,270,850)
Employee benefits expenses		(2,991,729)	(2,606,733)
Depreciation and amortization	6	(2,099,709)	(2,594,941)
Other operating expenses, gains and losses, net		(2,108,517)	(1,576,705)
Total operating costs and expenses, net		(12,403,304)	(9,049,229)
OPERATING INCOME/(LOSS)		635,085	(3,024,122)
NON-OPERATING INCOME/(EXPENSES)			
Interest income		110,632	26,850
Interest expenses, net of amounts capitalized	5	(2,056,236)	(1,510,835)
Losses on modification of debts		(82,222)	-
Other financing costs		(16,954)	(30,720)
Foreign exchange losses, net		(7,460)	(27,315)
Other income, net		7,982	13,129
Share of losses of a joint venture	13	(631)	(459)
Share of losses of associates		(4,267)	(2,470)
Total non-operating expenses, net		(2,049,156)	(1,531,820)
LOSS BEFORE TAX	6	(1,414,071)	(4,555,942)
Income tax credit/(expense)	7	11,449	(23,434)
LOSS FOR THE PERIOD		(1,402,622)	(4,579,376)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<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		(154,194)	(607,007)
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>			
		(154,194)	(607,007)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>			
		(1,556,816)	(5,186,383)
Loss for the period attributable to:			
Owners of the Company		(733,248)	(2,374,583)
Non-controlling interests		(669,374)	(2,204,793)
		(1,402,622)	(4,579,376)
Total comprehensive loss for the period attributable to:			
Owners of the Company		(787,381)	(2,673,781)
Non-controlling interests		(769,435)	(2,512,602)
		(1,556,816)	(5,186,383)
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>			
Basic and diluted	9	HK\$(0.49)	HK\$(1.58)

The accompanying notes are an integral part of the interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	46,898,427	47,347,230
Right-of-use assets		5,643,705	5,581,446
Gaming concession and licenses	11	2,375,831	13,335
Goodwill		5,299,451	5,299,451
Trademarks		16,992,458	16,992,458
Other intangible assets		352,572	313,321
Investment in a joint venture	13	159,057	167,033
Investments in associates		29,734	44,581
Prepayments, deposits and other receivables		1,145,402	1,271,584
Restricted cash		977,144	2,752,241
Deferred tax assets		6,222	4,986
<b>Total non-current assets</b>		<b>79,880,003</b>	<b>79,787,666</b>
<b>CURRENT ASSETS</b>			
Inventories		209,005	206,292
Trade receivables	12	695,097	437,273
Prepayments, deposits and other receivables		1,069,102	999,938
Other financial assets		–	21,168
Tax recoverable		407	112
Restricted cash		259,285	1,254,390
Cash and bank balances		11,772,843	14,317,506
		14,005,739	17,236,679
Assets classified as held for sale		60,404	67,273
<b>Total current assets</b>		<b>14,066,143</b>	<b>17,303,952</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	<b>30 June 2023 HK\$'000 (Unaudited)</b>	<b>31 December 2022 HK\$'000 (Restated)</b>
<b>CURRENT LIABILITIES</b>			
Trade payables	14	86,939	52,557
Other payables, accruals and deposits received	15	7,720,541	6,338,282
Tax payable		74,381	91,562
Interest-bearing borrowings	16	1,000	420,794
Lease liabilities		427,322	373,589
<b>Total current liabilities</b>		<b>8,310,183</b>	<b>7,276,784</b>
<b>NET CURRENT ASSETS</b>			
		<b>5,755,960</b>	<b>10,027,168</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>85,635,963</b>	<b>89,814,834</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables, accruals and deposits received	15	2,269,007	267,586
Interest-bearing borrowings	16	66,885,871	71,790,213
Lease liabilities		1,989,660	1,985,986
Deferred tax liabilities		2,385,863	2,384,984
<b>Total non-current liabilities</b>		<b>73,530,401</b>	<b>76,428,769</b>
<b>Net assets</b>		<b>12,105,562</b>	<b>13,386,065</b>
<b>EQUITY</b>			
Share capital	17	5,701,853	5,701,853
Deficit		(4,197,202)	(3,910,548)
<b>Equity attributable to owners of the Company</b>		<b>1,504,651</b>	<b>1,791,305</b>
<b>Non-controlling interests</b>		<b>10,600,911</b>	<b>11,594,760</b>
<b>Total equity</b>		<b>12,105,562</b>	<b>13,386,065</b>

The accompanying notes are an integral part of the interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company										Non-controlling interests HK\$'000	Total equity HK\$'000	
	Share capital HK\$'000 (note 17)	Capital reserve HK\$'000	Special reserve HK\$'000	Legal reserve HK\$'000	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Shares held under share award schemes HK\$'000	Share award reserve HK\$'000	Retained profits HK\$'000			Sub-total HK\$'000
At 1 January 2023 (Audited)	5,701,853	7,053	(5,588,177)	245,255	1,182	(658,247)	28,478	(108,763)	424,227	1,438,444	1,791,305	11,594,760	13,386,065
Exchange differences on translation of foreign operations	-	-	-	-	-	(54,133)	-	-	-	-	(54,133)	(100,061)	(154,194)
Other comprehensive loss for the period	-	-	-	-	-	(54,133)	-	-	-	-	(54,133)	(100,061)	(154,194)
Loss for the period	-	-	-	-	-	-	-	-	-	(733,248)	(733,248)	(669,374)	(1,402,622)
Total comprehensive loss for the period	-	-	-	-	-	(54,133)	-	-	-	(733,248)	(787,381)	(769,435)	(1,556,816)
Recognition of share-based payments	-	-	131,744	-	-	-	635	-	38,751	-	171,130	117,295	288,425
Shares vested under the share award schemes	-	-	-	-	-	-	-	108,357	(185,117)	76,760	-	-	-
Transfer to legal reserve	-	-	-	11	-	-	-	-	-	(11)	-	-	-
Change in ownership interests of certain subsidiaries (note 18)	-	-	329,640	-	(43)	-	-	-	-	-	329,597	(341,709)	(12,112)
	-	-	461,384	11	(43)	-	635	108,357	(146,366)	76,749	500,727	(224,414)	276,313
At 30 June 2023 (Unaudited)	5,701,853	7,053*	(5,126,793)*	245,266*	1,139*	(412,380)*	29,113*	(406)*	277,861*	781,945*	1,504,651	10,800,911	12,105,562

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the six months ended 30 June 2022

	Attributable to owners of the Company										Total equity HK\$'000		
	Share capital HK\$'000 (note 17)	Capital reserve HK\$'000	Special reserve HK\$'000	Legal reserve HK\$'000	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Shares held under share award schemes HK\$'000	Share award reserve HK\$'000	Retained profits HK\$'000		Sub-total HK\$'000	Non-controlling interests HK\$'000
At 1 January 2022 (Audited)	5,696,445	7,053	(5,678,694)	245,255	282	(242,838)	265,921	(107,247)	137,045	6,539,445	6,862,667	15,605,341	22,468,008
Exchange differences on translation of foreign operations	-	-	-	-	-	(299,198)	-	-	-	-	(299,198)	(307,809)	(607,007)
Other comprehensive loss for the period	-	-	-	-	-	(299,198)	-	-	-	-	(299,198)	(307,809)	(607,007)
Loss for the period	-	-	-	-	-	-	-	-	(2,374,583)	(2,374,583)	(2,374,583)	(2,204,793)	(4,579,376)
Total comprehensive loss for the period	-	-	-	-	-	(299,198)	-	-	(2,374,583)	(2,374,583)	(2,673,781)	(2,512,602)	(5,186,383)
Exercise of share options	5,408	-	-	-	-	-	(2,014)	-	-	-	3,394	-	3,394
Recognition of share-based payments	-	-	151,307	-	-	-	6,260	-	45,689	-	203,256	118,350	321,606
Transfer of share option reserve upon expiry of share options	-	-	-	-	-	-	(1,411)	-	-	1,411	-	-	-
Shares vested under the share award schemes	-	-	-	-	-	-	-	13,726	(24,441)	10,715	-	-	-
Modification of share options and awarded shares	-	-	-	-	-	-	(241,130)	-	241,052	(78)	-	-	(78)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(22,413)	(22,413)
Change in ownership interests of certain subsidiaries (note 18)	-	-	(130,442)	-	-	-	-	-	-	-	(130,442)	886,447	756,005
	5,408	-	20,865	-	-	-	(238,295)	13,726	262,300	12,126	76,130	982,384	1,058,514
At 30 June 2022 (Unaudited)	5,701,853	7,053*	(5,657,829)*	245,255*	282*	(542,036)*	27,626*	(93,521)*	399,345*	4,176,988*	4,265,016	14,075,123	18,340,139

\* These reserve accounts comprise the consolidated deficit of HK\$4,197,202,000 (30 June 2022: HK\$1,436,837,000) in the unaudited condensed consolidated statement of financial position as at 30 June 2023.

The accompanying notes are an integral part of the interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash generated from operating activities	3,532,571	201,045
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments and deposits for property, plant and equipment	(911,129)	(2,519,448)
Payments for intangible assets	(35,867)	(32,349)
Payments for right-of-use assets	(13,163)	(96)
Proceeds from disposal of assets classified as held for sale	877	–
Proceeds from disposal of property, plant and equipment	3,883	2,448
Proceeds from disposal of financial assets at fair value through profit or loss	21,932	–
Interest received	113,409	31,021
Payment for extension of gaming subconcession	–	(45,631)
Investment in an associate	–	(21,433)
Net cash used in investing activities	(820,058)	(2,585,488)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of interest-bearing borrowings	(15,495,441)	–
Interest paid	(2,053,687)	(1,455,179)
Payments of lease liabilities (including associated interest)	(210,707)	(270,868)
Payments of gaming concession and license liabilities (including associated interest)	(140,928)	–
Repurchase of shares of subsidiaries	(12,042)	(289,284)
Dividends paid to non-controlling shareholders	(6,173)	(24,075)
Payments of deferred financing costs	–	(48,901)
Proceeds from exercise of share options	1,851	3,394
Decrease/(increase) in restricted cash	2,780,440	(1,722,858)
Proceeds from interest-bearing borrowings	9,811,171	6,016,892
Net cash (used in)/generated from financing activities	(5,325,516)	2,209,121

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,613,003)	(175,322)
Cash and cash equivalents at beginning of period, including those classified within assets held for sale	14,317,506	13,454,254
Effect of foreign exchange rate changes, net	68,340	(110,854)
	11,772,843	13,168,078
Less: cash and bank balances classified within assets held for sale	–	(3,092)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,772,843	13,164,986
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	11,772,843	13,164,986

The accompanying notes are an integral part of the interim financial information.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

*For the six months ended 30 June 2023*

## 1. ORGANIZATION 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 38th 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, with its American depositary shares (“ADSs”) listed on the Nasdaq Global Select Market in the United States of America (the “U.S.”). Melco Resorts currently operates Altira Macau, an integrated resort located at Taipa, the Macau Special Administrative Region of the People’s Republic of China (“Macau”), City of Dreams, an integrated resort located at Cotai, Macau 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 (“SCIHL”), which is majority-owned by Melco Resorts and with its ADSs 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 (“ICR Cyprus”) and its subsidiaries (collectively referred to as “ICR Cyprus Group”), currently operates City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus (“Cyprus”), with a soft opening for hotel and invited guests on 12 June 2023 and a full public opening on 10 July 2023 and the licensed satellite casinos in Cyprus. Before the soft opening of City of Dreams Mediterranean, ICR Cyprus Group operated a licensed temporary casino in Limassol until its closure on 9 June 2023 and the 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.

**1. ORGANIZATION AND BUSINESS (continued)**

**(b) Recent developments related to business operations and COVID-19**

The construction of Studio City Phase 2 was completed before the extended deadline of 30 June 2023 for the development period under the Studio City land concession. The first stage of Studio City Phase 2 opened in April 2023 with the opening of the Epic Tower and the indoor waterpark. The second stage of Studio City Phase 2 is expected to open in September 2023.

City of Dreams Mediterranean commenced operations before the extended deadline of 30 June 2023 under the terms of the gaming license, with a soft opening for hotel and invited guests on 12 June 2023 and a full public opening on 10 July 2023.

The disruptions to the Group's business caused by the COVID-19 outbreak had a material effect on its financial condition and operations from 2020 through the beginning of 2023. In Macau, from 8 January 2023, travel restrictions were relaxed and travelers arriving in Macau from Taiwan, Hong Kong and the People's Republic of China (the "PRC") were no longer required to present negative nucleic acid tests. Since then, visitation to the Group's integrated resorts and casinos as well as operations have improved. In addition, effective from 28 April 2023, masks are only required for individuals presenting influenza-like symptoms or testing positive for COVID-19, at medical institutions, and in workplaces or schools where a cluster of influenza-like cases has been detected.

While quarantine-free travel to and from the PRC has resumed and pandemic measures in Macau, the Philippines and Cyprus eased significantly, the pace of recovery from COVID-19 related disruptions remains highly uncertain.

Also, the military conflict between Russia and Ukraine continued to have a negative impact on the Group's business and ability to accept certain customers from Russia, and may materially and adversely affect the Group's business in Cyprus.

The Group is currently unable to reasonably estimate the financial impact to its future results of operations, cash flows and financial position from these disruptions.

As at 30 June 2023, the Group had total cash and bank balances of HK\$11,772,843,000 and available unused borrowing capacity of HK\$4,839,739,000, subject to the satisfaction of certain conditions precedent.

The Group believes it will be 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.

## 2.1 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value. Assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell.

