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Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: <http://www.melco-group.com>

(Stock Code: 200)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

The board of directors (the “Board”) of Melco International Development Limited (the “Company” or “Melco”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2015 as follows:

FINANCIAL HIGHLIGHTS

1. Profit attributable to owners of the Company was HK\$100.9 million for the year ended 31 December 2015, decreased from a profit attributable to owners of the Company of HK\$1,487.2 million in the year of 2014.
2. Basic earnings per share attributable to owners of the Company was HK\$0.07 for the year ended 31 December 2015 compared to basic earnings per share attributable to owners of the Company of HK\$0.96 for the year ended 31 December 2014.
3. No final dividend has been recommended by the Board for the year ended 31 December 2015 but in view of the strong cash position of the Company, the Board has recommended the payment of a special final dividend of HK2.0 cents per share, totaling approximately HK\$30.9 million, for the year ended 31 December 2015 to reward the shareholders for their continuing support. The proposed dividend is expected to be paid on 6 July 2016.
4. The Group maintained a healthy financial position during the year with gearing ratio recorded at 11% as of 31 December 2015 (2014: 10%).

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

FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	3	427,389	201,735
Other income, other gains or losses		14,564	94,730
Investment (loss) income		(143)	3,554
Purchase and changes in inventories			
of finished goods and work in progress		(81,409)	(76,445)
Raw materials and consumables used		(49,771)	(1,421)
Employee benefits expense		(284,085)	(303,674)
Depreciation of property, plant and equipment		(38,594)	(8,751)
Increase in fair value of investment properties		8,000	10,370
Loss on deemed disposal of partial interest			
in an associate	9	(1,394)	(14,923)
Other expenses		(158,339)	(119,622)
Finance costs		(45,779)	(43,918)
Share of losses of joint ventures		(5,695)	(139)
Share of profits of associates		307,333	1,693,612
		<hr/>	<hr/>
Profit before tax		92,077	1,435,108
Income tax (expense) credit	5	(1,200)	19
		<hr/>	<hr/>
Profit for the year		90,877	1,435,127
		<hr/>	<hr/>
Other comprehensive (expense) income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(702)	6,545
Fair value loss on available-for-sale investments		–	(1,867)
Share of exchange differences of an associate		(12,835)	(2,431)
Share of exchange differences of joint ventures		(13,136)	(15,422)
		<hr/>	<hr/>
Other comprehensive expense for the year, net of income tax		(26,673)	(13,175)
		<hr/>	<hr/>
Total comprehensive income for the year		64,204	1,421,952
		<hr/> <hr/>	<hr/> <hr/>

	<i>Note</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Profit (loss) for the year attributable to:			
Owners of the Company		100,924	1,487,172
Non-controlling interests		(10,047)	(52,045)
		<u>90,877</u>	<u>1,435,127</u>
 Total comprehensive income (expense) for the year attributable to:			
Owners of the Company		74,126	1,470,519
Non-controlling interests		(9,922)	(48,567)
		<u>64,204</u>	<u>1,421,952</u>
 Earnings per share	 7		
Basic (HK\$)		<u>0.07</u>	<u>0.96</u>
Diluted (HK\$)		<u>0.06</u>	<u>0.94</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Investment properties		178,000	170,000
Property, plant and equipment		82,852	123,693
Other intangible assets		5,700	5,700
Interests in joint ventures	8	20,387	39,218
Interests in associates	9	11,607,027	11,465,997
Amount due from a joint venture	11	53,562	53,562
Deposits and other tax receivables		3,305	11,215
Deferred tax assets		2,133	1,101
Structured notes		50,025	–
		12,002,991	11,870,486
Current assets			
Inventories		20,232	22,276
Trade receivables	10	33,399	20,930
Prepayments, deposits and other receivables	10	62,899	66,724
Held-for-trading investments		30	173
Amounts due from associates	11	–	7,788
Amount due from a related company	11	141	160
Pledged bank deposits		947	947
Bank deposits with original maturity over three months		1,729,049	1,558,002
Bank balances and cash		467,250	549,578
		2,313,947	2,226,578
Current liabilities			
Trade payables	12	29,341	17,959
Other payables	12	121,429	123,219
Dividend payable		967	1,451
Amounts due to associates	11	2,167	–
Taxation payable		33,100	33,160
Borrowings – due within one year	13	4,980	394,980
		191,984	570,769
Net current assets		2,121,963	1,655,809
Total assets less current liabilities		14,124,954	13,526,295

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		4,368	5,912
Other payables		6,844	6,575
Borrowings – due after one year	13	1,335,290	794,270
		<u>1,346,502</u>	<u>806,757</u>
		<u>12,778,452</u>	<u>12,719,538</u>
Capital and reserves			
Share capital		5,436,556	5,435,321
Reserves		6,949,281	6,896,335
Equity attributable to owners of the Company		12,385,837	12,331,656
Non-controlling interests		392,615	387,882
		<u>12,778,452</u>	<u>12,719,538</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The address of the registered office and principal place of business of the Company is 38th floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The principal activities of the Company and its subsidiaries (the “Group”) are divided into two segments, namely (i) Gaming, Leisure and Entertainment segment; and (ii) Property and Other Investments segment.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

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

The application of the above new or revised HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

The financial information relating to the years ended 31 December 2015 and 2014 included in this preliminary announcement of annual results 2015 do not constitute the Company’s statutory annual consolidated financial statements for those years 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 Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2015 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued and are relevant to the Group but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception ²

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after a date to be determined

HKFRS 9 Financial Instruments

The directors anticipate that the adoption of HKFRS 9 in the future may affect the classification, measurement and impairment assessment of the Group's financial assets.

HKFRS 15 Revenue from Contracts with Customers

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Other than the above disclosed, the directors anticipate that the application of the other new and revised standards and amendments issued but not yet effective will have no material impact on the results and the financial position of the Group.

3. REVENUE

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

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Catering service income	88,595	96,503
Lottery business:		
Provision of services and solutions for distribution of lottery products	5,591	4,470
Trading of lottery terminals and parts	51,572	40,814
Interest income from authorized institutions	32,307	33,576
Property rental income	4,189	3,887
Electronic gaming machines participation	141,026	10,811
Manufacture and distribution of gaming chips and plaques	104,109	11,674
	427,389	201,735

4. SEGMENT INFORMATION

Information reported to the Chief Executive Officer ("CEO") of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. The CEO has chosen to organize the Group's results according to the category of the business segments and differences in nature of the goods and services that each segment delivers. Specifically, the Group's operating and reportable segments under HKFRS 8 Operating Segments are as follows:

- (a) Gaming, Leisure and Entertainment segment: it mainly comprises provision of catering, entertainment and related services, lottery business, including the provision of services and solutions for distribution of lottery products and trading of lottery terminals and parts, electronic gaming machines participation and design, manufacture and distribution of gaming chips and plaques.
- (b) Property and Other Investments segment: It mainly comprises investment properties, available-for-sale investments and related segment bank balances, which receive dividend income, interest income and property rental income.

Segment revenue and results

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

2015

	Gaming, Leisure and Entertainment <i>HK\$'000</i>	Property and Other Investments <i>HK\$'000</i>	Segments' total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
External sales	390,893	36,496	427,389	–	427,389
Inter-segment sales	1,038	816	1,854	(1,854)	–
Total revenue	<u>391,931</u>	<u>37,312</u>	<u>429,243</u>	<u>(1,854)</u>	<u>427,389</u>
Segment results	<u>(23,968)</u>	<u>40,220</u>	<u>16,252</u>	<u>–</u>	16,252
Loss on deemed disposal of partial interest in an associate					(1,394)
Gain on disposal of a subsidiary					3,731
Finance costs					(45,779)
Share of losses of joint ventures					(5,695)
Share of profits of associates					307,333
Central administrative costs and other unallocated corporate expenses					<u>(182,371)</u>
Profit before tax					<u>92,077</u>

2014

	Gaming, Leisure and Entertainment <i>HK\$'000</i>	Property and Other Investments <i>HK\$'000</i>	Segments' total <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
External sales	164,272	37,463	201,735	–	201,735
Inter-segment sales	793	1,331	2,124	(2,124)	–
Total revenue	<u>165,065</u>	<u>38,794</u>	<u>203,859</u>	<u>(2,124)</u>	<u>201,735</u>
Segment results	<u>(82,819)</u>	<u>46,436</u>	<u>(36,383)</u>	<u>–</u>	<u>(36,383)</u>
Loss on deemed disposal of partial interest in an associate					(14,923)
Gain on deemed disposal of previously held interest in an associate					44,845
Gain on bargain purchase from acquisition of a subsidiary					34,310
Finance costs					(43,918)
Share of losses of joint ventures					(139)
Share of profits of associates					1,693,612
Central administrative costs and other unallocated corporate expenses					<u>(242,296)</u>
Profit before tax					<u>1,435,108</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit (loss) earned by each segment without allocation of central administrative costs and other unallocated corporate expenses, unallocated corporate income and other items as disclosed in the above table. This is the measure reported to the CEO for the purposes of resource allocation and performance assessment.

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

Segment assets and liabilities

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

Segment assets

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Gaming, Leisure and Entertainment	182,024	237,526
Property and Other Investments	2,424,324	2,277,580
	<hr/>	<hr/>
Total segment assets	2,606,348	2,515,106
Interests in associates	11,607,027	11,465,997
Interests in joint ventures	20,387	39,218
Unallocated assets	83,176	76,743
	<hr/>	<hr/>
Consolidated assets	<u>14,316,938</u>	<u>14,097,064</u>

Segment liabilities

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Gaming, Leisure and Entertainment	134,822	127,354
	<hr/>	<hr/>
Total segment liabilities	134,822	127,354
Unallocated liabilities	1,403,664	1,250,172
	<hr/>	<hr/>
Consolidated liabilities	<u>1,538,486</u>	<u>1,377,526</u>

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

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

Other segment information

2015

	Gaming, Leisure and Entertainment <i>HK\$'000</i>	Property and Other Investments <i>HK\$'000</i>	Segments' total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<i>Amounts included in the measure of segment profit or loss and segment assets:</i>					
Allowance for doubtful debts	2,937	–	2,937	–	2,937
Capital additions	12,600	–	12,600	7,032	19,632
Depreciation	36,503	–	36,503	2,091	38,594
Employee benefits expense	135,638	–	135,638	148,447	284,085
Impairment loss on property, plant and equipment	17,342	–	17,342	–	17,342
Increase in fair value of investment properties	–	8,000	8,000	–	8,000
Interest income	–	32,307	32,307	–	32,307
Loss on disposal of property, plant and equipment	2,993	–	2,993	–	2,993
	<u>2,993</u>	<u>–</u>	<u>2,993</u>	<u>–</u>	<u>2,993</u>

Amounts regularly provided to the CEO but not included in the measure of segment profit or loss and segment assets:

	<i>HK\$'000</i>
Interests in associates	11,607,027
Interests in joint ventures	20,387
Share of profits of associates	307,333
Share of losses of joint ventures	<u>(5,695)</u>

2014

	Gaming, Leisure and Entertainment HK\$'000	Property and Other Investments HK\$'000	Segments' total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<i>Amounts included in the measure of segment profit or loss and segment assets:</i>					
Allowance for doubtful debts	6,378	–	6,378	–	6,378
Capital additions	6,418	–	6,418	1,360	7,778
Depreciation	8,025	–	8,025	726	8,751
Employee benefits expense	114,458	–	114,458	189,216	303,674
Impairment loss on property, plant and equipment	1,347	–	1,347	–	1,347
Increase in fair value of investment properties	–	10,370	10,370	–	10,370
Interest income	–	33,576	33,576	–	33,576
Loss on disposal of property, plant and equipment	1,182	–	1,182	–	1,182

Amounts regularly provided to the CEO but not included in the measure of segment profit or loss and segment assets:

	HK\$'000
Interests in associates	11,465,997
Interests in joint ventures	39,218
Share of profits of associates	1,693,612
Share of losses of joint ventures	(139)

Geographical information

The Group's operations are mainly located in Hong Kong, the People's Republic of China (the "PRC"), Cambodia and the Philippines. Non-current assets of approximately HK\$11,858,075,000, HK\$443,000, HK\$24,690,000 and HK\$10,758,000 (2014: HK\$11,734,520,000, HK\$841,000, HK\$60,902,000 and HK\$8,345,000) of the Group are located in Hong Kong, the PRC, Cambodia and the Philippines respectively by reference to the location of the assets or, for interests in associates and joint ventures, by location of their head office.

All of the Group's revenue from external customers based on the location of the operations of the relevant group entities is generated from Hong Kong, the PRC, Cambodia and the Philippines and is approximately HK\$229,200,000, HK\$57,163,000, HK\$120,918,000 and HK\$20,108,000 (2014: HK\$145,640,000, HK\$45,284,000, HK\$9,206,000 and HK\$1,605,000), respectively.

Revenue analyzed by products and services

The Group's revenue from major products and services are disclosed in Note 3.

Information about major customers

Revenue from customers of the corresponding years individually contributing over 10% of the total sales of the Group are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Customer A ¹	105,485	N/A
Customer B ²	<u>51,572</u>	<u>40,240</u>

¹ Revenue from electronic gaming machines participates under Gaming, Leisure and Entertainment segment. The customer did not contribute over 10% of the total sales of the Group for the year ended 31 December 2014.

² Revenue from trading of lottery terminals and parts under Gaming, Leisure and Entertainment segment.

