MELCO

ANNUAL REPORT 2024

MELCO INTERNATIONAL DEVELOPMENT LIMITED
INCORPORATED IN HONG KONG WITH LIMITED LIABILITY
A HONG KONG LISTED COMPANY (STOCK CODE: 200)

Index


水舞間
HOUSE OF
DANCING WATER

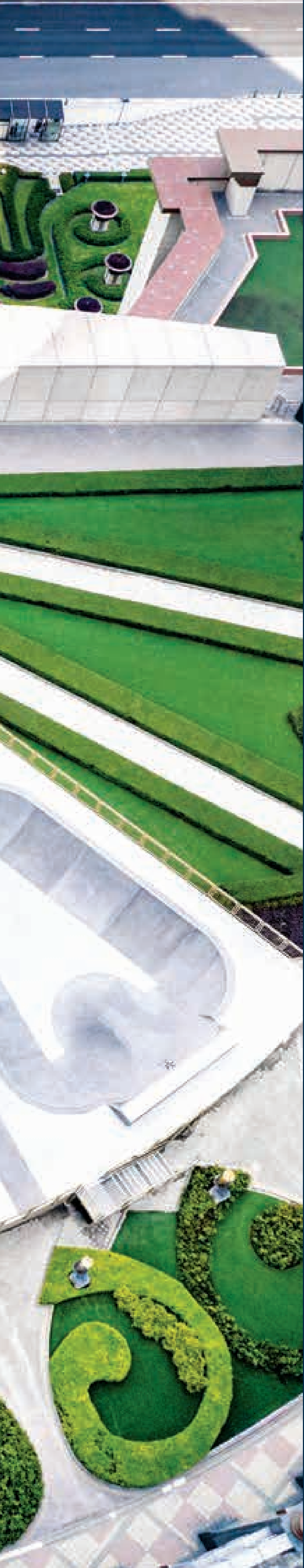
ONCE-IN-A-LIFETIME AQUATIC SHOW

The highly anticipated once-in-a-lifetime aquatic show "House of Dancing Water" is set to return to City of Dreams in May 2025. Featuring a captivating story, awe-inspiring aerial acrobats and cutting-edge technology within the bespoke Dancing Water Theatre, the world-class production breaks and redefines limits to recreate an immersive aquatic extravaganza with infinite possibilities. It realises the Group's strong vision of creating a brand-new definition of integrated resorts.


CITY OF DREAMS
SRI LANKA

INVESTING IN FUTURE GROWTH

The Group is committed to pursuing expansion opportunities that generate sustainable value for its shareholders. The Group's investment in City of Dreams Sri Lanka aligns with its asset-light strategy and contributes to the growth of the Group. In its continued exploration of new markets, the Group's new office in Thailand strategically positions it to take advantage of emerging opportunities.



HERALDING A DECADE OF DREAMS

Standing as a beacon of innovation and excellence in entertainment for guests of all ages, Studio City continually introduces new attractions, including Macau's largest water park, the first Dolby Cinema® in Macau and Hong Kong, and the city's inaugural rooftop skate park. Celebrating its 10th anniversary, Studio City reflects a decade of unforgettable experiences and a commitment to transforming Macau's entertainment landscape.

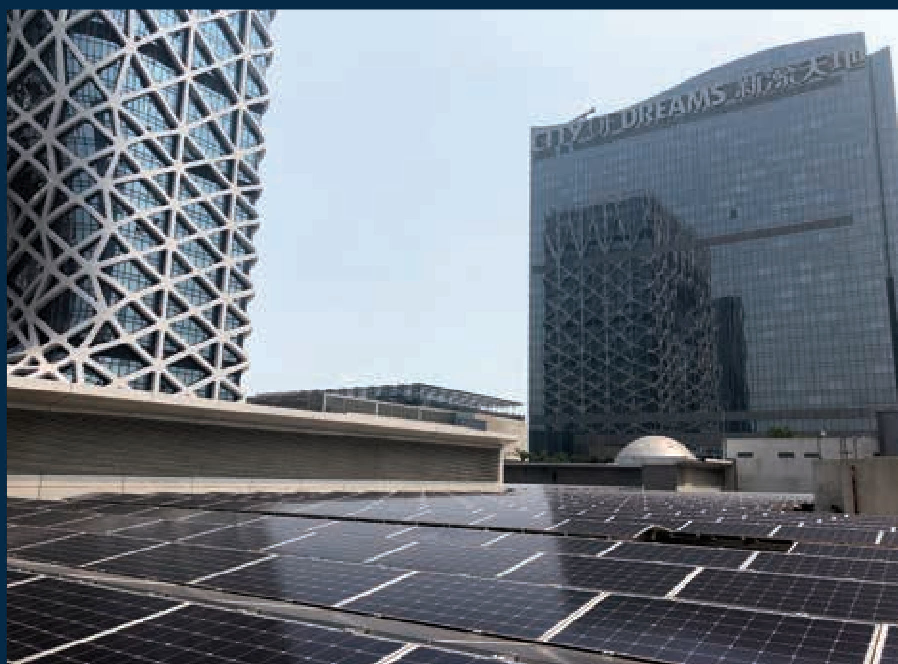

MELCO
新濠

SIMPLE ACTS OF KINDNESS

The Group is dedicated to making a positive impact on the community it serves. Its award-winning "Simple Acts of Kindness" initiative stands as a testament to its unwavering commitment to enhancing community well-being. This dedication has been duly recognised with the esteemed "Best CSR Initiative" and "Best Overall CSR Program" awards at the IAG Academy IR Awards.

可持續發展烹飪比賽
O SUSTAINABILITY
RY COMPETITION 2024

RISE TO GO ABOVE & BEYOND



The Group has consistently prioritised sustainable development as a core value. To this end, the Group strives to "Restore our World", "Inspire our Communities", "Sustain our Supply Chain", and "Empower our Business" through its commitment to "RISE to go Above & Beyond". The seamless integration of sustainability across its operations aims to enable the Group to inspire guests and demonstrate that a sustainable future is a better future.

ENTERTAINING POSSIBILITIES, ACHIEVING GROWTH

VISION

To contribute to the growth and future of the communities we serve, inspiring hope and happiness in people all over the world.

MISSION

To be a dynamic company that leads the field in leisure and entertainment, we continually explore new opportunities for growth and development that create value for all stakeholders.


STUDIO
CITY
STUDIO CITY

KEY PERFORMANCE INDICATORS

KEY FINANCIAL PERFORMANCE INDICATORS

NET REVENUES **HK$36.17 billion** Representing an increase of HK$6.64 billion or 22.5%, compared to HK$29.53 billion for the year ended 31 December 2023	ADJUSTED EBITDA **HK$9.03 billion** Compared to HK$7.51 billion for the year ended 31 December 2023
LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY **HK$0.78 billion** Compared to HK$1.74 billion for the year ended 31 December 2023	BASIC LOSS PER SHARE **HK$0.52** Compared to HK$1.16 for the year ended 31 December 2023

In 2024, Melco International Development Limited ("Melco International" or the "Company") and its subsidiaries (collectively, the "Group") focused on strategic expansion and refinement to invest in a promising future. These efforts are beginning to yield results, reflecting a meaningful market gain.

The Group's net revenues totalled Hong Kong dollar ("HK$") 36.17 billion for the year ended 31 December 2024, an increase of 22.5% compared with HK$29.53 billion recorded in the corresponding period of 2023. The increase was primarily attributable to the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023 which led to improved performance in its casino and hospitality operations for the year ended 31 December 2024. Loss attributable to owners of the Company was HK$0.78 billion in 2024, compared with HK$1.74 billion in 2023.

As the Group looks toward 2025, it is well positioned to capitalise on the high-quality differentiated products and services that it has established within its core markets.

The Group is dedicated to enhancing its cultural, leisure, and tourism offerings in Macau. The anticipated return of the once-in-a-lifetime aquatic show "House of Dancing Water" is expected to enrich City of Dreams' portfolio, establishing new benchmarks for excellence and innovation in leisure and entertainment, while promoting longer stays and repeat visits.

To further expand its global footprint, the Group will continue to implement a strategic, asset-light approach while exploring new opportunities in emerging gaming markets. The casino at City of Dreams Sri Lanka is projected to open in the third quarter of 2025, enabling the Group to extend the City of Dreams brand and broaden its customer base.

Looking ahead, the Group remains committed to creating sustainable value for its shareholders and stakeholders, while focusing on enhancing its market presence and adeptly addressing potential challenges.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The Group remains steadfast in its commitment to community service and environmental sustainability as it progresses towards its ambitious 2030 goals. Through its "RISE to go Above & Beyond" sustainability strategy, the Group exemplifies a deep dedication to positively impacting the communities it serves while striving for excellence in sustainable practices.

In 2024, the Group's unwavering dedication to societal contribution was recognised through its signature initiative, "Simple Acts of Kindness", at the IAG Academy IR Awards, winning accolades for both the Best Overall CSR Program and Best CSR Initiative. Its exemplary sustainability initiatives earned it a Merit in both the Best in ESG Award and the Theme Award categories at the BDO ESG Awards 2024. Furthermore, its subsidiary, Melco Resorts & Entertainment Limited ("Melco Resorts"), was distinguished as an "Industry Mover" in the Casinos & Gaming sector in the S&P Global Sustainability Yearbook 2025, a widely respected resource for evaluating corporate sustainability performance.

Details of the Group's various non-financial key performance indicators, including stakeholder engagement, environmental impact and other community development efforts, will be disclosed in its 2024 Environmental, Social and Governance ("ESG") Report to be published in due course.

COMMUNITY ENGAGEMENT

The Group actively engages in community programs to support the well-being of the communities it serves. Through partnerships with trusted organisations, the Group support the communities it serves through volunteerism, donations, and in-kind contributions for the betterment of society.

Approximately HK$135.7 million in donations and charitable contributions in 2024	**Close to 3,600 colleague participants participated in its global CSR activities in 2024**

ENVIRONMENTAL PROTECTION

The Group is deeply committed to environmental responsibility, dedicated to fostering a sustainable future for children and the planet, while offering innovative experiences to customers. By pursuing objectives like carbon neutrality and reducing waste and water consumption, the Group shows its strong dedication to sustainability and making a positive environmental impact.

Greenhouse Gas ("GHG") Emissions

	2022	2023	2024
Total Scope 1 and 2 Market-based[1] GHG Emissions ($MtCO_2e$)[2]	17,688	20,770	28,675
Emissions Intensity by Gross Floor Area (sqm)	0.01	0.01	0.02

Energy Consumption

	2022	2023	2024
Total Energy Consumption (MWh)[3]	390,278	470,030	536,449
Energy Intensity by Gross Floor Area (sqm)	0.28	0.27	0.29

Waste Footprint

	2022	2023	2024
Total Materials Diverted and Waste Generated (tonnes)	7,680	15,633	20,996
Waste Intensity by Gross Floor Area (sqm)	0.01	0.01	0.01

1. Scope 2 market-based emissions are offset through purchasing renewable energy through power purchase agreements and other instruments
2. Includes biogenic emissions
3. Renewable sources included

CORPORATE PROFILE

A long history and a bright future

Melco International was founded in 1910 and listed on the Hong Kong Stock Exchange in 1927. Under the leadership of Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, Melco International has found new energy and direction as a dynamic company that leads the field in the leisure and entertainment sector. Its Group companies are responding to the changing dynamics with vibrant, imaginative products and services that fulfil the demands and dreams of the increasingly affluent and ambitious young generation.

Confidence leads to growth, growth leads to confidence

Characterising all Melco International companies is confidence that stems from recent successes in repositioning businesses for long-term growth and the development of unique, proprietary products and services in attaining market leadership.

In 2017, Melco International became the sole majority shareholder of its subsidiary, Melco Resorts, a leading developer, owner and operator of integrated resort facilities in Asia and Europe. This further bolstered the Company's financial position through incorporation of the full financial contributions of Melco Resorts.

Brilliant achievements

The accolades that Melco International has received over the past several years proved that its achievements have been widely recognised. The Group is the first entertainment company to receive the "Hong Kong Corporate Governance Excellence Awards 2009" by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University. Melco International has been honoured with the "Icon on Corporate Governance" at the Asian ESG Awards (formerly known as the Corporate Governance Asia Annual Recognition Awards) for the 15th year in 2021, and the "Best Investor Relations Company in Hong Kong" at the Asian Excellence Awards for 13 years by Corporate Governance Asia magazine in 2024.

The Group's Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, was granted the "Leadership Gold Award" in the Business Awards of Macau in 2015 and the "Outstanding Individual Award" at the Industry Community Award in 2020. He won the "Asian Corporate Director Recognition Award" by Corporate Governance Asia magazine for nine consecutive years in 2021 and was also awarded "Asia's Best CEO" at the Asia Excellence Awards for the 13th year in 2024.

Melco International was a founding signatory of the Hong Kong Corporate Governance Charter launched by The Chamber of Hong Kong Listed Companies. The aim of the Charter is to strengthen and foster a corporate governance culture among listed companies in Hong Kong.

CORPORATE STRUCTURE

MELCO INTERNATIONAL DEVELOPMENT LIMITED
LISTED ON THE STOCK EXCHANGE OF HONG KONG LIMITED (SEHK:0200)

CASINO AND HOSPITALITY BUSINESS

MELCO RESORTS & ENTERTAINMENT LIMITED
LISTED ON THE NASDAQ GLOBAL SELECT MARKET (NASDAQ:MLCO)

MACAU

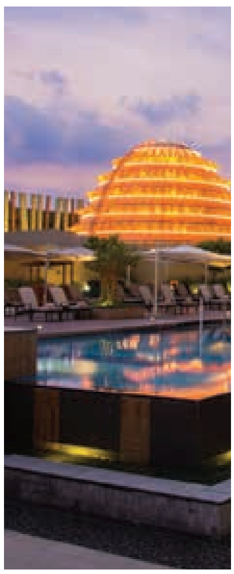
City of Dreams
Cotai

Studio City
Cotai

Altira Macau
Taipa

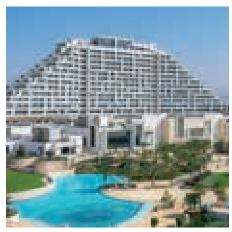
Mocha Clubs
all over Macau

THE PHILIPPINES



City of Dreams Manila
Entertainment City, Manila

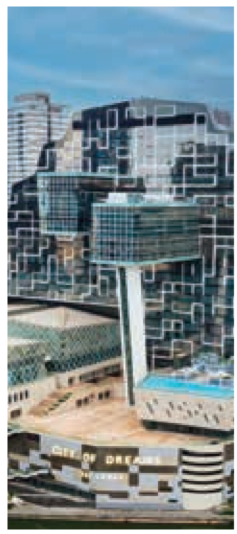
CYPRUS



City of Dreams Mediterranean
Limassol

Cyprus Casinos
Nicosia, Ayia Napa, Paphos

SRI LANKA



City of Dreams Sri Lanka
(casino and hotel management)
Colombo
(expected to open in the third quarter of 2025)

CHAIRMAN & CEO'S STATEMENT

DEAR SHAREHOLDERS,

In 2024, we pursued strategic expansion and refinement to invest in a brighter future. I am pleased to report that our efforts are beginning to yield results, marking a meaningful market gain and we expect this positive momentum to continue into 2025.

Our core market, Macau, has seen a robust recovery in tourism, with visitor numbers nearing 2019 levels. Recognising the evolving consumer landscape, particularly the growing emphasis placed on experiences among the burgeoning middle class, we invested in our business with a focus on enhancing the customer experience to build a stronger foundation for growth. We implemented initiatives to enhance property engagement and drive increased traffic, and launched new attractions including Studio City Cinema, which features the first Dolby Cinema in Macau and Hong Kong. We also launched a revamped loyalty program offering exclusive benefits and personalised experiences. These strategic endeavours are designed to deliver an unparalleled guest experience in the region.

In the Philippines, City of Dreams Manila has demonstrated resilience despite increasing competition in the market. Our performance remained solid throughout the year 2024, buoyed by increased international visitor arrivals and tourism revenue from inbound tourism expenditures, as well as the government's heightened commitment to tourism development. As we approach the 10th anniversary of City of Dreams Manila in 2025, the property has proven to be a consistent revenue source for us.

As for our operations in Cyprus, although City of Dreams Mediterranean and our satellite casinos continue to face challenges presented by ongoing regional conflicts in 2024, we have seen solid increases in their performance. Significant property upgrades implemented post-opening have enhanced guest satisfaction and boosted the overall financial performance of these assets.

As we move through 2025, we are confident in the growth prospect of our business. In Macau, recent strategic initiatives by the mainland China government, including multi-entry group tour visas between Macau and Hengqin, the expansion of the Individual Visit Scheme, simplified visa applications and the proposed Shenzhen-Macau-Zhuhai bridge connection, are enhancing accessibility to Macau and broadening our customer base.

The long-anticipated water extravaganza, "House of Dancing Water", will make its grand return in May 2025. We are confident that the once-in-a-lifetime aquatic show will further enhance the existing artistic landscape of City of Dreams, promoting the development and prosperity of the arts and culture in Macau.

Beyond Macau, we look forward to the opening of the casino at City of Dreams Sri Lanka, which is on track to open in the third quarter of 2025. This transformative project represents a capital-light investment with an attractive return profile, allowing us to extend the City of Dreams brand and broaden our customer base.

In line with our asset-light strategy, we are evaluating strategic alternatives for City of Dreams Manila to optimise our investments and reallocate resources effectively. Going forward, we will continue to explore similar asset-light models to strategically expand our global footprint. We are also actively assessing feasibility in markets where governments have shown interest in opening up their gaming industries, positioning us to seize new opportunities as they arise.

Finally, I extend my heartfelt gratitude to the Board, shareholders, business partners, customers and all our colleagues for their unwavering support. I am confident in the Group's resilience and look forward to our continued success in achieving our visionary goals in the coming fiscal year.

With best wishes,

Ho, Lawrence Yau Lung
Chairman and Chief Executive Officer

Hong Kong, 28 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT EVENTS AND DEVELOPMENTS

The Group's continued positive momentum in 2024 reflects its strategic focus on expansion and refinement. These efforts have been carefully tailored to ensure the highest quality experiences available in the region.

In Macau, strategic investments have been made to enhance accessibility and guest experience at its properties. Studio City has elevated its offerings by upgrading facilities and adding new attractions, including Studio City Cinema, further strengthening its competitive position.

Beyond its core operations in Macau, the Group has demonstrated resilience and continued growth in other key markets. In the Philippines, City of Dreams Manila has maintained its solid performance in the face of increasing competition. In Cyprus, City of Dreams Mediterranean has navigated regional challenges, achieving notable performance improvements.

The Group is further expanding its global footprint with the investment in City of Dreams Sri Lanka, the country's first integrated resort. The fit-out of the casino is progressing well and is on track to launch in the third quarter of 2025.

Studio City consistently enhances the guest experience and maintains its competitive edge by activating various areas throughout the property.

BUSINESS REVIEW

Integrated Gaming and Entertainment Resorts

Melco International operates its gaming business through its subsidiary, Melco Resorts, a developer, owner and operator of integrated resort facilities in Asia and Europe. As at 31 December 2024, Melco International, through its subsidiary, held approximately 53.85% of the total number of issued shares of Melco Resorts.

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

Beyond Macau, a Philippine subsidiary of Melco Resorts currently operates and manages City of Dreams Manila, an integrated resort located at the Entertainment City complex in Manila. In Europe, Melco Resorts currently holds a 75% equity interest in certain Cyprus subsidiaries which operate City of Dreams Mediterranean in Limassol in Cyprus and three satellite casinos in other cities in Cyprus.

The Group's net revenues totalled HK$36.17 billion for the year ended 31 December 2024, an increase of 22.5% compared with HK$29.53 billion recorded in the corresponding period of 2023. The increase was primarily attributable to the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023 which led to improved performance in its casino and hospitality operations for the year ended 31 December 2024. Loss attributable to owners of the Company was HK$0.78 billion in 2024, compared with HK$1.74 billion in 2023.

City of Dreams

City of Dreams in Macau is Melco Resorts' flagship integrated resort, a premium-focused property targeting high-end customers and rolling chip patrons from regional markets across Asia. In 2024, the property operated an average of approximately 430 gaming tables and 613 gaming machines.

As part of its commitment to enhancing Macau's diverse tourism landscape, City of Dreams is strategically focused on attracting visitors through unique experiences and artistic attractions. To improve accessibility, the entrance near the Cotai East station of the Macau Light Rapid Transit, an area with high foot traffic, has been upgraded. This upgrade includes the completion of a new light tunnel, which is further enhanced by live performances to create an inviting atmosphere.

To uphold its status as Macau's premier premium mass market leisure destination, City of Dreams is diversifying and expanding its portfolio. In September 2024, it partnered with Artelli to launch "Crowning Journey of Jean-Michel Basquiat", the first-ever Basquiat exhibition in Macau, and in December 2024, hosted the immersive art experience "Eternal Lotus 25" in celebration of the 25th anniversary of the establishment of the Macau Special Administrative Region. Supported by the Macao Government Tourism Office and the Cultural Affairs Bureau of Macau, these events introduce innovative cultural entertainment experiences to engage both residents and visitors.

The once-in-a-lifetime aquatic show "House of Dancing Water" will officially return in May 2025, ready to once again ignite the audience's imagination and deliver an unparalleled new global standard in aquatic entertainment.

Studio City

The cinematically themed integrated resort, Studio City, is designed to be the most diverse entertainment destination in Macau. In 2024, the property operated an average of approximately 251 gaming tables and 709 gaming machines.

In 2024, Studio City continued to enhance the guest experience and maintain its competitive edge by upgrading facilities and adding new attractions. New large-scale interactive LED screens were installed, activating various areas across the property. Additionally, the new Studio City Cinema opened, featuring the first Dolby Cinema in Macau and Hong Kong.

Initiatives were introduced to increase property engagement and traffic at City of Dreams, including a new light tunnel entrance that features live performances to improve accessibility and enhance the visitor experience.

Throughout the year, Studio City hosted a variety of events and activities to attract diverse audiences and enhance Macau's appeal as a premier entertainment destination. Highlights include the second season of the Melco Residency Concert Series featuring A-list artists Aaron Kwok, Joey Yung and Leon Lai, Macau's first water music festival, WAVEFest, held at Studio City Water Park with performances by Asian pop stars, and the first-ever 1,000-drone performance in Macau, the "Moonlit Drone Fiesta".

To further diversify the tourism market and support the Macau government's efforts to elevate the city's status as a vibrant "City of Sports", Studio City hosted high-calibre sporting events such as the "2024-25 East Asia Super League Macau Classic" and the "2024 Macau Lin Dan Cup Badminton Open" which were well received. In addition, the Group opened a new skate park in March 2025, providing a well-equipped venue for sports enthusiasts.

Altira Macau

Altira Macau is an integrated resort designed to provide a casino and hotel experience that caters to the premium mass and mass segments. Located in Taipa, it offers an oasis of sophistication with spectacular panoramic views of the Macau peninsula. By delivering impeccable service customised for each guest, both Altira Macau and Altira Spa achieved a Five-Star ranking from Forbes Travel Guide ("FTG") for the 16th consecutive year in 2025. In 2024, Altira Macau operated an average of approximately 39 gaming tables and 134 gaming machines operated under the brand Mocha at Altira Macau.

Mocha Clubs and Other

Mocha Clubs comprise the largest non-casino based operations of electronic gaming machines in Macau. As a pioneer in Macau's electronic gaming industry, Mocha Clubs has invested in a series of innovative and top-quality electronic gaming machines from around the world to offer a contemporary entertainment mix to a broader range of visitors. In 2024, Mocha Clubs operated an average of approximately 882 gaming machines (excluding approximately 134 gaming machines at Altira Macau).

In addition to Mocha Clubs, the Group also operates Grand Dragon Casino, which focuses on mass market table games, under a right-to-use agreement. In 2024, Grand Dragon Casino operated an average of approximately 16 gaming tables.

City of Dreams Manila

Beyond Macau, City of Dreams Manila, which is strategically located at the gateway of Entertainment City, provides an unparalleled entertainment and hospitality experience for the Southeast Asian market and continues to set the benchmark for the Group's robust capacity to execute its international vision. This dynamic property boasts the ultimate in entertainment, hotel, retail, dining and lifestyle experiences and features extensive gaming space, including VIP and mass market gaming facilities. In 2024, the property operated an average of approximately 267 gaming tables and 2,278 gaming machines.

Celebrating 10 years of excellence, City of Dreams Manila reflects on a decade of success and solid performance in the face of competition.

Significant property upgrades at City of Dreams Mediterranean, implemented post-opening, have enhanced guest satisfaction and achieved notable performance improvements.

City of Dreams Mediterranean and Other

City of Dreams Mediterranean, Europe's first and largest integrated resort, is a pioneering integrated resort that aims to establish Cyprus as a premier year-round tourism and business destination.

Marking a new chapter in Cyprus' sports landscape, the grand opening of the Marcos Baghdatis Tennis Academy took place in September 2024, featuring an electrifying showdown with tennis legend Andre Agassi. The academy offers a comprehensive range of programs designed to meet the needs of players of all ages and skill levels, ensuring that every participant receives the highest quality coaching and support. With the backing of a world-class athlete like Marcos Baghdatis, the academy is dedicated to nurturing the development of future tennis stars and promoting tennis within the local community.