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 16 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 2023 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 2022.

The financial information relating to the year ended 31 December 2022 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 2022 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 auditor has reported on the consolidated financial statements for the year ended 31 December 2022. The auditor’s report was unqualified, did not include a reference to any matters to which the 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 2023 are consistent with those of the Group as set out in the Group’s audited consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) for the first time for the current period’s unaudited condensed consolidated interim financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to Hong Kong Accounting Standard (“HKAS”) 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform - Pillar Two Model Rules</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>

**Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current*; and Amendments to HKAS 1 *Non-current Liabilities with Covenants***

Amendments to HKAS 1 *Classification of Liabilities as Current or Non-current* clarify the requirements for classifying liabilities as current or non-current, in particular the determination over whether an entity has a right to defer settlement of the liabilities for at least 12 months after the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. In 2022, the Hong Kong Institute of Certified Public Accountants issued the 2022 Amendments to further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. In addition, the 2022 Amendments require additional disclosures by an entity that classifies liabilities arising from loan arrangements as non-current when it has a right to defer settlement of those liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively. Earlier application is permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa.

**2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)**

The Group early adopted the 2020 Amendments and 2022 Amendments from 1 January 2023 and in accordance with the transition provisions of the amendments, the Group adopted the amendments retrospectively and restated certain comparative figures. Accordingly, the outstanding principal amount of the revolving credit facility under the 2021 Credit Facilities (as defined in note 16) of United States dollars (“US\$”) 177,000,000 (equivalent to approximately HK\$1,387,463,000) as at 30 June 2023 was classified as non-current interest-bearing borrowings and US\$177,000,000 (equivalent to approximately HK\$1,382,283,000) as at 31 December 2022 was reclassified from current interest-bearing borrowings to non-current interest-bearing borrowings in the accompanying condensed consolidated statement of financial position.

The adoption of the other new and revised HKFRSs had no material impact on the unaudited condensed consolidated interim financial information.

**2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs**

Except for the early adoption of the 2020 Amendments and 2022 Amendments, 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 2023.

**2.4 CHANGE IN SIGNIFICANT ACCOUNTING ESTIMATES**

Prior to the fulfilment of the Cyprus License Requirement (as defined in note 11), the Cyprus License Fee (as defined in note 11) was expensed as incurred and included in gaming tax and license fees in the condensed consolidated statement of profit or loss and other comprehensive income. Upon fulfilment of the Cyprus License Requirement, to better reflect the future economic benefits arising from the Cyprus License, the Group recognized an intangible asset and financial liability representing the right under the Cyprus License (as defined in note 11) and the unconditional obligations to pay the Cyprus License Fee respectively as disclosed in note 11 and also resulted in a decrease in deferred tax assets by Euro (“EUR”) 91,000 (equivalent to approximately HK\$773,000) as at 30 June 2023.

The abovementioned change in accounting estimate also resulted in an additional loss of EUR73,000 (equivalent to approximately HK\$619,000) to the loss for the period in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2023.

### 3. SEGMENT INFORMATION

For management purposes, the Group is organized 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 amortization, share-based compensation expenses, pre-opening costs, property charges and other, payments to SM Investments Corporation, Belle Corporation and PremiumLeisure and Amusement, Inc. (collectively referred to as the “Philippine Parties”), 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 those deferred tax assets and 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.

## 3. SEGMENT INFORMATION (continued)

## Segment net revenues and results

Six months ended 30 June 2023 (Unaudited)

	Casino and Hospitality HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment net revenues</b>			
Sales to external customers (note 4)	13,038,389	–	13,038,389
Intersegment sales	10,211	–	10,211
	13,048,600	–	13,048,600
Elimination of intersegment sales			(10,211)
Total net revenues			13,038,389
<b>Adjusted EBITDA</b>	3,206,033	(3,399)	3,202,634
Operating costs and expenses			
Depreciation and amortization			(2,099,709)
Share-based compensation expenses			(196,673)
Pre-opening costs			(220,458)
Property charges and other			149,642
Payments to the Philippine Parties			(177,717)
Corporate expenses			(22,634)
Operating income			635,085
Non-operating income/(expenses)			
Interest income			110,632
Interest expenses, net of amounts capitalized			(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			(4,267)
Total non-operating expenses, net			(2,049,156)
Loss before tax			(1,414,071)
Income tax credit			11,449
<b>LOSS FOR THE PERIOD</b>			<b>(1,402,622)</b>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3. SEGMENT INFORMATION (continued)

Segment net revenues and results (continued)

Six months ended 30 June 2022 (Unaudited)

	Casino and Hospitality HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment net revenues</b>			
Sales to external customers (note 4)	6,025,107	–	6,025,107
Intersegment sales	4,631	–	4,631
	<u>6,029,738</u>	–	<u>6,029,738</u>
Elimination of intersegment sales			(4,631)
Total net revenues			<u>6,025,107</u>
<b>Adjusted EBITDA</b>	<u>170,119</u>	<u>(1,966)</u>	<u>168,153</u>
Operating costs and expenses			
Depreciation and amortization			(2,594,941)
Share-based compensation expenses			(235,201)
Pre-opening costs			(43,579)
Property charges and other			(156,265)
Payments to the Philippine Parties			(144,632)
Corporate expenses			(17,657)
Operating loss			<u>(3,024,122)</u>
Non-operating income/(expenses)			
Interest income			26,850
Interest expenses, net of amounts capitalized			(1,510,835)
Other financing costs			(30,720)
Foreign exchange losses, net			(27,315)
Other income, net			13,129
Share of losses of a joint venture			(459)
Share of losses of associates			(2,470)
Total non-operating expenses, net			<u>(1,531,820)</u>
Loss before tax			(4,555,942)
Income tax expense			(23,434)
<b>LOSS FOR THE PERIOD</b>			<u>(4,579,376)</u>

## 3. SEGMENT INFORMATION (continued)

30 June 2023 (Unaudited)

	Casino and Hospitality HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment assets</b>	92,868,004	286,344	93,154,348
Corporate and other unallocated assets			791,798
Total assets			93,946,146
<b>Segment liabilities</b>	76,575,941	52,266	76,628,207
Corporate and other unallocated liabilities			5,212,377
Total liabilities			81,840,584

31 December 2022 (Audited)

	Casino and Hospitality HK\$'000	Others HK\$'000	Total HK\$'000
<b>Segment assets</b>	93,974,093	314,173	94,288,266
Corporate and other unallocated assets			2,803,352
Total assets			97,091,618
<b>Segment liabilities</b>	77,135,904	57,809	77,193,713
Corporate and other unallocated liabilities			6,511,840
Total liabilities			83,705,553

**3. SEGMENT INFORMATION (continued)****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	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Casino and Hospitality		
Macau	10,619,906	4,147,205
The Philippines	1,957,761	1,554,431
Cyprus	460,722	295,864
Japan	–	27,607
<b>Total</b>	<b>13,038,389</b>	<b>6,025,107</b>

**Non-current segment assets**

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
	Macau	72,748,742
The Philippines	1,261,038	1,325,559
Cyprus	5,197,813	4,097,745
Hong Kong	444,077	447,477
The PRC	159,057	167,033
Others	35,438	55,006
<b>Total</b>	<b>79,846,165</b>	<b>77,974,468</b>

## 4. NET REVENUES

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Casino revenue	10,723,324	4,904,882
Entertainment and resort facilities:		
Rooms	1,087,362	495,383
Food and beverage	653,197	346,456
Entertainment, retail and other	574,506	278,386
Sales to external customers (note 3)	13,038,389	6,025,107

For the six months ended 30 June 2023, entertainment, retail and other include rental income of HK\$194,016,000 (six months ended 30 June 2022: HK\$181,715,000).

For the six months ended 30 June 2023, the revenue from contracts with customers was HK\$12,844,373,000 (six months ended 30 June 2022: HK\$5,843,392,000).

## 5. INTEREST EXPENSES, NET OF AMOUNTS CAPITALIZED

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on:		
Interest-bearing borrowings	1,975,434	1,528,345
Lease liabilities	117,427	122,201
Gaming concession and license liabilities	79,324	–
Amortization of deferred financing costs	86,982	84,036
	2,259,167	1,734,582
Less: interest capitalized	(202,931)	(223,747)
	2,056,236	1,510,835

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Depreciation and amortization:		
Depreciation of property, plant and equipment	1,799,058	1,820,182
Amortization of gaming concession, licenses and subconcession	94,713	533,904
Depreciation of right-of-use assets	167,001	211,327
Less: capitalized in construction in progress	(7,138)	(14,311)
Amortization of other intangible assets	46,075	43,839
	2,099,709	2,594,941
Included in other operating expenses, gains and losses, net:		
Advertising and promotions	481,531	126,908
Repairs and maintenance	323,730	291,098
Utilities and fuel	291,796	216,878
Other gaming operations expenses	256,587	131,687
Costs of inventories	255,830	146,097
Payments to the Philippine Parties	177,717	144,632
Transportation expenses	112,038	74,562
Insurance	86,198	86,693
Legal and professional fees	74,342	63,866
Rental and other expenses	34,418	27,350
Other taxes and licenses	31,244	71,526
(Reversal of impairment losses)/impairment losses on property, plant and equipment (note)	(182,186)	28,213
Reversal of impairment loss on right-of-use assets (note)	(86,638)	–
Reversal of allowances for credit losses, net	(83,336)	(21,048)
Impairment loss on assets classified as held for sale	–	42,545

Note:

During the six months ended 30 June 2023, reversal of impairment losses of HK\$182,186,000 and HK\$86,638,000 were recognized for certain property, plant and equipment and right-of-use assets, respectively, in relation to Altira Macau, as a cash-generating unit ("Altira CGU"). See note 10 for more details in determining the recoverable amount of the Altira CGU.

**7. INCOME TAX (CREDIT)/EXPENSE**

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Current tax:		
Macau Complementary Tax	–	27
Lump sum in lieu of Macau Complementary Tax on dividends	6,291	9,175
Philippine Corporate Income Tax	13	944
Other jurisdictions	786	180
<b>Sub-total</b>	<b>7,090</b>	<b>10,326</b>
(Over)/under provision in prior periods:		
Macau Complementary Tax	(718)	(1,630)
Lump sum in lieu of Macau Complementary Tax on dividends	(10,420)	–
Hong Kong Profits Tax	(7,320)	19
Philippine Corporate Income Tax	–	980
Other jurisdictions	451	–
<b>Sub-total</b>	<b>(18,007)</b>	<b>(631)</b>
Deferred tax	(532)	13,739
<b>Total</b>	<b>(11,449)</b>	<b>23,434</b>

Melco Resorts (Macau) Limited (“Melco Resorts Macau”), a subsidiary of Melco Resorts and holder of the Concession (as defined in note 11), applied for a Macau Complementary Tax exemption on profits generated from gaming operations for the period from 1 January 2023 to 31 December 2027, and Studio City Entertainment Limited, a subsidiary of Melco Resorts, applied for an extension of the Macau Complementary Tax exemption for 2022 and for the period from 1 January 2023 to 31 December 2027. These applications are currently pending approval by the Macau government. The non-gaming profits and dividend distributions of Studio City Entertainment Limited to its shareholders continue to be subject to the Macau Complementary Tax. Melco Resorts Macau’s non-gaming profits remain subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with the Concession effective on 1 January 2023.

**7. INCOME TAX (CREDIT)/EXPENSE (continued)**

In December 2022 and March 2023, Melco Resorts Macau received extensions of the agreements with the Macau government for an amount of Macau Pataca (“MOP”) 4,000,000 (equivalent to HK\$3,883,000) and MOP4,167,000 (equivalent to HK\$4,046,000) as payment in lieu of Macau Complementary Tax otherwise due by the shareholders of Melco Resorts Macau on dividend distribution from gaming profits for the period from 1 January 2022 to 26 June 2022 and from 27 June 2022 to 31 December 2022, respectively, which resulted in an over provision in prior year of HK\$10,420,000 written back during the six months ended 30 June 2023. Such payment was required regardless of whether dividends were actually distributed or whether Melco Resorts Macau had distributable profits in the relevant year. Melco Resorts Macau applied for an extension for such arrangement for the period from 1 January 2023 to 31 December 2027 at an amount to be set by the Macau government. During the six months ended 30 June 2023 and 2022, an estimated amount of HK\$6,291,000 and HK\$9,175,000 was provided for such arrangement, respectively.

Other than the aforesaid changes, for the six months ended 30 June 2023, 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 2022.

**8. DIVIDENDS**

In line with the suspension of the Company’s semi-annual dividend program as announced on 14 May 2020, the board of directors of the Company (the “Board”) does not recommend the payment of any interim dividend for the six months ended 30 June 2023 and 2022.

**9. 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:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Loss for the period</b>		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(733,248)	(2,374,583)
Effect of dilutive potential ordinary shares:		
Parent’s proportionate adjustment in relation to participation interest in a subsidiary of the Company	–	(3,251)
Loss attributable to owners of the Company for the purpose of diluted loss per share	(733,248)	(2,377,834)

## 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

	Six months ended 30 June	
	2023 '000 (Unaudited)	2022 '000 (Unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,505,736	1,504,474

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 awarded shares issued by the subsidiaries of the Company. 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 awarded shares had an anti-dilutive effect on the basic loss per share amount presented.

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group's additions to property, plant and equipment of approximately HK\$1,081,148,000 (six months ended 30 June 2022: HK\$2,506,718,000) were mainly incurred on construction in progress, leasehold improvements, buildings, transportation, gaming equipment and furniture, fixtures and equipment for the Group's gaming premises. There were disposals of property, plant and equipment of HK\$1,686,000 during the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$5,334,000).