5. INCOME TAX EXPENSE (CREDIT)

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
PRC Enterprise Income Tax – current year	449	349
Macau Complementary Tax – current year	–	446
Other jurisdictions – current year	2,295	49
Deferred taxation – current year	<u>(1,544)</u>	<u>(863)</u>
	<u>1,200</u>	<u>(19)</u>

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

No provision for Hong Kong Profits Tax for the years ended 31 December 2015 and 2014 was made as there was no estimated assessable profit derived from Hong Kong. Taxation arising in other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

Provision for Macau Complementary Tax for the years ended 31 December 2015 and 2014 was calculated at the 12% Macau Complementary Tax rate.

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

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

The income tax expense (credit) for the year is reconciled to the profit before tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2015	2014
	HK\$'000	HK\$'000
Profit before tax	92,077	1,435,108
Tax at Hong Kong Profits Tax rate of 16.5%	15,193	236,793
Tax effect of share of results of associates and joint ventures	(49,771)	(279,423)
Tax effect of expenses not deductible for tax purposes	25,050	46,115
Tax effect of income not taxable for tax purposes	(11,170)	(22,315)
Utilization of tax losses previously not recognized	(936)	(330)
Tax effect of tax losses not recognized	29,115	23,633
Others	(6,281)	(4,492)
Tax expense (credit) for the year	1,200	(19)

6. DIVIDEND

	2015	2014
	HK\$'000	HK\$'000
Dividend recognized as a distribution during the year:		
2015 Interim – HK1.5 cents (2014: 2014 Interim of HK11.6 cents) per share	23,200	181,222
2014 Final – HK7.5 cents (2014: 2013 Final of HK20.8 cents) per share	116,000	324,909
	139,200	506,131

The Board does not recommend any final dividend for the year ended 31 December 2015 (2014: HK7.5 cents per share).

The Board has recommended a special final dividend of HK2.0 cents per share, totaling approximately HK\$30,933,000, for the year ended 31 December 2015, to the shareholders of the Company. The special final dividend is subject to shareholders' approval at the forthcoming annual general meeting.

7. EARNINGS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the Company)	100,924	1,487,172
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options and awarded shares issued by an associate of the Group	(1,875)	(13,322)
Adjustment in relation to share options issued by a subsidiary of the Group	(32)	–
Earnings for the purpose of diluted earnings per share	<u>99,017</u>	<u>1,473,850</u>
	2015 '000	2014 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,541,917	1,547,791
Effect of dilutive potential ordinary shares:		
Share options and awarded shares issued by the Company	9,491	21,880
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,551,408</u>	<u>1,569,671</u>

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

During the years ended 31 December 2015 and 2014, the computation of diluted earnings per share does not assume the exercise of the Company's certain share options and the vesting of certain unvested awarded shares under the Company's long-term incentive schemes because the adjusted exercise price of those options and unvested awarded shares are higher than average market price of the Company's shares.

8. INTERESTS IN JOINT VENTURES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of unlisted investments in joint ventures	28,686	28,686
Share of changes in net assets (<i>Note</i>)	26,434	26,434
Share of post-acquisition results and other comprehensive income, net of dividends received	(34,733)	(15,902)
	<u>20,387</u>	<u>39,218</u>

Note: As of 31 December 2015, the Group has recognized its share of the accumulated changes in net assets of approximately HK\$26,434,000 (2014: HK\$26,434,000) in relation to the deemed contribution from shareholders of Oriental Regent as a result of the provision of a non-interest bearing loan to Oriental Regent.

As at 31 December 2015 and 2014, the Group had interests in the following joint ventures:

<u>Name</u>	<u>Place of incorporation/ operation</u>	<u>Percentage of interest in ownership held by the Group</u>		<u>Principal activities</u>
		<u>2015</u>	<u>2014</u>	
Melco Crown Entertainment Asia Holdings Limited (“MCEAH”)	Cayman Islands/ Hong Kong	50.00%	50.00%	Inactive
PALTECH Company Limited (“PALTECH”) (<i>Note a</i>)	Hong Kong	60.00%	60.00%	Inactive
Power Way Group Limited (“Power Way”) (<i>Note b</i>)	British Virgin Islands/ Hong Kong	67.03%	67.03%	Inactive
Oriental Regent Limited (“Oriental Regent”) (<i>Note c</i>)	Hong Kong	5.00%	5.00%	Investment holding
BCN Integrated Resorts 2, S.A.U. (“BCN”) (<i>Note d</i>)	Spain	50.00%	50.00%	Installation and exploitation of casinos in Spain

Notes:

- (a) PALTECH is held by MelcoLot Limited (“MelcoLot”). The Group indirectly owns a 60% equity interest in PALTECH. Pursuant to certain terms and conditions given in the shareholders’ agreement, the relevant activities of PALTECH require approval from 75% of the equity holders. PALTECH is jointly controlled by the Group and another shareholder, and as such, it is accounted for as a joint venture of the Group.
- (b) Pursuant to certain terms and conditions in the shareholders’ agreement, the relevant activities of Power Way require approval of the Group together with the remaining shareholder of Power Way and accordingly, Power Way is a joint venture of the Group.
- (c) On 23 August 2013, a wholly owned subsidiary of the Company, New Crescent Investments Limited ("New Crescent") entered into an investment agreement with Summit Ascent Russia Limited ("SARL"), Firich Investment Limited, Elegant City Group Limited ("Elegant City") and Oriental Regent (the "Investment Agreement"). The Investment Agreement provides that New Crescent would make an investment in a gaming and resort development project in the Russian Federation (the “Russian Project”), by subscribing for new shares of Oriental Regent, representing 5% of the enlarged issued share capital of Oriental Regent upon completion of subscription pursuant to the terms and conditions of the Investment Agreement. The investment was completed on 31 October 2013 and the consideration paid by the Group was approximately HK\$20,041,000. Pursuant to certain terms and conditions in the Investment Agreement, the relevant activities of Oriental Regent require unanimous approval of all of the members of the board of Oriental Regent or the unanimous consent of the shareholders of Oriental Regent and, accordingly, Oriental Regent is classified as a joint venture of the Group as New Crescent has the right to appoint one director of Oriental Regent.

On 25 November 2013, pursuant to the Investment Agreement, each shareholder was required to invest an additional amount in accordance with their respective shareholding in Oriental Regent and the contribution made by the Group was approximately HK\$8,333,000.

- (d) The Group indirectly owns a 50% equity interest in BCN and the remainder is owned by Veremonte Espana, S.L.U. (“Veremonte”). BCN was formed for the purpose of submitting an application for participation in the tender for the award of authorizations for installation and exploitation of casinos in the recreational tourist center of Vila-Seca and Salou, near Barcelona, Spain. Pursuant to certain terms and conditions in the shareholders’ agreement, the relevant activities of BCN require unanimous consent of both shareholders and accordingly, BCN is classified as a joint venture of the Group. As announced by the Company on 9 October 2015, the Group has agreed with Veremonte that BCN will not participate in the second phase of the tender process. A notice of withdrawal from the tender process was sent by BCN to the Generalitat of Catalonia in Spain on 8 October 2015 and BCN will be wound up in due course.

Summarized financial information of material joint ventures

Summarized financial information in respect of the Group's material joint venture, is set out below. The summarized financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

The joint ventures are accounted for using the equity method in these consolidated financial statements.

Oriental Regent

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current assets	<u>166,589</u>	<u>874,142</u>
Non-current assets	<u>961,666</u>	<u>491,145</u>
Current liabilities	<u>(79,856)</u>	<u>(6,563)</u>
Non-current liabilities	<u>(645,188)</u>	<u>(580,137)</u>
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	<u>79,469</u>	<u>847,830</u>
Current financial liabilities (excluding trade and other payables and provisions)	<u>(3,632)</u>	<u>–</u>
Non-current financial liabilities (excluding trade and other payables and provisions)	<u>(645,188)</u>	<u>(571,502)</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	<u>71,979</u>	<u>–</u>
Loss for the year (<i>Note i</i>)	<u>(113,771)</u>	<u>(2,723)</u>
Other comprehensive expense for the year (<i>Note ii</i>)	<u>(262,163)</u>	<u>(307,865)</u>
Total comprehensive expense for the year	<u>(375,934)</u>	<u>(310,588)</u>
The above loss for the year includes the following:		
Depreciation and amortization	<u>(18,684)</u>	<u>(474)</u>
Interest income	<u>1,686</u>	<u>1,345</u>
Interest expenses	<u>(67,905)</u>	<u>(28,955)</u>
Income tax credit	<u>550</u>	<u>1,452</u>

Notes:

- (i) Loss for the year is mainly due to the pre-opening expenses in preparation for the opening of the Russian Project incurred by a subsidiary of the joint venture.
- (ii) The amount represents the exchange difference arising on the translation of the net investment in its subsidiary which is established in the Russian Federation and whose functional currency is the Russian Ruble.

The reconciliation of the above summarized financial information to the carrying amount of the interest in Oriental Regent recognized in the consolidated financial statements using the equity method of accounting is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net assets of Oriental Regent	403,211	778,587
Non-controlling interests	(558)	–
	402,653	778,587
Proportion of the Group's ownership interest in Oriental Regent	5%	5%
Carrying amount of the Group's interest in Oriental Regent	<u>20,133</u>	<u>38,929</u>

Oriental Regent is engaged in a gaming and resort business in the Russian Federation through its wholly-owned subsidiary, G1 Entertainment LLC (formerly known as First Gambling Company of the East LLC). Construction of the Russian Project has been completed and operations have been started since November 2015. The investment allows the Group to participate in a new casino business in another geographical location.

Aggregate information of joint ventures that are not individually material

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The Group's share of losses for the year	<u>(7)</u>	<u>(3)</u>
The Group's share of other comprehensive expense	<u>(28)</u>	<u>(28)</u>
The Group's share of total comprehensive expense	<u>(35)</u>	<u>(31)</u>
Unrecognized share of losses of joint ventures for the year	<u>(20)</u>	<u>(21)</u>
Cumulative unrecognized share of losses of joint ventures	<u>(43)</u>	<u>(23)</u>

9. INTERESTS IN ASSOCIATES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost of investment in associates		
Listed in the United States of America ("The US")	6,902,134	6,902,134
Listed in Canada	339,601	339,601
Unlisted	417	417
Net changes in interests in associates	1,343,134	1,343,345
Impairment losses recognized	(320,695)	(320,695)
Share of changes in net assets and exchange reserves	150,785	148,209
Share of post-acquisition results, net of dividends received	3,191,651	3,052,986
	<u>11,607,027</u>	<u>11,465,997</u>
Fair value of listed investments (<i>Note a</i>)	<u>24,367,745</u>	<u>36,840,683</u>
Carrying amount of interests in associates with shares listed on respective stock exchanges	<u>11,607,027</u>	<u>11,465,997</u>

As at 31 December 2015 and 2014, the Group had interests in the following associates:

Name	Place of incorporation/ operation	Percentage of interest in ownership held by the Group		Principal activities
		2015	2014	
Melco Crown Entertainment Limited (“Melco Crown Entertainment”) (<i>Note b</i>)	Cayman Islands/ Macau/ The Philippines	34.29%	34.23%	Operating of electronic gaming machine lounges, casino games of chance and other casino games and hotel business
Mountain China Resorts (Holding) Limited (“MCR”) (<i>Notes b and d</i>)	Canada/The PRC	16.69%	16.69%	Operating of ski resorts
ChariLot Company Limited (“ChariLot”) (<i>Note c</i>)	Hong Kong	40.00%	40.00%	Provision of services for distribution of lottery products

Notes:

- (a) Fair values of listed investments are determined at the market price of listed shares as of the year end on the respective stock exchanges.
- (b) The American Depositary Shares ("ADS") and shares of Melco Crown Entertainment were dually listed on the National Association of Securities Dealers Automated Quotations ("NASDAQ") and the Main Board of the Hong Kong Stock Exchange, respectively, up to 3 July 2015, when the listing of the ordinary shares of Melco Crown Entertainment on the Main Board of the Hong Kong Stock Exchange was withdrawn. The shares of Melco Crown Entertainment are only listed on NASDAQ in the form of ADS thereafter. The shares of MCR are listed on TSX Venture Exchange of Canada.
- (c) This associate is held by MelcoLot.
- (d) The Group is entitled to appoint one director to the board of MCR provided that any part of the loans to the associate (Note 11) remain outstanding in accordance with the terms of agreement signed with MCR in April 2010. Accordingly, MCR continued to be an associate of the Group as at 31 December 2015.

During the year ended 31 December 2015, the Group recognized a loss on deemed disposal of a partial interest in an associate of approximately HK\$1,394,000 (2014: HK\$14,923,000) resulting from the exercise of share options and the vesting of certain restricted shares issued by Melco Crown Entertainment. The amount represents the decrease in net assets attributable to the Group of HK\$211,000 (2014: HK\$1,104,000) and the share of special reserve to profit or loss of approximately HK\$1,183,000 (2014: HK\$13,819,000).

During the year ended 31 December 2015, the Group recognized the changes in net assets of approximately HK\$10,496,000 (2014: HK\$149,080,000), in relation to the subscription of shares of one of the subsidiaries of Melco Crown Entertainment, Melco Crown (Philippines) Resorts Corporation ("MCP"), and transfer of property and equipment between subsidiaries of Melco Crown Entertainment. The Group also recognized an increase (2014: a decrease) in net assets attributable to the Group of approximately HK\$25,907,000 (2014: HK\$561,037,000) in special reserve in the consolidated statement of changes in equity, in relation to the share repurchases and cancellation by Melco Crown Entertainment during the year which increased the Group's effective ownership interest therein.