In addition to City of Dreams Mediterranean, the Group continues to operate three satellite casinos in Cyprus located in Nicosia, Ayia Napa and Paphos. In 2024, City of Dreams Mediterranean had an average of approximately 100 gaming tables and 733 gaming machines and the satellite casinos had an average of approximately 4 gaming tables and 161 gaming machines.

OUTLOOK

The Group is well-positioned for an exciting 2025 as it continues to capitalise on the high-quality differentiated products and services that it has established within its core markets. In its key market of Macau, the tourism sector has demonstrated a remarkable resurgence, with total visitor arrivals reaching 34.93 million in 2024, reflecting a notable year-on-year growth of 23.8%. This positive momentum is anticipated to continue in 2025, driven by recent visa relaxations introduced by the mainland China government, including the "One Week, One Trip" policy for residents of Zhuhai and the expansion of multi-entry group tour visas between Macau and Hengqin, along with improved accessibility to Macau. These strategic initiatives, combined with the dynamic expansion of Macau's diverse hospitality and entertainment offerings, are expected to significantly enhance the city's appeal as a premier tourism and entertainment hub.

To capitalise on this growth, the Group will continue to proactively invest in enriching its cultural, leisure, and tourism portfolio in Macau. The highly anticipated return of the world-renowned "House of Dancing Water" show is expected to further strengthen City of Dreams' portfolio and set a new standard of excellence and innovation in leisure and entertainment, encouraging longer stays and repeat visits. With a focus on attracting and retaining high-quality, high-value customers, the area outside the main casino entrance of City of Dreams, as well as the active spaces around this entrance, will be renovated to enhance visual appeal and drive incremental traffic. In addition,

The Group continues to shine in Macau, earning eight MICHELIN Stars across five restaurants in its integrated resorts in Macau for 2025.

"Eternal Lotus 25" at City of Dreams is an immersive art journey centred around the revered lotus, Macau's national emblem, embodying the region's booming economy, social harmony, stability and prosperity.

the full deployment of smart baccarat tables across the Group's properties in Macau by the end of March 2025 is expected to enable the Group to further refine its marketing strategies and increase efficiencies in player reinvestment.

Continuing its global expansion, the casino at City of Dreams Sri Lanka is slated to open in the third quarter of 2025. The project is set to redefine the luxury hospitality, entertainment, and leisure landscape in the region, complementing the Group's existing portfolio of properties. The Group will continue to take a strategic, asset-light approach to global expansion, actively exploring new opportunities in emerging gaming markets.

Looking ahead, underpinned by its commitment to innovation and exceptional hospitality experiences, the Group maintains a positive outlook on its long-term business prospects across its diversified portfolio. It is dedicated to strengthening its market presence while effectively navigating potential challenges.

ACHIEVEMENTS AND AWARDS

Melco International has consistently upheld the highest principles of corporate governance and sustainability, establishing itself as a leader in the global leisure and entertainment industry. Over the years, the Group has remained steadfast in its pursuit of excellence to enhance transparency, accountability and long-term sustainability. These efforts have earned the Group numerous accolades in recognition of its outstanding performance and commitment to responsible business practices.

Corporate Governance

Melco International has received widespread recognition from the business and investment communities for its exemplary leadership and corporate governance. In 2024, the Company received the Best Investor Relations Company award for the 13th year at the Asian Excellence Awards hosted by Corporate Governance Asia magazine, while its Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, was named Asia's Best CEO for the 13th year. These accolades underscore the Group's unwavering commitment to excellence in corporate governance, which is a cornerstone of its sustainable long-term growth.

Business Operations

During the year, the Group's commitment to operational excellence was acknowledged through a number of prestigious awards, solidifying its reputation in the global hospitality sector and reflecting the Group's relentless pursuit of excellence in service delivery. This dedication showcases its commitment to offering world-class experiences to its discerning guests.

Studio City hosted its inaugural 1,000-drone lantern parade, providing guests with a spectacular nighttime entertainment experience featuring sparkling patterns in the sky.

Studio City Water Park hosted a "Heat Wave Party" in its indoor area, featuring popular singer-songwriter OSN and the dynamic DizzyDizzo.

The Group was awarded a total of 107 Stars by the 2025 FTG, reaffirming its position as a leader among integrated resorts in both Macau and Asia. The Group received a record-breaking 19 FTG Five-Star awards across its portfolio of properties. Additionally, the Group's culinary excellence was once again recognised by the MICHELIN Guide Hong Kong & Macau 2025, with an impressive total of eight MICHELIN Stars awarded across five of its signature restaurants at City of Dreams, Studio City and Altira Macau. This achievement further cements the Group's position as the leader in MICHELIN-starred dining in Macau. Furthermore, the Group has been honoured with a collective total of six Diamonds from the Black Pearl Restaurant Guide 2025.

City of Dreams' acclaimed Cantonese fine dining restaurant, Jade Dragon, received FTG Five-Star ratings for 12 consecutive years in 2025. It proudly retained its Three MICHELIN Star status for the seventh consecutive year in 2025 and the coveted Three Diamonds by the Black Pearl Restaurant Guide 2025 for the sixth consecutive year, maintaining its status as Macau's only Three-Star and Three-Diamond Chinese restaurant. Its remarkable achievements are further highlighted by its selection as a Diamond restaurant in the Trip.Best Gourmet Awards 2024, and its recognition by Tatler Best as one of Asia's top 100 finest restaurants, as well as being named one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. These accolades underscore its place among the region's finest dining establishments.

Redefining fine dining with a contemporary vision through gastronomy that pays homage to the great traditions and savoir-faire of French cuisine, Alain Ducasse at Morpheus continued to impress with FTG Five-Star recognition for the sixth consecutive year and Two MICHELIN Stars, both for the seventh consecutive year in 2025. It received One Diamond in the Black Pearl Restaurant Guide 2025 for the second year running and was awarded a Diamond accolade at the Trip.Best Gourmet Awards 2024. Furthermore, it was selected as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024.

Studio City's signature Chinese restaurant Pearl Dragon received its seventh FTG Five-Star recognition in 2025 and maintained One MICHELIN Star for the ninth consecutive year in the MICEHLIN Guide Hong Kong & Macau 2025. Furthermore, it garnered the Platinum award at the Trip. Best Gourmet Awards 2024 and was selected as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024.

The Group's commitment to luxury and service excellence was further underscored by various international honours, reinforcing its position as a global leader in luxury hospitality. W Macau – Studio City was named the World's Most Beautiful Hotel by the Prix Versailles – World Architecture and Design Award at UNESCO. This prestigious award, given to only a few properties worldwide, highlights the Group's ability to seamlessly blend visual appeal with luxurious comfort, creating spaces that offer both sensory delight and exceptional guest experiences.

By presenting an eclectic series of international sporting events, the Group is committed to elevating Macau's status as a vibrant "City of Sports".

To inspire local talent and support youth development, the Group has enabled young athletes to meet the legendary badminton player at the "2024 Macau Lin Dan Cup Badminton Open – Local Youth Sharing Session".

City of Dreams and City of Dreams Manila were named among the Top 10 Best Integrated Resorts at T+L Luxury Awards Asia Pacific 2024, while Altira Macau and Altira Spa were selected as top 10 winners in the "Hotel Pools" and "Hotel Spas" categories, respectively. City of Dreams Manila also ranked in the top 10% worldwide at Tripadvisor's Travelers' Choice Award for outstanding customer service. Additionally, City of Dreams Mediterranean won two awards at the World Luxury Hotel Awards 2024, including Luxury Casino Hotel – Europe and Luxury Lifestyle Hotel – Cyprus.

These honours highlight the Group's growing global presence and its ability to deliver exceptional luxury experiences in diverse markets.

People

As part of its ongoing commitment to excellence, the Group has implemented initiatives focused on developing talents and adopting best practices to ensure the safety and well-being of both its colleagues and the community.

The Group's "Whole Person Development" philosophy transcends traditional classroom training, fostering comprehensive systems that support holistic career paths for its colleagues, seamlessly integrating them into their professional advancement journeys. In 2024, the Group received the prestigious BEST Award from the Association for Talent Development, which recognises organisations that demonstrate enterprise-wide success through talent development.

In response to the Macau government's call for industry diversification, the Group has launched the "Culinary Foundation Acceleration Program" in collaboration with the Macau Labour Affairs Bureau and the Macao University of Tourism Studies (formerly the Macao Institute for Tourism Studies) since 2021. The initiative aims to discover and nurture local culinary talent while reinforcing Macau's status as a "Creative City of Gastronomy". As Macau's first program of its kind in the culinary sector, it consistently invests in learning resources and offers participants with comprehensive culinary training. Since its inception, 42 local talents have successfully graduated,

The Group's Volunteer Team encouraged members to bring their children as part of the "Teaching Children Values" initiative, promoting key life values such as volunteerism and social inclusivity.

The Group adheres to industry-leading OSH standards and regularly hosts OSH events to provide its colleagues the knowledge and support to maintain a high standard of OSH culture.

with approximately 88% of participants completing the program and over 55% being promoted in their new roles.

As part of its commitment to providing best-in-class safety for guests, colleagues and the community, the Group continues to implement stringent occupational safety and health ("OSH") protocols across its integrated resorts. Six of the Group's restaurants at City of Dreams, Studio City and Altira Macau have been recognised for their excellence in safety within the catering industry under the "Catering Industry Occupational Safety and Health Program" launched by the Macau Labour Affairs Bureau. These honours highlight the Group's dedication to ensuring the safety of its colleagues and guests through a comprehensive approach that adheres to industry-leading OSH standards, including robust training, constant monitoring, and thorough audits.

Corporate Social Responsibility

The Group exemplifies a strong commitment to corporate social responsibility ("CSR") through its unique programs, with a vision to make a difference in the lives of individuals and the community.

In 2024, the Group's steadfast dedication to societal contribution through its signature initiative, "Simple Acts of Kindness", earned recognition at the IAG Academy IR Awards for Best Overall CSR Program and Best CSR Initiative. These accolades acknowledge its exceptional contributions across all areas of CSR and its proactive efforts to give back to the communities it serves. Additionally, the Group received the award for Best Responsible Gaming Program at the Asia Gaming Awards, reflecting its unwavering commitment to fostering a culture of responsible gaming across all operational jurisdictions.

As the first-ever National Games co-hosted by Guangdong, Hong Kong and Macau in the Greater Bay Area approaches in 2025, the Group has pioneered sports-related events to showcase Macau's unique capabilities in hosting world-class competitions and to enhance its status as a vibrant "City of Sports". By supporting high-profile international sporting events including the "2024 Macau Lin Dan Cup Badminton Open", the "2024 UIM Macao Grand Prix MotoSurf World Championship Finale" and the "2024-25 East Asia Super League Macau Classic", the Group fosters community engagement and facilitates meaningful interactions between renowned athletes and local players and youth, providing them with the opportunity to be inspired by some of the best in the sports industry.

In its relentless pursuit of fostering a dynamic local economy and a vibrant community, the Group prioritises collaboration with local suppliers to support the Macau government's call for the "Large Business Leading Small Business" model. Leveraging its corporate strengths, the Group supports the growth of local small and medium enterprises ("SMEs") by providing essential platforms for them to showcase their products and gain insights into market demands. Initiatives such as its signature

The Group is committed to fostering local talent and promoting "Whole Person Development" by offering colleagues diverse learning opportunities to enhance vocational skills and advance their careers.

Supporting the "Large Businesses Leading Small Businesses" model, the Group aims to enhance communication with local SMEs to promote growth and mutual understanding of needs and services.

Heart-of-House SME roadshows and various business matching sessions and exchange events create exclusive opportunities for local SMEs to connect directly with the Group's Supply Chain, Culinary, Food and Beverage representatives.

Environmental Sustainability

The Group's "Above & Beyond" commitment positions sustainability as a pivotal catalyst for its growth and development in a sustainable, positive and rewarding way to guide the Group's sustainability goals by 2030.

In recognition of its exemplary sustainability initiatives, the Group has been honoured with a Merit in both the Best in ESG Award and the Theme Award categories at the BDO ESG Awards 2024, as well as the Sustainable Asia Award from Corporate Governance Asia magazine.

Melco Resorts has been included and named "Industry Mover" within the Casinos & Gaming industry in the S&P Global Sustainability Yearbook 2025, widely regarded as the benchmarking resource for corporate sustainability performance.

Furthermore, by incorporating the very highest sustainability standards, Studio City Phase 2 has achieved the Building Research Establishment Environmental Assessment Method ("BREEAM") "Excellent" rating for New Construction in 2025, following its earlier "Excellent" rating for the design stage. It is also the first BREEAM certified project in China under the category International 2016 New Construction: Bespoke scheme with an "Excellent" rating.

In Cyprus, City of Dreams Mediterranean, which has achieved a BREEAM "Excellent" rating for its sustainability strategy at the design stage, features innovative structures designed with resource efficiency and climate resilience in mind. Single-use plastic bottles has been eliminated and replaced with glass bottles in guest rooms and restaurants. Encouragingly, the property was recognised as the Luxury Sustainable Resort – Cyprus at the World Luxury Hotel Awards 2024, setting a high benchmark for the integration of sustainability and luxury.

FINANCIAL REVIEW

RESULTS	For the year ended 31 December		
	2024	2023	YoY%
HK$' million			
Net revenues	36,173.0	29,531.6	22.5%
Adjusted EBITDA	9,030.7	7,505.1	20.3%
Loss attributable to owners of the Company	(784.6)	(1,743.9)	55.0%
Basic loss per share attributable to owners of the Company (HK$)	(0.52)	(1.16)	55.0%

FINANCIAL POSITION	As at 31 December		
	2024	2023	YoY%
HK$' million			
Total assets	84,749.5	89,411.4	–5.2%
Total liabilities	76,543.0	79,038.2	–3.2%
Equity attributable to owners of the Company	45.9	665.0	–93.1%
Net asset value per share attributable to owners of the Company (HK$)	0.03	0.4	–93.1%
Gearing ratio (%)	71.6%	71.1%	N/A

Net Revenues

Net revenues of the Group increased by 22.5% from HK$29.53 billion for the year ended 31 December 2023 to HK$36.17 billion for the year ended 31 December 2024. The increase in net revenues was primarily attributable to the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023 which led to improved performance in our casino and hospitality operations for the year ended 31 December 2024.

	For the year ended 31 December		
	2024	2023	YoY%
HK$' million			
Casino revenues	29,432.3	24,090.4	22.2%
Entertainment and resort facilities:			
Rooms	3,296.6	2,647.6	24.5%
Food and beverage	2,230.7	1,635.0	36.4%
Entertainment, retail and other	1,213.3	1,158.7	4.7%
	36,173.0	29,531.6	22.5%

Adjusted EBITDA [1]

The Group generated Adjusted EBITDA of HK$9.03 billion for the year ended 31 December 2024, compared to HK$7.51 billion for the year ended 31 December 2023. The change in Adjusted EBITDA was mainly attributable to improved performance in our casino and hospitality operations, led by the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023, partially offset by higher operating costs for the increase in business activities.

Loss Attributable to Owners of the Company

Loss attributable to owners of the Company was HK$0.78 billion for the year ended 31 December 2024, compared to HK$1.74 billion for the year ended 31 December 2023. The change was mainly attributable to the improved performance in our casino and hospitality operations, led by the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023, partially offset by higher operating costs for the increase in business activities.

During the year ended 31 December 2024, due to the longer than expected ramp up of operations following the opening of Studio City Phase 2 starting in April 2023, the Group recognised an impairment of HK$931.3 million (2023: nil) for property, plant and equipment, intangible assets and right-of-use assets of Studio City. In addition, the Group recognised net impairments of HK$18.4 million for certain property, plant and equipment and intangible assets during the year ended 31 December 2024 since the performance of Altira Macau had not improved.

During the year ended 31 December 2023, as a result of a change in forecasted performance of Altira Macau, given the market conditions and lingering disruptions to the business caused by COVID-19 and the Group's earlier cessation of arrangements with gaming promoters in Macau, net impairments of HK$1.11 billion were recognised for certain property, plant and equipment, intangible assets and right-of-use assets in relation to Altira Macau.

Basic Loss Per Share Attributable to Owners of the Company

Basic loss per share attributable to owners of the Company was HK$0.52 for the year ended 31 December 2024, compared to HK$1.16 for the year ended 31 December 2023.

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[1] Adjusted EBITDA, which is a non-Hong Kong Financial Reporting Standards financial measure, is the profit/loss for the year before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to SM Investments Corporation, Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. under the cooperative arrangement (the "Philippine Parties"), integrated resort and casino rent*, corporate expenses, share of losses of a joint venture, share of losses of associates and other non-operating income and expenses. Adjusted EBITDA is used by management as the measure of the Group's operating performance and to compare our operating performance with that of our competitors. However, Adjusted EBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

* Integrated resort and casino rent represents variable lease costs to Belle for City of Dreams Manila.

Financial and Operational Performance

Melco Resorts, a majority-owned subsidiary of the Group, contributed the vast majority of the financial results of the Group during the years ended 31 December 2024 and 2023.

The performance of Melco Resorts during the years ended 31 December 2024 and 2023 is described below.

According to the 2024 annual report on Form-20F of Melco Resorts prepared in accordance with the U.S. generally accepted accounting principles ("U.S. GAAP"), it recorded total operating revenues of United States dollar ("US$") 4.64 billion for the year ended 31 December 2024 versus US$3.78 billion in the prior year. The increase in total operating revenues was primarily attributable to the improved performance in all gaming segments and non-gaming operations, led by the continued recovery in inbound tourism to Macau in 2024 and the ramp up of operations following the opening of Studio City Phase 2 starting in April 2023 and City of Dreams Mediterranean in mid-2023.

Operating income for 2024 was US$484.6 million, compared with US$65.0 million for 2023.

Melco Resorts generated Adjusted Property EBITDA[2] of US$1.22 billion for the year ended 31 December 2024, compared with US$1.04 billion in 2023.

Net income attributable to the financial performance of Melco Resorts for 2024 was US$43.5 million, compared with a net loss attributable to the financial performance of Melco Resorts of US$326.9 million for 2023.

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

* Integrated resort and casino rent represents land rent and variable lease costs to Belle and casino rent to John Keells Group.

City of Dreams

For the year ended 31 December 2024, total operating revenues at City of Dreams were US$2.28 billion, compared with US$1.93 billion in 2023. City of Dreams generated Adjusted Property EBITDA of US$621.6 million for the year ended 31 December 2024, compared with US$576.3 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
VIP Gaming			
Rolling chip volume	20,059.4	19,424.6	3.3%
Win rate	2.74%	2.61%	N/A
Mass Market			
Mass market table games drop	5,869.4	5,018.5	17.0%
Hold percentage	32.1%	30.9%	N/A
Gaming Machine			
Handle	3,771.1	3,192.2	18.1%
Win rate	3.1%	3.3%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams in 2024 was US$325.2 million, compared with US$280.9 million in 2023.

Altira Macau

For the year ended 31 December 2024, total operating revenues at Altira Macau were US$125.1 million, compared with US$110.8 million in 2023. Altira Macau generated negative Adjusted Property EBITDA of US$1.9 million in 2024, compared with US$1.3 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
Mass Market			
Mass market table games drop	535.8	488.2	9.7%
Hold percentage	22.4%	22.7%	N/A
Gaming Machine			
Handle	496.1	330.5	50.1%
Win rate	2.5%	3.5%	N/A

Non-Gaming Performance

Total non-gaming revenue at Altira Macau in 2024 was US$20.4 million, compared with US$19.3 million in 2023.

Mocha and Other

Total operating revenues from Mocha and Other were US$122.6 million in 2024, compared with US$117.7 million in 2023. Mocha and Other generated Adjusted Property EBITDA of US$27.0 million in 2024, compared with US$27.3 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
Mass Market			
Mass market table games drop	231.6	176.1	31.5%
Hold percentage	16.8%	17.0%	N/A
Gaming Machine			
Handle	2,066.0	2,030.6	1.7%
Win rate	4.3%	4.6%	N/A

Studio City

Studio City has strategically repositioned itself to focus on the premium mass and mass segments, and VIP rolling chip operations at Studio City were transferred to City of Dreams in late October 2024. For the year ended 31 December 2024, total operating revenues at Studio City were US$1.39 billion, compared with US$958.4 million in 2023. Studio City generated Adjusted Property EBITDA of US$341.2 million in 2024, compared with US$206.8 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
VIP Gaming			
Rolling chip volume	1,998.6	2,787.5	–28.3%
Win rate	3.85%	1.65%	N/A
Mass Market			
Mass market table games drop	3,683.4	2,870.4	28.3%
Hold percentage	30.6%	27.3%	N/A
Gaming Machine			
Handle	3,408.6	2,479.4	37.5%
Win rate	3.3%	3.3%	N/A

Non-Gaming Performance

Total non-gaming revenue at Studio City in 2024 was US$313.7 million, compared with US$243.7 million in 2023.

City of Dreams Manila

For the year ended 31 December 2024, total operating revenues at City of Dreams Manila were US$472.3 million, compared with US$495.1 million in 2023. City of Dreams Manila generated Adjusted Property EBITDA of US$181.1 million in 2024, compared with US$205.5 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
VIP Gaming			
Rolling chip volume	2,485.8	1,967.0	26.4%
Win rate	3.57%	4.70%	N/A
Mass Market			
Mass market table games drop	695.8	784.0	–11.2%
Hold percentage	32.8%	30.3%	N/A
Gaming Machine			
Handle	4,343.4	4,099.0	6.0%
Win rate	5.0%	5.1%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams Manila in 2024 was US$115.0 million, compared with US$116.6 million in 2023.

City of Dreams Mediterranean and Other

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

For the year ended 31 December 2024, total operating revenues at City of Dreams Mediterranean and Other were US$234.6 million, compared with US$159.4 million in 2023. City of Dreams Mediterranean and Other generated Adjusted Property EBITDA of US$50.5 million in 2024, compared with US$27.5 million in 2023.

Gaming Performance

	For the year ended 31 December		
	2024	**2023**	**YoY%**
US$'million			
VIP Gaming			
Rolling chip volume	32.0	10.9	192.3%
Win rate	0.24%	–6.17%	N/A
Mass Market			
Mass market table games drop	487.4	274.1	77.8%
Hold percentage	22.9%	21.5%	N/A
Gaming Machine			
Handle	2,152.6	1,736.0	24.0%
Win rate	5.2%	5.1%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams Mediterranean and Other in 2024 was US$75.3 million, compared with US$31.8 million in 2023.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital Resources

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

The Group continues to manage its financial position carefully and adopts conservative policies in cash and financial management. As at 31 December 2024, the Group's cash and bank balances amounted to HK$9,029.2 million (2023: HK$10,765.5 million) and restricted cash (mainly being cash collateral for concession-related guarantees to the Macau government and security under credit facilities) amounted to HK$1,043.4 million (2023: HK$1,054.3 million).

As at 31 December 2024, the Group had a total available and unutilised borrowing capacity of HK$17.16 billion (2023: HK$8.25 billion), subject to satisfaction of certain conditions precedent.

Major changes in our indebtedness during the year ended and subsequent to 31 December 2024 are summarised below.

During the year ended 31 December 2024, the Group repaid HK$6.99 billion in aggregate on a net basis along with accrued interest under the revolving credit facility under a HK$14.85 billion unsecured senior credit facilities agreement (the "2020 Credit Facilities").

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

On 17 April 2024, the Group issued US$750.0 million (equivalent to approximately HK$5.87 billion) in aggregate principal amount of 7.625% senior notes due 2032 (the "2032 Senior Notes").

On 24 April 2024, the Group settled the tender offer of the 6.000% senior notes due 2025 in an aggregate principal amount of US$500.0 million (the "2025 Senior Notes") for the aggregate principal amount of US$100.0 million (equivalent to approximately HK$782.8 million). In addition, the Group had repurchased US$75.3 million (equivalent to approximately HK$586.7 million) of the 2025 Senior Notes during the year ended 31 December 2024.

On 6 June 2024, the maturity date and the applicability of the wavier obtained in April 2020 on various undertakings and covenants of a secured credit facility of HK$2.0 million was extended from 24 June 2024 to 24 June 2026.

On 29 November 2024, the Group entered into a senior secured credit facilities agreement with a syndicate of banks (the "2024 Revolving Facility") for HK$1.945 billion with a term of five years and maturity date on 29 November 2029, with an option to increase the commitments in an amount not exceeding US$100.0 million (equivalent to approximately HK$778.2 million), subject to satisfaction of conditions precedent. The 2024 Revolving Facility is available up to the date that is one month prior to the maturity date. No drawdown have been made under this facility, as of 31 December 2024.

On 29 November 2024, the Group amended and restated a secured credit facility in aggregate amount of HK$234.0 million, which consists of a HK$233.0 million revolving credit facility and a HK$1.0 million term loan facility to, among other things, align certain terms with the terms of the 2024 Revolving Facility. The other amendments include the extension of the maturity from 15 January 2028 to 29 August 2029 and change of interest rates.