During the six months ended 30 June 2023, reversal of impairment loss of HK\$182,186,000 was recognized for certain property, plant and equipment in relation to Altira CGU under the Casino and Hospitality segment as a result of improved financial performance since the relaxation of COVID-19 related restrictions in Macau in January 2023. The recoverable amount of Altira CGU was HK\$1,077,545,000 as at 30 June 2023 (31 December 2022: HK\$875,115,000) based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The discount rate used to discount the forecast cash flows from Altira CGU is 13.53% (31 December 2022: 14.11%) which is on a pre-tax basis and reflects specific risks relating to Altira CGU.

During the six months ended 30 June 2022, an impairment loss of HK\$28,213,000 on an aircraft was recognized before classification as assets held for sale. The disposal of the aircraft was completed in September 2022.

11. GAMING CONCESSION AND LICENSES

	Concession HK\$'000 (note a)	Cyprus License HK\$'000 (note b)	Macau gaming subconcession HK\$'000 (note c)	Regular License HK\$'000 (note d)	Total HK\$'000
Cost:					
At 1 January 2022 (Audited)	-	-	6,680,606	21,709	6,702,315
Additions	-	-	45,631	-	45,631
At 31 December 2022 and 1 January 2023 (Audited)					
At 31 December 2022 and 1 January 2023 (Audited)	-	-	6,726,237	21,709	6,747,946
Additions	1,877,704	579,505	-	-	2,457,209
Write-off	-	-	(6,726,237)	-	(6,726,237)
At 30 June 2023 (Unaudited)	1,877,704	579,505	-	21,709	2,478,918
Accumulated amortization:					
At 1 January 2022 (Audited)	-	-	6,148,324	7,114	6,155,438
Charge for the year	-	-	577,913	1,260	579,173
At 31 December 2022 and 1 January 2023 (Audited)					
At 31 December 2022 and 1 January 2023 (Audited)	-	-	6,726,237	8,374	6,734,611
Charge for the period	93,885	201	-	627	94,713
Write-off	-	-	(6,726,237)	-	(6,726,237)
At 30 June 2023 (Unaudited)	93,885	201	-	9,001	103,087
Net carrying values:					
At 30 June 2023	1,783,819	579,304	-	12,708	2,375,831
At 31 December 2022	-	-	-	13,335	13,335

**11. GAMING CONCESSION AND LICENSES (continued)****(a) Concession**

On 16 December 2022, the Macau government awarded a ten-year concession to operate games of fortune and chance in casinos in Macau (the “Concession”) to Melco Resorts Macau. The term of the Concession commenced on 1 January 2023 and ends on 31 December 2032 and Melco Resorts Macau is authorized to operate the Altira Casino, the City of Dreams Casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. Under the Concession, Melco Resorts Macau is obligated to pay the Macau government a fixed annual premium of MOP30,000,000 (equivalent to approximately HK\$29,126,000) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by Melco Resorts Macau. The variable annual premium is MOP300,000 (equivalent to approximately HK\$291,000) for each gaming table reserved exclusively to certain kinds of games or players, MOP150,000 (equivalent to approximately HK\$146,000) for each gaming table not so exclusively reserved and MOP1,000 (equivalent to approximately HK\$971) for each electronic gaming machine.

On 30 December 2022, in accordance with the obligations under the letters of undertakings dated 23 June 2022, Melco Resorts Macau and certain subsidiaries of Melco Resorts, which hold the land lease rights for the properties on which the Altira Casino, City of Dreams Casino and Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the Altira Casino, City of Dreams Casino and Studio City Casino with an area of 17,128.8 square meters, 31,227.3 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively as referred to the “Reversion Assets”), reverted to the Macau government, without compensation and free and clear from any charges or encumbrances, at the expiration of the previous subconcession in accordance with the Macau gaming law. The Reversion Assets that reverted to the Macau government at the expiration of the previous subconcession are owned by the Macau government. Under the terms of the Macau gaming law and the Concession, effective as at 1 January 2023, the Reversion Assets have been transferred by the Macau government to Melco Resorts Macau for use in its operations during the Concession for a fee of MOP750 (equivalent to approximately HK\$730) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2,500 (equivalent to approximately HK\$2,400) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the “Fee”). As Melco Resorts Macau will continue to operate the Reversion Assets in the same manner as under the previous subconcession, obtain substantially all of the economic benefits and bear all of the risks arising from the use of these assets, as well as assuming it will be successful in the awarding of a new concession upon expiry of the Concession, the Group will continue to recognize these Reversion Assets as property, plant and equipment over their remaining estimated useful lives.

**11. GAMING CONCESSION AND LICENSES (continued)****(a) Concession (continued)**

On 1 January 2023, the Group recognized an intangible asset and financial liability of MOP1,934,035,000 (equivalent to approximately HK\$1,877,704,000), representing the right to operate the Reversion Assets, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the Fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that Melco Resorts Macau is currently approved to operate by the Macau government. In the condensed consolidated statement of financial position, the current and non-current portion of the financial liability is included in "Other payables, accruals and deposits received". The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

**(b) Cyprus License**

On 26 June 2017, the Cyprus government granted a gaming license (the "Cyprus License") to a subsidiary of ICR Cyprus (the "Cyprus Subsidiary") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of the integrated casino resort, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of the integrated casino resort, the temporary casino) and any operating satellite casinos (the "Cyprus License Fee"). The Cyprus License required the integrated casino resort to open by the extended deadline of 30 June 2023 as approved by the Cyprus government (the "Cyprus License Requirement"), failing which the Cyprus government would have been entitled to terminate the Cyprus License.

On 28 June 2023, upon fulfillment of the Cyprus License Requirement, the Group recognized an intangible asset of EUR68,031,000 (equivalent to approximately HK\$579,505,000) and financial liability of EUR67,231,000 (equivalent to approximately HK\$572,691,000), representing the right under the Cyprus License and the unconditional obligation to pay (i) a minimum annual license fee for City of Dreams Mediterranean of EUR5,000,000 (equivalent to approximately HK\$42,591,000) per year; and (ii) an aggregate annual license fee for three operating satellite casinos of EUR2,000,000 (equivalent to approximately HK\$17,037,000), during the term of the Cyprus License from 28 June 2023. In the condensed consolidated statement of financial position, the current and non-current portion of the financial liability of the Cyprus License is included in "Other payables, accruals and deposits received". The intangible asset is being amortized on a straight-line basis over the remaining period of the Cyprus License until June 2047.

**11. GAMING CONCESSION AND LICENSES (continued)**

**(c) Macau gaming subconcession**

The Macau gaming subconcession granted by the Macau government to Melco Resorts Macau on 8 September 2006 for the gaming business in Macau was expired on 26 June 2022. Melco Resorts Macau paid a premium of MOP47,000,000 (equivalent to approximately HK\$45,631,000) to the Macau government in June 2022 for the extension of the subconcession contract to 31 December 2022. The subconcession was written off upon expiry during the six months ended 30 June 2023.

**(d) Regular License**

Other than the amortization charge for the period, for the six months ended 30 June 2023, there were no significant changes in the Regular License, a casino gaming license issued by the Philippine Amusement and Gaming Corporation in the Philippines on 29 April 2015 and expires on 11 July 2033, as disclosed in note 42 in the Group's audited consolidated financial statements for the year ended 31 December 2022.

**12. 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 2023 HK\$'000 (Unaudited)</b>	<b>31 December 2022 HK\$'000 (Audited)</b>
Within 1 month	331,839	143,444
More than 1 month but within 3 months	146,999	71,011
More than 3 months but within 6 months	82,010	1,476
More than 6 months	1,409,020	1,650,029
	1,969,868	1,865,960
Allowances for credit losses	(1,274,771)	(1,428,687)
	695,097	437,273

**13. INVESTMENT IN A JOINT VENTURE**

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Cost of investment in a joint venture	180,150	180,150
Share of losses	(2,963)	(2,332)
Share of changes in exchange reserve	(18,130)	(10,785)
	159,057	167,033

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

Name	Particulars of registered capital	Place of registration and business	Percentage of		
			Ownership interest	Voting power	Principal activities
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

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 with the joint venture partner for the separation plan regarding the JV Termination and management expects that the Group will be able to recover the carrying amount of its investment in the joint venture.

**14. TRADE PAYABLES**

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Within 1 month	56,872	32,532
More than 1 month but within 3 months	16,659	7,301
More than 3 months but within 6 months	672	642
More than 6 months	12,736	12,082
	86,939	52,557

## 15. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
<b>Current liabilities</b>		
Advance customer deposits and ticket sales	2,196,423	2,175,653
Accrued operating expenses and other liabilities	1,121,515	853,394
Gaming tax and license fee payables	1,060,337	380,231
Interest payable	930,625	978,349
Accrued employee benefits expenses	586,903	659,525
Construction cost payable	551,315	594,871
Outstanding gaming chips	545,058	291,713
Payable for acquisition of property, plant and equipment	287,060	279,162
Loyalty program liabilities	204,114	121,575
Gaming concession liabilities	178,805	–
Cyprus license liabilities	55,360	–
Dividends payable	3,026	3,809
	7,720,541	6,338,282
<b>Non-current liabilities</b>		
Gaming concession liabilities	1,636,871	–
Cyprus license liabilities	517,756	–
Deposits received	44,230	38,529
Other liabilities	37,888	189,996
Accrued employee benefits expenses	32,262	39,061
	2,269,007	267,586

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16. INTEREST-BEARING BORROWINGS

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Restated)
Unsecured notes	48,449,110	48,252,118
Unsecured bank loans ( <i>note a</i> )	10,577,000	14,831,845
Secured bank loans ( <i>note b</i> )	5,153,220	6,433,806
Secured notes	2,707,541	2,693,238
	66,886,871	72,211,007
Non-current portion	(66,885,871)	(71,790,213)
	1,000	420,794
Current portion	1,000	420,794
Analysed into borrowings repayable:		
Within one year or on demand	1,000	429,837
In the second year	18,415,771	15,262,680
In the third to fifth years, inclusive	24,368,608	28,718,692
After five years	24,300,193	28,115,235
	67,085,572	72,526,444
Less: deferred financing costs and original issue premiums	(198,701)	(315,437)
	66,886,871	72,211,007

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

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Fixed-rate borrowings	51,156,650	50,945,355
Variable-rate borrowings	15,730,221	21,265,652
	66,886,871	72,211,007

**16. INTEREST-BEARING BORROWINGS (continued)**

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

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	<b>31 December 2022 HK\$'000 (Audited)</b>
US\$	56,307,871	63,780,960
HK\$	10,579,000	8,430,047
	<b>66,886,871</b>	<b>72,211,007</b>

- (a) During the six months ended 30 June 2023, the Group drew down HK\$7,460,000,000 and US\$300,000,000 (equivalent to approximately HK\$2,351,171,000) in aggregate under a HK\$14.85 billion unsecured senior credit facilities agreement (the "2020 Credit Facilities"). During the same period, the Group repaid principal amounts of HK\$5,311,047,000 and US\$1,120,000,000 (equivalent to approximately HK\$8,780,235,000) in aggregate along with accrued interest under the 2020 Credit Facilities.

On 29 June 2023, the 2020 Credit Facilities were amended and restated (the "2020 Credit Facilities Amendment and Restatement") to amend the facility agreement provisions such that borrowings under the 2020 Credit Facilities denominated in US\$ should bear interest at the term Secured Overnight Financing Rate ("Term SOFR") plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One Limited ("MCO Nominee One"), a subsidiary of the Company, and certain of its specified subsidiaries. The amendment became effective on 29 June 2023. Prior to the effective date of the 2020 Credit Facilities Amendment and Restatement, borrowings under the 2020 Credit Facilities denominated in US\$ bore interest at the London Interbank Offered Rate ("LIBOR") plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries.

As at 30 June 2023, the outstanding principal amount of the 2020 Credit Facilities was HK\$10,577,000,000 (31 December 2022: HK\$14,831,845,000).

**16. INTEREST-BEARING BORROWINGS (continued)**

## (a) (continued)

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. On 16 August 2022, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to a waiver of such financial condition covenants for all relevant periods to and including the 31 March 2024 test date.

- (b) In March 2023, the Group repaid an outstanding principal amount of US\$13,760,000 (equivalent to approximately HK\$108,012,000) along with accrued interest under the term loan facility of a US\$1.0 billion secured credit facility agreement (the “2021 Credit Facilities”) in accordance with the stated repayment schedule.

On 24 April 2023, the Group obtained confirmation from the facility and security agents that certain provisions contained in the 2021 Credit Facilities were waived and amended. Such waiver and amendment allowed the Group to repay an outstanding principal amount of US\$165,120,000 (equivalent to approximately HK\$1,296,147,000) along with accrued interest under the term loan facility of the 2021 Credit Facilities on 26 April 2023. As a result of such prepayment, the Group recorded losses on modification of debts of HK\$82,222,000 in the condensed consolidated statement of profit or loss and other comprehensive income during the six months ended 30 June 2023.

On 19 June 2023, the Group obtained confirmation from the facility agent that borrowings under the 2021 Credit Facilities denominated in US\$ should bear interest at the Term SOFR plus an applicable credit adjustment spread of 0.06% per annum and a margin of 2.35% per annum (the “Interest Rate Amendment”). The Interest Rate Amendment became effective on 19 June 2023. Prior to the effective date of the Interest Rate Amendment, borrowings under the 2021 Credit Facilities denominated in US\$ bore interest at the LIBOR plus a margin of 2.35% per annum.