Summarized financial information of material associates

Summarized financial information in respect of the Group's material associate, on a consolidated basis, is set out below.

Melco Crown Entertainment

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current assets		
Cash and cash equivalents	12,533,782	12,429,756
Bank deposits with original maturity over three months	5,638,446	860,592
Restricted cash	2,467,178	11,257,925
Other current assets	2,857,298	2,704,764
Total current assets	23,496,704	27,253,037
Non-current assets		
Property and equipment and related land use rights	52,597,873	44,512,640
Gaming subconcession	2,882,933	3,328,237
Other non-current assets	1,814,444	7,056,227
Total non-current assets	57,295,250	54,897,104
Current liabilities		
Accrued expenses and other current liabilities	(8,275,446)	(7,880,401)
Current portion of long-term debt	(828,609)	(2,044,195)
Other current liabilities	(399,355)	(374,895)
Total current liabilities	(9,503,410)	(10,299,491)
Non-current liabilities		
Long-term debt	(28,659,855)	(28,319,441)
Capital lease obligations, due after one year	(2,104,311)	(2,163,050)
Other non-current liabilities	(657,628)	(781,851)
Total non-current liabilities	(31,421,794)	(31,264,342)
Non-controlling interests	(5,209,760)	(6,373,812)

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	32,767,368	38,762,441
Profit for the year attributable to the owners of Melco Crown Entertainment	884,111	4,490,810
(Loss) profit for the year attributable to the non-controlling interests of Melco Crown Entertainment	(1,180,926)	480,687
(Loss) profit for the year	(296,815)	4,971,497
Other comprehensive expense for the year	(37,227)	(12,113)
Total comprehensive (expense) income for the year	(334,042)	4,959,384
Dividend received from the associate during the year	168,668	900,303

Reconciliation of the above summarized financial information to the carrying amount of the interest in the associate recognized in the consolidated financial statements using the equity method of accounting is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net assets of Melco Crown Entertainment attributable to its owners	34,656,990	34,212,496
Share options reserve not shared by the Group	(775,505)	(630,481)
	33,881,485	33,582,015
Proportion of the Group's ownership interest in Melco Crown Entertainment	34.29%	34.23%
Goodwill	11,617,961	11,495,124
Adjustment in relation to the unrealized gains for the assets contributed by the Group upon the formation of Melco Crown Entertainment	252,235	252,235
	(263,169)	(281,362)
Carrying amount of the Group's interest in Melco Crown Entertainment	11,607,027	11,465,997
Fair value of the shares of Melco Crown Entertainment held by the Group	24,364,491	36,836,790

Melco Crown Entertainment is engaged in a gaming and resort business in Asia which is mainly through its operations in Altira Macau, City of Dreams, Studio City and City of Dreams Manila. In the opinion of the directors, the investments provide the Group the opportunity to be engaged in the development of gaming and resort businesses in Asia.

Aggregate information of associates that are not individually material

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The Group's share of losses for the year	—	—
The Group's share of other comprehensive expense	—	—
The Group's share of total comprehensive expense	—	—
Aggregate carrying amount of the Group's interests in these associates	—	—
Unrecognized share of losses of associates for the year	(9,454)	(48,180)
Remove of unrecognized share of losses of EGT upon completion of EGT Rights Issue	N/A	58,402
Cumulative unrecognized share of losses of associates	(469,389)	(459,935)

10. TRADE AND OTHER RECEIVABLES

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

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

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

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	26,362	18,731
31 – 90 days	6,993	1,762
91 – 180 days	–	393
Over 180 days	44	44
	<u>33,399</u>	<u>20,930</u>

Before accepting any new customer, the Group assesses the potential customer's credit quality through respective sales teams and defines credit limit by customer. Credit limits attributed to customers are reviewed once a year. The Group maintains a defined credit policy to assess the credit quality of the trade customers. The collection is closely monitored to minimize any credit risk associated with these trade debtors. Included in the Group's trade receivable balance were debtors with an aggregate carrying amount of HK\$2,573,000 (2014: HK\$3,561,000) which were past due at the end of the reporting period for which the Group has not provided for impairment loss as there is no significant change in credit quality and the amounts are still considered recoverable. All of the trade receivables that are neither past due nor impaired have good credit quality assessed by the Group. The Group does not hold any collateral over these balances.

Aging of trade receivables which are past due but not impaired

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	1,870	2,225
31 – 90 days	659	1,250
91 – 180 days	–	42
Over 180 days	44	44
	<u>2,573</u>	<u>3,561</u>

The Group performed an assessment on individual trade receivable balance and recognized an allowance on specific balances when necessary.

Included in the Group's other receivables are mainly (i) prepaid management fee; (ii) interest receivables from financial institutions; and (iii) rental and other deposits.

11. AMOUNTS DUE FROM (TO) ASSOCIATES/A JOINT VENTURE/A RELATED COMPANY

Included in amounts due from associates are:

- a) Amount due from an associate of approximately HK\$2,389,000 (2014: HK\$2,378,000) which is unsecured, non-interest bearing and repayable on demand and approximately HK\$165,761,000 (2014: HK\$165,761,000) due from an associate which is unsecured, interest bearing at 3% per annum and repayable on demand. All of the above balances were fully impaired as at 31 December 2015 and 2014.
- b) The remaining amounts due from associates of HK\$7,788,000 at 31 December 2014 were unsecured, non-interest bearing and repayable on demand. The amounts were fully settled during the year ended 31 December 2015.

Amounts due to associates are unsecured, non-interest bearing and repayable on demand.

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

The amount due from a related company is unsecured, non-interest bearing and repayable on demand. Mr. Ho, Lawrence Yau Lung, a shareholder with significant influence of holding over a 20% shareholding in, and also a director of, the Company, has significant shareholding in that related company. The maximum amount outstanding during the year ended 31 December 2015 was approximately HK\$221,000 (2014: HK\$757,000).

The Group's concentration of credit risk by geographical location was mainly in Hong Kong, which accounted for the entire balance (2014: the entire balance) of amounts due from associates, a joint venture and a related company as at 31 December 2015.

12. TRADE AND OTHER PAYABLES

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	27,857	15,802
31 – 90 days	279	619
Over 90 days	1,205	1,538
	<u>29,341</u>	<u>17,959</u>

Included in the Group's other payables are mainly (i) the discretionary bonus accrual which is determined based on the Group's financial performance for the year, (ii) accrual for operating expenses, (iii) deposits received from tenants; and (iv) advance of earnest money of approximately HK\$56,496,000 (2014: HK\$58,350,000) from an investment project partner, Firich Enterprises Co., Ltd ("Firich") in relation to the subscription of new shares of Express Wealth Enterprise Limited ("Express Wealth"), a wholly owned subsidiary of the Group (the "Subscription") pursuant to the subscription agreement signed between the Group and Firich on 20 November 2014 (the "Subscription Agreement"). Express Wealth was formed for the purpose of obtaining the gaming license and undertaking the proposed casino project situated in a project site wholly owned by Dhabi Group Georgia, LCC located in Tbilisi, Georgia (the "Georgian Casino Project").

As announced by the Company on 10 February 2016, the conditions precedent to the completion of the Subscription Agreement, including those related to the Subscription and the Georgian Casino Project, cannot be satisfied and hence the transaction will not proceed further. Pursuant to the Subscription Agreement, the entire balance of the advance of earnest money from Firich after deduction of the relevant part of the preliminary costs and expenses incurred for the Georgian Casino Project, will be returned to Firich.

13. BORROWINGS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank loans (<i>Note a</i>)	580,270	429,250
Other borrowings (<i>Note b</i>)	760,000	760,000
	<u>1,340,270</u>	<u>1,189,250</u>
Secured	34,270	39,250
Unsecured	1,306,000	1,150,000
	<u>1,340,270</u>	<u>1,189,250</u>
Carrying amount repayable:		
Within one year	4,980	394,980
More than one year, but not exceeding two years	4,980	4,980
More than two years, but not exceeding five years	1,320,940	774,940
Exceeding five years	9,370	14,350
	<u>1,340,270</u>	<u>1,189,250</u>
Less: Amounts due within one year shown under current liabilities	<u>(4,980)</u>	<u>(394,980)</u>
	<u>1,335,290</u>	<u>794,270</u>

Notes:

- (a) All the bank borrowings are denominated in HK\$, the functional currency of the relevant group entities, with interest rates of Hong Kong Inter-bank Offered Rate (“HIBOR”) plus 1.5% to 2.5% (2014: HIBOR plus 1.5% to 2.5%) per annum.
- (b) In February 2013, Melco Finance Limited, a wholly owned subsidiary of the Company, issued guaranteed bonds with a principal amount of HK\$760,000,000 (“Bonds”) to independent investors. The interest on the Bonds is accrued at a fixed rate of 4.15% per annum, payable quarterly in arrears, with a maturity date of 5 March 2018. The Bonds are guaranteed by the Company. The proceeds have been used by the Company for general working capital and future investment purposes.
- (c) For the year ended 31 December 2015, the effective interest rate on the Group’s borrowings was 3.62% (2014: 3.63%) per annum.

14. RESERVES

	Attributable to owners of the Company										
	Share premium HK\$'000	Capital reserve HK\$'000	Special reserve HK\$'000	Property revaluation reserve HK\$'000	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Share held under share award schemes HK\$'000	Share awards reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2014	4,418,042	211,475	698,278	5,796	202,575	(40,369)	168,030	(100,075)	12,574	5,344,432	10,920,758
Exchange differences arising on translation of foreign operations	-	-	-	-	-	3,067	-	-	-	-	3,067
Share of exchange differences of an associate	-	-	-	-	-	(2,431)	-	-	-	-	(2,431)
Share of exchange differences of joint ventures	-	-	-	-	-	(15,422)	-	-	-	-	(15,422)
Fair value loss on available-for-sale investments	-	-	-	-	(1,867)	-	-	-	-	-	(1,867)
Other comprehensive expense for the year	-	-	-	-	(1,867)	(14,786)	-	-	-	-	(16,653)
Profit for the year	-	-	-	-	-	-	-	-	-	1,487,172	1,487,172
Total comprehensive (expense) income for the year	-	-	-	-	(1,867)	(14,786)	-	-	-	1,487,172	1,470,519
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance	(4,418,042)	-	-	-	-	-	-	-	-	-	(4,418,042)
Exercise of share options	-	-	-	-	-	-	(86,431)	-	-	-	(86,431)
Transfer of share option reserve upon expiry of share options	-	-	-	-	-	-	(72)	-	-	72	-
Recognition of equity-settled share based payments	-	-	-	-	-	-	108,822	-	55,417	-	164,239
Shares vested under the share award schemes	-	-	-	-	-	-	-	62,691	(46,065)	(16,626)	-
Purchase of shares for unvested shares under share award schemes	-	-	-	-	-	-	-	(99,805)	-	-	(99,805)
Deemed disposal of partial interest in a subsidiary	-	-	1,637	-	-	-	-	-	-	-	1,637
Disposal of partial interest in a subsidiary	-	-	116,977	-	-	-	-	-	-	-	116,977
Dividends paid	-	(181,222)	-	-	-	-	-	-	-	(324,909)	(506,131)
Share of special reserve and other revaluation reserve upon deemed disposal of partial interest in an associate	-	-	13,819	-	521	-	-	-	-	(521)	13,819
Realization of exchange reserve upon deemed disposal of interest in an associate	-	-	-	-	-	3,259	-	-	-	-	3,259
Realization of exchange reserve upon deregistration of subsidiaries	-	-	-	-	-	129	-	-	-	-	129
Share of net assets changes of an associate	-	-	149,080	-	-	-	-	-	-	-	149,080
Decrease in an associate's equity attributable to the Group's interest arising on equity transactions of the associate	-	-	(561,037)	-	-	-	-	-	-	-	(561,037)
Share of net assets changes of a joint venture	-	-	26,434	-	-	-	-	-	-	-	26,434
Shares repurchased	-	-	-	-	-	-	-	-	-	(299,070)	(299,070)
	(4,418,042)	(181,222)	(253,090)	-	521	3,388	22,319	(37,114)	9,352	(641,054)	(5,494,942)
At 31 December 2014	-	30,253	445,188	5,796	201,229	(51,767)	190,349	(137,189)	21,926	6,190,550	6,896,335

Attributable to owners of the Company

	Share premium	Capital reserve	Special reserve	Property revaluation reserve	Other revaluation reserve	Exchange reserve	Share option reserve	Share held under share award schemes	Share awards reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2015	-	30,253	445,188	5,796	201,229	(51,767)	190,349	(137,189)	21,926	6,190,550	6,896,335
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(827)	-	-	-	-	(827)
Share of exchange differences of an associate	-	-	-	-	-	(12,835)	-	-	-	-	(12,835)
Share of exchange differences of joint ventures	-	-	-	-	-	(13,136)	-	-	-	-	(13,136)
Other comprehensive expense for the year	-	-	-	-	-	(26,798)	-	-	-	-	(26,798)
Profit for the year	-	-	-	-	-	-	-	-	-	100,924	100,924
Total comprehensive (expense) income for the year	-	-	-	-	-	(26,798)	-	-	-	100,924	74,126
Exercise of share options	-	-	-	-	-	-	(483)	-	-	-	(483)
Recognition of equity-settled share based payments	-	-	-	-	-	-	60,781	-	41,239	-	102,020
Shares vested under the share award schemes	-	-	-	-	-	-	-	52,564	(47,978)	(4,586)	-
Deemed disposal of partial interest in a subsidiary	-	-	89	-	-	-	-	-	-	-	89
Acquisition of partial interest in a subsidiary	-	-	(200)	-	-	-	-	-	-	-	(200)
Disposal of a subsidiary	-	-	-	-	-	1,318	-	-	-	(1,318)	-
Dividends paid	-	(23,200)	-	-	-	-	-	-	-	(116,000)	(139,200)
Share of net assets changes of an associate	-	-	(10,496)	-	-	-	-	-	-	-	(10,496)
Increase in associate's equity attributable to the Group's interest arising on equity transactions of the associate	-	-	25,907	-	-	-	-	-	-	-	25,907
Share of special reserve and other revaluation reserve upon deemed disposal of partial interest in an associate	-	-	1,183	-	44	-	-	-	-	(44)	1,183
	-	(23,200)	16,483	-	44	1,318	60,298	52,564	(6,739)	(121,948)	(21,180)
At 31 December 2015	-	7,053	461,671	5,796	201,273	(77,247)	250,647	(84,625)	15,187	6,169,526	6,949,281

15. ACQUISITION OF A SUBSIDIARY

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

Immediately prior to the EGT Rights Issue, the Company indirectly owned 11,450,000 shares of EGT, representing approximately 38.04% of the outstanding shares of EGT. Upon completion of the EGT Rights Issue, the Company indirectly owned 37,512,294 shares of EGT, representing approximately 64.81% of the outstanding shares of EGT. Accordingly, EGT became a subsidiary of the Group and this acquisition has been accounted for using the purchase method. EGT is engaged in slot operations, development and operation of regional casinos and gaming clubs in the Indo-China region and design, manufacture and distribution of gaming chips and plaques.