On 9 January 2025, the Company, as borrower, entered into two shareholder loan facility agreements (collectively referred to as the "Shareholder Loan Facility Agreements"), separately with the Chairman and Chief Executive Officer of the Company and his controlled company (each as lender and collectively referred to as the "Lenders"). Pursuant to the Shareholder Loan Facility Agreements, uncommitted revolving loan facilities, in an amount of US$2.2 million (equivalent to approximately HK$17.1 million) and US$22.8 million (equivalent to approximately HK$177.0 million), were granted by the Chairman and Chief Executive Officer of the Company and his controlled company, respectively, to the Company for a period from 9 January 2025 to 2 July 2026 (the "Maturity Date"), subject to certain conditions precedent. As at 28 March 2025, a principal amount of US$5.0 million (equivalent to approximately HK$38.9 million) was outstanding under the Shareholder Loan Facility Agreements.

On 5 February 2025, the Group obtained confirmation that the majority of lenders of a US$1.0 billion 5-year secured credit facility (the "2021 Credit Facilities") consented and agreed to waive certain financial covenants from 1 July 2024 to 31 December 2025 (both dates inclusive), subject to certain conditions.

On 25 February 2025, pursuant to the terms under the 2020 Credit Facilities, an incremental facility of HK$387.5 million was established to increase the available commitments under the 2020 Credit Facilities from HK$14.85 billion to HK$15.24 billion, such unused incremental borrowing capacity of HK$387.5 million as of the date of this annual report will be subject to satisfaction of certain conditions precedent.

The availability period of an unsecured credit facility amounting to Philippine Peso ("PHP") 2.35 billion (equivalent to approximately HK$314.5 million) was extended to 30 June 2025 during the year ended 31 December 2024.

For further details of our indebtedness, see note 30 to the consolidated financial statements contained herein, which includes information regarding the type of debt facilities used, the maturity profile of debt, the currency and interest rate structure, the charge on our assets and the nature and extent of any restrictions on our ability, and the ability of our subsidiaries, to transfer funds as cash dividends, loans or advances.

Gearing Ratio

The gearing ratio, expressed as a percentage of total interest-bearing borrowings divided by total assets, was 71.6% as at 31 December 2024 (2023: 71.1%).

Pledges of assets

As at 31 December 2024, borrowings in an aggregate principal amount of HK$7,832.3 million (2023: HK$7,880.9 million) were secured by the following assets of the Group:

(i) certain property, plant and equipment;

(ii) certain right-of-use land and all present and future buildings on and fixtures to such land, and land use rights (or equivalent);

(iii) certain bank deposits;

(iv) receivables and other assets including certain intragroup loans; and

(v) issued shares of certain subsidiaries of the Company.

CONTINGENT LIABILITIES

Other than the commitments and contingencies disclosed in note 40 to the consolidated financial statements of this annual report, the Group had no significant contingent liabilities as at 31 December 2024.

FINANCIAL RISK

Foreign exchange risk

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

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

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

Interest rate risk

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group trades only with recognised and creditworthy parties. The Group issues credit in the form of markers to approved casino customers following review of creditworthiness. Credit is/can be given to gaming promoters in the Philippines and Cyprus. These receivables can be offset against commissions payable and front money deposits held by the Group to the respective customers and gaming promoters for which the Group intends to set-off when required. In this regard, the management of the Group considers that the Group's credit risk is adequately monitored. As at 31 December 2024 and 2023, the credit risks associated with certain casino receivables are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related casino receivable.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

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

HUMAN RESOURCES

Headcount and Employees' Information

The total number of the Group's employees was 21,795 as of 31 December 2024 (31 December 2023: 20,220). Among these employees, 228 are located in Hong Kong and the remaining 21,567 are mainly located in Macau, the Philippines, Cyprus, mainland China, Sri Lanka and Singapore. The related staff costs for the year ended 31 December 2024, including directors' emoluments and share-based compensation expenses amounted to HK$6,972.0 million (year ended 31 December 2023: HK$6,171.2 million).

Human Resources

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

Recruitment

Melco International recruits talented people with the necessary professional competencies, desirable personal qualities and commitments to the Group. The Group hires the right people to shape its future. We identify and validate talent through different recruitment exercises and regularly review our recruitment policies and assessment criteria.

Performance and Rewards

The Company seeks and appreciates high performance. Our reward principle is primarily performance based, and we reward our people competitively and based on their job responsibilities, performances and contributions to the Group's development as well as their professional and managerial competencies.

Training and Development

The Company 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 our training programmes 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.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. HO, Lawrence Yau Lung (aged 48)
Executive Director (Chairman and Chief Executive Officer)

Mr. Ho has been the Chairman and Chief Executive Officer of the Company since March 2006. Prior to that, Mr. Ho was the Company's group managing director after the completion of a general offer for shares of the Company in 2001. Mr. Ho is also the chairman of the Company's Executive Committee, Finance Committee and Regulatory Compliance Committee and a director of certain subsidiaries of the Company. Mr. Ho is currently the chairman and chief executive officer of Melco Resorts & Entertainment Limited, a subsidiary of the Company listed on the Nasdaq Global Select Market in the United States that holds one of the six Macau gaming concessions, and develops, owns and operates integrated resort facilities in Asia and Europe. He is also a director of Studio City International Holdings Limited, a subsidiary of the Company listed on the New York Stock Exchange in the United States. He is the chairman and director of Maple Peak Investments Inc., a company listed on the TSX Venture Exchange in Canada.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho serves on the board or participates as a committee member in various organisations in Hong Kong, Macau and mainland China. He is a member of the advisory committee of the All-China Federation of Industry and Commerce; a member of the Macau Basic Law Promotion Association; a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong; a member of the Asia International Leadership Council; honorary advisor of Global Tourism Economy Research Centre; permanent honorary committee member of The Chinese General Chamber of Commerce of Hong Kong; honorary patron of The Canadian Chamber of Commerce in Macao; honorary president of Macau Research Association for Macau Gaming Law; honorary president of the Association of Property Agents and Real Estate Developers of Macau and a director executive of the Macao Chinese General Chamber of Commerce.

In 2017, Mr. Ho was awarded the Medal of Merit-Tourism by the Macau government for his significant contributions to tourism in the territory.

In recognition of Mr. Ho's directorship and entrepreneurial spirit, he was granted the Business Awards of Macau's "Leadership Gold Award" in 2015 and honoured with "Outstanding Individual Award" at the Industry Community Awards in 2020. Mr. Ho has been honoured as one of the recipients of the "Asian Corporate Director Recognition Awards" by Corporate Governance Asia magazine for nine years since 2012, and was awarded "Asia's Best CEO" at the Asian Excellence Awards for the 13th year in 2024.

Mr. Ho graduated with a Bachelor of Arts degree in commerce from the University of Toronto, Canada, in June 1999 and was awarded the Honorary Doctor of Business Administration degree by Edinburgh Napier University, Scotland, in July 2009 for his contribution to business, education and the community in Hong Kong, Macau and mainland China.

Mr. Evan Andrew WINKLER (aged 50)
Executive Director (President and Managing Director)

Mr. Winkler joined the Company as Managing Director in August 2016 and in May 2018, he assumed the role of President and Managing Director of the Company. Mr. Winkler is also a member of the Executive Committee, the Regulatory Compliance Committee and the Finance Committee and a director of various subsidiaries of the Company. He is currently a director and president of Melco Resorts & Entertainment Limited, a company listed on the Nasdaq Global Select Market in the United States, and a director of Studio City International Holdings Limited, a company listed on the New York Stock Exchange in the United States. Both of the aforesaid companies are subsidiaries of the Company.

Before joining the Company, Mr. Winkler served as a managing director at Moelis & Company, a global investment bank. Prior to that, he was a managing director and co-head of technology, media and telecommunications M&A at UBS Investment Bank. Mr. Winkler has extensive experience in providing senior level advisory services on mergers and acquisitions and other corporate finance initiatives, having spent nearly two decades working on Wall Street. He holds a bachelor's degree in Economics from the University of Chicago.

Mr. CHUNG Yuk Man, Clarence (aged 62)
Executive Director

Mr. Chung has been an Executive Director of the Company since May 2006. He is also a member of the Executive Committee and the Finance Committee of the Company and a director of various subsidiaries of the Company. He is currently a director of Melco Resorts & Entertainment Limited, a company listed on the Nasdaq Global Select Market in the United States, a director of Studio City International Holdings Limited, a company listed on the New York Stock Exchange, and the chairman and president of Melco Resorts and Entertainment (Philippines) Corporation. All of the aforesaid companies are subsidiaries of the Company. Mr. Chung has more than 30 years of experience in the financial industry in various capacities as a chief financial officer, an investment banker and a merger and acquisition specialist. He was named one of the "Asian Gaming 50" by Inside Asian Gaming magazine for multiple years.

Mr. Chung obtained a master's degree in business administration from the Kellogg School of Management at Northwestern University and The Hong Kong University of Science and Technology; and a bachelor's degree in business administration from The Chinese University of Hong Kong. He is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. He is also a member of Conselho para o Desenvolvimento Turístico (Tourism Development Committee) of the Macau SAR.

Mr. John William CRAWFORD, J.P. (aged 82)
Independent Non-executive Director

Mr. Crawford has been an Independent Non-executive Director of the Company since September 2019. He is also the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination and Corporate Governance Committee of the Company. He is also currently an independent non-executive director and the chairman of the audit and risk committee and a member of certain board committees of Melco Resorts & Entertainment Limited, a listed subsidiary of the Company having its American depositary shares listed on the Nasdaq Global Select Market in the United States. He previously served as an independent non-executive director and the chairman of the audit and risk committee of Melco Resorts and Entertainment (Philippines) Corporation (a subsidiary of the Company) until his resignation on 29 October 2020. Mr. Crawford is also an independent non-executive director and chairman of the audit committee of Regal Portfolio Management Limited/Regal REIT, a company listed on the Hong Kong Stock Exchange, and has been an independent non-executive director of E-Kong Group Limited and other companies publicly listed in Hong Kong over the years.

Mr. Crawford was one of the founders of Ernst & Young, Hong Kong office and vice-chairman of the firm when he retired at the end of 1997. During his 25 years in public practice, he was also the chairman of the audit division of Ernst & Young and was active in a number of large private and public company takeover and/or restructuring exercises. Since retirement, he has continued to undertake consultancy/advisory work in a private capacity, is active in the education sector through International Quality Education Limited and contributed to the development of five kindergartens to Grade 12 schools in Asia. He also has been active in various community service areas such as having been a founding member of UNICEF Hong Kong Committee and the Hong Kong Institute of Directors. In 1997, he was appointed as a Justice of the Peace in Hong Kong.

Mr. Crawford is a member of the Hong Kong Institute of Certified Public Accountants, a member of the Chartered Professional Accountants of Ontario and a member of the Canadian Institute of Chartered Accountants.

Mr. TSUI Che Yin, Frank (aged 67)
Independent Non-executive Director

Mr. Tsui was re-designated as an Independent Non-executive Director in July 2020. Before his re-designation, Mr. Tsui served as an Executive Director from November 2001 to June 2017 and a Non-executive Director from July 2017 to June 2020. He is also the Chairman of both the Remuneration Committee and the Nomination and Corporate Governance Committee and a member of the Audit Committee of the Company. He is currently an independent non-executive director of Jinhui Holdings Company Limited, a company listed on the Hong Kong Stock Exchange, and a non-executive director of Jinhui Shipping and Transportation Limited, a company listed on the Oslo Stock Exchange. Mr. Tsui has more than 30 years of experience in investment and banking industries and held senior management positions at various international financial institutions. Mr. Tsui was formerly the president of China Assets Investment Management Limited. Mr. Tsui graduated with a bachelor's and a master's degree in business administration from The Chinese University of Hong Kong and with a law degree from The University of London. He also holds a doctoral degree in Business Administration from The University of Newcastle, Australia.

Ms. Karuna Evelyne SHINSHO (aged 57)
Independent Non-executive Director

Ms. Shinsho has been an Independent Non-executive Director of the Company since August 2018. She is also a member of the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee of the Company. Ms. Shinsho has extensive experience in the media industry in Japan, USA, Singapore and Hong Kong. From 1989 to 2001, she worked for NHK Television, Japan and New York, Asia Business News, Singapore and CNN International, Hong Kong, then in 2004 for Australian Broadcasting Corporation, Singapore, as an anchor and/or reporter. She was named "Highly Commended News Presenter/Anchor" at the Asian TV Awards in 1999.

Ms. Shinsho obtained a Master of Arts degree in International Affairs with a regional concentration in East Asia from the School of International and Public Affairs, Columbia University in New York and a Bachelor of Arts degree (cum laude) in Political Science from the Institute of Comparative Culture, Sophia University in Japan.

SENIOR MANAGEMENT

Mr. Geoffrey Stuart DAVIS, CFA (aged 56)
Chief Financial Officer

Mr. Davis has been the Chief Financial Officer of the Company since December 2017, overseeing the Group's finance and treasury functions. He is also a director of a number of subsidiaries of the Company. He is currently an Executive Vice President and Chief Financial Officer of Melco Resorts & Entertainment Limited ("Melco Resorts"), a subsidiary of the Company listed on the Nasdaq Global Select Market in the United States and a Director and Chief Financial Officer of Studio City International Holdings Limited, subsidiary of the Company listed on the New York Stock Exchange in the United States. Prior to that, he served as the Deputy Chief Financial Officer of Melco Resorts from August 2010 to March 2011 and Senior Vice President, corporate finance of Melco Resorts from 2007, when he joined Melco Resorts. Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he held a number of positions at Hilton Hotels Corporation and Park Place Entertainment. Mr. Davis has been a CFA charter holder since 2000 and obtained a bachelor of arts degree from Brown University in 1991.

Mr. LEUNG Hoi Wai, Vincent (aged 51)
Group General Counsel

Mr. Leung is the Group General Counsel and he also serves as the Company Secretary of the Company. Mr. Leung oversees the legal, corporate secretarial and compliance matters of the Group. He is also a director of a number of subsidiaries of the Company. He joined the Group in May 2015 and assumed the role of Group General Counsel and Company Secretary of the Company in December 2015. Prior to joining the Group, he was a senior counsel of Hutchison Whampoa Limited (currently CK Hutchison Holdings Limited) and Hutchison Port Holdings Trust, a multinational conglomerate and a business trust listed in Hong Kong and Singapore respectively, and practised law with the Hong Kong office of Linklaters, a leading international law firm. Mr. Leung is qualified as a solicitor in Hong Kong and England and Wales with 25 years of experience in the legal profession specialising in corporate finance, infrastructure projects, listing and compliance matters, as well as cross-border mergers and acquisitions.

Mr. Leung is named in the Legal 500's GC Powerlist Hong Kong 2024. He holds a Postgraduate Certificate in Laws and a Bachelor of Laws degree, both from The University of Hong Kong.

CORPORATE GOVERNANCE REPORT

The maintenance of a high standard of corporate governance has been and remains a top priority of Melco International Development Limited (the "Company", together with its subsidiaries, the "Group"). The Group is committed to promoting and maintaining the highest standard of corporate governance, with the objectives of (i) maintenance of responsible decision-making; (ii) improvement in transparency and disclosure of information to shareholders; (iii) continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders; and (iv) improvement in management of risks and the enhancement of performance by the Group. The Company considers good corporate governance forms the core of a well-managed organisation and is essential to the sustainability of the Company's business and performance.

This report describes the corporate governance practices that the Company has adopted and highlights how the Company has applied the principles of the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices of the Company

The Company's governance framework is designed with reference to the applicable legislation and Listing Rules, and is supported by a collection of guidelines, policies and procedures formulated by the board of directors of the Company (the "Board"). The Board and/or the relevant Board committees conducted regular review of the aforesaid guidelines, policies and procedures which are subject to amendments from time to time due to changes in applicable legislation and Listing Rules and/or market practices.

Company's Corporate Governance Code

The Company has in place its corporate governance code (the "Company Code"), which sets out the corporate standards and practices used by the Company in directing and managing its business affairs, and is revised from time to time with reference to the principles, code provisions and recommended best practices stipulated in the CG Code. The Company Code not only formalises the Company's existing corporate governance principles and practices, it also serves to assimilate practices with benchmarks prescribed by the Hong Kong Stock Exchange, ultimately ensuring that the Company runs highly transparent operations and is accountable to its shareholders. The Company Code has been posted on the Company's website.

Code of Conduct

To ensure the highest standard of integrity in our business, the Company has a written code of business conduct and ethics (the "Code of Conduct") which sets out the ethical standards of conduct expected of all employees. Briefings on the Code of Conduct are held for new employees during orientation sessions.

Whistleblowing

The Company considers having a whistleblowing channel is a useful means of identifying possible misconduct or fraud risks of a particular operation or function and encourages employees to raise concerns in good faith. The Group has formulated procedures for handling complaints and whistleblowing at the Company and subsidiaries levels. All complaints and whistleblowing, in confidence and anonymity, are directed to the Company's Audit Committee Chairman, the Group General Counsel and the Head of Internal Audit (the "Whistleblowing Committee") concurrently for investigations.

Employees of the Company can report cases on (i) suspected violations of the Company policies, especially those related to accounting, internal accounting controls, and auditing matters; (ii) intentional error or suspected fraud in the preparation, review or audit of the Company's financial statements; and (iii) suspected theft or fraudulent activities.

During the year, the Whistleblowing Committee did not receive any complaints or concerns raised by employees.

For our principal subsidiary, Melco Resorts & Entertainment Limited ("Melco Resorts"), its employees can report any wrong-doing via the whistleblowing hotline managed by an external party. All information reported to the external party is recorded anonymously and all complaints are reviewed by selected independent management members.

Anti-corruption

In the Code of Conduct, gift policy, compliance of anti-bribery laws and laws against money laundering are provided.

Melco Resorts has also in place anti-corruption related policies such as gift policy, anti-corruption guidelines and corporate anti-money laundering and counter-terrorist financing policy.

Inside information

The Company has in place a policy on disclosure of inside information, which sets out the guidelines to the directors and employees to ensure that inside information across the Group can be promptly identified, assessed and disseminated to the public in an equal and timely manner in accordance with the applicable laws and regulations.

Compliance of the Company Code and CG Code

During the year ended 31 December 2024, the Company has complied with (i) the Company Code and (ii) the code provisions of the CG Code, apart from the deviation mentioned below.

Under Paragraph C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive officer of a listed company should be separate and performed by different individuals. However, in view of the current composition of the Board, the in-depth knowledge of Mr. Ho, Lawrence Yau Lung of the operations of the Group and of the gaming and entertainment sector, his extensive business network and connections in that sector, and the scope of operations of the Group, the Board believes it is in the best interests of the Company for Mr. Ho, Lawrence Yau Lung to assume the roles of Chairman and Chief Executive Officer until such time as the Board considers that such roles should be assumed by different persons.

CORPORATE CULTURE, STRATEGY AND GOVERNANCE

The Board is responsible for nurturing the Company's culture, which aligns with the purpose, values and strategy of the Company. It believes that when the Company's culture is properly aligned with its strategy and leadership, it can unleash tremendous amounts of energy towards a shared purpose and boost an organisation's capacity to thrive and to achieve long-term sustainability.

The Company is committed to be a dynamic company to lead the leisure and entertainment field by continually exploring new opportunities for growth and development that create value for all stakeholders. In addition to pursuing business development and excellence, we are dedicated to growing our business sustainably. Clear sustainability goals have been established in our "Above & Beyond" sustainability strategy which has become an integral part of daily operations for the entire workforce, at all echelons, and has inspired others to follow suit. Furthermore, the Group has continued to engage in various community programmes to contribute to the growth and future of the communities where it operates.

Throughout 2024, the Company continued to strengthen its cultural framework by focusing on improving operational efficiency, enhancing entertainment offerings, adopting a people-centric strategy and pursuing environmental sustainability, through various initiatives set out in the "Chairman & CEO's Statement" and "Management Discussion and Analysis" sections and the "Report of the Directors" of this annual report, as well as the standalone Environmental, Social and Governance Report (the "2024 ESG Report"). More information about the Company's vision, mission and values is available on the Company's website.

The Company has a strong commitment to ethics and integrity. As part of the Company's corporate culture, which is reflected in its core values, all of the directors, management and employees are expected to act lawfully, ethically and responsibly. Our Code of Conduct has set out the ethical standards of conduct expected of all employees. Each of them has an obligation to comply with all the laws, rules and regulations applicable to the Company's business, including the laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information and misuse of corporate assets. To promote and maintain this, the required standards and norms required of all new employees are explicitly outlined in the training materials and embedded in various policies of the Group.

In order to help new employees better understand the Company's culture and values, orientation training and staff handbooks are provided to them, and appropriate training is provided from time to time to managers and leaders across the Group so they can continue to reference the Company's culture and value and reinforce them when interacting with employees.

The Company has been monitoring the effectiveness of the promotion of culture as well as adherence to core values on a continuous basis, the findings of which, including human resources data, health and safety, environmental performance, regulatory compliance, etc., can be found in our 2024 ESG Report.

THE BOARD OF DIRECTORS

Role of the Board

The Board is entrusted with the overall responsibility for promoting the success of the Company by directing and supervising the Company's business and affairs. The Board, led by the Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, is responsible for establishing the strategic direction of the Group, setting objectives and business development plans, fostering and overseeing the corporate culture, overseeing and ensuring the adequacy and effectiveness of the Group's internal controls and risk management system, monitoring the performance of senior management and assuming responsibility for major decisions, significant transactions and corporate governance. The Board also reviews and approves the Company's annual budget and business plans, which serve as important benchmarks in assessing and monitoring the performance of management.

The ultimate responsibility for the day-to-day management of the Company is delegated to the Chief Executive Officer, President and Managing Director and management. The division of duties between the Board and the management are set out in the section headed "Delegation by the Board" of this report.

The duties and powers delegated by the Board to the Chief Executive Officer and matters reserved for decisions by the Board, and the division of responsibilities between the Company's Chairman and Chief Executive Officer, are clearly established and set out in writing.

Composition of the Board

The Board comprises a total of six directors of the Company (the "Director(s)"), with three Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director) and Mr. Chung Yuk Man, Clarence; and three Independent Non-executive Directors ("INEDs"), namely, Mr. John William Crawford, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho. The number of INEDs represents half of the Board and meets the independence requirements under Rule 3.10A of the Listing Rules.

An updated list of Directors, identifying their roles and functions at the Company, is available on the websites of the Company and the Hong Kong Stock Exchange. Biographical details of Directors are set out in the section headed "Board of Directors and Senior Management" on pages 40 to 42 of this annual report and also published on the Company's website.

All Directors have formal letters of appointment from the Company, which set out the key terms and conditions of their appointment. Each INED was appointed for a term of three years, which term will be renewed for consecutive term(s) of three years, subject to retirement by rotation and re-election at the annual general meeting in accordance with the articles of association of the Company (the "Articles of Association").

There are no relationships (including financial, business, family or other material/relevant relationship(s)) among the Board members and none of the INEDs holds seven (or more) directorships in listed companies (including the Company) as at 31 December 2024.

Chairman and Chief Executive Officer

Mr. Ho, Lawrence Yau Lung currently performs the dual roles of Chairman and Chief Executive Officer. Though these positions are currently held by the same individual, their responsibilities are clearly established and set out in writing.

Chairman's responsibilities include (without limitation):

- providing leadership to, and overseeing the functioning of, the Board
- ensuring that Board meetings are planned and conducted effectively
- ensuring that all Directors are properly briefed on issues arising at Board meetings, and receive, in a timely manner, adequate information
- ensuring that the Board works effectively, performs its responsibilities and discusses all key and appropriate issues in a timely manner
- promoting a culture of openness and encouraging Directors with different views to voice their opinions and participate fully in the Board's affairs
- ensuring that good corporate governance practices and procedures are established
- ensuring effective communication with shareholders of the Company
- chairing Board and shareholders' meetings

Chief Executive Officer's responsibilities include (without limitation):

- providing leadership for management
- overseeing the implementation by the Company of the strategies and objectives determined by the Board
- assisting the Board in making an informed assessment of any matter put before it for approval and monitoring management's performance
- leading the management of the Company's relationships with its stakeholders
- establishing and maintaining proper risk management controls and systems
- discharging such other duties and authorities as may be delegated by the Board from time to time

Independent Non-executive Directors

The Company has three INEDs, all of whom are independent of the management of the Group's business, are professionals with substantial experience in accounting, banking and finance, business, media and education. The mix of their skills and experience is a major contribution to the future development of the Company. They ensure that matters are fully debated and that no individual or group of individuals dominates the Board's decision-making process. In addition, they ensure the Company maintains a high standard of financial and other reporting and provide checks and balances to safeguard the interests of the shareholders.

The Company has received annual confirmation from all INEDs regarding their independence as required under Rule 3.13 of the Listing Rules. For Mr. John William Crawford and Mr. Tsui Che Yin, Frank:

(1) Mr. Crawford made an annual confirmation of independence under Rule 3.13 of the Listing Rules, save and except for Rule 3.13(7), in view of his holding of other directorships within the Group during the two years before the date of his appointment as an INED; and

(2) Mr. Tsui made an annual confirmation of independence under Rule 3.13 of the Listing Rules, save and except for Rule 3.13(7), in view of his acting as a Non-executive Director during the two years before the date of his re-designation as an INED.