As at 30 June 2023, the outstanding principal amount, net of deferred financing costs of the 2021 Credit Facilities, was US\$657,146,000 (equivalent to approximately HK\$5,151,221,000) (31 December 2022: US\$823,586,000 (equivalent to approximately HK\$6,431,806,000)).

**16. INTEREST-BEARING BORROWINGS (continued)**

(b) (continued)

The 2021 Credit Facilities contain covenants that, subject to certain exceptions and conditions, limit the ability of the respective borrowing group to, among others, (i) transfer, lease or sell security assets; (ii) significantly change the nature of the business of the Group; and/or (iii) effect a consolidation or merger. The 2021 Credit Facilities also contain conditions and events of default customary for such secured financings, as well as financial covenants including gearing ratios and minimum net asset requirements with applicable test dates on 30 June and 31 December of each year until the 2021 Credit Facilities mature. The Group has complied with the covenants under the 2021 Credit Facilities as at 30 June 2023.

(c) The availability period of an unsecured credit facility amounting to Philippine Peso (“PHP”) 2,350,000,000 (equivalent to approximately HK\$332,739,000) was extended to 31 January 2024 during the six months ended 30 June 2023, with no material changes in the underlying terms and conditions.

As at 30 June 2023, borrowings in aggregate principal amount of HK\$7,908,185,000 (31 December 2022: HK\$9,275,637,000) 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 2022.

As at 30 June 2023, the Group had a total available and unutilized borrowing capacity of HK\$4,839,739,000 (31 December 2022: HK\$561,019,000), subject to satisfaction of certain conditions precedent.

**17. SHARE CAPITAL**

	Number of ordinary shares	Amount HK\$'000
Issued and fully paid:		
At 1 January 2022 (Audited)	1,516,205,755	5,696,445
Exercise of share options	478,000	5,408
At 31 December 2022 (Audited),		
1 January 2023 and 30 June 2023 (Unaudited)	1,516,683,755	5,701,853

The shares issued during the period/year rank pari passu in all respects with the then existing shares.

**18. CHANGE IN OWNERSHIP INTERESTS OF CERTAIN SUBSIDIARIES****Melco Resorts**

On 8 March 2023, the Company, Melco Resorts and Melco Leisure and Entertainment Group Limited (“Melco Leisure”), a subsidiary of the Company, entered into a share repurchase agreement, pursuant to which Melco Resorts agreed to repurchase 40,373,076 ordinary shares of Melco Resorts from Melco Leisure (the “2023 Share Repurchase”). On 10 March 2023, the 2023 Share Repurchase was completed for an aggregate consideration of US\$169,836,000 (equivalent to approximately HK\$1,332,319,000), which represented an average price of US\$4.2067 per share or US\$12.62 per ADS, and 40,373,076 ordinary shares of Melco Resorts repurchased from Melco Leisure were cancelled on the same date. After the completion of the 2023 Share Repurchase and cancellation of the repurchased shares by Melco Resorts, the Group’s ownership interest in Melco Resorts has decreased.

During the six months ended 30 June 2023, certain share options and restricted shares under the Melco Resorts share incentive plans were exercised and vested, respectively, which decreased the Group’s ownership interest in Melco Resorts.

As a result of the above transactions, the Group’s ownership interest in Melco Resorts decreased from 54.50% on 1 January 2023 to 52.42% on 30 June 2023. The Group recognized an increase of HK\$332,127,000 in special reserve and a decrease of HK\$338,936,000 in non-controlling interests.

**The Philippine subsidiaries**

During the six months ended 30 June 2023, the Group, through the subsidiaries, purchased 10.111 common shares of Melco Resorts and Entertainment (Philippines) Corporation (“MRP”), a subsidiary of the Company, at a total consideration of PHP36,651,000 (equivalent to approximately HK\$5,260,000) from the non-controlling interests, which increased the Group’s ownership interest in MRP.

As a 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 54.19% on 1 January 2023 to 52.17% on 30 June 2023. The Group recognized a decrease of HK\$2,487,000 in special reserve and a decrease of HK\$2,773,000 in non-controlling interests.

**19. NOTE TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****Major non-cash transactions**

During the six months ended 30 June 2023, property, plant and equipment amounting to HK\$241,586,000 (six months ended 30 June 2022: HK\$853,486,000) were purchased from external parties and these payables remained unsettled as at 30 June 2023.

## 20. COMMITMENTS AND CONTINGENCIES

## (a) Capital commitments

	30 June 2023 HK\$'000 (Unaudited)	31 December 2022 HK\$'000 (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided	417,899	613,025

## (b) Other commitments

**Concession – Macau**

Under the Concession awarded by the Macau government to Melco Resorts Macau on 16 December 2022, Melco Resorts Macau is obligated to pay the Macau government the following:

- (i) A special gaming tax of an amount equal to 35% of gross gaming revenue on a monthly basis;
- (ii) Contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively on a monthly basis. These contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances;
- (iii) A special premium in the event the average gross gaming revenue of Melco Resorts Macau's gaming tables does not reach the annual minimum of MOP7,000,000 (equivalent to approximately HK\$6,796,000) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300,000 (equivalent to approximately HK\$291,000). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by Melco Resorts Macau and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and electronic gaming machines; and
- (iv) Melco Resorts Macau must maintain a guarantee issued by a Macau bank in favour of the Macau government in the amount of MOP1,000,000,000 (equivalent to approximately HK\$970,874,000) until 180 days after the earlier of the expiration and termination of the Concession to guarantee its performance of certain of its legal and contractual obligations, including labour obligations

As a result of the bank guarantee issued by the bank to the Macau government as disclosed above, a sum of 0.03% per annum of the guarantee amount is payable by Melco Resorts Macau to the bank.

**20. COMMITMENTS AND CONTINGENCIES (continued)****(b) Other commitments (continued)*****Concession – Macau (continued)***

In addition, under the Concession, it requires i) the registered share capital and net asset value of Melco Resorts Macau cannot be less than MOP5,000,000,000 (equivalent to approximately HK\$4,854,369,000); and ii) the managing director of Melco Resorts Macau must be a permanent resident of Macau and must hold at least 15% of the registered share capital of Melco Resorts Macau. Melco Resorts Macau is compliant with these requirements.

***Committed investment***

In connection with the Concession, Melco Resorts Macau has undertaken to carry out investment in the overall amount of MOP11,823,700,000 (equivalent to approximately HK\$11,479,320,000). The investment plan includes gaming and non-gaming related projects in the expansion of foreign market patrons, conventions and exhibitions, entertainment shows, sports events, art and culture, health and well-being, thematic entertainment, gastronomy, community and maritime tourism and others. Out of the total investment amount referred to above, MOP10,008,000,000 (equivalent to approximately HK\$9,716,505,000) will be applied to non-gaming related projects, with the balance applied to gaming related projects.

Melco Resorts Macau has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000,000 (equivalent to approximately HK\$1,944,660,000), in the event the Macau government annual gross gaming revenue reaches MOP180,000,000,000 (equivalent to approximately HK\$174,757,282,000) (the “Incremental Investment Trigger”). This incremental investment amount is reduced to 16%, 12%, 8%, 4% of the initial non-gaming investment amount or nil, if the Incremental Investment Trigger occurs in year 6, year 7, year 8, year 9 or year 10 of the Concession, respectively.

***Gaming License – Cyprus***

In February 2023, the Group was informed that the Council of Ministers of the Cyprus government approved an extension of the deadline to open City of Dreams Mediterranean under the terms of the Cyprus License to 30 June 2023. In June 2023, the Group paid an amount of EUR1,000,000 (equivalent to approximately HK\$8,518,000) to the Cyprus government for its failure to open City of Dreams Mediterranean by 30 September 2022 to fully discharge its commitment as disclosed in note 44 under Gaming License - Cyprus in the Group’s audited consolidated financial statements for the year ended 31 December 2022.

Other than above, there was no significant change to the other commitments as at 30 June 2023 as disclosed in the Group’s audited consolidated financial statements for the year ended 31 December 2022.

**20. COMMITMENTS AND CONTINGENCIES (continued)****(b) Other commitments (continued)*****Guarantees***

For the six months ended 30 June 2023, other than (i) a guarantee issued by a bank in favour of the Macau government for a maximum amount of MOP300,000,000 (equivalent to approximately HK\$291,262,000) as required under the previous subconcession; and (ii) promissory notes (“Livranca”) of MOP550,000,000 (equivalent to approximately HK\$533,981,000) and MOP820,000,000 (equivalent to approximately HK\$796,117,000) to a bank in respect of the bank guarantees issued to the Macau government, which were not enforceable with effect from 1 January 2023 and were released in January 2023, there were no significant changes to the guarantees as disclosed in the Group’s audited consolidated financial statements for the year ended 31 December 2022.

***Litigation******Car parking spaces litigation***

For the six months ended 30 June 2023, there were no significant changes in the status of the proceedings as disclosed in the Group’s audited consolidated financial statements for the year ended 31 December 2022.

***ILGA litigation***

As at 30 June 2023, based on the progress of the ILGA litigation, an adequate provision was made in the Group’s unaudited condensed consolidated interim financial information. On 24 July 2023, a settlement deed was entered into for full and final settlement of all outstanding claims in respect of such proceedings.

***General litigation***

As at 30 June 2023, the Group was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impact on the Group’s unaudited condensed consolidated interim financial information as a whole.

**21. RELATED PARTY TRANSACTIONS****(a) Compensation of key management personnel**

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

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Short-term benefits	62,212	10,775
Post-employment benefits	435	435
Share-based compensation	113,837	128,361
	176,484	139,571

**(b) Other related party transaction**

As at 30 June 2023, Mr. Ho, Lawrence Yau Lung (“Mr. Ho”), a Director, Chairman and Chief Executive Officer of the Company, and his controlled entity held an aggregate principal amount of US\$60,000,000 (equivalent to approximately HK\$470,326,000) (31 December 2022: US\$60,000,000 (equivalent to approximately HK\$468,571,000)) senior notes issued by a subsidiary of the Company, which are unsecured and not convertible or exchangeable. Mr. Ho and his controlled entity purchased the senior notes at their face values.

During the six months ended 30 June 2023, total interest expenses of US\$1,650,000 (equivalent to approximately HK\$12,939,000) (six months ended 30 June 2022: US\$1,650,000 (equivalent to approximately HK\$12,919,000)) in relation to the senior notes issued by the subsidiary were paid or accrued to Mr. Ho and his controlled entity.

**(c) Intercompany credit facility**

On 28 March 2022, the Company entered into a facility agreement (the “Facility Agreement”) with Melco Resorts pursuant to which a US\$250,000,000 (equivalent to approximately HK\$1,952,500,000) revolving loan facility was granted by Melco Resorts as lender to the Company as borrower. As at 31 December 2022, the outstanding principal amount due from the Company to Melco Resorts was US\$200,000,000 (equivalent to approximately HK\$1,561,902,000) and the amount of which was eliminated in the Group’s audited consolidated financial statements for the year ended 31 December 2022. On 10 March 2023, the Facility Agreement was terminated following the settlement of all outstanding amounts under the Facility Agreement due by the Company to Melco Resorts in January and March 2023.

**22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

This note provides information about how the Group determines the fair values of its financial instruments.

**(a) Fair values of the Group's financial assets that are measured at fair value on a recurring basis**

Certain of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information on how the fair values of the financial assets are determined.

***Fair value hierarchy***

	<b>30 June 2023 HK\$'000 (Unaudited)</b>	<b>31 December 2022 HK\$'000 (Audited)</b>
<b>Financial assets at fair value through profit or loss</b>		
Level 3		
Senior unsecured convertible note ("Convertible Note")	–	21,168

The fair values of the Convertible Note as at 31 December 2022 were determined based on the discounted cash flow method and were classified as Level 3 of the fair value hierarchy. In June 2023, the Group sold the Convertible Note to an independent third party at a consideration of US\$2,800,000 (equivalent to approximately HK\$21,932,000). The Group recognized a fair value gain of HK\$764,000 in the condensed consolidated statement of profit or loss and other comprehensive income during the six months ended 30 June 2023.

**(b) Fair values of the Group's financial assets and liabilities that are not measured at fair value on a recurring basis**

The fair values of the financial assets and liabilities that are not measured at fair value on a recurring basis have been assessed by management of the Group based on the discounted cash flow analysis.

Based on the results of the assessments, the Group considers that the carrying amounts of financial assets and liabilities recognized in the unaudited condensed consolidated interim financial information that are not measured at fair value on a recurring basis approximate their fair values.

**23. SUBSEQUENT EVENTS**

- (a) On 12 July 2023, the Group completed the disposal of a parcel of freehold land together with the accompanying building structures in Hakone, Japan (the “Hakone Assets”) to an independent third party at a consideration of Japanese Yen 2,144,000,000 (equivalent to approximately HK\$116,040,000). The Hakone Assets were included in “Assets classified as held for sale” with a carrying amount of HK\$60,404,000 as at 30 June 2023.
- (b) On 20 July 2023, the 2021 Credit Facilities were amended and restated to reflect the Interest Rate Amendment (as defined in note 16) and other amendments effected pursuant to previous waivers, amendments and consents made in year 2022 and year to date 2023 (the “Restated 2021 Credit Facilities”). On 28 July 2023, the Group obtained confirmation from the facility agent to amend certain provisions including the financial covenants contained in the Restated 2021 Credit Facilities effective from 28 July 2023.
- (c) The availability period of a trade credit facility amounting to HK\$200,000,000 with a bank was extended from 31 August 2023 to 31 August 2025 in July 2023, with no material changes in the underlying terms and conditions.