Assets acquired and liabilities recognized at the date of acquisition were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	113,099
Inventories	24,614
Trade and other receivables	27,611
Amounts due from related companies	6,894
Bank balances and cash (included consideration for share subscription paid by the Group)	148,622
Trade and other payables	(23,188)
Deferred tax liabilities	(1,546)
	<hr/>
	296,106
	<hr/> <hr/>

The fair value of trade and other receivables and amounts due from related companies at the date of acquisition amounted to approximately HK\$34,505,000, which approximates to the gross contractual amounts. Based on the best estimate at the acquisition date, the contractual cash flows are expected to be fully collected.

Gain on bargain purchase arising from acquisition:

	<i>HK\$'000</i>
Consideration transferred (<i>Note a</i>)	109,493
Plus: non-controlling interests (35.19% in EGT)	104,199
Less: fair value of identified net assets acquired	<u>(296,106)</u>
	(82,414)
Interest in an associate	
– Previously held interest before the EGT Rights Issue (<i>Note b</i>)	<u>48,104</u>
Gain on bargain purchase arising from acquisition	<u><u>(34,310)</u></u>

Notes:

- (a) The amount represented consideration paid upon subscription of new shares of EGT at US\$0.54 (equivalent to HK\$4.20) per share at EGT Rights Issue.
- (b) The amount represented the fair value of the Group's previously held interest in EGT. The difference between the fair value and the carrying amount of that interest was recognized in profit or loss as gain on deemed disposal of the previously held interest in EGT as an associate of approximately HK\$44,845,000 under other income, other gains or losses.

The non-controlling interests in EGT recognized at the acquisition date was measured with reference to the non-controlling interests' proportionate share of the fair value of identified net assets of EGT and amounted to approximately HK\$104,199,000.

Net cash inflow on acquisition of EGT

	<i>HK\$'000</i>
Cash consideration paid	(109,493)
Add: bank balances and cash acquired (included consideration for share subscription paid by the Group)	<u>148,622</u>
	<u><u>39,129</u></u>

Included in the profit for the year ended 31 December 2014 was a post-acquisition loss of approximately HK\$10,031,000 attributable to the business generated by EGT. Revenue for the year ended 31 December 2014 included HK\$22,495,000 generated from EGT.

Had the acquisition been completed on 1 January 2014, total group revenue for the year would have been HK\$355,000,000, and profit for the year would have been HK\$1,444,386,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2014, nor is it intended to be a projection of future results.

CHAIRMAN & CEO'S STATEMENT

Amidst a challenging market environment in Macau, Melco has stayed on course in 2015 to strengthen its market presence with exciting projects completed not only in Macau but elsewhere in Asia and overseas. Embarking on a forward-thinking strategy several years ago to expand our exposure to the mass market segment, we are thrilled by the successful opening of the long-anticipated Hollywood-inspired integrated resort, Studio City, which provides the perfect complement to our flagship integrated resort, City of Dreams in Macau. Moreover, the successful launch of City of Dreams Manila in the Philippines and Tigre de Cristal in Russia have significantly validated Melco's full commitment in optimising our robust portfolio of assets to drive revenues while further enhancing our industry presence to become a global market-leading operator.

Supported by the Central Government's long term infrastructure blueprint, Macau is undergoing a transition towards a more mass market-focused business model. Being at the forefront of innovation and diversification, the Group's member companies have pioneered projects that have further expanded our market share in Macau and increased our exposure to the more resilient and profitable mass market segments. The US\$3.2 billion Studio City is the first Hollywood-themed integrated resort in Macau operated by our core associate, Melco Crown Entertainment Limited ("Melco Crown Entertainment"). Offering unique world-class non-gaming attractions, it is an ideal addition to our current portfolio of assets, enabling us to cater to a broader customer base and strengthen our leadership in developing Macau's mass market, while highlighting our commitment to the ongoing evolution of Macau into a "World Centre of Tourism and Leisure". Since its opening, not only has Studio City boosted the Group's market share, but we are also pleased to announce this new integrated resort was recently honoured as "Casino/Integrated Resort of the Year" at the International Gaming Awards 2016 and "Best New Venue Opening" in the 2016 CEI Readers' Choice Awards. These accolades and achievements represent the culmination of our efforts in delivering high quality non-gaming and gaming facilities, and we are confident that further synergies between Studio City and City of Dreams will be realised.

Enhancement works at City of Dreams including our fifth hotel tower, designed by the award-winning and internationally renowned architect, Dame Zaha Hadid, together with the addition of the first street-front retail area in Cotai, are further evidence of our dedication in bringing a multi-dimensional leisure and tourism experience into the region, ultimately enabling us to compete at the highest levels by leveraging our world-class products and services.

In the Philippines, our expansion is highlighted by the successful grand opening of City of Dreams Manila. Marking another major milestone for the company, the property continues to grow a more diversified revenue stream, with expansion in our rolling chip business complementing its mass market gaming and non-gaming segments. Driven by our business approach, City of Dreams Manila was also awarded as “Casino/Integrated Resort of the Year” at the International Gaming Awards 2015 shortly after its opening. Despite infrastructure challenges in the Philippines such as the delay of the expressway that leads directly from the airport to the Manila Bay Entertainment City, the extension of the City of Dreams brand is expected to drive local tourism and eventually reinforce our presence in the region. Meanwhile, we anticipate the country itself will undergo further improvements and economic growth that will enable City of Dreams Manila to expand profitability and realize its full potential in the foreseeable future.

Elsewhere in Asia, our subsidiary Entertainment Gaming Asia Inc. continues to improve its slot operation business in the Philippines and Cambodia and its gaming product business, which has posted a record performance due to increased orders to supply new casino openings. In addition, the successful launch of Tigre de Cristal, a gaming and resort development project located in the integrated entertainment zone near Vladivostok, Russia, in which Melco has interest, mainly targets inbound tourists from Korea, Japan and Northern China as well as the domestic tourists from Russia itself, demonstrating our ambition to extend our global footprint and to contribute to the tourism and economic growth in the region. To capture new market opportunities, MelcoLot continues to pursue the opportunity to develop a premium integrated resort next to Barcelona in Spain. Also, as announced previously, the consortium formed between Melco, Seminole HR Holdings, LLC (“Hard Rock”) and Cyprus Phasouri (Zakaki) Limited (“CPZL”) has been shortlisted to be one of the three bidders who may participate in the final phase of the tender process to develop and operate an integrated casino resort in Cyprus. All in all, these efforts have clearly demonstrated our efforts to maintain our leading position in the gaming and entertainment industry on a world-wide scale.

Looking ahead, although Macau is encountering a very tough operating environment, with a combination of the slowdown of economic growth in China and government policies that may adversely affect the gaming market, we believe our business approaches are in line with the government’s new direction from a macroeconomic and social perspective. We continue to see the city as an exciting and important global gaming destination and remain confident that our integrated resorts and the unrivaled non-gaming entertainment-centric amenities that we deliver are a leading force in diversifying Macau’s dynamic economy and tourism sector. For the Philippines, along with the government’s support, we remain confident in the long-term success of its gaming market given the country’s anticipated economic growth and supportive demographics.

While bolstering our presence in Macau, Melco will continue to expand and explore opportunities in other countries, including the Philippines, Cambodia, Russia, Spain and Cyprus. At the same time, we will also continue to seek potential developments globally that would further build on our position as a leading international gaming, leisure and entertainment operator.

Over the years, Melco has remained constantly committed to uphold the highest standards of corporate governance and corporate social responsibility (“CSR”). We aim to deliver greater sustainability in our business operations for future generations as well as the community. Melco has been acknowledged by a number of authoritative organisations during the past year for excellence in corporate governance and corporate social responsibility initiatives. In recognition of our solid contributions as a responsible corporate citizen, we have been included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index since 2013. This year, supported by the three core pillars of our CSR strategy including Youth Development, the Environment, and Education, we are pleased to have achieved our CSR goals set for 2015. In addition, we have undertaken other CSR initiatives on Stakeholder and Staff Engagement that enable us to meet our long-term objectives and create a greater, more sustainable impact benefitting our stakeholders, including staff, customers, suppliers and members of the communities where we operate.

Finally, I would like to express my sincere gratitude to our Board of Directors, shareholders, employees and business partners for their continuous support which was an important driver of our significant achievements during the past year despite the challenging operating environment. We look forward to further strengthening our industry presence and realising sustained growth internationally in order to generate long-term value for our shareholders.

Ho, Lawrence Yau Lung

Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION & ANALYSIS

SIGNIFICANT EVENTS AND DEVELOPMENTS

In 2015, Melco has had an eventful year and achieved several important milestones in Macau and overseas.

In Macau, Studio City, the eagerly-anticipated US\$3.2 billion Hollywood-inspired integrated resort, majority owned and operated by the Group's core gaming arm Melco Crown Entertainment Limited, was officially opened in Cotai on 27 October 2015. The sensational grand opening of Studio City, together with the world premiere of the Studio City-inspired short film "The Audition", was graced by a stunning line-up of A-list celebrities. Hollywood legends Robert De Niro, Leonardo DiCaprio, Academy award-winning director Martin Scorsese, acclaimed director and producer Brett Ratner and the legendary diva Mariah Carey attracted the global spotlight to the resort. As Asia's Entertainment Capital, Studio City houses some of the world's-first attractions of their kind, including the world's highest figure-8 Ferris wheel, the "Golden Reel", the world's first Batman-themed 4D flight simulation ride "Batman Dark Flight", and the first and only permanent magic extravaganza in Macau "The House of Magic", effectively redefining the entertainment landscape in the city. Studio City has enjoyed a high level of occupancy since its opening and is expected to complement and create synergies with the Group's existing portfolio of assets, further strengthening our leading position in Asia.

In parallel, our flagship property City of Dreams has continued to enhance the visitor experience through the debut of new and innovative initiatives. The latest attractions include a groundbreaking Discovery Tour for tourists to enjoy and explore beneath the surface of "The House of Dancing Water", as part of the fifth anniversary celebration for this largest water extravaganza in the world. Furthermore, the retail expansion and construction of the fifth hotel tower at City of Dreams, designed by the internationally-renowned "Queen of the Curve" in architecture, Dame Zaha Hadid, are well underway. Upon completion, the new hotel tower will add a truly iconic landmark to Macau, further broadening City of Dreams' appeal to the increasingly sophisticated destination travelers from Asia and beyond.

Outside Macau, the grand opening of the Group's first overseas integrated resort, City of Dreams Manila, was held in the Philippines in February 2015, followed by the official opening of Asia's first Nobu Hotel in the new property during May, adding to its selection of world-class hotel brands. Featuring a wide range of distinctive entertainment attractions suitable for all ages, such as the world's first DreamWorks-themed, indoor interactive play and creativity centre "DreamPlay by DreamWorks", and world-renowned nightclubs "Pangaea" and "Chaos", City of Dreams Manila is set to attract visitors from around the world. Its opening has also meaningfully contributed to the diversification of the Group's income streams.

Beyond Southeast Asia, the Group holds an interest in Tigre de Cristal, a gaming and resort development project located in the Primorye Integrated Entertainment Zone (“IEZ”) near Vladivostok, Russia which was successfully opened on 11 November 2015. Its opening extends the Group’s global footprint and is expected to significantly contribute to the tourism and economic growth in the Russian Far East.

CORE BUSINESS

Gaming Business in Asia

The Group operates its gaming business through its 34.29%-owned associate, Melco Crown Entertainment, which is listed on the NASDAQ Global Select Market in the US. Melco Crown Entertainment achieved a strong set of operating and financial metrics in 2015, in what is a still challenging environment in Macau. Net revenue and adjusted property EBITDA were US\$4.0 billion and US\$932.0 million respectively for the full year, both declining year-over-year primarily due to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau, partially offset by the net revenue generated by the newly opened resorts at Studio City and City of Dreams Manila. An encouraging Macau-wide mass market table games revenues increase, on both a sequential and year-over-year basis, was recorded in the fourth quarter of 2015, signaling a welcome stabilization of the gaming business.

