



First Quarter Report  
2015

**MelcoLot Limited**

*(Incorporated in the Cayman Islands with limited liability)*

A Hong Kong Listed Company (Stock Code: 8198)

[www.melcolot.com](http://www.melcolot.com)

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors of MelcoLot Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to MelcoLot Limited. The directors of MelcoLot Limited, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of MelcoLot Limited (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the three-month period ended 31 March 2015 as follows:

### Business Review

The Group is engaged in the provision of lottery-related technologies, systems and solutions for two state-run lottery operators in the People’s Republic of China (the “**PRC**”), namely China Welfare Lottery Issuance and Administration Centre and China Sports Lottery Administration Centre (“**CSLA**”). We are a distributor of high quality, versatile lottery terminals and parts for the CSLA, which is the exclusive sports lottery operator in the PRC. The distribution business is our major revenue generator and contributed to approximately 78% of the Group’s revenue for the three-month period ended 31 March 2015.

The Group provides game upgrading technology and system maintenance service for the rapid draw game, “Shi Shi Cai” in Chongqing Municipality. The Group has also developed a presence by managing a network of retail outlets in the PRC.

We believe the lottery market in the PRC will continue to grow, but will remain challenging as a result of the constantly changing regulatory environment. These changes will undoubtedly bring tremendous opportunities for the Group, while allowing us to capitalize on our existing network and established knowledge, and shape our future growth in this rapidly developing market.

The Group is also engaged in discussions to launch a high end casino project in the Republic of Georgia, and is in the planning process of developing a premium integrated resort near Barcelona, Spain. We believe that it is in the interests of the Group and its shareholders to actively explore these new investment opportunities to diversify the business and support our goal of maximizing long-term shareholder value.

## Financial Review

Revenue of the Group for the three-month period ended 31 March 2015 was HK\$11.5 million which is an increase of approximately 3.9% as compared with HK\$11.1 million for the corresponding period in 2014.

The Group's employee benefits costs increased from HK\$4.1 million for the three-month period ended 31 March 2014 to HK\$9.2 million for the corresponding period in 2015. The increase was mainly attributable to the non-cash share-based payments of HK\$6.7 million in 2015 as compared with HK\$1.6 million for the corresponding period in 2014.

Other expenses decreased from HK\$7.7 million for the three-month period ended 31 March 2014 to HK\$1.8 million for the corresponding period in 2015 due to exchange losses on the depreciation of Renminbi seen in 2014. The stabilization of Renminbi in the first three months of 2015 led to decreased exchange losses from HK\$4.9 million in 2014 to HK\$0.2 million for the corresponding period in 2015.

The Group fully repaid the amount due to immediate holding company in June 2014, resulting in the absence of finance costs for the three-month period ended 31 March 2015 as compared with HK\$1.8 million for the corresponding period in 2014.

As a result of the aforementioned matters, the Group's net loss for the three-month period ended 31 March 2015 was HK\$9.0 million, representing a decrease of approximately 27% as compared with a loss of HK\$12.3 million for the corresponding period in 2014.

## Dividend

The Directors do not recommend the payment of an interim dividend for the three-month period ended 31 March 2015 (three-month period ended 31 March 2014: Nil).

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the three-month period ended 31 March 2015

		Three-month period ended 31 March	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
	Notes		
Revenue	3	11,541	11,110
Purchase of inventories and service costs		(10,446)	(9,737)
Other income		1,018	270
Employee benefits costs		(9,169)	(4,070)
Depreciation of property, plant and equipment		(72)	(285)
Other expenses		(1,824)	(7,670)
Finance costs	4	-	(1,779)
Loss before taxation		(8,952)	(12,161)
Taxation	5	(74)	(121)
Loss for the period		(9,026)	(12,282)
<b>Other comprehensive income</b>			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		43	4,721
Total comprehensive expense for the period		<u>(8,983)</u>	<u>(7,561)</u>
Loss for the period attributable to:			
Owners of the Company		(8,816)	(11,890)
Non-controlling interests		(210)	(392)
		<u>(9,026)</u>	<u>(12,282)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(8,775)	(7,090)
Non-controlling interests		(208)	(471)
		<u>(8,983)</u>	<u>(7,561)</u>
Loss per share			(Restated)
Basic and diluted	7	<u>HK(0.28) cents</u>	<u>HK(0.46) cents</u>

## NOTES:

### (1) BASIS OF PREPARATION

The condensed consolidated financial information has been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules. The amounts included in this quarterly interim financial information are computed based on the recognition and measurement requirements in accordance with Hong Kong Accounting Standard 34, *Interim Financial Reporting* (“**HKAS 34**”). However this quarterly interim financial information does not contain sufficient information to constitute an interim financial report as defined in HKAS 34.