**24. APPROVAL OF THE INTERIM FINANCIAL INFORMATION**

This interim financial information was approved and authorized for issue by the Board on 31 August 2023.

# OTHER INFORMATION

## INTERIM DIVIDEND

In line with the suspension of the Company's semi-annual dividend program as announced on 14 May 2020, the board (the "Board") of directors (the "Directors") of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests and short positions of each Director and Chief Executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO")) which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director and Chief Executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") to be notified to the Company and the Hong Kong Stock Exchange were as follows:

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

#### (a) Ordinary shares of the Company

Name of Director	Number of ordinary shares held				Total	Approximate % of total issued shares <sup>(1)</sup>
	Personal interests <sup>(2)</sup>	Family interests <sup>(3)</sup>	Corporate interests <sup>(4)</sup>	Other interests <sup>(5)</sup>		
Mr. Ho, Lawrence Yau Lung	8,000,000	4,212,102	570,114,107 <sup>(6)</sup>	312,666,187 <sup>(7)</sup>	894,992,396	59.01%
Mr. Evan Andrew Winkler	5,752,363	-	-	-	5,752,363	0.38%
Mr. Chung Yuk Man, Clarence	4,743,440	-	-	-	4,743,440	0.31%
Mr. Ng Ching Wo	856,000	-	-	-	856,000	0.06%
Mr. John William Crawford	73,000	-	-	-	73,000	0.00%
Mr. Tsui Che Yin, Frank	7,440,660	-	-	-	7,440,660	0.49%
Ms. Karuna Evelyne Shinsho	71,934	-	-	-	71,934	0.00%

## OTHER INFORMATION

### (b) Awarded shares granted by the Company

<b>Name of Director</b>	<b>Number of awarded shares held<sup>(2 &amp; 8)</sup></b>	<b>Approximate % of total issued shares<sup>(1)</sup></b>
Mr. Ho, Lawrence Yau Lung	26,988,000	1.78%
Mr. Evan Andrew Winkler	3,286,000	0.22%
Mr. Chung Yuk Man, Clarence	1,520,000	0.10%
Mr. Ng Ching Wo	223,000	0.01%
Mr. John William Crawford	117,000	0.01%
Mr. Tsui Che Yin, Frank	313,000	0.02%
Ms. Karuna Evelyne Shinsho	102,000	0.01%

#### Notes:

1. As at 30 June 2023, the total number of issued shares of the Company was 1,516,683,755.
2. This represents the interests held by the relevant Director as beneficial owner.
3. This represents the interests held by the spouse of the relevant Director.
4. This represents the interests held by the relevant Director through his controlled corporations.
5. This represents the interests held by the relevant Director through a discretionary trust of which the relevant Director is one of the beneficiaries.
6. The 570,114,107 shares relate to the 301,368,606 shares, 122,243,024 shares, 53,491,345 shares, 91,445,132 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 3.53%, 6.03% and 0.10% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies.
7. In addition to the deemed interests as stated in note 6 above, Mr. Ho, Lawrence Yau Lung was also taken to have interests in the 312,666,187 shares held by L3G Holdings Inc., representing approximately 20.62% of the total issued shares of the Company, by virtue of him being one of the beneficiaries of a discretionary family trust for the purpose of the SFO. L3G Holdings Inc. is a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho, Lawrence Yau Lung and his immediate family members.
8. Details of awarded shares granted to the Directors pursuant to the share purchase scheme of the Company are set out in the "Share Schemes" section of this report.

**(II) Long positions in the shares and underlying shares of associated corporations of the Company****(A) Melco Resorts & Entertainment Limited (“Melco Resorts”)** (a listed subsidiary of the Company)

## (a) Ordinary shares of Melco Resorts

Name of Director	Number of ordinary shares held			Approximate % of total issued shares <sup>(1)</sup>
	Personal interests <sup>(2)</sup>	Corporate interests <sup>(3)</sup>	Total	
Mr. Ho, Lawrence Yau Lung	6,303,360	694,722,978 <sup>(4)</sup>	701,026,338	52.72%
Mr. Evan Andrew Winkler	1,044,144	–	1,044,144	0.08%
Mr. Chung Yuk Man, Clarence	191,470	–	191,470	0.01%
Mr. John William Crawford	175,767	–	175,767	0.01%

## (b) Restricted shares granted by Melco Resorts

Name of Director	Number of restricted shares held <sup>(2 &amp; 5)</sup>	Approximate % of total issued shares <sup>(1)</sup>
Mr. Ho, Lawrence Yau Lung	5,819,955	0.44%
Mr. Evan Andrew Winkler	147,249	0.01%
Mr. Chung Yuk Man, Clarence	315,543	0.02%
Mr. John William Crawford	84,147	0.01%

*Notes:*

- As at 30 June 2023, the total number of issued shares of Melco Resorts was 1,329,679,067.
- This represents the interests held by the relevant Director as beneficial owner.
- This represents the interests held by the relevant Director through his controlled corporations.
- In respect of the 694,722,978 shares of Melco Resorts, by virtue of the SFO, Mr. Ho, Lawrence Yau Lung was taken to be interested in (1) 687,360,906 shares held by Melco Leisure and Entertainment Group Limited (“Melco Leisure”), a wholly-owned subsidiary of the Company, as a result of his interest in approximately 59.01% of the total issued shares of the Company; and (2) 7,362,072 shares held by Black Spade Capital Limited, which in turn is held by companies and a trust associated with Mr. Ho, Lawrence Yau Lung.
- Details of restricted shares granted to the Directors by Melco Resorts are set out in the “Share Schemes” section of this report.

## OTHER INFORMATION

### (B) Studio City International Holdings Limited (“SCIHL”) (a listed subsidiary of the Company)

Ordinary shares of SCIHL

Name of Director	Number of Class A ordinary shares held <sup>(2)</sup>	Approximate % of total issued shares <sup>(1)</sup>
Mr. Chung Yuk Man, Clarence	3,360	0.00%

Notes:

- As at 30 June 2023, the total number of issued shares of SCIHL was 842,864,460 (including 770,352,700 Class A ordinary shares and 72,511,760 Class B ordinary shares).
- This represents interest held by Mr. Chung Yuk Man, Clarence as beneficial owner.

### (C) Studio City Finance Limited (“Studio City Finance”) (a subsidiary of the Company)

Debentures issued by Studio City Finance

Name of Director	Debentures	Amount of debentures held		Approximate % to the total amount of debentures in issue
		Personal interest <sup>(1)</sup>	Corporate interest <sup>(2)</sup>	
Mr. Ho, Lawrence Yau Lung	2025 US\$ Senior Notes <sup>(3)</sup>	US\$30,000,000	-	6.00%
	2029 US\$ Senior Notes <sup>(4)</sup>	-	US\$30,000,000 <sup>(2)</sup>	2.73%

Notes:

- This represents the interest held by Mr. Ho, Lawrence Yau Lung as beneficial owner.
- This represents the interests held by Mr. Ho, Lawrence Yau Lung through his controlled corporations. These debentures were held by Black Spade Capital Limited, which in turn is held by companies and a trust associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the debentures held by these companies.
- These debentures (US\$500 million 6.00% senior notes due 2025) issued by Studio City Finance (the “2025 US\$ Senior Notes”) are freely transferable but not convertible into shares of Studio City Finance.
- These debentures (US\$1.1 billion 5.00% senior notes due 2029) issued by Studio City Finance (the “2029 US\$ Senior Notes”) are freely transferable but not convertible into shares of Studio City Finance.

Save as disclosed above, as at 30 June 2023, none of the Directors or the Chief Executive of the Company and their respective associates had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

## SHARE SCHEMES

## (I) Share schemes involving issue of new shares

## Share Option Schemes

The Company adopted a share option scheme on 30 May 2012, with certain rules of such scheme amended on 5 June 2020 (the “2012 Share Option Scheme”), which expired on 29 May 2022. After the expiration of the 2012 Share Option Scheme, no further share options could be granted under that scheme but the share options granted during the life of that scheme shall remain valid and exercisable in accordance with their terms of issue and in all other respects the provisions of that scheme shall remain in full force and effect.

Following the expiration of the 2012 Share Option Scheme, on 7 June 2022, the Company adopted a new share option scheme (the “2022 Share Option Scheme”) under which the Directors may, at their discretion, grant to any eligible participants share options to subscribe for the Company’s shares, subject to the terms and conditions as stipulated therein.

## 2012 Share Option Scheme

Movements of share options granted under the 2012 Share Option Scheme during the six months ended 30 June 2023 were as follows:

Category of participants	Number of share options					As at 30 June 2023	Date of grant	Exercise price HK\$	Exercise period (Note)
	As at 1 January 2023	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
Employees	933,000	-	-	-	-	933,000	06.04.2022	7.278	8
	453,000	-	-	-	-	453,000	06.04.2022	7.278	9
Sub-total	1,386,000	-	-	-	-	1,386,000			
Former directors/ employees	1,499,000	-	-	-	-	1,499,000	08.04.2016	10.24	3
	202,000	-	-	-	-	202,000	10.04.2017	15.00	4
	141,000	-	-	-	-	141,000	10.04.2018	23.15	5
	107,000	-	-	-	-	107,000	10.04.2019	19.90	6
	74,000	-	-	-	-	74,000	14.04.2020	12.70	7
Sub-total	2,023,000	-	-	-	-	2,023,000			
<b>Total</b>	<b>3,409,000</b>	-	-	-	-	<b>3,409,000</b>			

## Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- Since there were no share options exercised during the period, there is no weighted average closing price of the shares of the Company in respect thereof for the period.
- The share options granted on 8 April 2016 are divided into 4 tranches exercisable from 8 April 2016, 8 April 2017, 8 April 2018 and 8 April 2019, respectively, to 7 April 2026.
- The share options granted on 10 April 2017 are divided into 4 tranches exercisable from 10 April 2017, 10 April 2018, 10 April 2019 and 10 April 2020, respectively, to 9 April 2027.
- The share options granted on 10 April 2018 are divided into 4 tranches exercisable from 10 April 2018, 10 April 2019, 10 April 2020 and 10 April 2021, respectively, to 9 April 2028.
- The share options granted on 10 April 2019 are divided into 4 tranches exercisable from 10 April 2019, 10 April 2020, 10 April 2021 and 10 April 2022, respectively, to 9 April 2029.

## OTHER INFORMATION

7. The share options granted on 14 April 2020 are divided into 4 tranches exercisable from 14 April 2020, 14 April 2021, 14 April 2022 and 14 April 2023, respectively, to 13 April 2030.
8. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.
9. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.

### 2022 Share Option Scheme

No share options were granted, exercised, cancelled or lapsed during the six months ended 30 June 2023, and there were no outstanding share options as at 30 June 2023 under the 2022 Share Option Scheme.

Under the 2022 Share Option Scheme, the total number of shares of the Company available for grant as at 1 January 2023 and 30 June 2023 was 151,668,375, representing 10.00% of the total number of shares of the Company in issue. No share options were granted under the 2022 Share Option Scheme since its adoption.

### Share Subscription Scheme

On 18 October 2007, the Company adopted a share incentive award scheme, namely The Melco Share Award Scheme Trust (the “Share Subscription Scheme”), with certain rules of such scheme amended on 28 August 2014 and 31 March 2020.

The shares of the Company to be awarded pursuant to the Share Subscription Scheme may be awarded in such manner as the Board (or such committee delegated with the power and authority by the Board to administer the scheme) may determine from time to time. The shares awarded to the participants under the Share Subscription Scheme will be settled by allotment of new shares of the Company.

No share awards were granted, vested, cancelled or lapsed during the six months ended 30 June 2023, and there were no outstanding awarded shares as at 30 June 2023 under the Share Subscription Scheme.

Under the Share Subscription Scheme, the total number of shares of the Company available for award to selected participants as at 1 January 2023 and 30 June 2023 was 30,333,675, representing 2.00% of the total number of shares of the Company in issue. No share awards were granted under the scheme since 2009.

## (II) Share scheme funded by existing shares

### Share Purchase Scheme

On 18 October 2007, the Company adopted a share incentive award scheme, namely The Melco Share Purchase Scheme Trust (the “Share Purchase Scheme”), with certain rules of such scheme amended on 12 June 2015, 31 March 2020 and 6 April 2022.

The shares of the Company to be awarded pursuant to the Share Purchase Scheme may be awarded in such manner as the Board (or such committee delegated with the power and authority by the Board to administer the scheme) may determine from time to time. The shares awarded to the participants under the Share Purchase Scheme will be settled by the shares of the Company purchased in the market.