The flagship integrated resort in Macau, City of Dreams continues to provide a diverse array of hospitality, dining, leisure and entertainment offerings to satisfy its premium mass-market visitors. During the year, Macau’s must-see spectacular, The House of Dancing Water, has celebrated its fifth anniversary. The internationally-acclaimed water-based extravaganza has been named as the “Most Valuable Brand” at the 2015 Business Awards of Macau. City of Dreams has also presented a variety of events such as the Malaysian Gourmet Tour in collaboration with the Malaysian External Trade Development Corporation and the popular SPLASH poolside party series. To enrich the mix and variety of the current entertainment menu, SOHO, the ultra-chic dining and entertainment district in Macau, continues to provide a wide selection of dining and entertainment options to the city. City of Dreams is expected to be further upgraded with the completion of expansion works in the retail area and the opening of its fifth hotel tower, solidifying the property’s position as the leading premium mass market leisure destination for local as well as global visitors.

In the past year, the openings of new integrated resort and casino projects, both within and outside of Macau, have significantly enriched the Group’s portfolio of gaming, leisure and entertainment assets.

The grand opening of Studio City in the fourth quarter has successfully contributed to the expansion of the Group's market share in Macau to a new historic high and extended its exposure to the more resilient and profitable mass-market and non-gaming segments. Just days after the opening on 27 October 2015, Studio City's hotel occupancy rate for its 1,600 rooms, which is more than doubling the room inventory in the Group's portfolio, had already reached over 90%. This mass-market focused gaming and entertainment complex brings the very best in global entertainment that cannot be found anywhere else in Macau. Its world-class facilities attract not only visitors seeking high-quality hospitality services and thrilling entertainment, but also draws top regional and international star performers to its state-of-the-art multi-purpose entertainment centre, Studio City Event Center, which most recently hosted the enthusiastically-received Madonna's Rebel Heart Tour in February 2016. This iconic new landmark of Macau is truly Asia's Entertainment Capital. It genuinely creates synergies with the Group's existing assets and has further strengthened our leading position in Macau.

Beyond Macau, the Group continues to strengthen its presence in the Philippines. City of Dreams Manila is progressing well since its spectacular debut on 2 February 2015. It continues to develop a more diversified revenue stream, with the continuing ramp-up of the rolling chip business, improvements across the VIP, slots and mass table segments alike, and enhancement of non-gaming amenities. By introducing the Group's expertise and excellence in operating integrated casino resorts and many world-class entertainment brands to Manila's Entertainment City, City of Dreams Manila is certainly a game changer in that country's market.

Elsewhere in Asia, Tigre de Cristal, the casino project in Russia's Primorye Integrated Entertainment Zone (IEZ) near Vladivostok, which the Group has an interest, has officially opened on 11 November 2015 with an encouraging start. As the first integrated casino resort to open in this unique entertainment zone in the Russian Far East, and the largest resort in the Russian Federation, the Group has a first-mover advantage to attract the estimated 400 million people who live within a three-hour flight radius from neighboring Northeast Asian markets, as well as domestic customers from within Russia. The Russian Government fully supports the development of the IEZ, through favourable immigration and other economic policies, underscoring the region's potential to become a northern gaming hub.

Gaming Machine Revenue Participation Business in Southeast Asia

Entertainment Gaming Asia Inc. ("EGT"), a company listed on the NASDAQ Capital Market, in which the Group has an effective equity interest of 64.84%, recorded consolidated revenue of US\$31.5 million for the year 2015, up approximately 40.6% year-on-year due to an increase in both its gaming product sales and gaming operations revenue. EGT posted a consolidated net income and Adjusted EBITDA of US\$0.8 million and US\$11.2 million, respectively, for the year 2015. The Company recorded a cash balance of US\$30.7 million and zero debt as of 31 December 2015.

EGT has an established presence in the gaming markets of Cambodia and the Philippines through its slot operations business, which generated US\$18.1 million in revenue in 2015. As of 31 December 2015, EGT had approximately 1,550 electronic gaming machine seats in operation. This included 670 seats placed under the joint management of EGT and NagaWorld Limited, a wholly-owned subsidiary of NagaCorp Ltd., in NagaWorld Resort and Casino located at Phnom Penh, Cambodia. EGT's slot operations achieved an average daily net win of US\$122 per machine seat for the year 2015, while its operations in NagaWorld achieved an average daily net win of US\$225 per machine seat for the same period.

During the year 2015, EGT's gaming products business, which primarily includes the manufacture, sale and distribution of gaming chips and plaques by Dolphin Products Ltd., posted a record performance of approximately US\$13.4 million in revenue in the year 2015. The performance was driven by increased orders created by new casino openings. Due to the higher production volumes and efforts to improve efficiencies for its manufacturing facilities in Hong Kong, EGT has significantly improved its gross profit margin for the business during the 2015 fiscal year.

With stable financial growth, increasing gaming market demand and improved operational efficiency, EGT is expected to become an important and reliable revenue stream of the Group.

Lottery Management Business in Asia

MelcoLot Limited ("MelcoLot"), in which the Group holds a 40.65% equity interest, is engaged in the provision of lottery-related technologies, systems and solutions in the PRC. MelcoLot is a distributor of high quality, versatile lottery terminals and parts for the China Sports Lottery Administration Center, which is the exclusive sports lottery operator in the PRC. MelcoLot also provides game upgrading technology and system maintenance service for the rapid draw game, "Shi Shi Cai," in Chongqing Municipality, and has developed a presence in the PRC by managing a network of retail outlets in the PRC. During the year, MelcoLot recorded revenue of HK\$57.2 million, representing a year-on-year growth of 26.3%. The distribution business continues to be MelcoLot's principal revenue generator and contributed approximately 90.2% of the Company's revenue in 2015, compared to 90.1% in 2014.

According to the figures published by the Ministry of Finance, China's lottery market registered total lottery sales of RMB367.9 billion in 2015, representing a year-on-year decrease of 3.8%. During 2015, the month-on-month growth rate of total lottery sales fell from an average of 34.2% for the first two months to an average of negative 8.9% for the remaining 10 months. The decline in sales is widely believed to be mainly attributable to the severe action taken by the government to prohibit all internet lottery ticket sales activities since March 2015. It is believed that the regulatory requirement will further improve the transparency on the control and management of lottery funds and ensure a healthier and more reliable market in the long run. MelcoLot believes that it will benefit from the positive long-term effects of the more robust regulatory regime and will be well positioned in the new environment.

In line with the leisure and entertainment corporate philosophy of Melco, MelcoLot continues to pursue investment opportunities outside of lottery and the PRC market, including the opportunity to develop a premium integrated resort next to Barcelona in Spain. MelcoLot will also continue to explore other potential investment opportunities located in emerging or frontier gaming market.

With a steady business development and global expansion plan, it is believed that MelcoLot will support the creation and optimization of long-term value for the Group's shareholders.

NON-CORE BUSINESSES

Ski Resort Business in China

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

The Club Med Yabuli business, established through a strategic partnership with Club Med Asia S.A. to operate and manage two of the hotels at Yabuli Resort, has been growing progressively during the winter season of 2015. A steady year-on-year rise in revenue was recorded in the year of 2015, resulting from the successful shift in the company's sales strategy to focus on China's domestic market for the 2014-2015 winter season and the overall improvements in service quality.

China's ski market is growing rapidly as this winter sport gains increasingly widespread popularity with the number of skiers substantially increasing. Winter sports in general and skiing in particular are expected to receive an added publicity boost attracting more participants as Beijing has been awarded the 2022 Winter Olympic Games. As China's first ski town and now one of the largest and most well-known winter sports destinations in the country, Yabuli is home to a number of destination resorts and within close proximity to Harbin and additional attractions such as the annual Ice and Snow Festivals. It is well-positioned to grow given the increasing demand from winter sports enthusiasts and travellers, and MCR is capitalizing on the potentially immense market opportunities.

MCR is also an official partner and playing field provider of the 2016 World Championships of Snowboarding, globally the most important snowboarding competition organized every four years by the World Snowboard Federation and TTR Pro Snowboarding for elite professionals, and which is to be held in Yabuli in March. The Yabuli Resort has been upgraded in recent years with a 30,000-square-meter snowboarding park and improved heating system for its cable cars and a new mogul ski track, all in preparation for the World Championships. The resort will be a preferred hub for all riders and international visitors ensuring international hospitality standards. MCR is also taking this opportunity to promote skiing to millions of sports fans in China, strengthening Yabuli's profile as an emerging winter sports powerhouse, and our reputation as a world-class ski resort operator.

The tourism industry is one of the core pillars of the strategic economic development for Heilongjiang Province. Besides supporting enhancement and innovation in tourism offerings to help attract more visitors to Yabuli, the local government has also been improving the infrastructure in the province in recent years through the construction of provincial highways, new airports and the Harbin-Dalian-Qiqihar high-speed railway, to facilitate the development of the local tourism industry.

OUTLOOK

In the past year, the challenging macroeconomic environment and industry-specific issues have dragged down gaming revenue in Macau, our core market. Looking ahead, some of these issues shall remain, including global market volatility, China's slowdown in economic growth and crackdown on corruption, the aftermath of the bursting of the junket credit bubble, Union Pay restrictions and legislation implementing a full smoking ban, and may continue to affect the VIP market and also dent mass market arrivals. However, 2016 is expected to be a year of stabilization for the gaming business in Macau, with a clear transition of market focus to the more stable mass market segment and non-gaming activities, which will improve penetration of our core feeder markets, particularly China, and create a more profitable and sustainable industry for all in the long term. Melco continues to be at the vanguard driving this dynamic industry change.

Overall, with the roadmap of building Macau into a “World Centre of Tourism and Leisure”, both the PRC Central and Macau local governments remain supportive to the long-term development of the industry, with a strong emphasis on diversification. In executing the Group's ongoing strategy to increase our exposure to the more resilient and profitable mass market segments in Macau, Melco is continuing to support the economic diversification and orderly development of the gaming, leisure and entertainment industry by creating world-class innovative entertainment offerings and enriching its portfolio of assets in Macau through our core gaming arm Melco Crown Entertainment in order to further broaden our income streams and cater to the rise of the increasingly affluent Asian middle class consumers.

In Macau, Studio City, our newest Hollywood-inspired US\$3.2 billion integrated resort, is specifically designed to target the mass market and it has successfully differentiated itself from other players and attracted international attention. Studio City is positioned at the forefront of Asia's “next generation” of immersive and world-class entertainment offerings under one roof in the city through its incomparable first-of-its-kind attractions not found in other Macau resorts. Since its opening, Studio City has recorded very encouraging visitation rates. The mass-market focused new property is expected to complement and create synergies with its premium mass-market focused sister property, City of Dreams, and continues to stimulate revenue and market share growth for the Group, further strengthening our position in Cotai.

In view of the escalating competition from new properties of other operators scheduled to open in Cotai in the coming years, besides Studio City, the Group is also upgrading its existing portfolio of assets in order to broaden our market exposure and client base to the mass market segments. These enhancements include the retail expansion integrating into the core of the Group's flagship property, City of Dreams, set to open in the summer of 2016. At the same time, the construction of the fifth hotel tower at City of Dreams, designed by the legendary pioneering architect Dame Zaha Hadid, is well underway. The new tower is set to be an architectural wonder and an iconic landmark in Cotai and Macau, embodying an unprecedented combination of form and structural challenges. With City of Dreams, we are leading the premium mass market segment in Macau. On the VIP front, we continue to right-size the cost structure of Altira Macau and focus more on the big junket operator which has proven lucrative in the past years. As some of the VIP areas in the market stabilize, particularly the bigger junket operators, we expect Altira to register a more steady performance.

While some issues continue to loom large over Macau's gaming industry in 2016, there are some positive signs that the market is stabilizing. Most notable here is the better-than-expected gross gaming revenue recorded in the first two months of 2016, and new government policies such as the relaxation of immigration processes for the PRC residents travelling to Macau using transit visas which will support Macau's tourism through more diversified economic development in the long run. In addition, the upcoming infrastructure projects such as the Hong Kong-Zhuhai-Macao Bridge and the Macao Light Rapid Transit System would certainly help Macau to maintain competitiveness and enhance its economic and sustainable development.

Apart from Macau, through leveraging our solid experience and success in developing and operating integrated resorts and creating innovative entertainment, Melco will continue to bolster its market share in other markets worldwide. In the Philippines, City of Dreams Manila targets the burgeoning and increasingly important Asian middle class with rapidly rising disposable incomes. We have seen improvement on the VIP, slot and mass table business segments in the past year, and the rolling chip business has continued to expand, delivering a more diversified earnings stream. Despite infrastructure challenges in the Philippines such as the delay of expressway that leads directly from the airport to the Manila Bay Entertainment City, we believe that the increasing visitation from Southeast Asia and China, further improvements in infrastructure and the ongoing economic development in the Philippines will further strengthen our presence in the region.

Elsewhere in Asia, Melco continues to seek potential opportunities to enrich our business portfolio and reinforce our leading position on the global stage in the gaming and entertainment industry. Tigre de Cristal, the gaming and resort development project near Vladivostok, Russia, in which the Group has an interest, was officially opened on 11 November 2015 and has been well-received by the market. As the largest legal casino in the country and first-mover in tapping the Northern Chinese, Japan, Korea and Russian markets in this new integrated entertainment zone, Tigre de Cristal is in a favorable location to attract visitors from across Asia as well as Russia. Our subsidiary, EGT has also strengthened its established presence in the gaming markets of Cambodia and the Philippines through its slot operations business. Increased orders generated by new casino openings and efforts to improve manufacturing efficiencies will continue to support EGT's gaming product business.