The Company had, prior to Mr. Crawford's appointment and Mr. Tsui's re-designation, successfully demonstrated to the satisfaction of the Hong Kong Stock Exchange that each of Mr. Crawford and Mr. Tsui is qualified to serve as an INED and is independent for the purposes of Rule 3.13 of the Listing Rules and the reasons are set out in the Company's announcements dated 13 September 2019 and 2 July 2020 respectively.

The Company is not aware of any change of circumstances which may affect the independence of any INED and having considered the above is satisfied that all INEDs remain independent in accordance with the Listing Rules.

Appointment and Re-election of Directors

Newly appointed Director shall receive legal advice in accordance with Rule 3.09D of the Listing Rules and confirm their understanding of their obligations as directors of the Company. During the year, there were no new directors appointed.

Under the Articles of Association, newly appointed Directors are required to offer themselves for re-election at the first annual general meeting following their appointment. In addition, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

This year, Mr. Evan Andrew Winkler and Mr. John William Crawford will retire from office by rotation at the forthcoming AGM ("2025 AGM"). All the retiring Directors, being eligible, have confirmed they will offer themselves for re-election at the 2025 AGM. The biographical details of the retiring Directors who will offer themselves for re-election at the 2025 AGM will be set out in a circular to assist shareholders to make informed decisions on their re-elections. At every annual general meeting, the re-election of each retiring Director will be individually voted upon by shareholders by way of a separate resolution.

Nomination Policy

The Company has in place a Nomination Policy which sets out the criteria, process and procedures for governing the nomination of Directors applicable to both new appointments and re-appointments. The criteria to select candidates for directorship include the candidates' age, skills, competence, experience, expertise, professional and educational qualifications, background and personal qualities, whether the candidate can devote sufficient time and commitment to carry out his/her duties, any potential conflict of interests of the candidate, independence of the candidate (for appointment of INEDs only) and other factors that the Nomination and Corporate Governance Committee considers appropriate in assessing the candidate. Nominations of new Directors will be made by the Nomination and Corporate Governance Committee in accordance with the Nomination Policy, with due regard to the Board Diversity Policy, and are subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidates.

Mechanisms for Making Available Independent Views and Input to the Board

Recognising that board independence is critical to good corporate governance, mechanisms are implemented to ensure independent views and input are available to the Board. The mechanisms are kept under annual review by the Board, through the Nomination and Corporate Governance Committee, to ensure their effectiveness.

Communication channels

The Company has established channels through formal and informal means whereby INEDs can express their views in an open and candid manner, and in a confidential manner, should circumstances require. These include dedicated meeting sessions with the Chairman and interaction with management and other Board members including the Chairman outside the boardroom.

Board and Board committees' structure

The Company has been ensuring a strong independent element on the Board. Currently, the INED representation on the Board is 50%. Out of the six Directors, three Directors are INEDs, who are independent of and not related to each other and any members of the senior management. In addition, all the members of the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee are INEDs.

Appointment of INEDs

In assessing the suitability of candidates, apart from assessing if they are independent with reference to the relevant guidelines set out in the Listing Rules, profiles of the candidates, including their qualifications and time commitment, the Board's composition, the Directors' skill matrix, the Nomination Policy and the Board Diversity Policy are also considered.

Annual review of INEDs' independence

The Board, through the Nomination and Corporate Governance Committee, assesses INEDs' independence at the time of appointment, annually, and at any other time when circumstances warrant reconsideration.

Seeking professional advice

To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the Company Secretary or the in-house legal team as well as from external independent professional advisers at the Company's expense.

During the year, the Nomination and Corporate Governance Committee has reviewed the above mechanisms and considered that they were properly implemented and were effective in ensuring that independent views and input are provided to the Board.

Induction and Continuous Professional Development to Directors

The Company Secretary is responsible for keeping Directors informed of changes in laws and regulations and organising continuing development programmes relevant to the roles, functions and duties of a listed company director. Every Director receives a comprehensive orientation package on appointment.

All Directors have participated in continuous professional development to develop and refresh their skills and knowledge in accordance with Paragraph C.1.4 of the CG Code. During the year, the Company invited an external expert consultant to provide a training session to our Directors on the topic of "Annual Regulatory Round-up 2024", which included a particular focus on directors' duties, evolving environmental, social and governance regulatory landscape, corporate governance trends and development, latest developments and regulatory enforcement updates. The Company Secretary has also provided the Directors with information on external training courses and regular periodic updates on latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements. A summary of training received by Directors during the year of 2024 is set out as follows:

	Type of continuous professional development	
	Attending seminars/ workshops/conferences relevant to the business of the Company or directors' duties	**Reading regulatory updates or corporate governance-related materials**
Executive Directors		
Mr. Ho, Lawrence Yau Lung	✓	✓
Mr. Evan Andrew Winkler	✓	✓
Mr. Chung Yuk Man, Clarence	✓	✓
Independent Non-executive Directors		
Mr. John William Crawford	✓	✓
Mr. Tsui Che Yin, Frank	✓	✓
Ms. Karuna Evelyne Shinsho	✓	✓

Board Meetings

The Directors met four times during the year of 2024. In addition, the Chairman met the INEDs once without the presence of other Directors. Such meeting provides an effective forum for the Chairman to listen to the views of the INEDs on issues including corporate governance, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and senior management of the Company.

Wherever possible, ample notice of the Board meetings was given, and Board papers were provided in advance to Directors to enable them to prepare for the meetings.

If a Director has a potential conflict of interest in a matter to be considered by the Board, the relevant Director shall abstain from voting, and such Director will not be counted in the quorum for the Board meeting.

The Company Secretary keeps full records of the Board meetings. Minutes of the Board meetings record in sufficient detail the matters considered by the Board and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting are sent to all Directors for comments within a reasonable time after the Board meeting is held.

Attendance at Meetings

The attendance records of the Directors at Board meetings, Board committees' meetings and general meetings during the year ended 31 December 2024 are as follows:

	No. of meetings attended/held				
Name of Director	**Board meeting**	**Audit Committee meeting**	**Remuneration Committee meeting**	**Nomination and Corporate Governance Committee meeting**	**Annual general meeting**
Executive Directors					
Mr. Ho, Lawrence Yau Lung	4/4	–	–	–	1/1
Mr. Evan Andrew Winkler	4/4	–	–	–	1/1
Mr. Chung Yuk Man, Clarence	4/4	–	–	–	1/1
Independent Non-executive Directors					
Mr. John William Crawford	4/4	4/4	2/2	1/1	1/1
Mr. Tsui Che Yin, Frank	4/4	4/4	2/2	1/1	1/1
Ms. Karuna Evelyne Shinsho	4/4	4/4	2/2	1/1	1/1
Average Attendance Rate	**100%**	**100%**	**100%**	**100%**	**100%**

Procedure to Enable Directors' Seeking Independent Professional Advice

To assist the Directors to discharge their duties to the Company, the Board has established written procedures to enable the Directors, upon reasonable request, to seek independent professional advice, at the Company's expense, in appropriate circumstances.

Securities Dealings by Directors and Employees

The Company has a code for dealing in the Company's securities by the Directors and relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company (the "Code of Securities Dealings") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the required standards set out in the Code of Securities Dealings throughout the year of 2024.

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers. The coverage and the amount insured are reviewed annually by the Company. In 2024, no claims under the insurance policy were made.

DIVERSITY

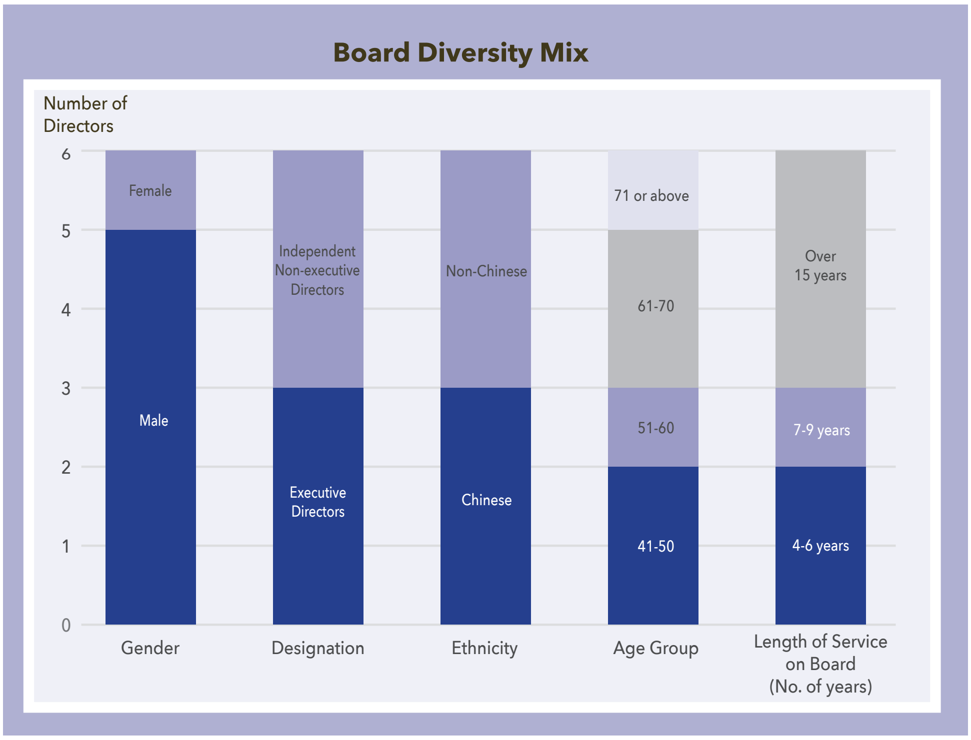
Board Diversity

We recognise and embrace the benefits of having a diverse Board to enhance the quality of its performance, and that board diversity is an essential element in attaining our strategic objectives and achieving sustainable and balanced development for the Group.

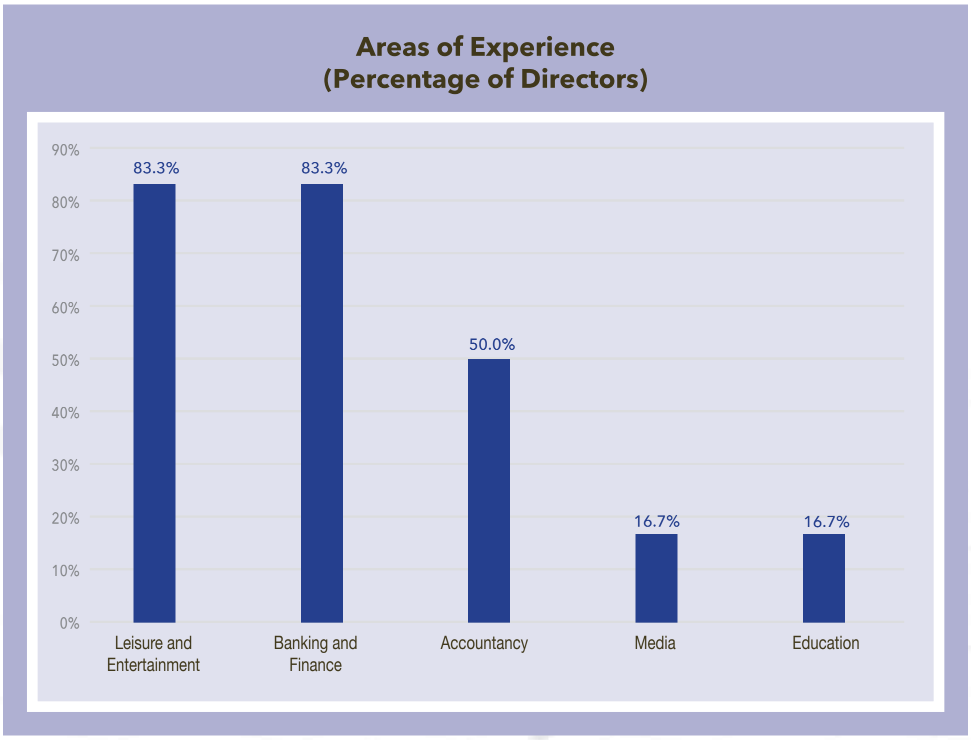
The Board adopted a Board Diversity Policy in 2013, which has been further refined in March 2023. The policy provides that selection of candidates to the Board will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having due regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. The Board will also take opportunities to increase the proportion of female members over time when selecting and making recommendation on suitable candidates for Board appointments.

The Board, through the Nomination and Corporate Governance Committee, reviews the structure, size, composition (including skills, expertise and experiences) and diversity of the Board and the Board Diversity Policy on an annual basis to ensure the Board composition contributes to the Board's efficiency and effectiveness as well as complies with the Listing Rules with an appropriate mix of skills, experience and diversity that are relevant to the Company's strategy, governance and business needs. Following the review this year, it considered that it is not necessary to make any changes to the Board for the time being and that the implementation of the Board Diversity Policy is effective.

We currently have a diverse Board in terms of age, gender, ethnicity, professional experience and industry experience. The diversity mix of the Board at the date of this report is summarised in the following charts:



Note: Among the three Directors who have been serving on the Board for over 15 years, one is an INED re-designated to the role in 2020. Prior to the re-designation, he served as an Executive Director (up to 2017) and a Non-executive Director (up to 2020).



Gender Diversity at Board Level

The Company has one female Director out of six Directors, which accounted for about 17% of the Board. In considering the Board's succession, the Nomination and Corporate Governance Committee may engage independent professional search firm(s) to help identify potential candidates for Non-executive Directors, as and when appropriate. While the Board aims to maintain at least the current level of female representation and to have the ultimate goal of bringing the Board to gender parity, the Board is of the view that it is not necessary to set interim numerical targets and timeline for Board gender diversity for the time being, it will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates for Board appointments are identified.

The Board continues to ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation and international and local recommended best practices, and in accordance with the Listing Rules, with the ultimate goal of bringing the Board to gender parity.

Gender Diversity at Workforce Level

We recognise the importance of diversity not just at the Board level but throughout the organisation. Over the years, we have focused our efforts to increase gender equality at all levels of the Company. The diversity of our senior management team sets an example from the top for our commitment to being an equal opportunity employer.

Women in leadership within the Group:

- 22% of directors across our boards
- 12% of our corporate executive committees
- 31% of our senior management
- 40% of our general management

Our overall workforce has a relatively even gender split between men and women. The male to female gender ratio in our workforce (including senior management) as at 31 December 2024 was approximately 53.4% to 46.6%. Our target is to maintain at least 50% management roles to be held by women by 2030.

To maintain a balance of gender composition of human resources at all levels, a gender diversity target has been set across the workforce. Based on the existing composition of workforce and the nature of the integrated resort industry, we target to maintain female workforce across the Group at the current level. The Group will take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for employment to ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation. Our Human Resources Department will review the employee turnover and recruitment data for women and men across the workforce annually and revisit and monitor the gender diversity target periodically.

Further details on the gender ratio of the Group among management positions and the wider workforce, together with the relevant data, can be found in the 2024 ESG Report, which is published on the websites of the Company and the Hong Kong Stock Exchange.

DELEGATION BY THE BOARD

Management Functions

The Board delegates day-to-day operations of the Group to the management. Both the Board and management have clearly defined authorities and responsibilities under various internal control and check-and-balance mechanisms. The Board has established in writing which issues require decisions of the full Board and which can be delegated by the Board to the Chief Executive Officer. These arrangements are subject to periodic review to ensure that they remain appropriate to the Company's requirements.

The management, under the leadership of the Chief Executive Officer and the President and Managing Director, is responsible for implementing the strategies and plans established by the Board and ensuring that the Company' desired culture is understood and shared at all levels of the organisation. To ensure effective discharge of the Board's responsibilities, management submits monthly and annual operations reports to the Board. The Directors have full and ready access to management on the Company's business and operations.

Board Committees

To assist the Board in the execution of its duties and to facilitate effective management, certain functions of the Board have been delegated to various committees, which review and make recommendations to the Board on specific areas.

Six Board committees have been established and each of them has its defined terms of reference and has power to decide on matters within its terms of reference. The terms of reference of all the Board committees have been posted on the Company's website under the section headed "Corporate Governance", while the terms of reference of the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee are also available on the Hong Kong Stock Exchange's website.

Regular Board committee meetings were held during the year and the number of meetings and attendance of individual committee members are set out in the section headed "Attendance at Meetings" of this report.

Each committee is provided with sufficient resources to perform its duties. It may also seek independent professional advice at the Company's expense, where necessary.

(1) Executive Committee

The Executive Committee is made up of the Company's Executive Directors and senior management. The Executive Committee operates as a general management committee under the direct authority of the Board to oversee the implementation of the Group's strategic objectives and risk management policy and the Group's business and operations. During the year, the committee met twelve times to discuss the Company's business, new projects and makes decisions on matters relating to the management and operations of the Group.

(2) Audit Committee

The Audit Committee is made up of three INEDs, Mr. John William Crawford (chairman of the committee), Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.

The role of the Audit Committee is to monitor the financial reporting process of the Company, review the Group's financial statements and published reports and ensure they comply with relevant accounting standards, oversee the financial reporting system, risk management and internal control systems of the Group and to govern the engagement of external auditor and its performance and independence.

The detailed duties and powers of the Audit Committee are set out in the committee's terms of reference, which align with the requirements of the CG Code and the guidelines issued by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee met four times during the year and the following is a summary of the work performed by the Audit Committee in 2024:

(a) reviewed and endorsed the annual financial results of 2023 and interim financial results of 2024;

(b) reviewed and endorsed the 2023 annual report and 2024 interim report;

(c) reviewed the significant findings and recommendations from the internal auditor and external auditor, and monitored their implementations;

(d) reviewed management's report on accounting and reporting and tax compliance;

(e) received updates on legal and treasury matters;

(f) reviewed the effectiveness of the risk management and internal control systems;

(g) approved the internal audit plan for 2024 and reviewed the internal audit reports;

(h) reviewed the related party transactions, connected transactions and intercompany transactions;

(i) reviewed the risk and compliance report and information security report;

(j) reviewed, endorsed and recommended to the Board the external auditor's non-assurance services pre-approval policy;

(k) reviewed and approved the external auditors' non-audit related services; and

(l) reviewed and approved the external auditor's remuneration and terms of engagement for 2024.

During the year, the Audit Committee also held private sessions with the external auditors and the Head of Internal Audit, without the presence of management representatives.

(3) Remuneration Committee

The Remuneration Committee is made up of three INEDs, Mr. Tsui Che Yin, Frank (chairman of the committee), Mr. John William Crawford and Ms. Karuna Evelyne Shinsho.

The Remuneration Committee is delegated with the authority by the Board to formulate a remuneration policy for Executive Directors and senior management and determine the remuneration packages of Executive Directors and senior management as well as guidelines on salary revisions and bonus distributions to the Group's employees (other than the employees of Melco Resorts and its subsidiaries).

The Remuneration Committee met twice during the year and the following is a summary of the work performed by the Remuneration Committee in 2024:

(a) reviewed the proposed new share incentive scheme of the Company and the proposed amendments to the share incentive scheme of Melco Resorts, a principal subsidiary of the Company, in order to comply with the requirements of Chapter 17 of the Listing Rules (for details, please refer to the summary below);

(b) reviewed and recommended to the Board the remuneration of the INEDs;

(c) reviewed and approved management's proposals on remuneration of and compensation to Executive Directors and senior management after assessing their performance;

(d) considered and recommended to the Board on grants of share awards and share options to Directors and employees of the Group and endorsed that no performance targets nor clawback mechanisms were attached to the share options grant; and

(e) reviewed and considered the views of the compensation committee of Melco Resorts ("Melco Resorts Compensation Committee") that neither performance targets nor clawback mechanisms were attached to the grants of share options and share awards by Melco Resorts (for details, please refer to the summary below).

Summary of material matters reviewed by the Remuneration Committee during the year ended 31 December 2024 relating to share schemes of the Group

(i) During the year, the Remuneration Committee reviewed the proposed new share incentive scheme of the Company (the "2024 Share Incentive Scheme") and the proposed amendments to the share incentive plan of Melco Resorts, a principal subsidiary of the Company (such plan as amended, the "Melco Resorts Amended 2021 Share Incentive Plan") for compliance with the amended applicable requirements of Chapter 17 of the Listing Rules.

The Remuneration Committee also considered (1) the specific circumstances set out in the 2024 Share Incentive Scheme regarding any grant of share options and/or share awards by the Company with a vesting period shorter than 12 months; and (2) the views of the Melco Resorts Compensation Committee on the specific circumstances set out in the Melco Resorts Amended 2021 Share Incentive Plan regarding Melco Resorts' grant of share options and/or share awards with a vesting period shorter than 12 months.

(ii) On 3 April 2024, Melco Resorts granted the following share options and restricted shares, which may be satisfied by issuance of new shares by Melco Resorts and/or existing American depositary shares of Melco Resorts ("MRE ADSs") or shares of Melco Resorts upon the exercise of share options or the vesting of restricted shares, under the share incentive plan adopted by Melco Resorts in 2021 (the "Melco Resorts 2021 Share Incentive Plan"):

(1) share options in respect of 605,166 MRE ADSs (equivalent to 1,815,498 shares of Melco Resorts) were granted to employee participants, among which share options in respect of 374,088 ADSs (equivalent to 1,122,264 shares of Melco Resorts) were granted to a director of Melco Resorts who is also a director of the Company; and

(2) restricted shares in respect of 3,739,602 ADSs (equivalent to 11,218,806 shares of Melco Resorts) were granted to employee participants, among which an aggregate of 1,196,265 ADSs (equivalent to 3,588,795 shares of Melco Resorts) were granted to four directors of Melco Resorts who are also directors of the Company, and service providers who provide advisory and consultancy services to Melco Resorts.

There were neither performance targets nor clawback mechanism attached to the above share options and restricted shares granted. The Melco Resorts Compensation Committee is of the view that the grant of share options and/or restricted shares to the grantees which include director(s) and senior management of the Company without performance targets or a clawback mechanism is market competitive, consistent with Melco Resorts' practice for senior executive remuneration, and aligns with the purposes of the Melco Resorts 2021 Share Incentive Plan to, recognise past contributions to Melco Resorts; incentivise grantees to promote the success and enhance the value of Melco Resorts; as well as to motivate, attract and retain the services of grantees. The Remuneration Committee considered the views of the Melco Resorts Compensation Committee and concurred with its views.

The share options and restricted shares granted are subject to vesting periods of not less than 12 months. Further details of above grants are set out in the announcement of the Company dated 5 April 2024.

Remuneration Policies

The Company has in place remuneration policies for Directors, senior management and other staff. When determining remuneration packages of Directors and senior management, the committee considers a number of factors, including benchmark of the relevant and similar roles in the industry, competitive market conditions, performance ratings of senior management by their leaders, and other relevant matters. Any revisions to such remuneration packages will be subject to the Board or the Remuneration Committee's approval (as the case may be), in accordance with the terms of reference of the Remuneration Committee. Senior management's compensation will be recommended by the Chairman and Chief Executive Officer and approved by the Remuneration Committee, subject to the procedures set out in the terms of reference of the Remuneration Committee. Executive Directors and senior management are entitled to discretionary bonus and/or equity grants, taking into consideration factors such as market benchmarks for the respective roles, performance of the Company and individuals, and the competitive market conditions. Details of emoluments of the Directors, Chief Executive and senior management are set out in notes 12 and 41(a) to the consolidated financial statements.

The emoluments paid or payable to the senior management for the year ended 31 December 2024 fell within the following bands:

Emolument bands (HK$)	Number of individuals
Below HK$15,000,000	1
HK$15,000,001 – HK$30,000,000	1

(4) Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee is made up three INEDs, Mr. Tsui Che Yin, Frank (chairman of the committee), Mr. John William Crawford and Ms. Karuna Evelyne Shinsho. The Group General Counsel, Mr. Leung Hoi Wai, Vincent, is co-opted as a non-voting member of the committee.

The Nomination and Corporate Governance Committee is delegated with the authority by the Board to review the Board's size, composition and diversity, to advise the Board on re-election of Directors, to make recommendations to the Board on the appointment of Directors and to assess INED's independence. It is also responsible for developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Code of Conduct and compliance manual applicable to employees and Directors and the Company's compliance with the code provisions and disclosure in the Corporate Governance Report and oversight of matters relating to corporate governance and environmental, social and governance ("ESG").

The Nomination and Corporate Governance Committee met once during the year and the following is a summary of the work performed by the Nomination and Corporate Governance Committee in 2024:

(a) reviewed the structure, size, composition and diversity of the Board;

(b) assessed the independence of INEDs;

(c) nominated Board candidates to stand for re-election by shareholders at the Company's 2024 annual general meeting ("2024 AGM");

(d) reviewed the Company's compliance with the Company Code and the CG Code;

(e) reviewed the Company's policies and practices on corporate governance and on compliance with legal and regulatory requirements;

(f) reviewed, endorsed and recommended to the Board the Corporate Governance Report;

(g) reviewed, endorsed and recommended to the Board the amendments to the Code of Securities Dealings by Relevant Persons;

(h) reviewed the ESG governance framework and ESG management systems;

(i) reviewed, endorsed and recommended to the Board the 2023 ESG Report;

(j) reviewed the effectiveness of the Board Diversity Policy, the Shareholders' Communication Policy and the mechanisms for making available independent views and input to the Board; and

(k) reviewed the training and continuous professional development of Directors and senior management.