### (2) SIGNIFICANT ACCOUNTING POLICIES

The quarterly interim financial information has been prepared under the historical cost convention. The accounting policies adopted are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2014, except for the adoption of all the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2015. The application of these new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in this condensed consolidated financial information and/or disclosures set out in this condensed consolidated financial information.

The Group has not early applied the new and revised HKFRSs that have been issued but are not yet effective. The Directors of the Company anticipate that the application of those new and revised HKFRSs will have no material impact on the condensed consolidated financial information.

### (3) REVENUE

An analysis of the Group's revenue for the three-month period ended 31 March 2015 is as follows:

	Three-month period ended 31 March	
	2015 HK\$'000	2014 HK\$'000
Lottery business:		
Trading of lottery terminals and parts	9,027	10,307
Provision of services and solutions for the distribution of lottery products	2,514	803
	<b>11,541</b>	<b>11,110</b>

(4) **FINANCE COSTS**

**Three-month period ended  
31 March**

<b>2015</b>	<b>2014</b>
<b>HK\$'000</b>	<b>HK\$'000</b>

Interest on:

Amount due to immediate holding company

-	1,779
<u>          </u>	<u>          </u>

(5) **TAXATION**

**Three-month period ended  
31 March**

<b>2015</b>	<b>2014</b>
<b>HK\$'000</b>	<b>HK\$'000</b>

Enterprise Income Tax of the PRC

- current period

74	121
<u>          </u>	<u>          </u>

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit arising from Hong Kong for the three-month period ended 31 March 2015 and its corresponding period in 2014.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

(6) **DIVIDEND**

No interim dividends had been paid or declared by the Company during the three-month period ended 31 March 2015 (2014: Nil).

(7) **LOSS PER SHARE**

The calculation of basic loss per share for the three-month period ended 31 March 2015 is based on the unaudited loss attributable to owners of the Company of approximately HK\$8,816,000 (2014: HK\$11,890,000) and on the weighted average number of approximately 3,145,545,326 (2014: 2,567,166,157) ordinary shares in issue during the period.

The weighted average numbers of ordinary shares for the purposes of basic and diluted loss per share in 2014 has been adjusted for the bonus element of the open offer as completed and disclosed by the Company on 28 May 2014.

The computation of diluted loss per share in 2015 and 2014 did not include the Company's outstanding share options since their assumed exercise would result in a decrease in loss per share.

(8) SHARE CAPITAL AND RESERVES

	Attributable to the owners of the Company								
	Share capital	Share premium	Share-based payment reserve	Other reserve	Exchange reserve	Accumulated losses	Sub-total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (audited)	24,081	906,442	18,557	(4,922)	(2,332)	(1,152,564)	(210,738)	9,306	(201,432)
Exchange differences arising on translation	-	-	-	-	4,800	-	4,800	(79)	4,721
Loss for the period	-	-	-	-	-	(11,890)	(11,890)	(392)	(12,282)
Total comprehensive (expense) income for the period	-	-	-	-	4,800	(11,890)	(7,090)	(471)	(7,561)
Recognition of equity-settled share-based payments	-	-	1,604	-	-	-	1,604	-	1,604
Issue of ordinary shares upon exercise of share options	93	4,455	(1,717)	-	-	-	2,831	-	2,831
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(2,912)	(2,912)
At 31 March 2014 (unaudited)	24,174	910,897	18,444	(4,922)	2,468	(1,164,454)	(213,393)	5,923	(207,470)
At 1 January 2015 (audited)	31,455	1,540,437	63,007	(4,922)	3,811	(1,217,898)	415,890	5,101	420,991
Exchange differences arising on translation	-	-	-	-	41	-	41	2	43
Loss for the period	-	-	-	-	-	(8,816)	(8,816)	(210)	(9,026)
Total comprehensive (expense) income for the period	-	-	-	-	41	(8,816)	(8,775)	(208)	(8,983)
Recognition of equity-settled share-based payments	-	-	6,711	-	-	-	6,711	-	6,711
Transfer among reserves (Note)	-	(1,212,603)	-	-	-	1,212,603	-	-	-
At 31 March 2015 (unaudited)	31,455	327,834	69,718	(4,922)	3,852	(14,111)	413,826	4,893	418,719