Movements of the awarded shares, which were granted pursuant to the terms of the rules and trust deed of the Share Purchase Scheme, during the six months ended 30 June 2023 were as follows:

Category of participants	Number of awarded shares						As at 30 June 2023	Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Modified during the period			
<b>Directors</b>									
Mr. Ho, Lawrence	3,584,000	-	(2,662,000)	-	-	(922,000)	-	14.04.2020	14.04.2023 <sup>(1)</sup>
Yau Lung	-	-	-	-	-	922,000	922,000	14.04.2020	14.04.2024 <sup>(1)</sup>
	5,946,000	-	-	-	-	(5,946,000)	-	07.04.2021	07.04.2023 <sup>(2)</sup>
	-	-	-	-	-	5,946,000	5,946,000	07.04.2021	07.04.2024 <sup>(2)</sup>
	5,338,000	-	(5,338,000)	-	-	-	-	06.04.2022	06.04.2023
	5,338,000	-	-	-	-	-	5,338,000	06.04.2022	06.04.2024
	4,572,000	-	-	-	-	-	4,572,000	06.04.2022	06.04.2025
	-	3,404,000	-	-	-	-	3,404,000	04.04.2023	04.04.2024
	-	3,403,000	-	-	-	-	3,403,000	04.04.2023	04.04.2025
	-	3,403,000	-	-	-	-	3,403,000	04.04.2023	04.04.2026
	24,778,000	10,210,000	(8,000,000)	-	-	-	26,988,000		
Mr. Evan Andrew Winkler	3,287,000	-	(3,287,000)	-	-	-	-	06.04.2022	06.04.2023
	3,286,000	-	-	-	-	-	3,286,000	06.04.2022	06.04.2024
	6,573,000	-	(3,287,000)	-	-	-	3,286,000		
Mr. Chung Yuk Man, Clarence	22,000	-	(22,000)	-	-	-	-	14.04.2020	14.04.2023
	17,000	-	(17,000)	-	-	-	-	07.04.2021	07.04.2023
	17,000	-	-	-	-	-	17,000	07.04.2021	07.04.2024
	822,000	-	(822,000)	-	-	-	-	06.04.2022	06.04.2023
	822,000	-	-	-	-	-	822,000	06.04.2022	06.04.2024
	211,000	-	-	-	-	-	211,000	06.04.2022	06.04.2025
	-	254,000	(254,000)	-	-	-	-	04.04.2023	04.04.2023
	-	157,000	-	-	-	-	157,000	04.04.2023	04.04.2024
	-	157,000	-	-	-	-	157,000	04.04.2023	04.04.2025
	-	156,000	-	-	-	-	156,000	04.04.2023	04.04.2026
	1,911,000	724,000	(1,115,000)	-	-	-	1,520,000		
Mr. Ng Ching Wo	4,000	-	(4,000)	-	-	-	-	14.04.2020	14.04.2023
	4,000	-	(4,000)	-	-	-	-	07.04.2021	07.04.2023
	4,000	-	-	-	-	-	4,000	07.04.2021	07.04.2024
	140,000	-	(140,000)	-	-	-	-	06.04.2022	06.04.2023
	140,000	-	-	-	-	-	140,000	06.04.2022	06.04.2024
	24,000	-	-	-	-	-	24,000	06.04.2022	06.04.2025
	-	19,000	-	-	-	-	19,000	04.04.2023	04.04.2024
	-	18,000	-	-	-	-	18,000	04.04.2023	04.04.2025
	-	18,000	-	-	-	-	18,000	04.04.2023	04.04.2026
	316,000	55,000	(148,000)	-	-	-	223,000		
Mr. John William Crawford	4,000	-	(4,000)	-	-	-	-	14.04.2020	14.04.2023
	3,000	-	(3,000)	-	-	-	-	07.04.2021	07.04.2023
	3,000	-	-	-	-	-	3,000	07.04.2021	07.04.2024
	43,000	-	(43,000)	-	-	-	-	06.04.2022	06.04.2023
	42,000	-	-	-	-	-	42,000	06.04.2022	06.04.2024
	22,000	-	-	-	-	-	22,000	06.04.2022	06.04.2025
	-	17,000	-	-	-	-	17,000	04.04.2023	04.04.2024
	-	17,000	-	-	-	-	17,000	04.04.2023	04.04.2025
	-	16,000	-	-	-	-	16,000	04.04.2023	04.04.2026
	117,000	50,000	(50,000)	-	-	-	117,000		

## OTHER INFORMATION

Category of participants	Number of awarded shares							Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Modified during the period	As at 30 June 2023		
Mr. Tsui Che Yin, Frank	3,000	-	(3,000)	-	-	-	-	14.04.2020	14.04.2023
	3,000	-	(3,000)	-	-	-	-	07.04.2021	07.04.2023
	3,000	-	-	-	-	-	3,000	07.04.2021	07.04.2024
	246,000	-	(246,000)	-	-	-	-	06.04.2022	06.04.2023
	245,000	-	-	-	-	-	245,000	06.04.2022	06.04.2024
	20,000	-	-	-	-	-	20,000	06.04.2022	06.04.2025
	-	15,000	-	-	-	-	15,000	04.04.2023	04.04.2024
	-	15,000	-	-	-	-	15,000	04.04.2023	04.04.2025
	-	15,000	-	-	-	-	15,000	04.04.2023	04.04.2026
	520,000	45,000	(252,000)	-	-	-	313,000		
Ms. Karuna Evelyne Shinsho	4,000	-	(4,000)	-	-	-	-	14.04.2020	14.04.2023
	3,000	-	(3,000)	-	-	-	-	07.04.2021	07.04.2023
	3,000	-	-	-	-	-	3,000	07.04.2021	07.04.2024
	40,000	-	(40,000)	-	-	-	-	06.04.2022	06.04.2023
	39,000	-	-	-	-	-	39,000	06.04.2022	06.04.2024
	18,000	-	-	-	-	-	18,000	06.04.2022	06.04.2025
	-	14,000	-	-	-	-	14,000	04.04.2023	04.04.2024
	-	14,000	-	-	-	-	14,000	04.04.2023	04.04.2025
	-	14,000	-	-	-	-	14,000	04.04.2023	04.04.2026
	107,000	42,000	(47,000)	-	-	-	102,000		
Sub-total	34,322,000	11,126,000	(12,899,000)	-	-	-	32,549,000		
Employees	49,000	-	(49,000)	-	-	-	-	14.04.2020	14.04.2023
	39,000	-	(39,000)	-	-	-	-	07.04.2021	07.04.2023
	39,000	-	-	-	-	-	39,000	07.04.2021	07.04.2024
	579,000	-	(579,000)	-	-	-	-	06.04.2022	06.04.2023
	570,000	-	-	-	-	-	570,000	06.04.2022	06.04.2024
	220,000	-	-	-	-	-	220,000	06.04.2022	06.04.2025
	-	166,000	(166,000)	-	-	-	-	04.04.2023	04.04.2023
	-	273,000	-	-	-	-	273,000	04.04.2023	04.04.2024
	-	271,000	-	-	-	-	271,000	04.04.2023	04.04.2025
-	266,000	-	-	-	-	266,000	04.04.2023	04.04.2026	
Sub-total	1,496,000	976,000	(833,000)	-	-	-	1,639,000		
Service providers	8,000	-	(8,000)	-	-	-	-	14.04.2020	14.04.2023
	6,000	-	(6,000)	-	-	-	-	07.04.2021	07.04.2023
	6,000	-	-	-	-	-	6,000	07.04.2021	07.04.2024
	160,000	-	(160,000)	-	-	-	-	06.04.2022	06.04.2023
	159,000	-	-	-	-	-	159,000	06.04.2022	06.04.2024
	38,000	-	-	-	-	-	38,000	06.04.2022	06.04.2025
	-	29,000	-	-	-	-	29,000	04.04.2023	04.04.2024
	-	29,000	-	-	-	-	29,000	04.04.2023	04.04.2025
	-	28,000	-	-	-	-	28,000	04.04.2023	04.04.2026
Sub-total	377,000	86,000	(174,000)	-	-	-	289,000		
Former directors/employees	14,000	-	(14,000)	-	-	-	-	14.04.2020	14.04.2023
Sub-total	14,000	-	(14,000)	-	-	-	-		
<b>Total</b>	<b>36,209,000</b>	<b>12,188,000</b>	<b>(13,920,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,477,000</b>		

### Notes:

- The vesting date of the awarded shares has been deferred from 14 April 2023 to 14 April 2024.
- The vesting date of the awarded shares has been deferred from 7 April 2023 to 7 April 2024.
- In respect of the awarded shares vested during the period, the weighted average closing price of the shares of the Company immediately before the dates on which the awarded shares vested was HK\$9.47. The participants are not required to pay any purchase price for the awarded shares upon vesting subject to the share award.

On 4 April 2023, a total of 12,188,000 awarded shares were granted under the Share Purchase Scheme, representing approximately 0.80% of the total number of issued shares of the Company on the date of grant. Out of these awarded shares, certain amounts have vested in 2023 and the remaining amounts will vest over a period of three years from 2024 to 2026. All of such awarded shares have been funded or are expected to be funded by the existing shares of the Company and not to involve any issue of new shares of the Company upon vesting. The participants are not required to pay any purchase price for the awarded shares upon vesting subject to the share award. The closing price of the shares of the Company immediately before the date on which these awarded shares were granted was HK\$9.65. The aggregate fair value of the awarded shares granted at the date of grant was HK\$116,274,000 which was determined with reference to the closing price of the ordinary shares of the Company as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange at the date of award in accordance with Hong Kong Financial Reporting Standard 2 Share-based Payment (“HKFRS 2”). The weighted average fair value per awarded share granted was HK\$9.54.

None of the participants has been granted share options and/or share awards (involving issue of new shares) by the Company that exceed 1% of the total number of issued shares of the Company and none of the related entity participants (in case of the Company, directors and employees of associated companies of the Company) (the “Related Entity Participants”) or service providers/consultants has been granted share options and/or share awards (involving issue of new shares) by the Company that exceed 0.1% of the total number of issued shares of the Company in any 12-month period.

**(III) Share schemes of principal subsidiary involving issue of new shares and/or funded by existing shares**

**Melco Resorts' Share Incentive Plans**

Melco Resorts adopted a share incentive plan in 2011 (as subsequently amended) (the “Melco Resorts Amended 2011 Share Incentive Plan”), which was terminated on 6 December 2021, and a new share incentive plan (the “Melco Resorts 2021 Share Incentive Plan”) which was approved by the Company’s shareholders on 4 June 2021 and became effective on 6 December 2021. No further awards may be granted under the Melco Resorts Amended 2011 Share Incentive Plan. All subsequent awards will be granted under the Melco Resorts 2021 Share Incentive Plan. All awards previously granted under the Melco Resorts Amended 2011 Share Incentive Plan shall remain valid subject to the terms and conditions of the plan.

Melco Resorts is a principal subsidiary of the Company under the new Chapter 17 of the Listing Rules, which became effective on 1 January 2023. Accordingly, the share incentive plans of Melco Resorts are subject to Chapter 17 of the Listing Rules (subject to the transitional arrangements made available by the Hong Kong Stock Exchange).

## OTHER INFORMATION

### (i) Share options granted by Melco Resorts

Movements of share options granted under the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts 2021 Share Incentive Plan during the six months ended 30 June 2023 were as follows:

Share options granted to eligible participants

Category of participants	Number of share options					As at 30 June 2023	Date of grant	Exercise price US\$	Exercise period (Note)
	As at 1 January 2023	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
<b>Under the Melco Resorts Amended 2011 Share Incentive Plan</b>									
<b>Employees</b>	9,249	-	-	-	-	9,249	30.03.2015	5.32	5
	17,460	-	-	-	-	17,460	18.03.2016	5.32	6
	31,164	-	-	-	-	31,164	31.03.2017	6.18	7
	26,451	-	-	-	-	26,451	29.03.2018	9.66	8
	70,374	-	-	-	-	70,374	01.04.2019	8.14	9
	251,667	-	(14,094)	-	-	237,573	31.03.2020	4.13	10
	108,780	-	-	-	-	108,780	07.04.2021	6.89	11
<b>Sub-total</b>	<b>515,145</b>	<b>-</b>	<b>(14,094)</b>	<b>-</b>	<b>-</b>	<b>501,051</b>			
<b>Former employees</b>	38,841	-	-	(38,841)	-	-	10.05.2013	5.32	3
	56,616	-	-	-	-	56,616	28.03.2014	5.32	4
	97,599	-	-	-	-	97,599	30.03.2015	5.32	5
	184,206	-	-	-	-	184,206	18.03.2016	5.32	6
	144,432	-	-	-	-	144,432	31.03.2017	6.18	7
	122,583	-	-	-	-	122,583	31.03.2017	6.18	15
	115,032	-	-	-	-	115,032	29.03.2018	9.66	8
	92,982	-	-	-	-	92,982	29.03.2018	9.66	16
	148,302	-	-	-	-	148,302	01.04.2019	8.14	9
	59,937	-	-	-	-	59,937	01.04.2019	8.14	17
	59,937	-	-	-	-	59,937	01.04.2019	8.14	18
	475,362	-	-	-	-	475,362	31.03.2020	4.13	10
	384,237	-	-	-	-	384,237	31.03.2020	4.13	19
	193,830	-	-	-	-	193,830	07.04.2021	6.89	11
	78,339	-	-	-	-	78,339	07.04.2021	6.89	20
	78,339	-	-	-	-	78,339	07.04.2021	6.89	21
<b>Sub-total</b>	<b>2,330,574</b>	<b>-</b>	<b>-</b>	<b>(38,841)</b>	<b>-</b>	<b>2,291,733</b>			
<b>Total</b>	<b>2,845,719</b>	<b>-</b>	<b>(14,094)</b>	<b>(38,841)</b>	<b>-</b>	<b>2,792,784</b>			
<b>Under the Melco Resorts 2021 Share Incentive Plan</b>									
<b>Employees</b>	2,874,285	-	(68,148)	-	-	2,806,137	06.04.2022	2.47	12
	2,486,241	-	-	-	-	2,486,241	06.04.2022	2.47	13
	-	158,949	-	-	-	158,949	05.04.2023	4.13	14
<b>Total</b>	<b>5,360,526</b>	<b>158,949</b>	<b>(68,148)</b>	<b>-</b>	<b>-</b>	<b>5,451,327</b>			

#### Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- In respect of the share options exercised during the period, the weighted average closing price of the shares of Melco Resorts immediately before the dates on which the share options were exercised was US\$4.34 per share of Melco Resorts.
- The share options granted on 10 May 2013 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 9 May 2023.
- The share options granted on 28 March 2014 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 27 March 2024.
- The share options granted on 30 March 2015 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 29 March 2025.