For re-election of retiring Directors, the Nomination and Corporate Governance Committee reviewed the profile, meeting attendance, participation in the affairs of the Company and performance of the retiring Directors and determined whether they were suitable to stand for re-election as Directors at the 2024 AGM.

(5) Finance Committee

The Finance Committee is made up of three Executive Directors, Mr. Ho, Lawrence Yau Lung, Mr. Evan Andrew Winkler and Mr. Chung Yuk Man, Clarence. The Chief Financial Officer, Mr. Geoffrey Stuart Davis, is co-opted as a non-voting member of the committee. The Finance Committee holds meetings from time to time to discuss financial matters of the Group. It conducts reviews on Group-wide financial, accounting, treasury and risk management policies, major financing transactions, corporate plans and budgets, major acquisitions and investments and their funding requirements.

(6) Regulatory Compliance Committee

The Regulatory Compliance Committee is made up of two Executive Directors, Mr. Ho, Lawrence Yau Lung and Mr. Evan Andrew Winkler. The Group General Counsel, Mr. Leung Hoi Wai, Vincent, is co-opted as a non-voting member of the committee. The Regulatory Compliance Committee holds meetings from time to time to discuss compliance matters of the Group. It reviews and advises on matters relating to regulation of the Company's gaming business and compliance with applicable laws, regulations and Listing Rules.

COMPANY SECRETARY

The Company Secretary supports the Board and Board committees and facilitates good information flow between them and the Company's management. The current Company Secretary is an employee of the Company and reports to the Chairman and Chief Executive Officer. All Directors have access to the Company Secretary's advice and services. Being the primary channel of communications between the Company and the Hong Kong Stock Exchange, the Company Secretary assists the Board in implementing and strengthening the Group's corporate governance practices.

During the year, the Company Secretary has complied with the training requirements of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group upholds the highest standards of integrity and credibility across all levels of its organisation. The Board acknowledges its responsibility for establishing and maintaining sound systems of internal control and risk management on an ongoing basis to safeguard the shareholders' investment and the Group's assets. The Group's internal control systems are designed to safeguard assets against misappropriation and unauthorised disposition and to manage operational risks (including ESG risks). Review of the Group's internal controls covers major financial, operational and compliance controls, as well as risk management functions. The controls built into the risk management systems are intended to manage, not eliminate, significant risks in the Group's business environment (including ESG risks).

To fulfill this responsibility, the Chairman and Chief Executive Officer is assigned to oversee the implementation of the Group's Risk Management Policy and the ESG Governance Policy and to monitor the business and operations of business units of the Group. The Board has also assigned the Audit Committee to oversee the financial reporting systems and the risk management and internal control systems of the Group. The Audit Committee reviews the adequacy and effectiveness of the Group's risk management and internal control systems on a quarterly basis.

Risk Management System

The Group risk management system combines a top-down strategic view with a bottom-up operational process.

A risk management taskforce has been set up under the Chairman and Chief Executive Officer to assist the Board and the Audit Committee in overseeing the risk management system. The taskforce focuses on the leading and coordination of work during the financial year, including risk identifications, risk assessments, risk recommendations, risk management reporting and the establishment of the risk inventory of the Group based on the results of the risk assessment work performed with the greatest perceived risks through inquiries with key management personnel. The Board also put in place a Risk Management Policy, which provides a risk assessment framework to identify and evaluate the material business risks, operational risks, financial risks and compliance risks.

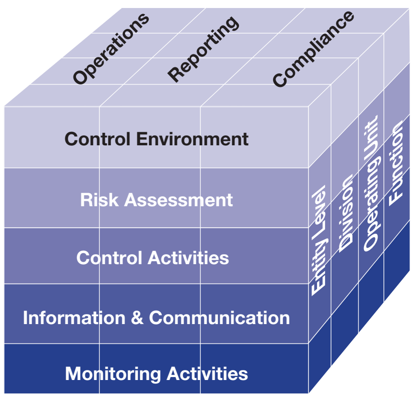
To assist the Board and the Audit Committee in overseeing the risk management system, the risk management taskforce manages reviews of the Group's risk management framework and assessments on different risk categories (including ESG risks). Results of the work covering areas such as finance, governance, operations, compliance, strategic and planning risks are submitted to the Chairman and Chief Executive Officer and the Audit Committee for review and discussion. The risks identified are considered to be in line with the Company's overall risk appetite and objectives.

Our principal subsidiary, Melco Resorts, which is separately listed on Nasdaq Global Select Market in the United States, has its own risk management system. The risk and compliance department is tasked with overseeing and assessing the risk management framework. The risk management policy, adopted by the Melco Resorts' board, provides a risk management framework to identify, analyse and evaluate the material business risks, operational risks, financial risks, compliance risks and ESG-related risks. The risk and compliance department, led by the Chief Risk Officer (the "CRO"), assists the Melco Resorts' board and audit and risk committee in overseeing the risk management system. On a semi-annual basis, a strategic risk assessment and mitigation report (the "SRAM Report") covering areas such as finance, governance, operations, compliance, strategic and planning risks, is submitted by the CRO to Melco Resorts' audit and risk committee and board of directors for review and discussion. The SRAM Report is also presented to the Company's risk management taskforce for review.

Internal Control Systems

The Group has an Internal Audit Department which reports directly to the Audit Committee. The Internal Audit Department provides the Audit Committee and the Board with useful information and recommendations on the effectiveness of the Group's internal control systems. On a regular basis, the Internal Audit Department conducts audits on financial, operational and compliance controls and a review of the risk management functions of the Company and its subsidiaries. Management is responsible for ensuring that control deficiencies highlighted in internal audit reports are rectified within a reasonable time. The Internal Audit Department produces an annual internal audit plan for the Audit Committee's approval. The audits are selected based on risk assessment to ensure that business activities with higher risks are covered. On a quarterly basis, the Head of Internal Audit reports to the Audit Committee on major observations identified in audit reviews and the implementation progress of audit recommendations, together with his opinion on the adequacy and effectiveness of the internal control systems.

The Internal Audit Department also reviews and assesses the effectiveness of the Group's internal control systems by adopting a risk-based audit approach based on the Internal Control – 2013 Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO Framework). During the review assessment, the following five components of the integrated framework are applied:



Control Environment

Control environment is a set of standards, processes, and structures that provides the basis for carrying out internal control. The Board and senior management establish the tone at the top regarding the importance of internal control and expected standards of conduct. Factors of the control environment include ethical values, Board's oversight responsibility and competence of personnel.

Risk Assessment

Risk assessment involves a dynamic and iterative process for identifying and analysing relevant risks to the achievement of the objectives, including risks relating to the changing economic, industry, regulatory, business model and operating conditions, as a basis for determining how such risks should be mitigated and managed.

Control Activities

Control activities are the actions established by policies and procedures which help ensure that management directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels and at various stages within business processes, and over the technology environment.

Information and Communications

Information and communications comprise effective processes and systems to obtain or generate relevant and quality information in support of achievement of the objectives and internal control responsibilities.

Monitoring Activities

Monitoring activities are a set of processes that assess the adequacy and quality of the internal control systems' performance over time. This is accomplished through ongoing monitoring activities, separate evaluation or a combination of the two. Internal control deficiencies are reported in a timely manner to senior management, the Audit Committee, or the Board.

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with the requirements of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the "SFO") and the Listing Rules to disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group is to immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

ESG Governance

An ESG taskforce has been set up and is directly under the Chairman and Chief Executive Officer to assist the Board and the Nomination and Corporate Governance Committee in overseeing the Group's ESG management systems, assessing their adequacy and effectiveness, and make recommendations, as deemed necessary, regarding such to the Board.

The Company has in place an ESG Governance Policy which provides an ESG governance framework and directions to management personnel to ensure (a) the Group operates on a sustainable basis by maintaining and enhancing the Group's economic, environmental, social, community contributions and commitments in the long term; (b) the effectiveness of the Group's ESG management systems and (c) the Company's compliance with the Listing Rules as amended from time to time.

Disclosures relating to the material ESG issues identified pursuant to the requirements of Appendix C2 to the Listing Rules are included in the 2024 ESG Report, which is published on the websites of the Company and the Hong Kong Stock Exchange.

Audit Committee Supervision

The Audit Committee holds meetings with the Chief Financial Officer, Group General Counsel, Head of Internal Audit, CRO and external auditor from time to time to review the financial statements and auditor's reports on financial, internal control and risk management matters. The Audit Committee reports to the Board on significant internal control and risk management matters, suspected frauds or irregularities, and alleged infringement of laws, rules and regulations, which come to its attention.

Annual Review

The Board, through the Audit Committee, conducted reviews of the effectiveness of the Group's risk management and internal control systems for 2024 covering all material financial, operational and compliance controls and risk management functions, and considered that the systems are adequate and effective. The Board, through the Audit Committee, also reviewed the adequacy of resources, staff qualifications and experience, training programmes and the budget for the Group's accounting, internal audit and financial reporting functions, and through the Nomination and Corporate Governance Committee, reviewed the Company's ESG performance and reporting, and considered that they are adequate.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are responsible for the preparation and the true and fair presentation of the Group's financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "Companies Ordinance"). These responsibilities include designing, implementing and maintaining the necessary internal control systems, ensuring that the Group's financial statements are free from material misstatement, applying the appropriate accounting policies and making reasonable accounting estimates. The Directors have not been aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern. The statement by the auditor of the Company and the Group regarding its reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report in this annual report.

AUDITOR'S REMUNERATION

For the year ended 31 December 2024, the fees paid or payable by the Company to its external auditor for providing audit and non-audit services amounted to approximately HK$1.3 million and HK$1.8 million (2023: HK$2.6 million and HK$4.4 million), respectively. The non-audit services comprise primarily interim review, taxation and advisory services.

In respect of the auditor's remuneration for the audit services paid or payable by the Company and its subsidiaries, respectively, please refer to note 9 to the consolidated financial statements.

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene Extraordinary General Meetings and Putting Forward Proposals at Annual General Meetings

Under Section 566 of the Companies Ordinance, shareholders holding not less than 5% of the total voting rights may request the directors to call a meeting. The request must state the general nature of business to be dealt with at the meeting and may include the text of a resolution that is intended to be moved at the meeting. The request may consist of several documents in like form and may be sent to the Company in hard copy or in electronic form and must be authenticated by the person(s) making it.

If the directors do not within 21 days from the date of the making of a request (after verification) proceed to convene the general meeting, the shareholders concerned, or any of them representing more than one-half of their voting rights, may themselves convene a general meeting, but any general meeting so convened cannot be held three months after the making of the request.

Under Section 615 of the Companies Ordinance, shareholders may request a company to move a resolution at the annual general meeting. The request must be in writing and made by:

(a) shareholders holding at least 2.5% of the voting rights of shareholders entitled to vote on that resolution; or

(b) not less than 50 shareholders having the right to vote on that resolution.

The above written request may be sent to the Company in hard copy or in electronic form and must identify the resolution of which notice is to be given. It must be authenticated by the person(s) making it and be received by the Company not less than six weeks before the annual general meeting to which the request relates, or, if later, the time at which notice is given of that meeting.

Procedures for Nomination of Directors for Election

Under Article 102 of the Articles of Association, shareholders are entitled to elect a person to be a Director at a general meeting. The procedures for nomination of Directors for election are available on the Company's website.

Enquiries to the Board

Shareholders have a right to put enquiries to the Board. All enquiries should be in writing and sent to the Company Secretarial Department or the Corporate Communications Department at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong or by email to info@melco-group.com.

COMMUNICATION WITH SHAREHOLDERS

Dividend Policy

The Company has a Dividend Policy in place to allow its shareholders to participate in the Company's profits while preserving the Company's liquidity to capture future growth opportunities. Pursuant to the Dividend Policy, the Company intends to provide its 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. In May 2020, the Company announced the suspension of its semi-annual dividend program under the Dividend Policy.

Annual General Meeting

The Company considers the annual general meeting an important event as it provides an opportunity for the Board to communicate with the shareholders. The Company supports the CG Code's principle to encourage shareholders' participation. Questioning by shareholders at the Company's annual general meeting is encouraged and welcomed.

Our 2024 AGM was held in a virtual (via live webcast) format. With the virtual 2024 AGM, shareholders were able to participate in the meeting online from anywhere with an internet connection in a convenient and efficient manner. At the meeting, shareholders may vote and submit questions online or, if they so opt to, dial in through the Company's designated dial-in facility to raise questions. By providing a convenient access for our shareholders, the virtual 2024 AGM facilitated attendance, which in turn encourage shareholders' participation.

The Board Chairman, Board committees' chairmen and the Company's auditor attended the 2024 AGM and were on hand to answer questions.

INVESTOR RELATIONS

Constitutional Documents

During the year, there were no changes in the Company's constitutional documents.

Shareholders Communication Policy

The Company has in place a Shareholders Communication Policy since 2012, which is available on the Company's website.

Under the policy, the Company commits to maintain an on-going dialogue with shareholders and the investment community, and to regularly review the policy to ensure its effectiveness.

The policy provides that:

(1) Information shall be communicated to shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures and corporate communications on the websites of the Company and the Hong Kong Stock Exchange.

(2) Shareholders should direct their questions about their shareholdings to the Company's Share Registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(3) Further, shareholders may at any time send their enquiries to the Company by email at info@melco-group.com or by mail to the Company Secretary at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

During the year, the Nomination and Corporate Governance Committee has conducted a review of the Shareholders Communication Policy. Taking into account the measures outlined below, the committee is satisfied that the Shareholders Communication Policy was implemented properly and remains effective.

(1) Annual and interim reports, announcements and circulars are published on a timely basis in accordance with the Listing Rules.

(2) The 2024 AGM was held in a virtual format to facilitate shareholders' participation. Shareholders could view the live video broadcast, participate in voting and submit questions online (or dial in through the Company's designated dial-in facility to raise questions) during the meeting. Electronic voting at the meeting facilitated easy and intuitive voting procedures for shareholders as well as enhancing efficiency in poll counting.

(3) On-going engagement is maintained with institutional investors, analysts and investment managers through various communications with them.

(4) Press releases timely posted on the Company's website facilitate shareholders and other stakeholders' understanding and appraisal of the Group's latest developments.

(5) Shareholders holding not less than 5% of the total voting rights of all shareholders of the Company can request the Directors to call a general meeting, details of which are explained in the section headed "Shareholders' Rights" of this report.

REPORT OF THE DIRECTORS

The directors (the "Directors") of Melco International Development Limited ("Melco International" or the "Company") are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segments is set out in note 4 to the consolidated financial statements.

BUSINESS REVIEW

General

The business review for the year ended 31 December 2024, including discussion of the principal risks and uncertainties and future developments in the Group's businesses, is outlined in the "Chairman & CEO's Statement" and "Management Discussion and Analysis" on pages 18 and 19 and 20 to 39, respectively, of this annual report. An analysis of the Group's performance during the year using financial key performance indicators is included on pages 14 and 15 and in the Group's Five-year Financial Summary on page 222 of this annual report.

Our ESG Commitment

Our ESG Approach

Our **RISE** sustainability strategy guides us to go "Above & Beyond" in achieving our commitments to **R**estore our environment, **I**nspire our communities, **S**ustain our supply chain and **E**mpower our business. It provides the framework for our Group to adopt environmental, social and governance ("ESG") best practices, motivating our employees, guests, suppliers, partners and communities to join us on our journey to realise a climate-resilient and equitable future.

Our strategy and reporting focus on topics material to our business. In 2023, we undertook an in-depth double materiality assessment of our sustainability issues, including climate-related issues, considering impact materiality as defined by the GRI Standards[1] and the financial impact criteria of the IFRS S1[2] and SASB standards[3]. The assessment involved engaging representatives of our identified stakeholder groups[4]; details on this process are provided on pages 10 to 11 of the Company's 2023 ESG Report.

1 Global Reporting Initiative ("GRI")'s Sustainability Reporting Standards 2021 ("GRI Standards").

2 International Financial Reporting Standards ("IFRS"), known as IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information. The Hong Kong Financial Reporting Standards ("HKFRS"), which will be applicable to Melco International, adopt the requirements of the IFRS standards to which Melco Resorts will align.

3 Sustainability Accounting Standards Board ("SASB") standards for the Casinos & Gaming and Hotels & Lodging sectors.

4 In 2023, one-on-one interviews with 16 internal and external stakeholders were conducted by the Group's independent consultant, Sedgwick Richardson. Online surveying of close to 3,000 stakeholders along with guest satisfaction surveys were also conducted in previous years.

This year, to ensure our double materiality approach remains relevant and effective, we reviewed our sustainability issues by interviewing six internal stakeholders heading key functional areas across the Group and two external stakeholders representing suppliers. Our Chairman and Chief Executive Officer, and the board of Directors (the "Board"), reviewed and confirmed the relevance of our material topics and the integrity of our assessment process.

In 2024, we reconfirmed our material topics as Energy & Climate Resilience, Material Use & Waste, Engaging our People, Safety, Health & Wellbeing, Responsible Gaming ("RG"), Community Investment & Engagement, Ethical & Sustainable Supply Chain, Ethics & Integrity and Privacy & Cybersecurity. These topics continue to inform our strategy implementation and reporting now and going forward. The results of the double materiality process, and an assessment of the Group's impacts, risks and opportunities along the value chain, are provided in the Company's 2024 ESG Report (the "2024 ESG Report") . Evolving risks and opportunities (including those that are climate-related), are disclosed in the 2024 sustainability report of Melco Resorts & Entertainment Limited ("Melco Resorts"), a listed subsidiary of the Company.

Board Oversight

The Board is responsible for overseeing the Group's corporate governance structure and the implementation of its sustainability strategy and resulting ESG performance. The Group's ESG Governance Policy, risk management systems and internal control environment are regularly reviewed to determine their effectiveness in complying with applicable regulatory requirements. This oversight confirms that our ESG framework and management systems are appropriate for sustaining our global operations in the long term.

The Nomination and Corporate Governance Committee ("NCGC") of the Board supervises ESG management across the Group, with direct oversight from our Chairman and Chief Executive Officer. The Board and the NCGC are supported by the ESG Taskforce in monitoring ESG performance. By directly engaging with the ESG and corporate social responsibility ("CSR") committees (the "Committees") of our major subsidiaries, the taskforce assesses performance and evaluates whether sufficient resources are allocated to ESG responsibilities, ensuring the Group's goals are met.

Semi-annual updates are provided by the Committees to the Board on ESG trends and regulatory requirements in our jurisdictions, as well as our progress towards the Group's ESG goals. These updates include performance against targets aligned with our commitments to achieving carbon-neutral, zero-waste resorts by 2030 and expanding the sustainability attributes of our procurement activities. Updates also cover ongoing CSR initiatives that invest in and engage our communities, support the health, wellbeing, safety and development of our people, promote local culture and heritage, and maintain external verification of our high standards in RG across all our properties. In reviewing the Group's ESG performance, as well as its annual ESG report, the Board has the responsibility to recommend areas for improvement where needed.

To stay informed of the latest developments, the Board receives regular training from external consultants. In 2024, an update on the evolving ESG disclosure and regulatory landscape, including the local roadmap for adopting the HKFRS Sustainability Disclosure Standards[5], was provided to the Board by an external consultant. Additionally, Melco Resorts' directors (some of whom sit on Melco International's Board) and senior management representatives of the Group participated in a three-hour interactive session, specifically tailored for the Group's operations, delivered by Melco Resorts' independent sustainability consultant. The training covered:

- Global sustainability trends, best practices and stakeholder perceptions, and their direct relevance to the Group's operations and board oversight responsibilities
- Best practices in governance and an introduction to sustainability governance models
- Actionable guidance on asking the right questions to assess the effectiveness of the Company's approach to, and resources for, implementing its RISE sustainability strategy and meeting its sustainability goals

5 The HKFRS integrate the International Financial Reporting Standards ("IFRS") sustainability disclosure standards, IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 - Climate-related Disclosures.

Our ESG Performance and Goals

Maintaining our license to operate as a leading, responsible integrated resort operator is underpinned by our robust governance structure and the implementation of stringent policies, systems and controls. These form the foundation for upholding our ESG standards and ensuring accountability and transparency as we progress towards the aspirational goals of our "RISE" sustainability strategy.

We are motivated by our longstanding commitment to inspiring collaboration among stakeholders to achieve a more sustainable future. In 2019, we set ambitious 2030 goals to achieve carbon neutrality and zero waste across our operations, while contributing to the circular economy. These priorities were reinforced in 2023 when we became the World Sustainable Hospitality Alliance's founding member in Asia, aligning our strategy with the Alliance's Pathway to Net Positive Hospitality[6].

Reflecting on 2024 and the past five years since we set our ambitious 2030 goals, we have seen growing momentum in integrating sustainability across our operations. Investments in environmental initiatives have enabled substantive progress in managing and tracking our energy, water, waste and sourcing performance. A critical element to this success has been the alignment of teams across the Group in monitoring and reporting against standardised metrics over the years. This was strengthened by commencing the implementation of a Group-wide ESG data collection system in 2024.

This progress is reflected in feedback from our colleagues, who increasingly experience a culture of sustainability permeating our day-to-day operations. Across our properties, this is evidenced in reduced food waste in employee dining rooms, sustainability training and a competition for our culinary teams, increased use of recycled content in our uniforms and dramatic reductions in single-use-plastic water bottles, amenities and packaging. We have also adopted innovative technologies to further address our energy, water and waste footprints.

Complementing our onsite food waste reduction, dewatering, composting and vermiculture practices, we have expanded circular economy initiatives in Manila by collaborating with local farmers. Excess compost generated at City of Dreams Manila is now shared with a local farm, some of which returns nutrient-rich produce to supply our F&B operations, reinforcing our commitment to sustainable sourcing.

Our commitments extend to sustainable building design. City of Dreams Mediterranean in Cyprus and Studio City Phase 2 in Macau both achieved the BREEAM "Excellent" rating for the design stage—the first such recognition in Cyprus and for a hotel in Macau. Additionally, our Studio City Phase 2 development became the first BREEAM-certified project in China under the category *International 2016 New Construction: Bespoke* Scheme with an "Excellent" rating.

Sustainability is an ongoing process, not a single end goal. As we refine our approach, we plan to critically assess opportunities for water conservation and examine our broader impacts and dependencies on nature to develop new initiatives that support biodiversity protection and nature-positive solutions. Beyond operational improvements, we are committed to embedding sustainability deeper into decision making—working alongside our guests, colleagues, suppliers and communities to drive meaningful change across our value chain.

Additional highlights of 2024 are provided below, with further details available in our 2024 ESG Report.

6 https://sustainablehospitalityalliance.org/our-work/pathway/

Our Guests

Each year, we are honoured to be recognised for the best-in-class service we strive to deliver to our guests. In 2024, we continued to lead among integrated resorts in Asia, earning the highest number of stars from Forbes Travel Guide, including 16 five-star and three four-star awards. In Macau, our culinary excellence was reaffirmed with eight MICHELIN Stars across five of our restaurants at City of Dreams, Studio City and Altira Macau.

Delivering world-class hospitality goes beyond service and accolades—it means ensuring the security, safety, health and wellbeing of every guest. We uphold industry-leading standards that exceed compliance, offer extensive training to our teams, and continually monitor and evaluate our performance to identify opportunities for improvement.

At the same time, we invite our guests to join us on our sustainability journey. Each year, we enhance our menus with healthier and more responsible options, including sustainably sourced seafood[7], cage-free eggs[8], lower-carbon meat and a variety of vegetarian and plant-based dishes, all available across our restaurants.

RG is not only foundational to maintaining our license to operate, but also an ethical imperative for us to uphold the most stringent standards and exceed regulatory requirements. We adopt technologically enabled safeguards (including facial recognition), equip our guests with the required information and resources to make informed gaming choices, and provide all our guests with access to assistance when needed.

In 2021, we became the first integrated resort operator in Macau and the Philippines to attain RG Check[9] accreditation, with Cyprus following in 2022. In 2024, City of Dreams Manila and City of Dreams Mediterranean, including its satellite casinos, excelled in the RG Check strategy, education and training criteria, further strengthening our leadership in RG. In Macau, ten of our locations[10] have received recognition as "Responsible Gambling Model Units" with nine earning perfect scores of 100% against the criteria. We also retained our recognition by the Asia Gaming Awards in the category of "Best Responsible Gaming Programme" in 2024.

Our Colleagues

Across the Group, our efforts to integrate sustainability into our operations and culture are uplifting not only the guest experience but pride at work. This enthusiasm is reflected in how colleagues engage with our learning and development programmes—from the Foundation Acceleration Programme ("FAP"), Culinary FAP and Back-to-School programme to the Melco Learning Academy, which delivered over 1,400 courses in 2024. Beyond professional growth, colleagues are actively engaged in community initiatives and have embraced new "*REACH!* Programme" offerings, which expanded beyond sporting events and competitions to include training on healthy food, fitness, yoga and overall wellbeing.

Fostering a safe, healthy and inclusive workplace where colleagues are comfortable bringing their "whole selves" to work is core to being an equal opportunity employer. Our expectations for respectful and fair workplaces, including our zero-tolerance approach to any form of discrimination or harassment, are enshrined in our Codes of Business Conduct and Ethics of Melco International and Melco Resorts (collectively the "Codes") and Inclusion & Diversity Statement. Our global workforce spans 85 nationalities, and across our integrated resorts, 63% of positions at the "Vice President" level and above are filled locally. In 2024, women made up 47% of our workforce, 22% of our Group's board directors, 12% of our corporate executive committees, 31% of our senior management and 40% of general management.