*Note:* The reduction of the amount of HK\$1,212,602,903.75 standing to the credit of the share premium account of the Company to eliminate its accumulated losses of the Company of HK\$1,212,602,903.75 as at 31 December 2014 (the “**Accumulated Losses Elimination**”) was approved by the Board in March 2015. The Accumulated Losses Elimination complied with the Cayman Islands’ Companies Law (Cap. 22) and the Articles of Association of the Company.



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

During the three-month period ended 31 March 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 March 2015, the interests of the Directors, chief executive of the Company and their respective close associates in the shares and underlying shares of the Company or any of its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

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

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

<u>Name of Director</u>	<u>Number of ordinary shares held</u>	<u>Approximate percentage of total issued shares of the Company</u>
	<i>(Note 2)</i>	<i>(Note 1)</i>
Mr. Tsoi, David	130,806	0.00%
Mr. Pang Hing Chung, Alfred	1,590,000	0.05%

(b) *Share options granted by the Company*

<b>Name of Director</b>	<b>Number of underlying shares held pursuant to share options</b>	<b>Approximate percentage of total issued shares of the Company</b>
	<i>(Notes 2 &amp; 3)</i>	<i>(Note 1)</i>
Mr. Tsui Che Yin, Frank	22,386,400	0.71%
Mr. Ko Chun Fung, Henry	19,193,200	0.61%
Mr. Tsang Yuen Wai, Samuel	22,386,400	0.71%
Mr. Tam Chi Wai, Dennis	22,386,400	0.71%
Mr. Tsoi, David	1,248,000	0.04%
Mr. Pang Hing Chung, Alfred	1,805,872	0.06%
Ms. Chan Po Yi, Patsy	1,248,000	0.04%

*Notes:*

1. As at 31 March 2015, the total number of issued shares of the Company was 3,145,545,326.
2. This represents interests held by the relevant Director as beneficial owner.
3. Details of share options granted to the Directors pursuant to the share option schemes of the Company are set out in the "Share Options" section of this report.

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

**(A) Melco International Development Limited (“Melco”) (a listed holding company of the Company)**

*(a) Ordinary shares of Melco*

<b>Name of Director</b>	<b>Number of ordinary shares held</b>	<b>Approximate percentage of total issued shares of Melco</b>
	<i>(Note 2)</i>	<i>(Note 1)</i>
Mr. Tsui Che Yin, Frank	4,547,660	0.29%
Mr. Ko Chun Fung, Henry	894,000	0.06%
Mr. Tsang Yuen Wai, Samuel	3,545,162	0.23%
Mr. Tam Chi Wai, Dennis	2,979,222	0.19%
Ms. Chan Po Yi, Patsy	4,000	0.00%

*(b) Share options granted by Melco*

<b>Name of Director</b>	<b>Number of underlying shares held pursuant to share options</b>	<b>Approximate percentage of total issued shares of Melco</b>
	<i>(Notes 2 &amp; 3)</i>	<i>(Note 1)</i>
Mr. Tsui Che Yin, Frank	3,070,000	0.20%
Mr. Tsang Yuen Wai, Samuel	1,655,000	0.11%
Mr. Tam Chi Wai, Dennis	3,135,000	0.20%

*Notes:*

1. As at 31 March 2015, the total number of issued shares of Melco was 1,546,463,555.
2. This represents interests held by the relevant Director as beneficial owner.

3. Details of the 3,070,000 share options held by Mr. Tsui Che Yin, Frank are as follows:

- 170,000 share options granted on 7 April 2010 at exercise price of HK\$3.76 are exercisable from 7 April 2015 to 6 April 2020
- 1,200,000 share options granted on 27 January 2012 at exercise price of HK\$7.10 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022
- 1,000,000 share options granted on 2 April 2013 at exercise price of HK\$13.40 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023
- 700,000 share options granted on 3 April 2014 at exercise price of HK\$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

Details of the 1,655,000 share options held by Mr. Tsang Yuen Wai, Samuel are as follows:

- 125,000 share options granted on 7 April 2010 at exercise price of HK\$3.76 are exercisable from 7 April 2015 to 6 April 2020
- 330,000 share options granted on 27 January 2012 at exercise price of HK\$7.10 are exercisable from 27 January 2015 to 26 January 2022
- 500,000 share options granted on 2 April 2013 at exercise price of HK\$13.40 are divided into 2 tranches exercisable from 2 April 2015 and 2 April 2016 respectively to 1 April 2023
- 700,000 share options granted on 3 April 2014 at exercise price of HK\$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

Details of the 3,135,000 share options held by Mr. Tam Chi Wai, Dennis are as follows:

- 30,000 share options granted on 1 April 2008 at exercise price of HK\$10.804 are divided into 3 tranches exercisable from 1 April 2009, 1 April 2010 and 1 April 2011 respectively to 31 March 2018
- 85,000 share options granted on 7 April 2010 at exercise price of HK\$3.76 are exercisable from 7 April 2015 to 6 April 2020
- 1,320,000 share options granted on 27 January 2012 at exercise price of HK\$7.10 are divided into 4 tranches exercisable from 27 January 2012, 27 January 2013, 27 January 2014 and 27 January 2015 respectively to 26 January 2022
- 1,000,000 share options granted on 2 April 2013 at exercise price of HK\$13.40 are divided into 4 tranches exercisable from 2 April 2013, 2 April 2014, 2 April 2015 and 2 April 2016 respectively to 1 April 2023
- 700,000 share options granted on 3 April 2014 at exercise price of HK\$26.65 are divided into 4 tranches exercisable from 3 April 2014, 3 April 2015, 3 April 2016 and 3 April 2017 respectively to 2 April 2024

**(B) Entertainment Gaming Asia Inc. ("EGT")** (a listed subsidiary of Melco)

(a) Shares of EGT

Name of Director	Number of shares held		Approximate percentage of total issued shares of EGT
	Before the Reverse Stock Split	After the Reverse Stock Split	
Mr. Tsang Yuen Wai, Samuel	(Note 2) 30,000	(Notes 1 & 2) 7,500	(Note 1) 0.05%

(b) *Stock options granted by EGT*

Name of Director	Number of underlying shares held pursuant to stock options		Approximate percentage of total issued shares of EGT
	Before the Reverse Stock Split	After the Reverse Stock Split	
	(Note 2)	(Notes 1 to 3)	(Note 1)
Mr. Tsang Yuen Wai, Samuel	137,500	34,375	0.24%

Notes:

1. EGT has effected a 1-for-4 reverse stock split (the “**Reverse Stock Split**”) of its shares with effect from 26 February 2015. As a result of the Reverse Stock Split, every four shares have been combined into one share. As at 31 March 2015, the total number of issued shares of EGT was 14,471,095.

The stock options which were granted and remained outstanding as at 31 March 2015 and the exercise prices of the stock options were adjusted as a result of the Reverse Stock Split.

2. This represents interests held by the relevant Director as beneficial owner.
3. Details of the 34,375 stock options held by Mr. Tsang Yuen Wai, Samuel are as follows:
  - 6,250 stock options (adjusted) granted on 11 December 2008 at exercise price of US\$1.28 (adjusted) may be exercised from 12 June 2009 to 11 December 2018
  - 3,125 stock options (adjusted) granted on 12 February 2009 at exercise price of US\$2.08 (adjusted) may be exercised from 13 August 2009 to 12 February 2019
  - 3,125 stock options (adjusted) granted on 7 January 2010 at exercise price of US\$4.64 (adjusted) may be exercised from 8 July 2010 to 7 January 2020
  - 3,125 stock options (adjusted) granted on 3 February 2011 at exercise price of US\$5.76 (adjusted) may be exercised from 4 August 2011 to 3 February 2021
  - 6,250 stock options (adjusted) granted on 3 January 2012 at exercise price of US\$3.696 (adjusted) may be exercised from 4 July 2012 to 3 January 2022
  - 6,250 stock options (adjusted) granted on 2 January 2013 at exercise price of US\$7.86 (adjusted) may be exercised from 3 July 2013 to 2 January 2023
  - 6,250 stock options (adjusted) granted on 2 January 2014 at exercise price of US\$4.844 (adjusted) may be exercised from 3 July 2014 to 2 January 2024

Save as disclosed above, none of the Directors or chief executive of the Company and their respective close associates had any interests or short position in any shares, underlying shares and debentures of the Company or any of its associated corporations as at 31 March 2015.