Beyond Asia, the consortium formed between Melco, Hard Rock and CPZL has been shortlisted to be one of the three bidders who may participate in the final phase of the tender process to develop and operate an integrated casino resort in Cyprus. In addition, the Group's subsidiary MelcoLot has also been diligently pursuing investment opportunities outside of lottery and the PRC market. MelcoLot is continuing to pursue the opportunity to develop a premium integrated resort adjacent to Barcelona in Spain.

As an international and innovative integrated resorts leader with strong financial fundamentals, Melco will continue to expand its existing global footprint beyond Macau, mainland China, the Philippines, Cambodia and Russia as we strive for diversification through our subsidiaries. We are confident we can capitalise on the opportunities arising in the market to offer a wide spectrum of both gaming and non-gaming businesses to other parts of the world so as to realise the Group's vision to become the leading global player in the gaming, leisure and entertainment sectors.

ACHIEVEMENTS AND AWARDS

Melco has been committed to attaining high standards in corporate governance and corporate social responsibility ("CSR"), as well as leading the industry in business excellence and innovation. As a result, the Group has always been at the forefront in driving economic and community development wherever it operates. Melco was acknowledged by a number of authoritative organisations during the past year for its remarkable performance and influential contributions across all quarters of society.

Corporate Governance

Melco has continuously been recognised for upholding the highest standard of corporate governance with numerous prestigious accolades. In 2015, Corporate Governance Asia Magazine has awarded the "Corporate Governance Asia Annual Recognition Award" to the Group for ten consecutive years at the Asian Excellence Awards. The magazine has also honored Melco for the "Best Investor Relations" for the fifth consecutive year.

The Group's outstanding management team has been widely acclaimed within the business community for its excellent leadership. Group Chairman and Chief Executive Officer, Mr. Lawrence Ho, has garnered the "Leadership Gold Award" at the Business Awards of Macau 2015. He has also been named "Asia's Best CEO" for the fourth time by Corporate Governance Asia Magazine.

Corporate Social Responsibility

Recognised as a responsible corporate citizen, Melco has been included as a constituent member of the Hang Seng Corporate Sustainability Benchmark Index for its noteworthy efforts in corporate sustainability since 2013. In 2015, the Group has also earned the "10 Years Plus Caring Company Logo" from the Hong Kong Council of Social Service for its continuous efforts in corporate social responsibility and has been presented the "Award Label of the Hong Kong Corporate Citizenship Awards" by the Hong Kong Productivity Council. In addition, Melco has again received the "Asia's Best CSR" award for the third consecutive year from Corporate Governance Asia Magazine.

Preservation of the environment is one of the most important focuses in Melco's CSR agenda, as it represents the Group's goal in supporting sustainable development for the community and our future generations. As a result of the Group's environmental protection efforts, WWF Hong Kong has conferred on Melco the Gold Label for Low-Carbon Office Operation Programme for five consecutive years since 2011.

The Group's thoughtfully designed Corporate Social Responsibility Report received the Gold Award in the Specialized Annual Report and Interior Design category, and the Honor Award in the Interactive Annual Report category at the International ARC Awards for corporate reports.

Business Operations

In 2015, the Group has once again strived for excellence in providing top-tier hospitality, leisure, entertainment and culinary experience to customers.

For seven consecutive years, both Altira Macau and its Altira Spa have received the prestigious Forbes Five-Star Hotel and Spa Awards in the 2016 Forbes Travel Guide. Crown Towers at City of Dreams has also achieved the Forbes Five-Star Awards for its hotel and spa. Furthermore, the one-of-a-kind water-based extravaganza The House of Dancing Water at City of Dreams has captured the "Most Valuable Brand Outstanding Award" at the Business Awards of Macau. These accolades signify the Group's excellence in hospitality, leisure and entertainment services.

In terms of fine-dining service, the Group continues to set the standard by earning Michelin two-star ratings for Jade Dragon and The Tasting Room, and a Michelin one-star rating for Shinji by Kanesaka, all located in City of Dreams, from the Michelin Guide Hong Kong and Macau 2016. Jade Dragon, The Tasting Room, together with Aurora and Tenmasa at Altira Macau, have all received the Forbes Five-Star Restaurants awards from the Star Awards in the 2016 Forbes Travel Guide, while Ying at Altira Macau has received a Forbes Four-Star Restaurants award.

City of Dreams Manila and Studio City, both newly opened in 2015, have already generated global recognition, garnering the “Casino/Integrated Resort of the Year” award in 2015 and 2016 respectively from the International Gaming Awards. In the short period since its grand opening, Studio City has also been named “Best New Venue Opening” in the 2016 CEI Readers’ Choice Awards by CEI Asia Magazine, “Most Anticipated Hotel in Macau” 2015 by influential Chinese travel site Ctrip.com, and one of the “Hottest New Travel Experiences for 2016” by Lonely Planet.

FINANCIAL REVIEW

	2015 <i>HK\$’000</i>	2014 <i>HK\$’000</i>
Segment Results:		
Gaming, Leisure and Entertainment	(23,968)	(82,819)
Property and Other Investments	40,220	46,436
	16,252	(36,383)
Share of profits of associates	307,333	1,693,612
Share of losses of joint ventures	(5,695)	(139)
Loss on deemed disposal of partial interest in an associate	(1,394)	(14,923)
Gain on disposal of a subsidiary	3,731	–
Gain on deemed disposal of previously held interest in an associate	–	44,845
Gain on bargain purchase from acquisition of a subsidiary	–	34,310
Central administrative costs and other unallocated corporate expenses	(182,371)	(242,296)
Finance costs	(45,779)	(43,918)
Profit before tax	92,077	1,435,108
Income tax (expense) credit	(1,200)	19
Profit for the year	90,877	1,435,127
Non-controlling interests	10,047	52,045
	100,924	1,487,172

For the year ended 31 December 2015, the Group reported profit attributable to owners of the Company of HK\$100.9 million compared to HK\$1,487.2 million for the same period in 2014.

SEGMENT RESULTS

Gaming, Leisure and Entertainment

The gaming, leisure and entertainment businesses are mainly formed by the core (i) Macau gaming business (conducted via 34.29%-owned Melco Crown Entertainment), in which the brief descriptions for the performance of the core Macau gaming business for the year ended 31 December 2015 are included under the heading “SHARE OF PROFITS OF ASSOCIATES” below, (ii) electronic gaming machine participation and design, manufacture and distribution of gaming chips and plaques business (conducted through 64.84%-owned EGT), and (iii) lottery business (conducted through 40.65%-owned MelcoLot), together with other non-core businesses.

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

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
EGT (1)	28,078	(10,700)
MelcoLot (2)	(41,762)	(66,692)
Jumbo Kingdom (3)	(9,829)	(5,032)
Others (4)	(455)	(395)
	<u>(23,968)</u>	<u>(82,819)</u>

(1) EGT

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

Immediately prior to the EGT Rights Issue, the Company indirectly owned 11,450,000 shares of EGT, representing 38.04% of the outstanding shares of EGT. Upon completion of the EGT Rights Issue, the Company indirectly owned 37,512,294 shares of EGT, representing approximately 64.81% of the outstanding shares of EGT. Accordingly, EGT became a subsidiary of the Group from 26 November 2014 onwards. As at 31 December 2015, the Group owns approximately 64.84% of EGT.

EGT is engaged in slot operations, development and operation of regional casinos and gaming clubs in the Indo-China region and design, manufacture and distribution of gaming chips and plaques. For the year under review, the Group's attributable segment profit arising from EGT amounted to HK\$28.1 million (2014: loss of HK\$10.7 million) after taking into account the adjustments in accordance with Hong Kong Financial Reporting Standards.

According to the unaudited financial results (prepared in accordance with the United States Generally Accepted Accounting Principles ("U.S. GAAP")) of EGT announced on 10 March 2016, the performance of EGT during the year under review is described below:

EGT's revenue was US\$31.5 million for the 2015 fiscal year, an increase of 40.6% compared to US\$22.4 million for the 2014 fiscal year due to increases in both the gaming operations and gaming products business divisions.

Gaming operations revenue was US\$18.1 million for the 2015 fiscal year, an increase of 10.4% compared to US\$16.4 million in the 2014 fiscal year due to improvement in the Cambodia operations partially offset by a decline in the Philippines operations.

Revenue from gaming products was US\$13.4 million for the 2015 fiscal year, an increase of 123.3% compared to US\$6.0 million for the 2014 fiscal year primarily as a result of higher gaming chip and plaque sales related to both new casino openings and existing customer reorders in the 2015 fiscal year compared to the prior year.

EGT reported a net income of US\$0.8 million for the 2015 fiscal year. This compared to a net loss of US\$2.8 million for the 2014 fiscal year. The increase in net income was primarily a result of the significant improvement in gaming products sales and gross margin, an increase in gaming operations revenue and a reduction in selling, general and administrative expenses. The increase was partially offset by the US\$2.6 million non-cash impairment charge and the loss on the disposition of obsolete gaming equipment for the gaming products division in the fourth quarter of 2015, tax expenses compared to benefits in the prior year period and higher foreign currency losses due to the settlement of U.S. dollar denominated payables for the Philippines operations with an appreciated U.S. dollar in the 2015 fiscal year.

(2) MelcoLot

MelcoLot continues to be engaged in a single operating segment which is the lottery business. For the year under review, the Group's attributable segment loss arising from MelcoLot amounted to HK\$41.8 million (2014: HK\$66.7 million).

According to the audited results (prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS")) of MelcoLot announced on 11 March 2016, it reported loss attributable to owners of the MelcoLot of approximately HK\$35.9 million (2014: HK\$65.4 million). It was mainly attributable to the combined effect of:

- (i) the decrease in employee benefits costs from HK\$56.7 million in 2014 to HK\$32.1 million in 2015. The decrease was primary due to share-based payments of HK\$32.1 million recorded in the profit or loss in 2014 in connection with certain 2014 share options of MelcoLot that vested in 2014 and no further share-based payments in relation to these share options were recorded in 2015;
- (ii) the gain of approximately HK\$3.7 million arising from the disposal of 山東省開創紀元電子商務信息有限公司(the "Shandong KCJY"), an indirect non-wholly owned subsidiary of MelcoLot, in December 2015; and
- (iii) the decrease in finance costs from HK\$3.1 million in 2014 to nil in 2015 due to the full settlement of an amount due to its immediate holding company in June 2014.

(3) Jumbo Kingdom

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

The catering business segment recorded a loss of HK\$9.8 million for the year ended 31 December 2015 compared to a loss of HK\$5.0 million for the same period in 2014. The increase in loss was mainly due to drop in revenue by 8.2% coupled with an increase in staff costs by 6.2% during the year under review.

(4) Others

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

Property and Other Investments

This segment handles property and other treasury investments for the Group. For the year ended 31 December 2015, it recorded a profit of HK\$40.2 million (2014: HK\$46.4 million). The decrease was primarily due to the decrease in revaluation gain on investment properties to HK\$8.0 million in 2015 (2014: HK\$10.4 million), and no dividend received from available-for-sale investments in 2015 (2014: HK\$3.6 million).

SHARE OF PROFITS OF ASSOCIATES

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Share of profit of Melco Crown Entertainment	307,333	1,693,612
Others	—	—
	<u>307,333</u>	<u>1,693,612</u>

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

Share of profit of Melco Crown Entertainment

For the year under review, the Group's attributable profit arising from its 34.29% ownership of Melco Crown Entertainment amounted to HK\$307.3 million (2014: HK\$1,693.6 million) after taking into account the adjustments in accordance with Hong Kong Financial Reporting Standards.

According to the unaudited financial results (prepared in accordance with the U.S. GAAP) of Melco Crown Entertainment announced on 18 February 2016, it reported net revenue of US\$4.0 billion for the year ended 31 December 2015, versus US\$4.8 billion for the year ended 31 December 2014. The decline in net revenue was primarily attributable to lower rolling chip revenues and mass market table games revenues in City of Dreams and Altira Macau, partially offset by the net revenue generated by Studio City and City of Dreams Manila, which started operations in October 2015 and December 2014, respectively.

The Adjusted property EBITDA was US\$932.0 million, as compared with an Adjusted property EBITDA of US\$1,285.5 million in 2014. The year-over-year decline in Adjusted property EBITDA was primarily attributable to lower group-wide rolling chip revenues and mass market table games revenues.

Melco Crown Entertainment reported net income of US\$105.7 million for the year ended 31 December 2015, compared to a net income of US\$608.3 million in the corresponding period of 2014.

City of Dreams

For the year ended 31 December 2015, net revenue at City of Dreams was US\$2,794.7 million versus US\$3,848.6 million in the year ended 31 December 2014. City of Dreams generated Adjusted EBITDA of US\$798.5 million in 2015, representing a decrease of 31.5% compared to US\$1,165.6 million in 2014. The decline in Adjusted EBITDA was primarily a result of lower rolling chip revenues and mass market table games revenues.

Rolling chip volume totaled US\$44.1 billion for 2015, a drop from US\$82.1 billion in 2014. In the fourth quarter of 2015, the rolling chip win rate (calculated before discounts and commissions) was 2.8%, while the expected rolling chip win rate range is 2.7% – 3.0%. In the mass market table games segment, drop for the year totaled US\$4,713.0 million, a decrease from US\$5,285.7 million in 2014. In the fourth quarter of 2015, the mass market table games hold percentage was 37.1% compared to 36.4% in the fourth quarter of 2014.