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7 As outlined in our Sustainable Seafood Sourcing Guidelines, we define "sustainable seafood" as fish or seafood items from sources that have been certified by international bodies or other standards, or identified as such by recognised, science-based recommendations. Please refer to the Sustaining our Supply Chain section of our 2024 ESG Report for details.

8 Cage-free eggs, from sources recommended by the Lever Foundation (https://leverfoundation.org/), are produced by hens that are free to roam in barns and natural environments, rather than being confined to small cages.

9 RG Check was developed by the Responsible Gambling Council and is overseen by an independent panel of RG specialists. As of 2024, the casinos at our properties in Macau have retained external assessments against the local government's RG Implementation Index criteria.

10 The facilities include City of Dreams Macau, Studio City, Altira Macau (including Mocha Altira), Grand Dragon Casino, Mocha Hotel Grand Dragon, Mocha Hotel Golden Dragon, Mocha Kuong Fat, Mocha Inner Harbor, Mocha Hotel Royal and Mocha Hotel Sintra.

Strengthening our resilience also means preparing for new challenges. In 2024, our Information Security and Risk teams engaged operational colleagues onsite through simulated cyberattack exercises, testing their ability to respond under pressure. These drills not only provided invaluable insights for improving our systems but also fostered cross-team collaboration, ensuring that colleagues across the Group are prepared for emerging risks.

Our Suppliers

Our sourcing strategy focuses on collaborating with our suppliers to build their capacity to adopt leading ESG practices and increasingly provide items and services with sustainability attributes[11]. Our Supplier Code of Conduct (the "Supplier Code") outlines our standards for adhering to relevant legal requirements at a minimum and adopting ethical and responsible business practices, including those for safeguarding human and labour rights and furthering environmental and social improvement. It provides the foundation for supplier engagement, with compliance integrated into tendering and purchasing processes. As the regulatory landscape, ESG risks, opportunities and stakeholder expectations evolve, we regularly review and update the Supplier Code while providing training and information sessions to keep suppliers informed.

In 2024, five years since setting our ambitious goals, we have advanced our sustainable sourcing efforts by:

- reducing environmental impacts across priority product categories, including cotton, chemicals, seafood, cage-free eggs and others;
- enhancing our systems and processes to track sourcing attributes and improve efficiencies in ordering and payments to suppliers; and
- integrating sustainability thinking and actions into our colleagues' day-to-day operations and interactions with suppliers and business partners.

We will continue to expand our supplier engagement and capacity-building initiatives to drive continuous improvement.

Our Communities

Empowering communities to thrive is at the heart of our investment and engagement initiatives. This goal drives our colleagues to leverage resources and innovate with our community, governmental, supplier and small– and medium-enterprise ("SME") partners along our value chain. Our outreach aligns with local needs—supporting vulnerable groups, strengthening SMEs and micro enterprises, and celebrating local culture and heritage—enriching both the guest experience and community connections.

In 2024, our SME Academy continued to provide training programmes specifically targeted to the needs of local businesses and SMEs operating in a global environment, equipping our partners with practical tools to remain competitive and scale their operations in an evolving business landscape. Through Heart-of-House Roadshows, "To the Table" and other special events, we supported local businesses by connecting them with colleagues and communities, offering a platform to showcase their products and services.

[11] A material, product or service is deemed to have a "sustainability attribute" if, when compared to other similar items, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g. when it is harvested, produced or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., where the economic benefits of its sale accrue to local or marginalised groups or communities), and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

Our signature "Simple Acts of Kindness" programme continues to go from strength to strength, delivering impactful initiatives to people in need across our global network. Featured events in 2024 ranged from a talent show for elderly performers involving over 500 community members to bespoke art workshops celebrating cultural appreciation and social inclusivity. Melco Resorts sponsored the Macau Inclusion Conference and Golf Masters 2024, bringing together 1,000 participants from over 30 countries, including the world's top 14 golf players with intellectual challenges. The conference featured parental consultation sessions and activities designed to foster connections, alongside recreational activities such as a visit to Studio City Water Park—Macau's first Certified Autism Centre[12].

Expanding opportunities to support people with disabilities and discover their potential is a key focus of our community engagement. Through our collaboration with We Can Dream Together Foundation[13], Melco Resorts' culinary team provides training to chefs working at a restaurant operated by Fu Hong Society of Macau. Additionally, the We Can Dream Together Shop at Studio City provides gainful employment for people with disabilities to sell their handmade, handicraft items. These items are also provided to guests in the turndown service at the Studio City and Altira Macau hotels, with all proceeds going back to the artisans. At City of Dreams Mediterranean, handwoven baskets crafted by students at the School for the Blind are sold to support the Pancyprian Organisation of the Blind's important work.

Our "Splendours of China" programme continues to inspire a deeper appreciation of Chinese heritage, offering multifaceted learning opportunities that nurture cultural pride and understanding among colleagues and the wider community. In the reporting year, Melco Resorts proudly facilitated a cultural exchange visit by the Central Conservatory of Music in Beijing, engaging students and teachers in seminars and musical performances at local universities, schools and community centres in Macau. Across our integrated resorts, our ongoing Cultural Ambassador training enhances our colleagues' knowledge and appreciation of local history, traditions and landmarks, enabling them to provide enriching experiences for our guests.

Compliance with Laws and Regulations

We follow rigorous standards of corporate governance and maintain comprehensive policies, procedures and internal controls to ensure full compliance with all applicable laws and regulations. With our relationships and business transactions adhering to the expectations outlined in our Codes, we provide our colleagues, guests and other stakeholders with the confidence that all interactions with the Group are fair and in compliance with relevant requirements.

During the year ended 31 December 2024, we complied with all requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Our "Corporate Governance Report" on pages 43 to 63 of this annual report provides details of the Group's compliance with the code provisions set out in the Corporate Governance Code contained in the Listing Rules. We have processes and procedures designed to comply with all anti-money laundering ("AML"), counter-terrorist financing and anti-corruption regulations that are applicable in the jurisdictions where we operate. This includes the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong), the AML Rules and Gaming Operations Special Provisions in Macau and the AML Act in the Philippines, as well as the Cyprus Prevention and Suppression of Money Laundering and Terrorist Financing Law ("Cyprus AML Law"), adopting the corresponding European Union Directives on combatting any potential money laundering and terrorism financing activities, the Cyprus Gaming Commission's Direction on Prevention and Suppression of Money Laundering and Terrorist Financing and the Cyprus Casino Law and Regulations.

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12 https://ibcces.org/blog/2024/04/22/melco-studio-city-macau/
13 https://www.wecandreamtogether.com/

All entities within the Group are required to adhere to our established, stringent anti-corruption policies; we adopt a zero-tolerance approach to any matters concerning corruption, bribery and gift giving, as stipulated in our Codes. Colleagues must acknowledge their understanding and confirm their commitment to adhere to the Codes, and they are encouraged to utilise our whistleblowing channels to report suspected violations or other concerns related to any form of misconduct.

Safeguarding the confidentiality and security of our stakeholders' personal and/or corporate data is critical, particularly as the risk of cyberthreats is rapidly evolving. We aim to ensure that we are compliant with all applicable data privacy regulations in all relevant areas and jurisdictions of our operations. Our policies also cover the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and other employment laws and regulations relating to disability, sex, family status, race discrimination and occupational safety in all jurisdictions where we operate.

Our ESG Reporting

Our 2024 ESG Report provides details on the Group's ESG policies, practices and performance, relationships with stakeholders and compliance with applicable laws and regulations. The report is updated annually and published separately in compliance with the reporting principles and other requirements of the Listing Rules, including the applicable ESG requirements set out in Appendix C2 thereto, and in accordance with the GRI Standards and with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")[14]. As noted above, our materiality assessment process has evolved to begin aligning with the IFRS/HKFRS S1[15] and SASB standards and we are preparing to meet the HKFRS S2 Climate-related Disclosures, which will be mandatory for reporting in our 2025 financial year.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 114 and 115 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Thursday, 5 June 2025. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Monday, 2 June 2025 to Thursday, 5 June 2025 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 May 2025.

NON-CURRENT ASSETS

Details of movements of non-current assets (including property, plant and equipment, intangible assets, goodwill and right-of-use assets) during the year are set out in notes 17, 18, 19 and 31, respectively, to the consolidated financial statements.

SHARES ISSUED IN THE YEAR

Details of the shares issued during the year ended 31 December 2024 are set out in note 33 to the consolidated financial statements.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the consolidated financial statements and reclassified as appropriate, is set out on page 222 of this annual report. This summary does not form part of the consolidated financial statements.

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14 IFRS S2 subsumed the recommendations of the TCFD.
15 Melco International will meet the HKFRS S1 while Melco Resorts aligns with IFRS S1.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2024, the Company's reserves available for distribution consisted of the capital reserve and retained profits of approximately HK$7,053,000 and HK$6,346,892,000, respectively (2023: HK$7,053,000 and HK$6,129,985,000, respectively). The Company considers it has fulfilled the conditions required for distribution of the capital reserve.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the five largest customers accounted for less than 30% of the Group's total turnover and the five largest suppliers accounted for less than 30% of the Group's total purchases.

None of the Directors, their close associates, or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's issued shares) has any interest in the Group's five largest customers or suppliers.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into during the year or subsisted at the end of the year.

DIRECTORS

The Directors during the year and up to the date of this report are:

Executive Directors

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

Independent Non-executive Directors

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

In accordance with Article 98(A) of the articles of association of the Company (the "Articles and Association"), Mr. Evan Andrew Winkler and Mr. John William Crawford, being Directors longest in office since their last election, shall retire from office by rotation at the forthcoming annual general meeting and are eligible to offer themselves for re-election.

The Company has received annual confirmation from all Independent Non-executive Directors regarding their independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules.

Mr. John William Crawford made an annual confirmation of independence under Rule 3.13 of the Listing Rules, save and except for Rule 3.13(7), in view of his holding of other directorships within the Group during the two years before the date of his appointment as an Independent Non-executive Director in September 2019.

Mr. Tsui Che Yin, Frank made an annual confirmation of independence under Rule 3.13 of the Listing Rules, save and except for Rule 3.13(7), in view of his acting as a Non-executive Director during the two years before the date of his re-designation as an Independent Non-executive Director in July 2020.

The Company had, prior to Mr. Crawford's appointment and Mr. Tsui's re-designation, successfully demonstrated to the satisfaction of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") that each of Mr. Crawford and Mr. Tsui is qualified to serve as an Independent Non-executive Director and is independent for the purposes of Rule 3.13 of the Listing Rules and the reasons are set out in the Company's announcements dated 13 September 2019 and 2 July 2020, respectively.

The Company is not aware of any change of circumstances which may affect the independence of any Independent Non-executive Directors, and having considered the above, the Company is satisfied that all Independent Non-executive Directors remain independent in accordance with the Listing Rules.

Biographical details of the Directors are set out on pages 40 to 42 of this annual report.

DIRECTORS OF SUBSIDIARIES

The list of directors who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is available on the Company's website at www.melco-group.com.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting of the Company has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that each director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto, save for losses, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto.

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year. The Company maintains liability insurance to provide appropriate cover for the Directors and officers of the Company.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the sections headed "Connected Transactions" and "Related Party Transactions" of this report, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

No contract of significance was entered into between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries during or at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share schemes as disclosed in the "Share Schemes" section of this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2024, no Director had an interest in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's businesses which is required to be disclosed pursuant to the Listing Rules.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of each Director and Chief Executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO")) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director and Chief Executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

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

(a) Ordinary shares of the Company

Name of Director	Number of ordinary shares held					Approximate % of total issued shares[1]
	Personal interests[2]	Family interests[3]	Corporate interests[4]	Other interests[5]	Total	
Mr. Ho, Lawrence Yau Lung	24,054,574	4,212,102	590,213,107[6]	313,383,187[7]	931,862,970	61.44%
Mr. Evan Andrew Winkler	7,272,138	-	-	-	7,272,138	0.48%
Mr. Chung Yuk Man, Clarence	5,739,440	-	-	-	5,739,440	0.38%
Mr. John William Crawford	135,000	-	-	-	135,000	0.01%
Mr. Tsui Che Yin, Frank	6,453,660	-	-	-	6,453,660	0.43%
Ms. Karuna Evelyne Shinsho	127,934	-	-	-	127,934	0.01%

(b) Awarded shares granted by the Company

Name of Director	Number of awarded shares held[2 & 8]	Approximate % of total issued shares[1]
Mr. Ho, Lawrence Yau Lung	30,073,000	1.98%
Mr. Chung Yuk Man, Clarence	1,385,000	0.09%
Mr. John William Crawford	146,000	0.01%
Mr. Tsui Che Yin, Frank	141,000	0.01%
Ms. Karuna Evelyne Shinsho	137,000	0.01%

Notes:

1. As at 31 December 2024, the total number of issued shares of the Company was 1,516,683,755.
2. This represents the interests held by the relevant Director as beneficial owner.
3. This represents the interests held by the spouse of the relevant Director.
4. This represents the interests held by the relevant Director through his controlled corporations.
5. This represents the interests held by the relevant Director through discretionary trusts of which the relevant Director is one of the beneficiaries.
6. The 590,213,107 shares relate to the 301,368,606 shares, 122,243,024 shares, 73,590,345 shares, 91,445,132 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.10% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies.
7. In addition to the deemed interests as stated in note 6 above, Mr. Ho, Lawrence Yau Lung was also taken to have interests in the 717,000 shares held by Lucky Life Limited and 312,666,187 shares held by L3G Holdings Inc., representing an aggregate of approximately 20.66% of the total issued shares of the Company, by virtue of him being one of the beneficiaries of discretionary family trusts for the purpose of the SFO. Each of Lucky Life Limited and L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members.
8. Details of awarded shares granted to the Directors pursuant to the share purchase scheme of the Company are set out in the "Share Schemes" section of this report.

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

(A) Melco Resorts *(a listed subsidiary of the Company)*

(a) Ordinary shares of Melco Resorts

Name of Director	Number of ordinary shares held: Personal interests[2]	Corporate interests[3]	Total	Approximate % of total issued shares[1]
Mr. Ho, Lawrence Yau Lung	10,514,442	697,295,328[4]	707,809,770	55.45%
Mr. Evan Andrew Winkler	1,076,220	–	1,076,220	0.08%
Mr. Chung Yuk Man, Clarence	340,123	–	340,123	0.03%
Mr. John William Crawford	215,409	–	215,409	0.02%

(b) Restricted shares and share options granted by Melco Resorts

Name of Director	Number of restricted shares held[2 & 5]	Number of share options held[2 & 5]	Total	Approximate % of total issued shares[1]
Mr. Ho, Lawrence Yau Lung	5,367,618	–	5,367,618	0.42%
Mr. Evan Andrew Winkler	526,791	1,122,264	1,649,055	0.13%
Mr. Chung Yuk Man, Clarence	390,108	–	390,108	0.03%
Mr. John William Crawford	104,031	–	104,031	0.01%

Notes:

1. As at 31 December 2024, the total number of issued shares of Melco Resorts was 1,276,540,382.

2. This represents the interests held by the relevant Director as beneficial owner.

3. This represents the interests held by the relevant Director through his controlled corporations.

4. In respect of the 697,295,328 shares of Melco Resorts, by virtue of the SFO, Mr. Ho, Lawrence Yau Lung was taken to be interested in (1) 687,360,906 shares held by Melco Leisure and Entertainment Group Limited ("Melco Leisure"), a wholly-owned subsidiary of the Company, as a result of his interest in approximately 61.44% of the total issued shares of the Company; and (2) 9,934,422 shares held by Black Spade Capital Limited, which in turn is held by companies owned by a trust associated with Mr. Ho, Lawrence Yau Lung.

5. Details of restricted shares and share options granted to the Directors by Melco Resorts are set out in the "Share Schemes" section of this report.

(B) Studio City International Holdings Limited ("SCIHL") *(a listed subsidiary of the Company)*

Ordinary shares of SCIHL

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

Notes:

1. As at 31 December 2024, the total number of issued shares of SCIHL was 842,864,460 (including 770,352,700 Class A ordinary shares and 72,511,760 Class B ordinary shares).

2. This represents the interest held by Mr. Chung Yuk Man, Clarence as beneficial owner.

(C) Studio City Finance Limited ("Studio City Finance") *(a subsidiary of the Company)*

Debentures issued by Studio City Finance

		Amount of debentures held		
Name of Director	Debentures	Personal interest	Corporate interest[(1)]	Approximate % to the total amount of debentures in issue
Mr. Ho, Lawrence Yau Lung	2029 US$ Senior Notes[(2)]	-	US$30,000,000[(1)]	2.73%

Notes:

1. This represents the interest held by Mr. Ho, Lawrence Yau Lung through his controlled corporations. These debentures were held by Black Spade Capital Limited, which in turn is held by companies owned by a trust associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the debentures held by these companies.

2. These debentures (US$1.1 billion 5.00% senior notes due 2029) issued by Studio City Finance (the "2029 US$ Senior Notes") are freely transferable but not convertible into shares of Studio City Finance.

Save as disclosed above, as at 31 December 2024, none of the Directors or the Chief Executive of the Company and their respective associates had or deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE SCHEMES

(I) Share schemes involving the issue of new shares

2024 Share Incentive Scheme

At the annual general meeting of the Company held on 13 June 2024, the shareholders of the Company approved the adoption of a new share incentive scheme (the "2024 Share Incentive Scheme"), which is a combined scheme involving the issue of new shares of the Company, in replacement of and to the exclusion of both the Company's then existing share option scheme (the "2022 Share Option Scheme") adopted on 7 June 2022 and share subscription scheme ("2007 Share Subscription Scheme") adopted on 18 October 2007, in compliance with the amended Chapter 17 of the Listing Rules. Following the adoption of the 2024 Share Incentive Scheme, each of the 2022 Share Option Scheme and 2007 Share Subscription Scheme had ceased to operate and no further share options or share awards may be offered or granted respectively thereunder, except that the share options or share awards which were granted during the life of each of the 2022 Share Option Scheme and 2007 Share Subscription Scheme and remain unexpired immediately prior to the adoption of the 2024 Share Incentive Scheme shall continue to be valid in accordance with their terms of issue. During the period from 1 January 2024 to 13 June 2024 (being the termination date of the 2022 Share Option Scheme and 2007 Share Subscription Scheme), no share options were granted or outstanding under the 2022 Share Option Scheme and no share awards were granted or outstanding under the 2007 Share Subscription Scheme.

The awards that may be granted under the 2024 Share Incentive Scheme comprise options and awards of shares of the Company. The following is a summary of the principal terms of the 2024 Share Incentive Scheme:

(i) Purpose of the scheme

To attract and retain talent for the development of the Company's businesses; reward eligible participants for their continued service; and promote the long-term success of the Company by providing eligible participants with the opportunity to acquire proprietary interests in the Company and encouraging eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(ii) Types of awards

The awards that may be granted comprise options and awards of shares of the Company.

(iii) Participants of the scheme

(1) Employee Participants: directors and employees of the Company or any of its subsidiaries, including persons who are granted awards under the scheme as an inducement to enter into employment contracts with these companies;

(2) Related Entity Participants: directors and employees of holding companies, fellow subsidiaries or associated companies of the Company; and

(3) Service Providers: persons who provide advisory and consultancy services to the Company and its subsidiaries on a continuing or recurring basis in their ordinary and usual course of business which are in the interests of the long-term growth of the Company and its subsidiaries, excluding (for the avoidance of doubt): (a) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (b) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform the services with impartiality and objectivity.

(iv) Operation of the scheme

The scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the scheme or its interpretation or application or effect shall be final and binding. Subject to compliance with the Listing Rules, the power and authority to administer the scheme may be delegated by the Board to a committee of the Board or to any other person(s) deemed appropriate at the discretion of the Board.

The awards granted under the scheme will be satisfied by the issuance and allotment of new shares by the Company and in the case of non-option awards, to an independent trustee that will hold those shares on trust for the grantees and transfer the underlying shares of the Company to the grantees on vesting of the awards, subject to the terms and conditions of the scheme. The Company may also instruct the trustee to apply any returned shares held by the trustee for the purpose of the scheme to satisfy any grant of awards made.

The trustee holding unvested shares, whether directly or indirectly, shall abstain from voting on matters that require approval by the Company's shareholders under the Listing Rules, unless otherwise required by law.

(v) Total number of shares available for issue under the scheme and percentage of issued shares as at the date of this report

The total number of shares of the Company which may be issued in respect of all options and shares available for grant under the 2024 Share Incentive Scheme together with options and awards which may be granted under any other schemes of the Company (within the meaning of Chapter 17 of the Listing Rules involving new shares of the Company) shall not exceed 151,668,375 shares, representing 10% of the total number of shares of the Company in issue as at 13 June 2024, being the date of passing of an ordinary resolution by the shareholders adopting the 2024 Share Incentive Scheme (the "MIDL Scheme Mandate Limit"). As at 31 December 2024, the total number of shares of the Company available for grant under the MIDL Scheme Mandate Limit was 151,668,375.

The total number of shares which may be issued in respect of all options and awards available for grant to service providers of the Company under the 2024 Share Incentive Scheme together with options and awards which may be granted under any other schemes of the Company (within the meaning of Chapter 17 of the Listing Rules involving new shares of the Company) shall be subject to a sublimit not exceeding 15,166,837 shares (being 10% of the number of shares in the MIDL Scheme Mandate Limit), representing 1% of the total number of shares of the Company in issue as at 13 June 2024, being the date of passing of an ordinary resolution by the shareholders adopting the 2024 Share Incentive Scheme (the "MIDL Service Provider Sublimit"). As at 31 December 2024, the total number of shares of the Company available for grant to the service providers of the Company under the MIDL Service Provider Sublimit was 15,166,837.

The total number of shares of the Company available for issue in respect of options and awards which may be granted under the 2024 Share Incentive Scheme is 151,668,375, representing 10% of the total number of shares of the Company in issue as at the date of this annual report.

(vi) Maximum entitlement of each participant

The total number of shares issued and to be issued by the Company in respect of all options and awards granted to each participant (excluding any options and awards that have lapsed in accordance with the terms of share schemes of the Company within the meaning of Chapter 17 of the Listing Rules involving new shares of the Company) in any 12-month period must not exceed 1% of the total number of shares of the Company in issue unless the same is approved by the Company's shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person of the Company) abstaining from voting.

(vii) ***The period within which the option may be exercised***

An award granted involving new shares of the Company may be exercised in whole or in part at any time during the period stipulated in the offer, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect of the relevant award.

(viii) ***The vesting period of awards granted***

The vesting period for the awards granted shall not be less than 12 months. The Board may at its discretion grant awards to the Employee Participants with a vesting period shorter than 12 months in specific circumstances as outlined in the Company's circular dated 10 May 2024.

(ix) ***The amount payable on application or acceptance of the awards***

The acceptance of an offer of the grant of options must be made within 28 days from the date of grant and HK$1.00 is payable to the Company as consideration upon acceptance.

Unless otherwise determined by the Board in its absolute discretion at the relevant time for each individual share award, the grantee of share awards is not required to pay any purchase price or make any other payment to the Company for accepting an offer of the share awards, nor is the grantee required to pay any subscription or purchase price for the vesting of the share awards or the receipt of the shares of the Company underlying the share awards.

(x) ***The basis of determining the exercise price of options granted***

The exercise price of an option is determined by the Board which must be no less than the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(xi) ***The remaining life of the scheme***

The 2024 Share Incentive Scheme will remain valid and effective for a period of 10 years from 13 June 2024 (being the date of its adoption) and will expire on 12 June 2034.

No share options or share awards have been granted under the 2024 Share Incentive Scheme since its adoption and up to the date of this report. As at 31 December 2024, the Company does not hold any treasury shares.

2022 Share Option Scheme (replaced and ceased to operate with effect from 13 June 2024) and 2012 Share Option Scheme (expired on 29 May 2022)

The 2012 Share Option Scheme adopted by the Company on 30 May 2012 (the "2012 Share Option Scheme") expired on 29 May 2022. After the expiration of the 2012 Share Option Scheme, no further share options could be granted thereunder but the share options granted during the life of the scheme shall remain valid and exercisable in accordance with their terms of issue and in all other respects the provisions of the 2012 Share Option Scheme shall remain in full force and effect.

On 7 June 2022, following the expiration of the 2012 Share Option Scheme, the Company adopted the 2022 Share Option Scheme under which the Directors may, at their discretion, grant to any eligible participants share options to subscribe for the Company's shares, subject to the terms and conditions as stipulated therein. The 2022 Share Option Scheme was adopted before the Listing Rule amendments relating to share schemes came into effect on 1 January 2023.

The following is a summary of the principal terms of the 2012 Share Option Scheme and the 2022 Share Option Scheme:

(i) Purpose of the schemes

To provide participants with an opportunity to acquire proprietary interests in the Company and to incentivize participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(ii) Participants of the schemes

(1) Directors of the Company or any of its subsidiaries or associated companies (companies in which the Company directly or indirectly holds not less than 20% and not more than 50% of its shareholding); and

(2) executives and employees of and consultants and advisers to the Company or any of its subsidiaries or associated companies.