## SHARE OPTIONS

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

At the annual general meeting of the Company held on 18 May 2012, the shareholders of the Company approved the adoption of a new share option scheme (the “**2012 Share Option Scheme**”), under which the Directors may grant options to eligible persons to subscribe for the Company’s shares, subject to the terms and conditions stipulated therein. The 2012 Share Option Scheme will expire on 17 May 2022.

Movements of share options granted under the Old Share Option Scheme and 2012 Share Option Scheme during the three-month period ended 31 March 2015 are set out below:

Type of participants	Number of share options				As at 31 March 2015	Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period				
<b>Under Old Share Option Scheme</b>								
<b>Director</b>								
Mr. Pang Hing Chung, Alfred	278,936	-	-	-	278,936	10.07.2009	0.263	4
	278,936	-	-	-	278,936	18.11.2010	0.109	5
Sub-total:	557,872	-	-	-	557,872			
<b>Employees</b>								
	200,831	-	-	-	200,831	31.03.2008	0.638	2
	223,148	-	-	-	223,148	10.07.2009	0.263	4
	167,361	-	-	-	167,361	18.11.2010	0.109	5
Sub-total:	591,340	-	-	-	591,340			
<b>Others</b>								
	52,300	-	-	-	52,300	12.01.2007	0.063	1
	2,942,779	-	-	-	2,942,779	31.03.2008	0.638	2
	2,956,728	-	-	-	2,956,728	16.02.2009	0.215	3
Sub-total:	5,951,807	-	-	-	5,951,807			
<b>Total:</b>	<b>7,101,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,101,019</b>			



Type of participants	Number of share options					Date of grant	Exercise price (HK\$)	Exercise period (Note)
	As at 1 January 2015	Granted during the period	Exercised during the period	Lapsed during the period	As at 31 March 2015			
<b>Under 2012 Share Option Scheme</b>								
<b>Directors</b>								
Mr. Tsui Che Yin, Frank	6,386,400	-	-	-	6,386,400	02.07.2013	0.511	6
	16,000,000	-	-	-	16,000,000	11.08.2014	1.140	7
	22,386,400	-	-	-	22,386,400			
Mr. Ko Chun Fung, Henry	3,193,200	-	-	-	3,193,200	02.07.2013	0.511	6
	16,000,000	-	-	-	16,000,000	11.08.2014	1.140	7
	19,193,200	-	-	-	19,193,200			
Mr. Tsang Yuen Wai, Samuel	6,386,400	-	-	-	6,386,400	02.07.2013	0.511	6
	16,000,000	-	-	-	16,000,000	11.08.2014	1.140	7
	22,386,400	-	-	-	22,386,400			
Mr. Tam Chi Wai, Dennis	6,386,400	-	-	-	6,386,400	02.07.2013	0.511	6
	16,000,000	-	-	-	16,000,000	11.08.2014	1.140	7
	22,386,400	-	-	-	22,386,400			
Mr. Tsoi, David	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
Mr. Pang Hing Chung, Alfred	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
Ms. Chan Po Yi, Patsy	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
	1,248,000	-	-	-	1,248,000	11.08.2014	1.140	7
Sub-total:	90,096,400	-	-	-	90,096,400			
<b>Substantial shareholder</b>	7,385,871	-	-	-	7,385,871	02.07.2013	0.511	6
	4,384,000	-	-	-	4,384,000	11.08.2014	1.140	7
	11,769,871	-	-	-	11,769,871			
Sub-total:	11,769,871	-	-	-	11,769,871			
<b>Employees</b>	1,216,000	-	-	-	1,216,000	11.08.2014	1.140	7
<b>Others</b>	1,596,600	-	-	-	1,596,600	02.07.2013	0.511	6
	8,364,000	-	-	-	8,364,000	11.08.2014	1.140	7
Sub-total:	9,960,600	-	-	-	9,960,600			
<b>Total:</b>	<b>113,042,871</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,042,871</b>			