6. The share options granted on 18 March 2016 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 17 March 2026.
7. The share options granted on 31 March 2017 are exercisable from 30 March 2020 to 30 March 2027.
8. The share options granted on 29 March 2018 are divided into 2 tranches exercisable from 29 March 2020 and 29 March 2021, respectively, to 28 March 2028.
9. The share options granted on 1 April 2019 are divided into 2 tranches exercisable from 1 April 2021 and 1 April 2022, respectively, to 31 March 2029.
10. The share options granted on 31 March 2020 are divided into 2 tranches exercisable from 31 March 2022 and 31 March 2023, respectively, to 30 March 2030.
11. The share options granted on 7 April 2021 are divided into 2 tranches exercisable from 7 April 2023 and 7 April 2024, respectively, to 6 April 2031.
12. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.
13. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.
14. The share options granted on 5 April 2023 are divided into 3 tranches exercisable from 5 April 2024, 5 April 2025 and 5 April 2026, respectively, to 4 April 2033.
15. The share options granted on 31 March 2017 are exercisable from 30 March 2020 to 8 January 2024.
16. The share options granted on 29 March 2018 are exercisable from 29 March 2020 and 29 March 2021, respectively, to 8 January 2024.
17. The share options granted on 1 April 2019 are exercisable from 1 April 2021 to 8 January 2024.
18. The share options granted on 1 April 2019 are exercisable from 1 April 2022 to 1 April 2024.
19. The share options granted on 31 March 2020 are exercisable from 31 March 2022 and 31 March 2023, respectively, to 31 March 2024.
20. The share options granted on 7 April 2021 are exercisable from 7 April 2023 to 7 April 2024.
21. The share options granted on 7 April 2021 are exercisable from 7 April 2024 to 7 April 2025.

On 5 April 2023, Melco Resorts granted a total of 158,949 share options, representing approximately 0.01% of the total number of issued shares of Melco Resorts on the date of grant, to eligible participants under the Melco Resorts 2021 Share Incentive Plan. Such share options are expected to be funded by the existing shares of Melco Resorts and not to involve any issue of new shares of Melco Resorts (or to involve any shares of Melco Resorts held by the Company or Melco Leisure) upon the exercise of share options by the participants. The validity period of these share options granted is ten years, from 5 April 2023 to 4 April 2033. Such share options entitle the grantees to subscribe for a total of 158,949 shares of Melco Resorts at an exercise price of US\$4.13 per share. The closing price of Melco Resorts' American depositary shares trading on the Nasdaq Global Select Market immediately before the date on which such share options were granted was US\$12.70 (representing approximately US\$4.23 per share of Melco Resorts). The aggregate fair value of the share options granted at the date of grant was US\$288,757, which was determined with reference to the closing price of Melco Resorts' American depositary shares trading on the Nasdaq Global Select Market at the date of grant in accordance with HKFRS 2. The weighted average fair value per share option granted was US\$1.82.

## OTHER INFORMATION

The Black-Scholes valuation model was used to estimate the fair value of the share options. The value of an option varies with different variables of certain subjective assumptions. The weighted average input into the model were as follows:

<b>Grant date of the share options</b>	<b>5 April 2023</b>
Valuation model	Black-Scholes
Exercise price	US\$4.13 per share
Expected volatility	58.67%
Expected life	5.1 years
Risk-free rate	3.39%
Expected dividend yield	2.50%

The significant assumptions used in the model include the following: Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco Resorts' American depositary shares trading on the Nasdaq Global Select Market. Expected life is based upon the vesting term, and expected term or the historical expected life of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected life.

## (ii) Restricted shares granted by Melco Resorts

Movements of the restricted shares granted under the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts 2021 Share Incentive Plan during the six months ended 30 June 2023 were as follows:

## (a) Restricted shares granted to Directors

Name of Director	Number of restricted shares					As at 30 June 2023	Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period			
<b>Under the Melco Resorts Amended 2011 Share Incentive Plan</b>								
Mr. Ho, Lawrence	2,330,670	-	(2,330,670)	-	-	-	31.03.2020	31.03.2023
Yau Lung	727,434	-	(727,434)	-	-	-	07.04.2021	07.04.2023
	727,434	-	-	-	-	727,434	07.04.2021	07.04.2024
	3,785,538	-	(3,058,104)	-	-	727,434		
Mr. Evan Andrew Winkler	21,168	-	(21,168)	-	-	-	31.03.2020	31.03.2023
	12,693	-	(12,693)	-	-	-	07.04.2021	07.04.2023
	12,693	-	-	-	-	12,693	07.04.2021	07.04.2024
	46,554	-	(33,861)	-	-	12,693		
Mr. Chung Yuk Man, Clarence	48,993	-	(48,993)	-	-	-	31.03.2020	31.03.2023
	27,201	-	(27,201)	-	-	-	07.04.2021	07.04.2023
	27,201	-	-	-	-	27,201	07.04.2021	07.04.2024
	103,395	-	(76,194)	-	-	27,201		
Mr. John William Crawford	22,983	-	(22,983)	-	-	-	31.03.2020	31.03.2023
	7,254	-	(7,254)	-	-	-	07.04.2021	07.04.2023
	7,254	-	-	-	-	7,254	07.04.2021	07.04.2024
	37,491	-	(30,237)	-	-	7,254		
<b>Total</b>	<b>3,972,978</b>	<b>-</b>	<b>(3,198,396)</b>	<b>-</b>	<b>-</b>	<b>774,582</b>		
<b>Under the Melco Resorts 2021 Share Incentive Plan</b>								
Mr. Ho, Lawrence	2,000,460	-	(2,000,460)	-	-	-	06.04.2022	06.04.2023
Yau Lung	2,000,460	-	-	-	-	2,000,460	06.04.2022	06.04.2024
	1,347,312	-	-	-	-	1,347,312	06.04.2022	06.04.2025
	-	932,784	(932,784)	-	-	-	05.04.2023	05.04.2023
	-	581,583	-	-	-	581,583	05.04.2023	05.04.2024
	-	581,583	-	-	-	581,583	05.04.2023	05.04.2025
	-	581,583	-	-	-	581,583	05.04.2023	05.04.2026
	5,348,232	2,677,533	(2,933,244)	-	-	5,092,521		
Mr. Evan Andrew Winkler	35,472	-	(35,472)	-	-	-	06.04.2022	06.04.2023
	35,472	-	-	-	-	35,472	06.04.2022	06.04.2024
	35,472	-	-	-	-	35,472	06.04.2022	06.04.2025
	992,064	-	(992,064)	-	-	-	06.09.2022	15.02.2023
	992,064	-	(992,064)	-	-	-	06.09.2022	15.05.2023
	-	151,722	(151,722)	-	-	-	05.04.2023	05.04.2023
	-	21,204	-	-	-	21,204	05.04.2023	05.04.2024
	-	21,204	-	-	-	21,204	05.04.2023	05.04.2025
	-	21,204	-	-	-	21,204	05.04.2023	05.04.2026
	2,090,544	215,334	(2,171,322)	-	-	134,556		

## OTHER INFORMATION

Name of Director	Number of restricted shares						Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period	As at 30 June 2023		
Mr. Chung Yuk Man, Clarence	76,014	-	(76,014)	-	-	-	06.04.2022	06.04.2023
	76,014	-	-	-	-	76,014	06.04.2022	06.04.2024
	76,014	-	-	-	-	76,014	06.04.2022	06.04.2025
	-	39,258	(39,258)	-	-	-	05.04.2023	05.04.2023
	-	45,438	-	-	-	45,438	05.04.2023	05.04.2024
	-	45,438	-	-	-	45,438	05.04.2023	05.04.2025
	-	45,438	-	-	-	45,438	05.04.2023	05.04.2026
	228,042	175,572	(115,272)	-	-	288,342		
Mr. John William Crawford	20,271	-	(20,271)	-	-	-	06.04.2022	06.04.2023
	20,271	-	-	-	-	20,271	06.04.2022	06.04.2024
	20,271	-	-	-	-	20,271	06.04.2022	06.04.2025
	-	12,117	-	-	-	12,117	05.04.2023	05.04.2024
	-	12,117	-	-	-	12,117	05.04.2023	05.04.2025
	-	12,117	-	-	-	12,117	05.04.2023	05.04.2026
	60,813	36,351	(20,271)	-	-	76,893		
<b>Total</b>	<b>7,727,631</b>	<b>3,104,790</b>	<b>(5,240,109)</b>	<b>-</b>	<b>-</b>	<b>5,592,312</b>		

### (b) Restricted shares granted to other eligible participants

Category of participants	Number of restricted shares							Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Reclassified during the period	As at 30 June 2023		
<b>Under the Melco Resorts Amended 2011 Share Incentive Plan</b>									
Directors of Melco Resorts Group (other than the Directors of the Company)	50,805	-	(50,805)	-	-	-	-	31.03.2020	31.03.2023
	21,762	-	(21,762)	-	-	-	-	07.04.2021	07.04.2023
	21,762	-	-	-	-	-	21,762	07.04.2021	07.04.2024
Sub-total	94,329	-	(72,567)	-	-	-	21,762		
Employees	1,424,019	-	(1,383,555)	-	(33,783)	-	6,681	31.03.2020	31.03.2023 <sup>(a)</sup>
	907,737	-	(879,312)	-	(24,408)	-	4,017	07.04.2021	07.04.2023 <sup>(a)</sup>
	907,737	-	-	-	(25,710)	(5,619)	876,408	07.04.2021	07.04.2024
	31,923	-	(31,923)	-	-	-	-	11.06.2021	11.06.2023
	31,923	-	-	-	-	-	31,923	11.06.2021	11.06.2024
	732	-	-	-	(732)	-	-	07.07.2021	07.07.2022 <sup>(1)</sup>
Sub-total	3,304,071	-	(2,294,790)	-	(84,633)	(5,619)	919,029		
Service providers	42,924	-	(42,924)	-	-	-	-	31.03.2020	31.03.2023
	2,133	-	-	-	-	-	2,133	31.03.2020	01.06.2024
	2,136	-	-	-	-	-	2,136	31.03.2020	09.06.2024
	16,827	-	(16,827)	-	-	-	-	07.04.2021	07.04.2023
	16,827	-	-	-	-	5,619	22,446	07.04.2021	07.04.2024
	2,565	-	-	-	-	-	2,565	07.04.2021	01.06.2024
	2,565	-	-	-	-	-	2,565	07.04.2021	09.06.2024
	897	-	(897)	-	-	-	-	11.06.2021	11.06.2023
897	-	-	-	-	-	897	11.06.2021	11.06.2024	
Sub-total	87,771	-	(60,648)	-	-	5,619	32,742		
Former directors/ employees/service providers	98,601	-	(98,601)	-	-	-	-	31.03.2020	31.03.2023
	8,592	-	-	-	-	-	8,592	31.03.2020	01.04.2024
	27,768	-	-	-	-	-	27,768	31.03.2020	07.04.2024
	35,883	-	(35,883)	-	-	-	-	07.04.2021	07.04.2023
	65,001	-	-	-	-	-	65,001	07.04.2021	07.04.2024
10,326	-	-	-	-	-	10,326	07.04.2021	01.04.2024	
Sub-total	246,171	-	(134,484)	-	-	-	111,687		
<b>Total</b>	<b>3,732,342</b>	<b>-</b>	<b>(2,562,489)</b>	<b>-</b>	<b>(84,633)</b>	<b>-</b>	<b>1,085,220</b>		