Gaming machine handle for the year ended 31 December 2015 was US\$4,641.1 million, compared with US\$5,903.9 million for the year ended 31 December 2014.

Total non-gaming revenue at City of Dreams for the year ended 31 December 2015 was US\$264.9 million, down from US\$283.5 million for the year ended 31 December 2014.

Altira Macau

For the year ended 31 December 2015, net revenue at Altira Macau was US\$574.9 million versus US\$744.9 million in the year ended 31 December 2014. Altira Macau generated Adjusted EBITDA of US\$36.3 million in 2015 compared with US\$84.8 million in 2014. The year-over-year decrease in Adjusted EBITDA was primarily a result of lower rolling chip revenues and mass market table games revenues.

Rolling chip volume totaled US\$23.9 billion for 2015, drop from US\$33.6 billion in 2014. In the fourth quarter of 2015, the rolling chip win rate (calculated before discounts and commissions) was 3.3%, while the expected rolling chip win rate range is 2.7% – 3.0%. In the mass market table games segment, a drop for the year totaled US\$616.1 million, decrease from US\$756.7 million generated in the previous year. In the fourth quarter of 2015, the mass market table games hold percentage was 19.4% compared with 18.4% in the fourth quarter of 2014.

Gaming machine handle for the year ended 31 December 2015 was US\$33.8 million. Total non-gaming revenue at Altira Macau for the year ended 31 December 2015 was US\$32.4 million compared with US\$36.8 million for the year ended 31 December 2014.

Mocha Clubs

Net revenue from Mocha Clubs totaled US\$136.2 million in the year ended 31 December 2015, a drop from US\$147.4 million in the year ended 31 December 2014. Mocha Clubs generated US\$30.3 million of Adjusted EBITDA in 2015, as compared to US\$36.3 million in the previous year. The number of gaming machines in operation at Mocha Clubs averaged approximately 1,200 in the fourth quarter of 2015, compared to approximately 1,300 in the comparable period in 2014. The reduction in gaming machines reported by Mocha Clubs was primarily due to the transfer of the reporting of one club to Altira Macau in 2015. The net win per gaming machine per day was US\$281 in the fourth quarter of 2015, as compared with US\$261 in the comparable period in 2014.

Studio City

Studio City started operations on 27 October 2015. For the year ended 31 December 2015, net revenue at Studio City was US\$123.2 million. Studio City generated Adjusted EBITDA of US\$12.6 million in the year ended 31 December 2015.

Mass market table games drop was US\$365.3 million and the mass market table games hold percentage was 22.4% in the fourth quarter of 2015.

Gaming machine handle for the year ended 31 December 2015 was US\$264.9 million.

Total non-gaming revenue at Studio City for the year ended 31 December 2015 was US\$37.8 million.

City of Dreams Manila

For the year ended 31 December 2015, net revenue at City of Dreams Manila was US\$300.3 million compared to US\$7.6 million in the year ended 31 December 2014. City of Dreams Manila generated Adjusted EBITDA of US\$55.4 million in 2015 compared with US\$0.1 million in 2014. The year-over-year improvement in Adjusted EBITDA was primarily a result of full operation in the year of 2015, since City of Dreams Manila started operations on 14 December 2014.

Rolling chip volume totaled US\$3,181.3 million in the year ended 31 December 2015. The rolling chip win rate was 2.1% in the fourth quarter of 2015. The expected rolling chip win rate range is 2.7%–3.0%.

Mass market table games drop was US\$441.4 million in the year ended 31 December 2015 and the mass market table games hold percentage was 27.5% in the fourth quarter of 2015. Gaming machine handle in 2015 was US\$1,780.1 million. The number of gaming machines in operation at City of Dreams Manila averaged approximately 1,700 in the fourth quarter of 2015.

Total non-gaming revenue at City of Dreams Manila for the year ended 31 December 2015 was US\$100.2 million, compared with US\$1.7 million for the year ended 31 December 2014.

SHARE OF LOSSES OF JOINT VENTURES

During the year ended 31 December 2015, the Group recognized a share of losses of joint ventures of HK\$5.7 million (2014: HK\$0.1 million) resulting from share of losses for the year of Oriental Regent and BCN.

LOSS ON DEEMED DISPOSAL OF PARTIAL INTEREST IN AN ASSOCIATE

During the year ended 31 December 2015, the Group recognized a loss on deemed disposal of partial interest in an associate of HK\$1.4 million (2014: HK\$14.9 million) resulting from the exercise of share options and the vesting of certain restricted shares issued by Melco Crown Entertainment.

GAIN ON DISPOSAL OF A SUBSIDIARY

During the year ended 31 December 2015, the Group recognized a gain on disposal of a subsidiary of HK\$3.7 million (2014: nil) arising from the disposal of Shandong KCJY, an indirect non-wholly owned subsidiary of the Company, in December 2015.

GAIN ON DEEMED DISPOSAL OF PREVIOUSLY HELD INTEREST IN AN ASSOCIATE

During the year ended 31 December 2014, a gain on deemed disposal of previously held interest in an associate of HK\$44.8 million was recognized in the consolidated statement of profit or loss. This amount represents realized gain from the reversal of impairment loss on EGT's investment costs upon the completion of EGT Rights Issue and became a subsidiary of the Group in late November 2014.

GAIN ON BARGAIN PURCHASE FROM ACQUISITION OF A SUBSIDIARY

In previous year, the Group also recognized a gain of HK\$34.3 million on bargain purchase from acquisition of EGT which represented the excess of fair value of identifiable assets and liabilities of EGT acquired over the consideration paid. The gain was resulting from the depressed market value of the acquired business, contributed by its years of losses and the volatility of the share price of EGT between the dates of pricing and completion of EGT Rights Issue in late November 2014.

CENTRAL ADMINISTRATIVE COSTS AND OTHER UNALLOCATED CORPORATE EXPENSES

Unallocated corporate expenses decreased by 24.7% from HK\$242.3 million in 2014 to HK\$182.4 million in 2015. The decrease was primarily due to decline in the amortization expenses arising from share options and share award granted in the year under review, together with the absence of an one-off open offer expense for a subsidiary of the Group, MelcoLot, which was recorded in 2014.

FINANCE COSTS

Finance costs increased by 4.3% from HK\$43.9 million in 2014 to HK\$45.8 million in 2015. The increase in interest expenses was primarily due to increase of bank loans from HK\$429.3 million in 2014 to HK\$580.3 million in 2015.

INCOME TAX (EXPENSE) CREDIT

For the year ended 31 December 2015, income tax expense represented the PRC enterprise income tax expense and tax provision arising from several foreign jurisdictions in the current year.

For the year ended 31 December 2014, income tax credit represented the recognition of deferred tax assets arising from tax losses and utilization of deductible temporary difference in respect of the accelerated accounting depreciation netting off with the provision of income tax expenses.

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

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

As of 31 December 2015, total assets of the Group were HK\$14,316.9 million (2014: HK\$14,097.1 million) which were financed by shareholders' funds of HK\$12,385.8 million (2014: HK\$12,331.6 million), non-controlling interests of HK\$392.6 million (2014: HK\$387.9 million), current liabilities of HK\$192.0 million (2014: HK\$570.8 million), and non-current liabilities of HK\$1,346.5 million (2014: HK\$806.8 million). The Group's current ratio, expressed as current assets over current liabilities, was maintained at a satisfactory level of 12.1 (2014: 3.9).

During the year ended 31 December 2015, the Group recorded a net cash outflow of HK\$82.3 million (2014: net cash inflow of HK\$344.0 million). As of 31 December 2015, cash and cash equivalents of the Group totaled HK\$467.3 million (2014: HK\$549.5 million). The decrease was mainly due to the purchase of 24-month puttable step-up coupon notes issued by BOCI Financial Products Limited in the principal amount of HK\$50.0 million on 25 June 2015. The gearing ratio, expressed as a percentage of total borrowings over shareholders' funds, was at a satisfactory level of 11% as of 31 December 2015 (2014: 10%).

In illustrating the Group's adoption of a prudent treasury policy, 80% of bank balances and cash are put in short-term fixed deposits. All borrowings, and bank balances and cash are mainly denominated in Hong Kong dollars, U.S. dollars and Renminbi to maintain stable exposure to foreign exchange risks. Also, as at 31 December 2015, the Group's bank deposits of HK\$0.9 million (2014: HK\$0.9 million) were pledged as security for obtaining utilities for certain subsidiaries of the Group.

As at 31 December 2015, the guaranteed bonds issued by the Group amounted to HK\$760.0 million, which are interest bearing of 4.15% per annum and mature on 5 March 2018. The bonds are guaranteed by the Company. As at 31 December 2015, the Group's total available bank loan facilities from various banks amounted to HK\$580.3 million (2014: HK\$429.3 million), of which HK\$34.3 million (2014: HK\$39.3 million) was secured by pledging HK\$178.0 million (2014: HK\$170.0 million) of the Group's investment properties. As at 31 December 2015, the Group utilized HK\$546.0 million and HK\$34.3 million of unsecured and secured bank loan facilities respectively (2014: unsecured HK\$390.0 million; secured HK\$39.3 million). Details of bank and other borrowings are given in Note 13 to the consolidated financial statements.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

Other than those disclosed in this announcement, there were no material acquisitions, disposals and significant investments by the Company for the year ended 31 December 2015.

HEADCOUNT/EMPLOYEES' INFORMATION

The total number of the Group's and associates' employees was 22,791 as of 31 December 2015. Excluding the employees from associates such as Melco Crown Entertainment, MCR and ChariLot, the total number of the Group's employees became 744 as of 31 December 2015 (2014: 829). Among the 744 employees, 331 are located in Hong Kong, 413 are located in Philippines, US, Cambodia, Macau and the PRC. The related staff costs for the year ended 31 December 2015, including directors' emoluments, share options expenses and share award expenses, amounted to HK\$284.1 million (2014: HK\$303.7 million).

HUMAN RESOURCES

Melco believes that the key to success lies in its people. The Group strives to create an environment that makes employees proud to be part of it. All employees are given equal opportunities for advancement and personal growth. 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 builds employees' loyalty through recognition, involvement and participation.

Melco's people policy, systems and practices are directly aligned with the Group's mission and values which contribute to its success. It is based on three key areas:

1. Recruitment

Melco is an equal opportunities employer, and it recruits talented people with the necessary professional competencies, desirable personal qualities and commitment to the Group. The Group hires the right people to shape its future. It identifies and validates talent through different recruitment exercises and regularly reviews its recruitment policy and assessment criteria.

2. Performance and Rewards

Melco demands and appreciates high performance. Its reward principle is primarily performance based, and it rewards its people competitively and based on their job responsibilities, performance and contribution to business results as well as professional and managerial competencies.

3. Learning & Development

Melco provides training for employees to develop the skills required to satisfy business needs, which would improve performance, deliver value and enhance personal growth. The Group adopts a systematic approach in designing its training programs with a special focus on individual and corporate needs. Training objectives and the desired outcomes are first established and the subsequent results from any training are continually reviewed.

CONTINGENT LIABILITIES

No contingent liability was noted for the Group as at 31 December 2015.

FOREIGN EXCHANGE EXPOSURE

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

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

INVESTOR RELATIONSHIP

Melco adheres to a policy of maintaining open and transparent communications with its investors with an aim to ensure they are provided with equal and timely access to important information. Information, such as Melco's business performance, latest developments, future plans and the overall outlook of the gaming industry in Macau and overseas, are communicated to investors through regular investor conferences and meetings convened with management and public announcements when appropriate.

Melco has won several prestigious awards in the past year recognising the Group's excellence in investor relations, including the "Best Investor Relations" (for the fifth consecutive year) and "Best CFO (Investor Relations)" (for the second consecutive year) presented by Corporate Governance Asia Magazine. The Group's Chairman and CEO, Mr. Lawrence Ho, has also once again been honoured the "Asia's Best CEO" by Corporate Governance Asia Magazine. Immensely honoured by the numerous accolades and highly encouraged by the support received from the investment community over the years, the Group will continue its efforts in enhancing its communications to foster even stronger relations with its investors.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Corporate Social Responsibility

Melco is committed to giving back and creating value for the communities we have deep roots in. We believe that we have the responsibility and capability to build a better future for all and the next generations to come. With the long-term well-being of our society in mind, we have formulated our CSR strategy resting on three pillars: Youth Development, Environment and Education.

In 2015, we have continued to participate in a great variety of activities that support the community. During the year, close to 182,000 children, youth, their families and the physically challenged have benefited from our programmes.

Over the years, our corporate social responsibility (CSR) initiatives have been widely appreciated and recognised by the society. During 2015, the Group and its associates have garnered 20 CSR awards and recognitions. Since 2013, Melco has been a constituent member of the Hang Seng Corporate Sustainability Benchmark Index which selects Hong Kong-listed companies that demonstrate a high level of corporate sustainability. In 2015, Melco received the "Corporate Governance Asia Annual Recognition Award" for the tenth consecutive year and "Asia's Best CSR" in the Asian Excellence Awards from Corporate Governance Asia Magazine. Melco Crown Entertainment, our major associate, was also named the 'Best Environmental Responsibility' in the "Asian Excellence Awards".

Recognising the importance of communicating with our stakeholders, Melco was one of the first leisure and entertainment companies in Hong Kong to disclose details of its sustainability performance, with the publication of its inaugural CSR report in 2007. For the report covering 2015, apart from disclosing our continual achievements on the social fronts, we also continued to uphold a comprehensive level of disclosure to comply with the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). In addition, we have continued our effort to present our CSR report for 2015 in accordance with the "core" option of the internationally-recognised Global Reporting Initiative (GRI) G4 reporting guidelines and with reference to the core subject areas of the ISO 26000 Guidance on Social Responsibility. These efforts reflect our commitment to provide an even more comprehensive and transparent account of our CSR activities during the year.