*Notes:*

1. The share options are divided into 4 tranches exercisable from 12 January 2008, 12 January 2009, 12 January 2010 and 12 January 2011 respectively to 11 January 2017.
2. The share options are divided into 2 tranches exercisable from 30 September 2008 and 31 March 2009 respectively to 30 March 2018.
3. The share options are divided into 3 tranches exercisable from 16 February 2010, 16 February 2011 and 16 February 2012 respectively to 15 February 2019.
4. The share options are divided into 3 tranches exercisable from 10 July 2010, 10 July 2011 and 10 July 2012 respectively to 9 July 2019.
5. The share options are divided into 2 tranches exercisable from 18 May 2011 and 18 November 2011 respectively to 17 November 2020.
6. The share options are divided into 4 tranches exercisable from 2 July 2013, 2 July 2014, 2 July 2015 and 2 July 2016 respectively to 1 July 2023.
7. The share options are divided into 3 tranches exercisable from 11 August 2014, 11 August 2015 and 11 August 2016 respectively to 10 August 2024.
8. The category "Others" represents the former directors/employees or consultants of the Group. Consultants are individuals who rendered consultancy services in respect of the business development to the Group without receiving any compensation. The Group granted share options to them for recognizing their services similar to those rendered by other employees.
9. For the three-month period ended 31 March 2015, no share options were cancelled under the Old Share Option Scheme and 2012 Share Option Scheme.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2015, according to the register of interests or short positions in shares required to be kept by the Company under Section 336 of the SFO, other than the interests of the Directors and chief executive of the Company, the following shareholders were interested in 5% or more of the issued shares of the Company:

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

Name	Capacity	Number of shares held	Number of underlying shares held	Approximate percentage of total issued shares of the Company
				<i>(Note 1)</i>
Melco LottVentures Holdings Limited ("Melco LV")	Beneficial owner	1,278,714,329	–	40.65%
Melco Leisure and Entertainment Group Limited ("Melco Leisure") (Note 2)	Held by a controlled corporation	1,278,714,329	–	40.65%
Melco (Note 3)	Held by controlled corporations	1,278,714,329	–	40.65%
Mr. Ho, Lawrence Yau Lung ("Mr. Ho") (Note 4)	Held by controlled corporations	1,278,714,329	–	40.65%
	Beneficial owner	–	11,769,871	0.37%
Ms. Lo Sau Yan, Sharen (Note 5)	Held by spouse	1,278,714,329	11,769,871	41.03%

*Notes:*

1. As at 31 March 2015, the total number of issued shares of the Company was 3,145,545,326.
2. Melco Leisure was deemed to be interested in 1,278,714,329 shares through its controlled corporation, Melco LV.
3. Melco was deemed to be interested in 1,278,714,329 shares through its controlled corporations, Melco LV and Melco Leisure.
4. Mr. Ho was deemed to be interested in 1,278,714,329 shares through his controlled corporations, Melco LV, Melco Leisure and Melco. He was also interested in 11,769,871 underlying shares in respect of the share options granted by the Company.
5. Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho and was deemed to be interested in 1,290,484,200 shares through the interest of her spouse, Mr. Ho.

Save as disclosed above, the Company has not been notified of any other interests or short position in the shares or underlying shares of the Company as at 31 March 2015.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESS**

During the three-month period ended 31 March 2015, none of the Directors or their respective close associates had any interest in any business, which competes or may compete, either directly or indirectly, with the business of the Group.

## AUDIT COMMITTEE

The Company has established an audit committee for the purposes of reviewing and providing supervision over the Company's financial reporting process and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The audit committee comprises three independent non-executive Directors, namely Mr. Tsoi, David (Chairman of the audit committee), Mr. Pang Hing Chung, Alfred and Ms. Chan Po Yi, Patsy and a non-executive Director, namely Mr. Tsui Che Yin, Frank. The audit committee has reviewed the first quarter report of the Company for the three-month period ended 31 March 2015.

By Order of the Board  
**MelcoLot Limited**  
**Ko Chun Fung, Henry**  
*Executive Director and Chief Executive Officer*

Hong Kong, 7 May 2015

*As at the date of this report, the Board comprises Mr. Tsui Che Yin, Frank\* (Chairman), Mr. Ko Chun Fung, Henry#, Mr. Tsang Yuen Wai, Samuel#, Mr. Tam Chi Wai, Dennis#, Mr. Tsoi, David+, Mr. Pang Hing Chung, Alfred+ and Ms. Chan Po Yi, Patsy+.*

# *Executive Director*

\* *Non-executive Director*

+ *Independent Non-executive Director*