Category of participants	Number of restricted shares						As at 30 June 2023	Date of award	Vesting date
	As at 1 January 2023	Awarded during the period	Vested during the period	Lapsed during the period	Cancelled during the period	Reclassified during the period			
<b>Under the Melco Resorts 2021 Share Incentive Plan</b>									
<b>Directors of Melco Resorts Group (other than the Directors of the Company)</b>	60,813	-	(60,813)	-	-	-	-	06.04.2022	06.04.2023
	60,813	-	-	-	-	-	60,813	06.04.2022	06.04.2024
	60,813	-	-	-	-	-	60,813	06.04.2022	06.04.2025
	-	36,351	-	-	-	-	36,351	05.04.2023	05.04.2024
	-	36,351	-	-	-	-	36,351	05.04.2023	05.04.2025
	-	36,351	-	-	-	-	36,351	05.04.2023	05.04.2026
<b>Sub-total</b>	<b>182,439</b>	<b>109,053</b>	<b>(60,813)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230,679</b>		
<b>Employees</b>	4,198,992	-	(4,093,053)	-	(87,921)	(3,153)	14,865	06.04.2022	06.04.2023 <sup>4)</sup>
	4,198,995	-	-	-	(87,921)	(53,490)	4,057,584	06.04.2022	06.04.2024
	2,161,104	-	-	-	(35,907)	(20,802)	2,104,395	06.04.2022	06.04.2025
	1,110	-	(1,110)	-	-	-	-	08.08.2022	06.04.2023
	1,110	-	-	-	-	-	1,110	08.08.2022	06.04.2024
	-	3,195,936	(3,195,936)	-	-	-	-	05.04.2023	05.04.2023
	-	1,504,131	-	-	(2,352)	(12,462)	1,489,317	05.04.2023	05.04.2024
	-	1,504,131	-	-	(2,352)	(12,462)	1,489,317	05.04.2023	05.04.2025
	-	1,504,131	-	-	(2,352)	(12,462)	1,489,317	05.04.2023	05.04.2026
<b>Sub-total</b>	<b>10,561,311</b>	<b>7,708,329</b>	<b>(7,290,099)</b>	<b>-</b>	<b>(218,805)</b>	<b>(114,831)</b>	<b>10,645,905</b>		
<b>Service providers</b>	167,859	-	(171,012)	-	-	3,153	-	06.04.2022	06.04.2023
	167,859	-	-	-	-	53,490	221,349	06.04.2022	06.04.2024
	58,833	-	-	-	-	20,802	79,635	06.04.2022	06.04.2025
	24,534	-	-	-	-	-	24,534	06.04.2022	01.06.2024
	24,537	-	-	-	-	-	24,537	06.04.2022	09.06.2024
	-	30,411	(30,411)	-	-	-	-	05.04.2023	05.04.2023
	-	32,112	-	-	-	12,462	44,574	05.04.2023	05.04.2024
	-	32,112	-	-	-	12,462	44,574	05.04.2023	05.04.2025
	-	32,112	-	-	-	12,462	44,574	05.04.2023	05.04.2026
<b>Sub-total</b>	<b>443,622</b>	<b>126,747</b>	<b>(201,423)</b>	<b>-</b>	<b>-</b>	<b>114,831</b>	<b>483,777</b>		
<b>Former directors/ employees/service providers</b>	27,531	-	(27,531)	-	-	-	-	06.04.2022	06.04.2023
	199,599	-	-	-	-	-	199,599	06.04.2022	06.04.2024
	41,295	-	-	-	-	-	41,295	06.04.2022	06.04.2025
<b>Sub-total</b>	<b>268,425</b>	<b>-</b>	<b>(27,531)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>240,894</b>		
<b>Total</b>	<b>11,455,797</b>	<b>7,944,129</b>	<b>(7,579,866)</b>	<b>-</b>	<b>(218,805)</b>	<b>-</b>	<b>11,601,255</b>		

**Notes:**

- The contractual right to the vesting of 732 restricted shares have been terminated when the relevant employee notified of his resignation before the vesting date of 7 July 2022. Such 732 unvested restricted shares were cancelled when the termination date of his employment became effective.
- The contractual right to the vesting of 6,681 restricted shares have been terminated when the relevant employee notified of his resignation before the vesting of 31 March 2023. Such 6,681 unvested restricted shares will be cancelled when the termination date of his employment became effective.
- The contractual right to the vesting of 4,017 restricted shares have been terminated when the relevant employee notified of his resignation before the vesting of 7 April 2023. Such 4,017 unvested restricted shares will be cancelled when the termination date of his employment became effective.

## OTHER INFORMATION

4. The contractual right to the vesting of 14,865 restricted shares have been terminated when the relevant employee notified of his resignation before the vesting of 6 April 2023. Such 14,865 unvested restricted shares will be cancelled when the termination date of his employment became effective.
5. In respect of the restricted shares vested during the period, the weighted average closing price of the shares of Melco Resorts immediately before the dates on which the restricted shares vested was US\$4.16 per share of Melco Resorts. The participants are not required to pay any purchase price for the restricted shares upon vesting subject to the share award.

On 5 April 2023, a total of 11,048,919 restricted shares were granted under the Melco Resorts 2021 Share Incentive Plan, representing approximately 0.83% of the total number of issued shares of Melco Resorts on the date of grant. Out of these restricted shares, certain amounts have vested in 2023 and the remaining amounts will vest over a period of three years from 2024 to 2026. Those vested in 2023 were funded by existing shares of Melco Resorts and those that will vest in 2024 to 2026 are expected to be funded by the existing shares of Melco Resorts and not to involve any issue of new shares of Melco Resorts (or to involve any shares of Melco Resorts held by the Company or Melco Leisure) upon vesting. The participant is not required to pay any purchase price for the restricted shares upon vesting subject to the share award. The closing price of Melco Resorts' American depositary shares trading on the Nasdaq Global Select Market immediately before the date on which such restricted shares were granted was US\$12.38 (representing approximately US\$4.13 per share of Melco Resorts). The aggregate fair value of the restricted shares granted at the date of grant was US\$45,595,206 which was determined with reference to the closing price of Melco Resorts' American depositary shares trading on the Nasdaq Global Select Market at the date of award in accordance with HKFRS 2. The weighted average fair value per restricted share granted was US\$4.13.

Under Melco Resorts 2021 Share Incentive Plan, the total number of Melco Resorts Shares available for grant was 115,536,483 as at 1 January 2023 and 104,547,420 as at 30 June 2023, representing approximately 8.43% and 7.86%, respectively, of the total number of Melco Resorts Shares in issue.

During the six months ended 30 June 2023, no share options and restricted shares involving issue of new shares of Melco Resorts were granted under all share schemes of Melco Resorts.

None of the participants has been granted share options and/or restricted shares (involving issue of new shares) by Melco Resorts that exceed 1% of the total number of issued shares of Melco Resorts and none of the Related Entity Participants or service providers/consultants has been granted share options and/or restricted shares (involving issue of new shares) by Melco Resorts that exceed 0.1% of the total number of issued shares of Melco Resorts in any 12-month period.

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

As at 30 June 2023, the following persons/corporations had interests in five per cent or more of the issued shares of the Company as recorded in the register required to be kept under Section 336 of the SFO. Details of the interests in the shares and underlying shares of the Company as notified to the Company were as follows:

**Long positions in the shares and underlying shares of the Company**

Name	Capacity	No. of shares held	No. of underlying shares held	Approximate % of total issued shares <sup>(1)</sup>	Note(s)
Better Joy Overseas Ltd.	Beneficial owner	301,368,606	–	19.87%	2
Lasting Legend Ltd.	Beneficial owner	122,243,024	–	8.06%	2
	Interest of controlled corporation	301,368,606	–	19.87%	2
Trident Trust Company (Cayman) Limited	Trustee	423,611,630	–	27.93%	3
Black Spade Capital Limited	Beneficial owner	91,445,132	–	6.03%	4
	Interest of controlled corporation	53,491,345	–	3.53%	4
King Dragon Ventures Limited	Interest of controlled corporations	144,936,477	–	9.56%	4
LHT I Limited	Interest of controlled corporations	144,936,477	–	9.56%	4
Zedra Asia Limited	Trustee	144,936,477	–	9.56%	5
L3G Holdings Inc.	Beneficial owner	312,666,187	–	20.62%	6
Zedra Trust Company (Cayman) Limited	Trustee	312,666,187	–	20.62%	6
Mr. Ho, Lawrence Yau Lung	Beneficial owner	8,000,000	26,988,000	2.31%	10
	Interest of controlled corporations	570,114,107	–	37.59%	7
	Interest of spouse	4,212,102	–	0.28%	8
	Others	312,666,187	–	20.62%	6
Ms. Lo Sau Yan, Sharen	Beneficial owner	4,212,102	–	0.28%	–
	Interest of spouse	890,780,294	26,988,000	60.51%	9, 10
Southeastern Asset Management, Inc.	Investment manager	90,903,781	–	5.99%	–

## OTHER INFORMATION

### Notes:

1. As at 30 June 2023, the total number of issued shares of the Company was 1,516,683,755.
2. Better Joy Overseas Ltd. is a company controlled by Lasting Legend Ltd. and, therefore, Lasting Legend Ltd. was deemed to be interested in the 301,368,606 shares held by Better Joy Overseas Ltd. The shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by the person, company and/or trusts associated with Mr. Ho, Lawrence Yau Lung.
3. The 423,611,630 shares relate to the same block of shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. referred to in note 2 above.
4. Black Spade Capital Limited is wholly owned by King Dragon Ventures Limited which in turn is wholly owned by LHT I Limited and, therefore, King Dragon Ventures Limited and LHT I Limited were deemed to be interested in the 144,936,477 shares held by Black Spade Capital Limited and its wholly-owned subsidiary, Mighty Dragon Developments Limited. The shares held by the aforesaid companies also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by a trust associated with him.
5. The 144,936,477 shares relate to the same block of shares held by Black Spade Capital Limited and Mighty Dragon Developments Limited referred to in note 4 above.
6. L3G Holdings Inc. is a company controlled by a discretionary family trust, the beneficiaries of which include Mr. Ho, Lawrence Yau Lung and his immediate family members. Zedra Trust Company (Cayman) Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to have interests in the shares held by L3G Holdings Inc. by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.
7. The 570,114,107 shares relate to the 301,368,606 shares, 122,243,024 shares, 53,491,345 shares, 91,445,132 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 3.53%, 6.03% and 0.10% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies.
8. Mr. Ho, Lawrence Yau Lung is the spouse of Ms. Lo Sau Yan, Sharen and was deemed to be interested in the shares of the Company through the interest of his spouse under the SFO.
9. Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho, Lawrence Yau Lung and was deemed to be interested in the shares of the Company through the interest of her spouse under the SFO.
10. The interests of Mr. Ho, Lawrence Yau Lung in the underlying shares of the Company (in respect of the awarded shares granted by the Company) are set out in the "Directors' interests in shares, underlying shares and debentures" section of this report.

Save as disclosed above, as at 30 June 2023, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

## CORPORATE GOVERNANCE

The Company has in place its code on corporate governance (the “Company Code”), which sets out the corporate standards and practices used 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 14 to 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 2023.

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.

## OTHER INFORMATION

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has a code for dealing in the Company's securities by 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. 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 2023.

### UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information required to be disclosed by Directors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the date of the Company's 2022 Annual Report are set out below.

<b>Name of Director</b>	<b>Details of Changes</b>
Mr. John William Crawford	Appointed as a member of the Remuneration Committee of the Company with effect from 23 June 2023.

### AUDIT COMMITTEE

The Company's Audit Committee is currently composed of a Non-executive Director and two Independent Non-executive Directors. The primary duties of the Audit Committee are to (i) review the 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 2023.

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

### INDEPENDENT REVIEW

The interim results for the six months ended 30 June 2023 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 Ernst & Young, the Company's auditor, whose independent review report is included in this report.

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

Hong Kong, 31 August 2023

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Mr. Ho, Lawrence Yau Lung  
*(Chairman and Chief Executive Officer)*  
Mr. Evan Andrew Winkler  
*(President and Managing Director)*  
Mr. Chung Yuk Man, Clarence

### Non-executive Director

Mr. Ng Ching Wo\*

### Independent Non-executive Directors

Mr. John William Crawford  
Mr. Tsui Che Yin, Frank  
Ms. Karuna Evelyne Shinsho\*\*

### EXECUTIVE COMMITTEE

Mr. Ho, Lawrence Yau Lung *(Chairman)*  
Mr. Evan Andrew Winkler  
Mr. Chung Yuk Man, Clarence  
Mr. Geoffrey Stuart Davis\*\*\*  
Mr. Leung Hoi Wai, Vincent\*\*\*

### AUDIT COMMITTEE

Mr. John William Crawford *(Chairman)*  
Mr. Tsui Che Yin, Frank  
Mr. Ng Ching Wo

### REMUNERATION COMMITTEE

Mr. Tsui Che Yin, Frank *(Chairman)*  
Mr. John William Crawford  
Mr. Ng Ching Wo  
Ms. Karuna Evelyne Shinsho

## NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Tsui Che Yin, Frank *(Chairman)*  
Mr. John William Crawford  
Mr. Ng Ching Wo  
Ms. Karuna Evelyne Shinsho  
Mr. Leung Hoi Wai, Vincent\*\*\*

## REGULATORY COMPLIANCE COMMITTEE

Mr. Ho, Lawrence Yau Lung *(Chairman)*  
Mr. Evan Andrew Winkler  
Mr. Leung Hoi Wai, Vincent\*\*\*

## FINANCE COMMITTEE

Mr. Ho, Lawrence Yau Lung *(Chairman)*  
Mr. Evan Andrew Winkler  
Mr. Chung Yuk Man, Clarence  
Mr. Geoffrey Stuart Davis\*\*\*

## COMPANY SECRETARY

Mr. Leung Hoi Wai, Vincent

## REGISTERED OFFICE

38th Floor  
The Centrium  
60 Wyndham Street  
Central  
Hong Kong

\* retired as a Director and ceased to be a Board committee member on 1 September 2023

\*\* appointed as a member of the Audit Committee on 1 September 2023

\*\*\* non-voting co-opted member

## **CORPORATE INFORMATION**

### **AUDITOR**

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

### **LEGAL ADVISORS**

Gibson, Dunn & Crutcher LLP  
King & Wood Mallesons

### **SHARE REGISTRAR AND TRANSFER OFFICE**

Tricor Standard Limited  
17th Floor, Far East Finance Centre,  
16 Harcourt Road,  
Hong Kong

### **STOCK CODE**

200 (Listed on the Hong Kong Stock Exchange)

### **WEBSITE**

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

### **Election of Language or Means of Receipt of Corporate Communications**

This interim report is printed in English and Chinese, and is available in the “Investor Relations” section of the Company’s website at [www.melco-group.com](http://www.melco-group.com).

Shareholders are encouraged to access the Company’s corporate communications (including but not limited to annual reports, interim reports, notices of meetings, listing documents, circulars and proxy forms) electronically via the Company’s website to help protect the environment. Shareholders may at any time change their choice of language or means of receiving the Company’s corporate communications free of charge by giving not less than 7 days’ notice in writing to the Company’s share registrar, Tricor Standard Limited, 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to [melco200-ecom@hk.tricorglobal.com](mailto:melco200-ecom@hk.tricorglobal.com).



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

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