(iii) Total number of shares available for issue under the schemes and percentage of issued shares as at the date of this annual report

Following the expiry of the 2012 Share Option Scheme on 29 May 2022, no further share options could be granted thereunder.

As at the date of this report, a total of 2,017,000 shares of the Company may be issued upon exercise of all options which had been granted and yet to be exercised under the 2012 Share Option Scheme, representing approximately 0.13% of the shares of the Company in issue.

No share options were granted under the 2022 Share Option Scheme since its adoption. Following the adoption of the Company's 2024 Share Incentive Scheme on 13 June 2024, no further share options could be granted under the 2022 Share Option Scheme.

(iv) Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the share options granted or to be granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by the Company's shareholders in general meeting.

(v) The period within which the option may be exercised

The period during which an option may be exercised is determined by the Board in its absolute discretion, save that such period shall not be longer than 10 years from the date of grant of the option.

(vi) The vesting period of options granted

Any period as determined by the Board upon the grant of an option.

(vii) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

The acceptance of an offer of the grant of the share options must be made within 28 days from the date of grant and HK$1.00 is payable to the Company by way of consideration on acceptance of the grant of an option.

(viii) The basis of determining the exercise price of options granted

The exercise price is determined by the Board which must be no less than the higher of (i) the closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares of the Company as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

(ix) The remaining life of the schemes

The 2012 Share Option Scheme expired on 29 May 2022. The 2022 Share Option Scheme ceased to operate with effect from 13 June 2024 upon the adoption of the 2024 Share Incentive Scheme.

2012 Share Option Scheme (expired on 29 May 2022)

Movements of share options granted under the 2012 Share Option Scheme during the year ended 31 December 2024 were as follows:

	Number of share options								
Category of participants	As at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	As at 31 December 2024	Date of grant	Exercise price *HK$*	Exercise period *(Note)*
Directors, chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-
Other employee participants [1]	1,478,000	-	-	(1,154,000)	-	324,000	08.04.2016	10.24	6
	202,000	-	-	(111,000)	-	91,000	10.04.2017	15.00	7
	141,000	-	-	(57,000)	-	84,000	10.04.2018	23.15	8
	107,000	-	-	(38,000)	-	69,000	10.04.2019	19.90	9
	74,000	-	-	(32,000)	-	42,000	14.04.2020	12.70	10
	933,000	-	-	-	-	933,000	06.04.2022	7.278	11
	453,000	-	-	-	-	453,000	06.04.2022	7.278	12
Service providers [2]	21,000	-	-	-	-	21,000	08.04.2016	10.24	6
Related entity participants [3]	-	-	-	-	-	-	-	-	-
Total	**3,409,000**	**-**	**-**	**(1,392,000)**	**-**	**2,017,000**			

Notes:

1. Other employee participants include former directors, and both current and former employees of the Company and/or its subsidiaries.
2. Service providers include both current and former service providers who provide or have provided services to the Company and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of the Company and/or its subsidiaries.
3. Related entity participants include both current and former directors and employees of the associated companies of the Company.
4. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
5. Since there were no share options exercised during the year, there is no weighted average closing price of the shares of the Company in respect thereof for the year.
6. The share options granted on 8 April 2016 are divided into 4 tranches exercisable from 8 April 2016, 8 April 2017, 8 April 2018 and 8 April 2019, respectively, to 7 April 2026.
7. The share options granted on 10 April 2017 are divided into 4 tranches exercisable from 10 April 2017, 10 April 2018, 10 April 2019 and 10 April 2020, respectively, to 9 April 2027.
8. The share options granted on 10 April 2018 are divided into 4 tranches exercisable from 10 April 2018, 10 April 2019, 10 April 2020 and 10 April 2021, respectively, to 9 April 2028.
9. The share options granted on 10 April 2019 are divided into 4 tranches exercisable from 10 April 2019, 10 April 2020, 10 April 2021 and 10 April 2022, respectively, to 9 April 2029.
10. The share options granted on 14 April 2020 are divided into 4 tranches exercisable from 14 April 2020, 14 April 2021, 14 April 2022 and 14 April 2023, respectively, to 13 April 2030.
11. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.
12. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.

2022 Share Option Scheme (replaced and ceased to operate with effect from 13 June 2024)

No share options were granted, exercised, cancelled or lapsed during the year ended 31 December 2024, and there were no outstanding share options as at 31 December 2024 under the 2022 Share Option Scheme.

2007 Share Subscription Scheme (replaced and ceased to operate with effect from 13 June 2024)

Under the 2007 Share Subscription Scheme, the shares of the Company may be awarded in such manner as the Board (or such committee delegated with the power and authority by the Board to administer the scheme) (the "Board or its delegated committee") may determine from time to time. The shares awarded to the participants under the 2007 Share Subscription Scheme will be settled by allotment of new shares of the Company.

The following is a summary of the principal terms of the 2007 Share Subscription Scheme:

(i) Purpose of the scheme

To recognise the contributions of the directors, employees and consultants of the Group and provide them with incentives so as to retain them for the continual operation and development of the Group and to attract suitable personnel for the future development of the Group.

(ii) Participants of the scheme

Those eligible persons (i.e. directors and employees of any members of the Group and consultants and/or advisers engaged or appointed by any members of the Group) selected by the Board or its delegated committee for participation in the scheme, and those eligible persons selected by the trustee of the scheme after taking into consideration the Board's recommendations.

(iii) Operation of the scheme

The Board or its delegated committee may, subject to the rules relating to the scheme, from time to time at its absolute discretion select any eligible persons (including any directors, employees, consultants and advisers of any members of the Group) to be a participant in the scheme. The scheme limit of the scheme is 3% of the total number of issued shares of the Company from time to time (excluding the shares which have already been transferred to the eligible persons on vesting and providing that the Board or its delegated committee may resolve to increase such limit at its sole discretion).

The Board or its delegated committee or the trustee of the scheme (as the case may be) shall at its discretion either (i) determine a notional cash amount or (ii) determine a number of shares (the "Number of Awarded Shares") which it wishes to be the subject of an award under the scheme. Where a notional cash amount has been determined by the Board or its delegated committee, the Board or its delegated committee shall determine the maximum number of shares (the "Relevant Number of Shares"), rounded down to the nearest whole number which could be purchased with such notional cash amount on the Hong Kong Stock Exchange at the market price prevailing on the date of the award. The Company shall pay (or cause to be paid) an amount equal to the subscription price determined by the Board or its delegated committee of either (i) the Relevant Number of Shares (where the Board or its delegated committee has determined a notional cash amount) or (ii) the Number of Awarded Shares (where the Board or its delegated committee has determined such number) to the trustee (or as it shall direct) from the Group's resources as soon as practicable in accordance with the rules relating to the scheme.

No payment shall be made and no instructions to subscribe for shares shall be given to the trustee of the scheme where any member of the Board is in possession of unpublished price sensitive information in relation to the Company or where dealings by Directors are prohibited under the Model Code or any applicable laws and regulations or any internal code of conduct in securities dealing adopted by the Company from time to time.

Vesting of the shares will be conditional on the selected eligible person remaining an eligible person of the Company or a subsidiary of the Company until the vesting date. The Board or its delegated committee has the discretion to stipulate such other conditions in respect of a particular eligible person which will apply to the vesting of the shares. Any shares held by the trustee on behalf of the selected eligible person shall vest in accordance with the timetable determined by the Board or its delegated committee at its discretion.

The Board or its delegated committee may by resolution terminate the operation of the scheme.

(iv) Total number of shares available for issue under the scheme and percentage of issued shares as at the date of this annual report

The maximum number of shares administered under the scheme shall not exceed 2% of the issued shares of the Company from time to time (excluding the shares which have already been transferred to the eligible persons on vesting and providing that the Board or its delegated committee may resolve to increase such limit at its sole discretion).

Under the scheme, the total number of shares of the Company available for award to selected participants as at 1 January 2024 and 13 June 2024 (being the termination date of the scheme), was 30,333,675, representing 2% of the total number of shares of the Company in issue. No share awards were granted under the scheme since 2009.

(v) Maximum entitlement of each participant under the scheme

The maximum number of shares which may be awarded to a director and an eligible person (other than a director of the Company or its subsidiaries) are 0.2% and 0.05% of the issued shares from time to time, respectively.

(vi) The period within which the awarded shares must be taken up under an award

No such provision in the scheme.

(vii) The vesting period of the awarded shares

As determined by the Board or its delegated committee at its discretion.

(viii) The amount payable on acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid

No such provision in the scheme.

(ix) The basis of determining the subscription price of shares awarded

As determined by the Board or its delegated committee at its discretion.

(x) The remaining life of the scheme

The scheme ceased to operate with effect from 13 June 2024 upon the adoption of the 2024 Share Incentive Scheme.

No share awards were granted, vested, cancelled or lapsed during the year ended 31 December 2024 and there were no outstanding awarded shares as at 31 December 2024 under the 2007 Share Subscription Scheme.

During the year ended 31 December 2024, (1) none of the participants has been granted share options and/or share awards (under share schemes involving the issue of new shares) by the Company that exceeded 1% of the total number of shares of the Company in issue (excluding treasury shares, if any); and (2) none of the related entity participants (in case of the Company, this refers to the directors and employees of its associated companies) or service providers have been granted share options and/or share awards (under share schemes involving the issue of new shares) by the Company that exceeded 0.1% of the total number of shares of the Company in issue (excluding treasury shares, if any) in any 12-month period.

(II) Share scheme funded by existing shares

Share Purchase Scheme

On 18 October 2007, the Company adopted a share incentive award scheme, namely The Melco Share Purchase Scheme Trust (the "Share Purchase Scheme"), with certain rules of such scheme amended on 12 June 2015, 31 March 2020, 6 April 2022 and 13 June 2024.

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

The following is a summary of the principal terms of the Share Purchase Scheme:

(i) Purpose of the scheme

To recognise the contributions of the directors, employees and consultants of the Group and provide them with incentives so as to retain them for the continual operation and development of the Group and to attract suitable personnel for the future development of the Group.

(ii) Participants of the scheme

Those eligible persons (i.e. directors and employees of any members of the Group and consultants and/or advisers engaged or appointed by any members of the Group) selected by the Board or its delegated committee for participation in the scheme, and those eligible persons selected by the trustee of the scheme after taking into consideration the Board or its delegated committee's recommendations.

(iii) Operation of the scheme

The Board or its delegated committee may, subject to the rules relating to the scheme, from time to time at its absolute discretion select any eligible persons (including any directors, employees, consultants and advisers of any members of the Group) to be a participant in the scheme. The scheme limit of the scheme is 3% of the total number of issued shares of the Company from time to time (excluding the shares which have already been transferred to the eligible persons on vesting and providing that the Board or its delegated committee may resolve to increase such limit at its sole discretion).

The Board or its delegated committee or the trustee of the scheme (as the case may be) shall either (1) set aside a sum of money or (2) determine a number of shares of the Company which it wishes to be the subject of a bonus or award under the scheme. Where a sum of money has been set aside (or a number of shares of the Company has been determined), it shall pay (or cause to be paid) that amount or an amount sufficient to purchase that number of shares to the trustee (or as it shall direct) from the Group's resources as soon as practicable following such funds being set aside. Within 15 business days of receiving the amount sufficient to purchase that number of shares, the trustee shall apply the same towards the purchase of shares on the Hong Kong Stock Exchange.

No payment shall be made to the trustee of the scheme and no instructions to acquire shares shall be given to the trustee where any member of the Board is in possession of unpublished price sensitive information in relation to the Company or where dealings by Directors are prohibited under the Model Code or any applicable laws and regulations or any internal code of conduct in securities dealing adopted by the Company from time to time.

Vesting of the shares will be conditional on the selected eligible person remaining an eligible person of the Company or a subsidiary of the Company until the vesting date. The Board or its delegated committee has the discretion to stipulate such other conditions in respect of a particular eligible person which will apply to the vesting of the shares. Any shares held by the trustee on behalf of the selected eligible person shall vest in accordance with the timetable determined by the Board or its delegated committee at its discretion and the trustee shall cause the vested shares to be transferred to the selected eligible person or deliver share certificate(s) representing the relevant number of vested shares to the selected eligible person in accordance with the terms of the scheme. Furthermore, the Board or its delegated committee may, in its discretion, elect to settle the relevant award of shares wholly or partly in cash in lieu of the transfer of vested shares to the selected eligible person on the vesting date, in accordance with the terms of the scheme.

The trustee holding unvested shares, whether directly or indirectly, shall abstain from voting on matters that require approval by the Company's shareholders under the Listing Rules, unless otherwise required by law.

The Board or its delegated committee may by resolution terminate the operation of the scheme.

(iv) Total number of shares available for award under the scheme

The maximum number of shares administered under the scheme shall not exceed 3% of the total number of shares of the Company in issue (excluding treasury shares, if any) from time to time, provided that the shares which have been transferred to participants upon vesting shall be left out of account when ascertaining such percentage and provided further that the Board or its delegated committee may resolve to increase such limit at its sole discretion.

(v) Maximum entitlement of each participant

No such provision in the scheme.

(vi) The period within which the awarded shares must be taken up under an award

No such provision in the scheme.

(vii) The vesting period of the awarded shares

As determined by the Board or its delegated committee at its discretion.

(viii) The amount payable on acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid

No such provision in the scheme.

(ix) The basis of determining the purchase price of shares awarded

Not applicable.

(x) The remaining life of the scheme

The Share Purchase Scheme has a term of 20 years from 18 October 2007 (being the date of its adoption) and will expire on 17 October 2027.

Movements of the awarded shares, which were granted pursuant to the terms of the rules and trust deed of the Share Purchase Scheme, during the year ended 31 December 2024 were as follows:

	Number of awarded shares							
Category of participants	Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Unvested as at 31 December 2024	Date of award	Vesting date
Directors								
Mr. Ho, Lawrence Yau Lung	922,000	-	(922,000)	-	-	-	14.04.2020	14.04.2024
(also the chief executive and	5,946,000	-	(5,946,000)	-	-	-	07.04.2021	07.04.2024
a substantial shareholder)	5,338,000	-	(5,338,000)	-	-	-	06.04.2022	06.04.2024
	4,572,000	-	-	-	-	4,572,000	06.04.2022	06.04.2025
	3,404,000	-	(3,404,000)	-	-	-	04.04.2023	04.04.2024
	3,403,000	-	-	-	-	3,403,000	04.04.2023	04.04.2025
	3,403,000	-	-	-	-	3,403,000	04.04.2023	04.04.2026
	-	6,232,000	-	-	-	6,232,000	03.04.2024	03.04.2025
	-	6,232,000	-	-	-	6,232,000	03.04.2024	03.04.2026
	-	6,231,000	-	-	-	6,231,000	03.04.2024	03.04.2027
	26,988,000	18,695,000	(15,610,000)	-	-	30,073,000		
Mr. Evan Andrew Winkler	3,286,000	-	(3,286,000)	-	-	-	06.04.2022	06.04.2024
	3,286,000	-	(3,286,000)	-	-	-		
Mr. Chung Yuk	17,000	-	(17,000)	-	-	-	07.04.2021	07.04.2024
Man, Clarence	822,000	-	(822,000)	-	-	-	06.04.2022	06.04.2024
	211,000	-	-	-	-	211,000	06.04.2022	06.04.2025
	157,000	-	(157,000)	-	-	-	04.04.2023	04.04.2024
	157,000	-	-	-	-	157,000	04.04.2023	04.04.2025
	156,000	-	-	-	-	156,000	04.04.2023	04.04.2026
	-	287,000	-	-	-	287,000	03.04.2024	03.04.2025
	-	287,000	-	-	-	287,000	03.04.2024	03.04.2026
	-	287,000	-	-	-	287,000	03.04.2024	03.04.2027
	1,520,000	861,000	(996,000)	-	-	1,385,000		
Mr. John William	3,000	-	(3,000)	-	-	-	07.04.2021	07.04.2024
Crawford	42,000	-	(42,000)	-	-	-	06.04.2022	06.04.2024
	22,000	-	-	-	-	22,000	06.04.2022	06.04.2025
	17,000	-	(17,000)	-	-	-	04.04.2023	04.04.2024
	17,000	-	-	-	-	17,000	04.04.2023	04.04.2025
	16,000	-	-	-	-	16,000	04.04.2023	04.04.2026
	-	31,000	-	-	-	31,000	03.04.2024	03.04.2025
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2026
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2027
	117,000	91,000	(62,000)	-	-	146,000		

Category of participants	Number of awarded shares: Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Unvested as at 31 December 2024	Date of award	Vesting date
Mr. Tsui Che Yin, Frank	3,000	-	(3,000)	-	-	-	07.04.2021	07.04.2024
	245,000	-	(245,000)	-	-	-	06.04.2022	06.04.2024
	20,000	-	-	-	-	20,000	06.04.2022	06.04.2025
	15,000	-	(15,000)	-	-	-	04.04.2023	04.04.2024
	15,000	-	-	-	-	15,000	04.04.2023	04.04.2025
	15,000	-	-	-	-	15,000	04.04.2023	04.04.2026
	-	31,000	-	-	-	31,000	03.04.2024	03.04.2025
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2026
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2027
	313,000	91,000	(263,000)	-	-	141,000		
Ms. Karuna Evelyne Shinsho	3,000	-	(3,000)	-	-	-	07.04.2021	07.04.2024
	39,000	-	(39,000)	-	-	-	06.04.2022	06.04.2024
	18,000	-	-	-	-	18,000	06.04.2022	06.04.2025
	14,000	-	(14,000)	-	-	-	04.04.2023	04.04.2024
	14,000	-	-	-	-	14,000	04.04.2023	04.04.2025
	14,000	-	-	-	-	14,000	04.04.2023	04.04.2026
	-	31,000	-	-	-	31,000	03.04.2024	03.04.2025
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2026
	-	30,000	-	-	-	30,000	03.04.2024	03.04.2027
	102,000	91,000	(56,000)	-	-	137,000		
Sub-total	32,326,000	19,829,000	(20,273,000)	-	-	31,882,000		
Other employee participants [(1)]	49,000	-	(49,000)	-	-	-	07.04.2021	07.04.2024
	710,000	-	(710,000)	-	-	-	06.04.2022	06.04.2024
	244,000	-	-	-	-	244,000	06.04.2022	06.04.2025
	292,000	-	(292,000)	-	-	-	04.04.2023	04.04.2024
	289,000	-	-	-	-	289,000	04.04.2023	04.04.2025
	284,000	-	-	-	-	284,000	04.04.2023	04.04.2026
	-	500,000	-	-	-	500,000	03.04.2024	03.04.2025
	-	499,000	-	-	-	499,000	03.04.2024	03.04.2026
	-	496,000	-	-	-	496,000	03.04.2024	03.04.2027
Sub-total	1,868,000	1,495,000	(1,051,000)	-	-	2,312,000		
Service providers [(2)]	159,000	-	(159,000)	-	-	-	06.04.2022	06.04.2024
	38,000	-	-	-	-	38,000	06.04.2022	06.04.2025
	29,000	-	(29,000)	-	-	-	04.04.2023	04.04.2024
	29,000	-	-	-	-	29,000	04.04.2023	04.04.2025
	28,000	-	-	-	-	28,000	04.04.2023	04.04.2026
	-	53,000	-	-	-	53,000	03.04.2024	03.04.2025
	-	53,000	-	-	-	53,000	03.04.2024	03.04.2026
	-	52,000	-	-	-	52,000	03.04.2024	03.04.2027
Sub-total	283,000	158,000	(188,000)	-	-	253,000		
Related entity participants [(3)]	-	-	-	-	-	-	-	-
Total	**34,477,000**	**21,482,000**	**(21,512,000)**	**-**	**-**	**34,447,000**		

Notes:

1. Other employee participants include former directors, and both current and former employees of the Company and/or its subsidiaries. A total of 223,000 awarded shares held by Mr. Ng Ching Wo, a former director of the Company who resigned on 1 September 2023, are indicated under the category "Other employee participants".

2. Service providers include both current and former service providers who provide or have provided services to the Company and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of the Company and/or its subsidiaries.

3. Related entity participants include both current and former directors and employees of the associated companies of the Company.

4. In respect of the awarded shares vested during the year, the weighted average closing price of the shares of the Company immediately before the dates on which the awarded shares vested was HK$5.27. The participants are not required to pay any purchase price for the awarded shares upon vesting subject to the share award.

Movements of the awarded shares granted to the five highest paid individuals of the Group (including three Directors and two employees of the Company) (the "Five Highest Paid Individuals") pursuant to the terms of the rules and trust deed of the Share Purchase Scheme during the year ended 31 December 2024 were as follows:

	Number of awarded shares							
Category of participants	**Unvested as at 1 January 2024**	**Awarded during the year**	**Vested during the year**	**Lapsed during the year**	**Cancelled during the year**	**Unvested as at 31 December 2024**	**Date of award**	**Vesting date**
Five highest paid individuals	922,000	-	(922,000)	-	-	-	14.04.2020	14.04.2024
	5,990,000	-	(5,990,000)	-	-	-	07.04.2021	07.04.2024
	9,798,000	-	(9,798,000)	-	-	-	06.04.2022	06.04.2024
	4,935,000	-	-	-	-	4,935,000	06.04.2022	06.04.2025
	3,689,000	-	(3,689,000)	-	-	-	04.04.2023	04.04.2024
	3,688,000	-	-	-	-	3,688,000	04.04.2023	04.04.2025
	3,686,000	-	-	-	-	3,686,000	04.04.2023	04.04.2026
	-	6,754,000	-	-	-	6,754,000	03.04.2024	03.04.2025
	-	6,753,000	-	-	-	6,753,000	03.04.2024	03.04.2026
	-	6,751,000	-	-	-	6,751,000	03.04.2024	03.04.2027
Total	**32,708,000**	**20,258,000**	**(20,399,000)**	**-**	**-**	**32,567,000**		

During the year ended 31 December 2024, the following awarded shares, which will be funded by the existing shares of the Company and not to involve any issue of new shares of the Company upon vesting, were granted under the Share Purchase Scheme:

Grant date	3 April 2024
Number of awarded shares granted	21,482,000
Approximate percentage of the total number of issued shares of the Company on the date of grant	1.42%
Vesting period	Three years from 2025 to 2027
Purchase price payable by the grantees upon vesting of the awarded shares subject to the share award	Nil
Closing price of the shares of the Company immediately before the date of grant	HK$5.21
Aggregate fair value of the awarded shares granted at the date of grant, which was determined with reference to the closing price of the ordinary shares of the Company as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange on the date of grant in accordance with Hong Kong Financial Reporting Standard 2 Share-based Payment ("HKFRS 2")	HK$111,921,220
The weighted average fair value per awarded share granted	HK$5.21

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

Melco Resorts' Share Incentive Plans

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

As a result of the amendments to Chapter 17 of the Listing Rules extending to govern share schemes of a principal subsidiary of a company listed on the Hong Kong Stock Exchange, Melco Resorts, being a principal subsidiary of the Company, in order to bring the Melco Resorts 2021 Share Incentive Plan in line with the amended Chapter 17 of the Listing Rules, had made amendments to the Melco Resorts 2021 Share Incentive Plan (such plan as amended, the "Melco Resorts Amended 2021 Share Incentive Plan"). Such amendments were effective from the date of approval by the Company's shareholders at the annual general meeting held on 13 June 2024.

Each of the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts Amended 2021 Share Incentive Plan is a share scheme that can be funded by either new shares issued by Melco Resorts and/or existing American depositary shares of Melco Resorts ("MRE ADSs") purchased on the market.

The following is a summary of the principal terms of the Melco Resorts Amended 2011 Share Incentive Plan (which was terminated on 6 December 2021) and the Melco Resorts Amended 2021 Share Incentive Plan:

(i) Purpose of the plans

To promote the success and enhance the value of Melco Resorts, by linking the personal interests of the members of its board, employees and consultants, its parents, its subsidiaries and its related entities to those of Melco Resorts' shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Melco Resorts' shareholders; and to provide flexibility to Melco Resorts in its ability to motivate, attract, and retain the services of the members of Melco Resorts' board, and employees and consultants upon whose judgment, interest and special effort the successful conduct of Melco Resorts' operation is largely dependent.

(ii) Types of awards

The awards that may be granted include options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and restricted share units.

(iii) Participants of the plans

Under the Melco Resorts Amended 2011 Share Incentive Plan

Persons eligible to participate include members of Melco Resorts' board, employees and consultants, any parent or subsidiary or any related entity of Melco Resorts that the board of Melco Resorts designates as a related entity for the purposes of the Melco Resorts Amended 2011 Share Incentive Plan.