Environment

Melco is a signatory to the Carbon Reduction Charter and a Green Partner of the Environmental Protection Department's "Carbon Audit • Green Partner" campaign, as well as a signatory member of the Copenhagen Communiqué. As a consumer of substantial natural resources, we are committed to mitigating the impact of our operations on the environment. Accordingly, we closely monitor our use of resources and carbon emissions, while taking steps to minimise or recycle the waste we generate.

To a large extent, we have adopted the best industry practices in our office and business operations. Melco Crown Entertainment has been awarded the ISO14001:2004 certification. On top of that, City of Dreams in Macau has attained an additional certification of ISO14064 Greenhouse Gas (GHG) Emissions Inventories and Verification.

Operating resort hotels requires substantial energy consumption. To manage our costs and minimise carbon emissions, we have undertaken a number of measures to increase energy consumption efficiency. At City of Dreams and our new Studio City property, we possess one of the largest centralised cooling systems in Southern China hospitality industry, with energy savings of around 20-35% over traditional air-conditioning systems. Further energy savings of more than 20% have also been made possible at Studio City with the installation of a chilled ceiling air-conditioning system and a DC motor FCU that reduces carbon emissions.

The advanced indoor air purification system at City of Dreams and Studio City conserves energy by reducing the fresh air drawn from outside. This, together with our highly advanced Building Management System, enables us to transfer heat generated from the air-conditioning system to warm the water used for taps and showers.

As LED lighting offers significant energy savings, we have installed LED lights at City of Dreams, both on the façade and for interior illumination. Specifically, we have selected T5 tubes, the most energy-efficient option in the market, for the Heart of the House to control the outdoor light fixtures through the use of photo sensors.

Apart from our integrated resorts, our head office in Hong Kong has been participating in WWF's Low-carbon Office Operation Program (LOOP) since 2011 as part of our efforts to reduce our carbon footprint. With overall score of 80%, which was higher than 84.1% of the participating companies, the group successfully achieved the "Gold Label" recognition.

Moreover, for the eighth consecutive year, we have achieved the "Class of Excellence" in the Wastewi\$e Label scheme of The Hong Kong Awards for Environmental Excellence (HKAEE) with waste reduction and more extensive use of recycled content. We have achieved the recycling goal for exhausted toner and ink cartridges and obsolete IT equipment accessories. During the year, our corporate collaterals, including newsletters, financial reports and CSR report, were printed with FSC paper.

Melco remains in compliance with all relevant laws and regulations on the provision of our products and services. Our environmental policies are constantly updated to meet the new policies and requirements. We also uphold stakeholder communications, which includes our own staff, customers, suppliers and members of the community. We continue to engage them through comprehensive stakeholder communication exercises, optimising our policies and implementation in accordance with their feedback.

Social Responsibility

Youth Development

Melco believes that every individual, regardless of his or her socioeconomic background, life circumstances or personal challenges, should be given equal opportunities to fulfil his or her full potential and realise their own dreams. Ultimately, the future of our society depends on the youth. Hence, we make youth development one of the main pillars of our CSR programmes.

In 2015, Melco continued to organise programmes to support young people pursuing further education through the provision of scholarships and other aids, provide trainings to drug-addicted youth to help them reintegrate into the society, and create opportunities for families with gambling problems to rebuild child-parent relationships.

2015 Event Highlights – Youth Development

- Contributed to the Playright Hospital Play Program and helped a total of 2,587 children and their parents to deal with the stress and anxiety of staying in a hospital.
- Supported the Pediatric Eye Care project in Linyi, Shandong province, operated by the ORBIS International, for the past four years. Orbis organised training for medical staff and rural health workers, provided eye care treatments and spectacles for children and held professional conferences and a media campaign for blindness prevention. We are glad to see that the programme is now operating on a self-sustaining basis. We will continue our support of Orbis in Mainland China with a new pediatric eye care project in Linyi and Jinan starting July 2016.
- Sponsored two programmes of the Society for the Aid and Rehabilitation of Drug Abusers (SARDA), which helped 431 former young drug abusers to handle their emotions and pick up new vocational skills, among which 12 of them have embarked on a coffee-making career.
- Donated to the Operation Santa Claus (OSC) annual charity campaign co-organised by South China Morning Post and Radio Television Hong Kong. The funding benefited children, youths, the elderly, individuals with medical, physical and mental disabilities, as well as environmental and social enterprises.

- Funded programs of Hong Kong Physically Handicapped and Able-Bodies (PHAB), which promoted social integration of people with and without disabilities and benefited a total of 11,167 youths.
- Sponsored Child Development Centre's annual Daddy Daughter Ball. With the support of over 460 dads and daughters, we raised over HK\$1.8 million to help children with special educational needs.
- Contributed to the extension of Hong Kong Lutheran Centre's Caring for Our Kids Program, which provided child-centred counselling, parent-child activities and supported an educational campaign in partnership with schools to educate the next generation on the prevention of gambling programmes. During the year, a total of 68 parents and children benefited from the programme, which is the only available programme of this kind in Hong Kong at the moment.

Education

Melco is committed to the idea that each child should be given every opportunity to reach his or her full potential in life. We help to make it happen by offering them scholarships, grants and youth enrichment programmes. With these, the underprivileged children would be able to improve their life chances by being better educated and having enriched life experiences outside of school.

2015 Event Highlights – Education

- Established in 2009, The Lawrence Ho Scholarship Fund provides scholarships and work placements, internships and travel bursaries, student prizes and course development and research funding for students from mainland China, Macau and Hong Kong studying overseas. Some of the past recipients of the scholarship have joined Melco and Melco Crown Entertainment and started contributing to the success of our Group and its associated companies.
- Supported an education grant programme for orphans from Huangnan Children's Home (HUNCH) in Qinghai province run by Christian Action. During the 2015-2016 school year, 122 education grants were given out, of which 34 were tertiary education grants and 24 were high school education grants.
- Championed the cause of Responsible Gaming (RG) in Macau by launching a series of measures, which includes providing internal training for incoming and current staff, producing a video promoting Responsible Gaming that is aired on our internal TV channel and the employee intranet, displaying posters and brochures on Responsible Gaming in our properties and supporting the Self-Exclusion and Third-party Exclusion Applications initiative launched by Macau's Gaming Inspection and Coordination Bureau (DICJ).

Apart from the environmental initiatives we undertook in our own operations, we are planting seeds in young people's minds about the importance of conserving resources through education. Through the Hong Kong Green Day — Captain Green Program, partnered with Green Council in 2015, we helped to raise awareness of environmental responsibility with activities attended by 60,000 students and fostered 400 Captain Green graduates. In 2015, we also kicked off a two-year programme to support Playright Children's Play Association — Forest School and Environmental Play — designed to encourage spontaneity, independence and reconnecting children with the nature.

Stakeholders Engagement

Understanding the views of stakeholders is critical to aligning our ESG and sustainability agenda with the issues they have identified as being in material interest. Hence we undertake an annual stakeholder engagement exercise, in addition to the day-to-day communications via dedicated staff members and communication channels, in order to understand and respond to the views of our stakeholders before creating our CSR programmes.

At Melco, we insist on high standards of corporate citizenship and our social responsibilities encompass ethical practices and governance of the Group's relationships with its key stakeholders, including employees, customers and suppliers that have a significant impact on the Group and on which Melco's success depends.

Employees

Melco believes that the key to success lies in our people. To reward our employees for their effort, contributions and loyalty, we have created an environment where all employees are given equal opportunities in recruitment, advancement and personal growth.

Melco is an equal opportunities employer. We recruit talents based on their professional competency, personal qualities and commitment to the Group. Skills and competencies are verified through different recruitment exercises. Our recruitment policy and assessment criteria are reviewed on a regular basis.

Our employees undergo regular appraisals based on their performance, job responsibilities, contribution to business results, professional and managerial competencies, and they are rewarded competitively.

To ensure the continual growth of our business, we invest in our own employees by providing them with trainings relevant to their roles and business needs. By training employees systematically, they are able to develop relevant skills and knowledge, which in turn would have a positive impact on the business results.

All of our full-time employees are entitled to medical and life insurance benefits. Apart from annual and sick leave, our employees are also entitled to compassionate leave, marriage leave and jury service leave.

Melco regards our employees as our greatest assets. As such, our employees' health and safety is always our top priority. In all of our workplaces, we have taken steps to ensure the physical well-being of our staff and provide regular training in occupational health and safety. Apart from carrying out an extensive workplace and workstation assessments for all of our employees, day-to-day maintenance measures are in place and all recommended corrective actions have been taken upon regular review.

We remain in compliance with all health and safety regulations stipulated by the local governments in the countries and regions where we operate.

Shareholders

Melco is committed to building strong ties with its stakeholders. Their continuous support is highly valued and integral to the Group's development and sustainability. A Shareholder Communication Policy is in place to ensure the investment community is provided with ready, equal and timely access to information about the Group. The policy also covers data privacy protection policies and measures for shareholders, so that no shareholders' information would be disclosed without their consent, unless such disclosure is required by law.

Suppliers

Melco recognises the importance of ethical supply chain management. At the moment, Melco is developing a Supplier Code of Conduct in the Melco Operational Policy Guidebook which would serve as an internal corporate policy guideline to our staff. Melco's suppliers are expected to uphold the same high standards of accountability as we do in operations. The policies are reviewed on an annual basis.

Customers

Melco prides itself with the highest quality product and services, notably the most spectacular integrated resorts in Asia via its core associates, in compliance with the law and regulations of where they operate.

To deliver the best products and experiences to our valued customers, we engage with them by collecting their views and assessing their expectations through a wide range of communication channels, such as our property front office, customer service hotlines and emails, and official social media platforms. The comments collected are valued by our senior management and are carefully reviewed and considered in their decision-making process.

Corporate Governance

The maintenance of a high standard of corporate governance has been and remains a top priority of the Group. Policies addressing corporate governance and code of conduct are in place, facilitating effective management of the business and affairs of the Group under the Board's direction with a high standard of corporate governance.

SPECIAL FINAL DIVIDEND

Pursuant to the dividend policy announced by the Company on 28 March 2014, it is the Company's intention to provide shareholders with semi-annual dividends in an aggregate amount per year of approximately 20% of the Company's annual consolidated net income attributable to the shareholders. The dividend policy also allows the Company to declare special dividends from time to time.

The Company paid an interim dividend of HK1.5 cents per share in September 2015, totaling HK\$23.2 million, which has already exceeded the prescribed annual dividend level under the Company's dividend policy. Hence, no final dividend has been recommended by the Board for the year ended 31 December 2015 but in view of the strong cash position of the Company, to reward the shareholders for their continuing support, the Board has recommended the payment of a special final dividend of HK2.0 cents per share for the year ended 31 December 2015 to the shareholders whose names appear on the register of members of the Company on 21 June 2016. The proposed special final dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. The proposed dividend is expected to be paid on 6 July 2016.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Monday, 13 June 2016. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, 8 June 2016 to Monday, 13 June 2016 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above annual general meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 7 June 2016.

CLOSURE OF REGISTER OF MEMBERS FOR SPECIAL FINAL DIVIDEND

The proposed special final dividend for the year ended 31 December 2015 is subject to the approval of shareholders at the annual general meeting. For determining the entitlement to the proposed special final dividend, the register of members of the Company will be closed from Friday, 17 June 2016 to Tuesday, 21 June 2016 (both days inclusive), during which period no transfer of shares of the Company will be registered. The last day for dealing in the Company's shares cum entitlements to the proposed special final dividend will be Tuesday, 14 June 2016. In order to be eligible for the above proposed special final dividend, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2016.

CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures.

The Company has complied with the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2015, apart from the deviation mentioned below.

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

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

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

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

SECURITIES TRANSACTIONS BY DIRECTORS AND EMPLOYEES

The Company has adopted its own code for dealing in the Company’s securities by Directors and relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company (the “Code of Securities Dealings”) on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules. We have received confirmation from all Directors that they have complied with the required standards set out in the Code of Securities Dealings throughout the year 2015.

AUDIT COMMITTEE

The Company has an audit committee, which was established for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls.

The audit committee, comprising a non-executive director and two independent non-executive directors, met two times during the financial year. During the meetings, the audit committee reviewed the accounting principles and practices adopted by the Group, the interim and annual reports of the Group and discussed with management the auditing, internal control and financial reporting matters.

The Group's annual results for the year ended 31 December 2015 have been reviewed by the audit committee and audited by the independent auditor of the Group, Messrs. Deloitte Touche Tohmatsu.

SCOPE OF WORK OF DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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

During the year ended 31 December 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE COMPANY AND THE HONG KONG STOCK EXCHANGE

This announcement is published on the Company's website (<http://www.melco-group.com>) and the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>). The 2015 annual report will be despatched to the shareholders of the Company and will be made available on the websites of the Company and the Hong Kong Stock Exchange in due course in accordance with the Listing Rules.

BOARD OF DIRECTORS

As at the date hereof, the Board comprises three Executive Directors, namely Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Tsui Che Yin, Frank and Mr. Chung Yuk Man, Clarence; one Non-executive Director, namely Mr. Ng Ching Wo; and three Independent Non-executive Directors, namely Mr. Chow Kwong Fai, Edward, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kan Hee, Anthony.

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

Hong Kong, 31 March 2016