Under the Melco Resorts Amended 2021 Share Incentive Plan

(1) MRE employee participants: any member of Melco Resorts' board, and any persons who are in the employ of Melco Resorts or any of its subsidiaries (including persons who are granted awards involving (i) the issue of new shares by Melco Resorts or (ii) existing Melco Resorts shares held by or for the Company ("MRE New Share Grant Awards") under the Melco Resorts Amended 2021 Share Incentive Plan as an inducement to enter into employment contracts with Melco Resorts or any of its subsidiaries);

(2) MRE related entity participants: any member of the board of Melco Resorts' related entities (i.e. holding companies, fellow subsidiaries or associated companies of Melco Resorts) ("MRE Related Entities"), and any person who is an employee of the MRE Related Entities subject to the control and direction of the MRE Related Entities as to both the work to be performed and the manner and method of performance; and

(3) MRE service providers: any person who provides advisory and consultancy services to Melco Resorts and its subsidiaries ("MRE Group") on a continuing or recurring basis in their ordinary and usual course of business which are in the interests of the long-term growth of the MRE Group, including but not limited to any consultants, independent contractors or advisers, (i) where the services rendered are bona fide services, (ii) the continuity and frequency of services are akin to those of employees, (iii) who have stepped down from an employment, director or executive position with the MRE Group; and (iv) where the services rendered are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for Melco Resorts' securities, excluding (for the avoidance of doubt): (a) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (b) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform the services with impartiality and objectivity.

(iv) Plan administration (for the existing Melco Resorts Amended 2021 Share Incentive Plan)

The compensation committee of Melco Resorts ("Melco Resorts Compensation Committee") administers the Melco Resorts Amended 2021 Share Incentive Plan and has the power to, among other actions, designate eligible participants under the plan, determine the number and types of awards to be granted, and set the terms and conditions of each award granted. The Melco Resorts Compensation Committee's decisions are final, binding, and conclusive for all purposes and upon all parties. Melco Resorts may from time to time retain or appoint one or more trustee(s) and administrator(s) to assist in the administration of the plan. If such a trustee and/or administrator is retained or appointed, the functions of such appointed trustee could include (but are not limited to) the receiving of funds from Melco Resorts and/or its subsidiaries from time to time for on-market purchase of shares of Melco Resorts, the holding of shares of Melco Resorts pending vesting of Melco Resorts awards, the transfer of shares of Melco Resorts to and from such appointed administrator following vesting of Melco Resorts awards and the execution of requests from Melco Resorts from time to time for the purpose of the plan. Melco Resorts may enter into such agreements or make such arrangements (including the establishment of a trust) as may be necessary in connection with the provisions in this paragraph.

(v) Total number of shares of Melco Resorts available for issue under the plans and percentage of issued shares (excluding treasury shares) of Melco Resorts as at the date of this annual report

Under the Melco Resorts Amended 2011 Share Incentive Plan

Following the termination of the Melco Resorts Amended 2011 Share Incentive Plan on 6 December 2021, no further share options and/or restricted shares could be granted thereunder. As at the date of this report, a total of 2,295,633 shares of Melco Resorts may be issued upon exercise of all share options which had been granted and yet to be exercised under the Melco Resorts Amended 2011 Share Incentive Plan, representing approximately 0.18% of the total number of shares of Melco Resorts in issue (excluding treasury shares).

Under the Melco Resorts Amended 2021 Share Incentive Plan

The Melco Resorts Amended 2021 Share Incentive Plan is a share scheme that can be funded by either new shares issued by Melco Resorts and/or existing MRE ADSs purchased on the market. The plan limit of the Melco Resorts Amended 2021 Share Incentive Plan applicable to the grant of all awards thereunder (the "Melco Resorts Overall Plan Limit") is 145,654,794 underlying shares of Melco Resorts, being the maximum aggregate number of underlying shares of Melco Resorts which may be granted pursuant to all awards under the Melco Resorts Amended 2021 Share Incentive Plan. The Melco Resorts Overall Plan Limit represented 10% of the shares of Melco Resorts in issue as at the date of approval of the Melco Resorts 2021 Share Incentive Plan in 2021.

On 13 June 2024, the Company's shareholders approved (1) certain amendments to the Melco Resorts 2021 Share Incentive Plan; (2) a scheme mandate limit of 132,967,906 shares of Melco Resorts that can be granted under the Melco Resorts Amended 2021 Share Incentive Plan, involving (i) new shares of Melco Resorts or (ii) existing shares of Melco Resorts held by or for the Company, representing 10% of the total number of shares of Melco Resorts in issue as at the date of the passing of the relevant shareholders' resolution (the "Melco Resorts Chapter 17 Awards Limit"); and (3) a sublimit of 13,296,790 shares of Melco Resorts that can be granted under Melco Resorts Amended 2021 Share Incentive Plan, involving (i) new shares of Melco Resorts or (ii) existing shares of Melco Resorts held by or for the Company, to service providers of Melco Resorts (the "Melco Resorts Service Provider Sublimit"), representing 1% of the total number of shares of Melco Resorts in issue as at the date of the passing of the relevant shareholders' resolution (collectively, (1), (2) and (3), the "MRE SIP 2024 Amendments"). The Melco Resorts Overall Plan Limit was not affected by the MRE SIP 2024 Amendments.

The Melco Resorts Overall Plan Limit of 145,654,794 underlying shares of Melco Resorts and the Melco Resorts Chapter 17 Awards Limit of 132,967,906 underlying shares of Melco Resorts represent 11.41% and 10.42%, respectively, of the total number of shares of Melco Resorts in issue (excluding treasury shares) as at the date of this annual report.

As at 1 January 2024 and 31 December 2024, the total number of underlying shares of Melco Resorts available for grant under the Melco Resorts Overall Plan Limit was 104,653,941 and 90,868,413, respectively.

Following the adoption of the Melco Resorts Chapter 17 Awards Limit on 13 June 2024, having regard to the remaining balance under the Melco Resorts Overall Plan Limit as at 13 June 2024, the maximum total number of underlying shares of Melco Resorts available for grant under the Melco Resorts Chapter 17 Awards Limit as at 13 June 2024 was 91,099,023. As at 31 December 2024, the total number of underlying shares of Melco Resorts available for grant under the Melco Resorts Chapter 17 Awards Limit was 90,868,413.

The total number of underlying shares of Melco Resorts available for grant (including grants involving new shares of Melco Resorts issued by Melco Resorts and/or existing MRE ADSs purchased on the market) to service providers of Melco Resorts under the Melco Resorts Service Provider Sublimit as at 13 June 2024 (the date on which the Melco Resorts Service Provider Sublimit came into effect pursuant to an ordinary resolution passed by the Company's shareholders) and 31 December 2024 were both 12,291,871.

(vi) Maximum entitlement of each participant

The total number of shares issued and to be issued by Melco Resorts upon exercise of all MRE New Share Grant Awards (which may take the form of options, restricted shares, share appreciation rights, dividend equivalents, share payments, deferred shares and/or restricted share units) (whether exercised or outstanding) granted to each participant in any 12-month period must not exceed 1% of the aggregate number of shares of Melco Resorts in issue. Any further grant of such awards to a participant which would result in the shares of Melco Resorts issued and to be issued in respect of all MRE New Share Grant Awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the relevant share incentive scheme of Melco Resorts) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares of Melco Resorts in issue must be separately approved by the shareholders of the Company.

(vii) *The period within which the option may be exercised*

An option granted may be exercised in whole or in part at any time during the period stipulated in the offer, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect to the relevant option.

(viii) *The vesting period of options or awards granted*

As determined by the Melco Resorts Compensation Committee.

(ix) *The amount payable on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be repaid*

As determined by the Melco Resorts Compensation Committee.

(x) *The basis of determining the exercise price of options granted or the purchase price of shares awarded*

The Melco Resorts Compensation Committee may determine the exercise price, grant price or purchase price, if any, of any option or award.

(xi) *The remaining life of the plans*

The Melco Resorts Amended 2011 Share Incentive Plan was terminated on 6 December 2021. The Melco Resorts Amended 2021 Share Incentive Plan (as amended with effect from 13 June 2024) will expire on the tenth anniversary of the effective date of the Melco Resorts 2021 Share Incentive Plan, being 5 December 2031.

(a) Share options granted by Melco Resorts

Movements of share options granted under the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts Amended 2021 Share Incentive Plan during the year ended 31 December 2024 were as follows:

	Number of share options									
Category of participants	As at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Modified during the year	As at 31 December 2024	Date of grant	Exercise price US$	Exercise period (Note)
Under the Melco Resorts Amended 2011 Share Incentive Plan										
Directors, chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-	-
MRE employee participants [1]	56,616	-	-	(56,616)	-	-	-	28.03.2014	5.32	6
	106,848	-	-	(4,392)	-	-	102,456	30.03.2015	5.32	7
	201,666	-	-	(8,292)	-	-	193,374	18.03.2016	5.32	8
	175,596	-	-	(9,198)	-	-	166,398	31.03.2017	6.18	9
	122,583	-	-	(122,583)	-	-	-	31.03.2017	6.18	18
	141,483	-	-	(6,063)	-	-	135,420	29.03.2018	9.66	10
	92,982	-	-	(92,982)	-	-	-	29.03.2018	9.66	19
	189,156	-	-	(6,492)	-	-	182,664	01.04.2019	8.14	11
	59,937	-	-	(59,937)	-	-	-	01.04.2019	8.14	20
	59,937	-	-	-	-	-	59,937	01.04.2019	8.14	21
	652,806	-	-	(18,711)	-	-	634,095	31.03.2020	4.13	12
	384,237	-	-	-	-	-	384,237	31.03.2020	4.13	22
	274,500	-	-	(8,748)	-	-	265,752	07.04.2021	6.89	13
	78,339	-	-	-	-	-	78,339	07.04.2021	6.89	23
	78,339	-	-	-	-	-	78,339	07.04.2021	6.89	24
Sub-total	2,675,025	-	-	(394,014)	-	-	2,281,011			

	Number of share options									
Category of participants	As at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Modified during the year	As at 31 December 2024	Date of grant	Exercise price *US$*	Exercise period *(Note)*
MRE service providers (2)	14,622	-	-	-	-	-	14,622	01.04.2019	8.14	11
MRE related entity participants (3)	-	-	-	-	-	-	-	-	-	-
Total	**2,689,647**	**-**	**-**	**(394,014)**	**-**	**-**	**2,295,633**			
Under the Melco Resorts Amended 2021 Share Incentive Plan										
Directors of the Company										
Mr. Evan Andrew Winkler	-	1,122,264	-	-	-	-	1,122,264	03.04.2024	2.52	17
Chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-	-
Sub-total	-	1,122,264	-	-	-	-	1,122,264			
MRE employee participants (1)	2,806,137	-	-	(76,167)	-	(223,533)	2,506,437	06.04.2022	2.47	14
	-	-	-	-	-	223,533	223,533	06.04.2022	2.47	25
	2,486,241	-	-	-	-	-	2,486,241	06.04.2022	2.47	15
	158,949	-	-	-	-	-	158,949	05.04.2023	4.13	16
	-	693,234	-	-	-	-	693,234	03.04.2024	2.52	17
Sub-total	5,451,327	693,234	-	(76,167)	-	-	6,068,394			
MRE service providers (2)	-	-	-	-	-	-	-	-	-	-
MRE related entity participants (3)	-	-	-	-	-	-	-	-	-	-
Total	**5,451,327**	**1,815,498**	**-**	**(76,167)**	**-**	**-**	**7,190,658**			

Notes:

1. MRE employee participants include both current and former directors (other than the Directors of the Company) and employees of Melco Resorts and/or its subsidiaries.

2. MRE service providers include both current and former service providers who provide or have provided services to Melco Resorts and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of Melco Resorts and/or its subsidiaries.

3. MRE related entity participants include both current and former directors (other than the Directors of the Company) and employees of the holding companies, fellow subsidiaries or associated companies of Melco Resorts.

4. The vesting period of the share options is from the date of grant until the commencement of the exercise period.

5. Since there were no share options exercised during the year, there is no weighted average closing price of the shares of Melco Resorts in respect thereof for the year.

6. The share options granted on 28 March 2014 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 27 March 2024.

7. The share options granted on 30 March 2015 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 29 March 2025.

8. The share options granted on 18 March 2016 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 17 March 2026.

9. The share options granted on 31 March 2017 are exercisable from 30 March 2020 to 30 March 2027.

10. The share options granted on 29 March 2018 are divided into 2 tranches exercisable from 29 March 2020 and 29 March 2021, respectively, to 28 March 2028.

11. The share options granted on 1 April 2019 are divided into 2 tranches exercisable from 1 April 2021 and 1 April 2022, respectively, to 31 March 2029.

12. The share options granted on 31 March 2020 are divided into 2 tranches exercisable from 31 March 2022 and 31 March 2023, respectively, to 30 March 2030.

13. The share options granted on 7 April 2021 are divided into 2 tranches exercisable from 7 April 2023 and 7 April 2024, respectively, to 6 April 2031.

14. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.

15. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.

16. The share options granted on 5 April 2023 are divided into 3 tranches exercisable from 5 April 2024, 5 April 2025 and 5 April 2026, respectively, to 4 April 2033.

17. The share options granted on 3 April 2024 are divided into 3 tranches exercisable from 3 April 2025, 3 April 2026 and 3 April 2027 to 2 April 2034.

18. The share options granted on 31 March 2017 are exercisable from 30 March 2020 to 8 January 2024.

19. The share options granted on 29 March 2018 are divided into 2 tranches exercisable from 29 March 2020 and 29 March 2021, respectively, to 8 January 2024.

20. The share options granted on 1 April 2019 are exercisable from 1 April 2021 to 8 January 2024.

21. The share options granted on 1 April 2019 are exercisable from 1 April 2022 to 1 April 2025.

22. The share options granted on 31 March 2020 are divided into 2 tranches exercisable from 31 March 2022 and 31 March 2023, respectively, to 31 March 2025.

23. The share options granted on 7 April 2021 are exercisable from 7 April 2023 to 31 March 2025.

24. The share options granted on 7 April 2021 are exercisable from 7 April 2024 to 7 April 2025.

25. The exercise period for the 223,533 share options granted on 6 April 2022 has been modified from "6 April 2025 to 5 April 2032" to "23 August 2025 to 21 November 2025" with effect from 22 February 2024.

During the year ended 31 December 2024, the following share options, which may be satisfied by new shares issued by Melco Resorts and/or existing MRE ADSs or shares of Melco Resorts upon the exercise of share options, were granted under the Melco Resorts Amended 2021 Share Incentive Plan:

Grant date	3 April 2024
Number of share options granted	1,815,498 (which entitle the grantees to subscribe for a total of 1,815,498 shares of Melco Resorts)
Approximate percentage of the total number of issued shares of Melco Resorts on the date of grant	0.14%
Exercise price	US$7.56 per MRE ADS (representing approximately US$2.52 per share of Melco Resorts)
Validity period	Ten years, from 3 April 2024 to 2 April 2034
Performance targets and/or clawback mechanism	Neither performance targets nor clawback mechanism attached to the share options granted
Closing price of MRE ADSs trading on the Nasdaq Global Select Market immediately before the date of grant	US$7.34 per MRE ADS (representing approximately US$2.45 per share of Melco Resorts)
Aggregate fair value of the share options granted at the date of grant, which was determined using the Black-Scholes valuation model at the date of award in accordance with HKFRS 2	US$2,105,978
Weighted average fair value per share option granted	US$1.16
Valuation model used to estimate the fair value of the share options	Black-Scholes model (Note)

Note:

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

Grant date of the share options	**3 April 2024**
Valuation model	Black-Scholes
Exercise price	US$2.52 per share
Expected volatility	60%
Expected life	5.1 years
Risk-free rate	4.36%
Expected dividend yield	2.50%

The significant assumptions used in the model include the following:

Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of MRE ADSs trading on the Nasdaq Global Select Market. Expected life is based upon the vesting term or the historical expected life of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected life.

(b) Restricted shares granted by Melco Resorts

Movements of the restricted shares granted under the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts Amended 2021 Share Incentive Plan during the year ended 31 December 2024 were as follows:

(i) Restricted shares granted to the Directors of the Company

	Number of restricted shares							
Name of Director	Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Unvested as at 31 December 2024	Date of award	Vesting date
Under the Melco Resorts Amended 2011 Share Incentive Plan								
Mr. Ho, Lawrence Yau Lung *(also the chief executive and a substantial shareholder of the Company)*	727,434	-	(727,434)	-	-	-	07.04.2021	07.04.2024
Mr. Evan Andrew Winkler	12,693	-	(12,693)	-	-	-	07.04.2021	07.04.2024
Mr. Chung Yuk Man, Clarence	27,201	-	(27,201)	-	-	-	07.04.2021	07.04.2024
Mr. John William Crawford	7,254	-	(7,254)	-	-	-	07.04.2021	07.04.2024
Total	**774,582**	**-**	**(774,582)**	**-**	**-**	**-**		

Name of Director	Number of restricted shares: Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Unvested as at 31 December 2024	Date of award	Vesting date
Under the Melco Resorts Amended 2021 Share Incentive Plan								
Mr. Ho, Lawrence Yau Lung	2,000,460	-	(2,000,460)	-	-	-	06.04.2022	06.04.2024
(also the chief executive and	1,347,312	-	-	-	-	1,347,312	06.04.2022	06.04.2025
a substantial shareholder	581,583	-	(581,583)	-	-	-	05.04.2023	05.04.2024
of the Company)	581,583	-	-	-	-	581,583	05.04.2023	05.04.2025
	581,583	-	-	-	-	581,583	05.04.2023	05.04.2026
	-	952,380	-	-	-	952,380	03.04.2024	03.04.2025
	-	952,380	-	-	-	952,380	03.04.2024	03.04.2026
	-	952,380	-	-	-	952,380	03.04.2024	03.04.2027
	5,092,521	2,857,140	(2,582,043)	-	-	5,367,618		
Mr. Evan Andrew Winkler	35,472	-	(35,472)	-	-	-	06.04.2022	06.04.2024
	35,472	-	-	-	-	35,472	06.04.2022	06.04.2025
	21,204	-	(21,204)	-	-	-	05.04.2023	05.04.2024
	21,204	-	-	-	-	21,204	05.04.2023	05.04.2025
	21,204	-	-	-	-	21,204	05.04.2023	05.04.2026
	-	149,637	-	-	-	149,637	03.04.2024	03.04.2025
	-	149,637	-	-	-	149,637	03.04.2024	03.04.2026
	-	149,637	-	-	-	149,637	03.04.2024	03.04.2027
	134,556	448,911	(56,676)	-	-	526,791		
Mr. Chung Yuk Man, Clarence	76,014	-	(76,014)	-	-	-	06.04.2022	06.04.2024
	76,014	-	-	-	-	76,014	06.04.2022	06.04.2025
	45,438	-	(45,438)	-	-	-	05.04.2023	05.04.2024
	45,438	-	-	-	-	45,438	05.04.2023	05.04.2025
	45,438	-	-	-	-	45,438	05.04.2023	05.04.2026
	-	74,406	-	-	-	74,406	03.04.2024	03.04.2025
	-	74,406	-	-	-	74,406	03.04.2024	03.04.2026
	-	74,406	-	-	-	74,406	03.04.2024	03.04.2027
	288,342	223,218	(121,452)	-	-	390,108		
Mr. John William Crawford	20,271	-	(20,271)	-	-	-	06.04.2022	06.04.2024
	20,271	-	-	-	-	20,271	06.04.2022	06.04.2025
	12,117	-	(12,117)	-	-	-	05.04.2023	05.04.2024
	12,117	-	-	-	-	12,117	05.04.2023	05.04.2025
	12,117	-	-	-	-	12,117	05.04.2023	05.04.2026
	-	19,842	-	-	-	19,842	03.04.2024	03.04.2025
	-	19,842	-	-	-	19,842	03.04.2024	03.04.2026
	-	19,842	-	-	-	19,842	03.04.2024	03.04.2027
	76,893	59,526	(32,388)	-	-	104,031		
Total	**5,592,312**	**3,588,795**	**(2,792,559)**	**-**	**-**	**6,388,548**		

(ii) Restricted shares granted to other eligible participants

Category of participants	Number of restricted shares: Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Unvested as at 31 December 2024	Date of award	Vesting date
Under the Melco Resorts Amended 2011 Share Incentive Plan								
MRE employee participants [1]	8,592	-	(8,592)	-	-	-	31.03.2020	01.04.2024
	27,768	-	(27,768)	-	-	-	31.03.2020	07.04.2024
	2,133	-	(2,133)	-	-	-	31.03.2020	01.06.2024
	2,136	-	(2,136)	-	-	-	31.03.2020	01.06.2024[4]
	950,502	-	(937,896)	(12,606)	-	-	07.04.2021	07.04.2024
	10,326	-	(10,326)	-	-	-	07.04.2021	01.04.2024
	2,565	-	(2,565)	-	-	-	07.04.2021	01.06.2024
	2,565	-	(2,565)	-	-	-	07.04.2021	01.06.2024[4]
	31,923	-	(31,923)	-	-	-	11.06.2021	11.06.2024
Sub-total	1,038,510	-	(1,025,904)	(12,606)	-	-		
MRE service providers [2]	12,849	-	(12,849)	-	-	-	07.04.2021	07.04.2024
	897	-	(897)	-	-	-	11.06.2021	11.06.2024
Sub-total	13,746	-	(13,746)	-	-	-		
MRE related entity participants [3]	-	-	-	-	-	-	-	-
Total	**1,052,256**	**-**	**(1,039,650)**	**(12,606)**	**-**	**-**		

Category of participants	Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Modified/ re-classified during the year	Unvested as at 31 December 2024	Date of award	Vesting date
	Number of restricted shares								
Under the Melco Resorts Amended 2021 Share Incentive Plan									
MRE employee	4,249,596	-	(4,234,536)	(15,060)	-	-	-	06.04.2022	06.04.2024
participants [1]	2,199,714	-	-	(60,798)	-	(74,511)	2,064,405	06.04.2022	06.04.2025[5]
	-	-	-	-	-	74,511	74,511	06.04.2022	23.08.2025[5]
	86,034	-	(86,034)	-	-	-	-	06.04.2022	06.04.2024
	24,534	-	(24,534)	-	-	-	-	06.04.2022	01.06.2024
	24,537	-	(24,537)	-	-	-	-	06.04.2022	01.06.2024[4]
	1,110	-	-	(1,110)	-	-	-	08.08.2022	06.04.2024
	1,522,755	-	(1,518,432)	(4,323)	-	-	-	05.04.2023	05.04.2024
	1,522,755	-	-	(46,893)	-	(88,635)	1,387,227	05.04.2023	05.04.2025[6]
	-	-	-	-	-	88,635	88,635	05.04.2023	23.08.2025[6]
	1,522,755	-	-	(46,893)	-	-	1,475,862	05.04.2023	05.04.2026
	12,531	-	(12,531)	-	-	-	-	01.11.2023	01.11.2024
	12,531	-	-	-	-	-	12,531	01.11.2023	01.11.2025
	12,531	-	-	-	-	-	12,531	01.11.2023	01.11.2026
	-	100,000	-	-	-	(1)	99,999	01.03.2024	01.09.2025
	-	200,000	-	-	-	1	200,001	01.03.2024	01.09.2026
	-	2,476,173	-	(85,725)	-	-	2,390,448	03.04.2024	03.04.2025
	-	2,476,173	-	(85,725)	-	-	2,390,448	03.04.2024	03.04.2026
	-	2,476,173	-	(85,725)	-	-	2,390,448	03.04.2024	03.04.2027
	-	6,249	-	-	-	-	6,249	02.05.2024	03.04.2025
	-	6,249	-	-	-	-	6,249	02.05.2024	03.04.2026
	-	6,249	-	-	-	-	6,249	02.05.2024	03.04.2027
	-	239,661	-	-	-	-	239,661	05.08.2024	05.08.2025
	-	239,661	-	-	-	-	239,661	05.08.2024	05.08.2026
	-	28,962	-	-	-	-	28,962	06.08.2024	03.04.2025
	-	28,962	-	-	-	-	28,962	06.08.2024	03.04.2026
	-	28,962	-	-	-	-	28,962	06.08.2024	03.04.2027
	-	11,262	-	-	-	-	11,262	19.08.2024	19.08.2025
	-	11,262	-	-	-	-	11,262	19.08.2024	19.08.2026
	-	11,262	-	-	-	-	11,262	19.08.2024	19.08.2027
	-	30,753	-	-	-	-	30,753	28.10.2024	01.01.2025
	-	30,753	-	-	-	-	30,753	28.10.2024	28.10.2025
Sub-total	11,191,383	8,408,766	(5,900,604)	(432,252)	-	-	13,267,293		

Category of participants	Number of restricted shares							Date of award	Vesting date
	Unvested as at 1 January 2024	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Modified/ re-classified during the year	Unvested as at 31 December 2024		
MRE service providers [(2)]	154,101	-	(154,101)	-	-	-	-	06.04.2022	06.04.2024
	52,914	-	-	-	-	-	52,914	06.04.2022	06.04.2025
	32,112	-	(32,112)	-	-	-	-	05.04.2023	05.04.2024
	32,112	-	-	-	-	-	32,112	05.04.2023	05.04.2025
	32,112	-	-	-	-	-	32,112	05.04.2023	05.04.2026
	-	93,132	-	-	-	-	93,132	23.02.2024	23.02.2025[(7)]
	-	93,132	-	-	-	-	93,132	23.02.2024	23.02.2026[(7)]
	-	93,132	-	-	-	-	93,132	23.02.2024	23.02.2027[(7)]
	-	67,164	-	-	-	-	67,164	03.04.2024	03.04.2025
	-	67,164	-	-	-	-	67,164	03.04.2024	03.04.2026
	-	67,164	-	-	-	-	67,164	03.04.2024	03.04.2027
Sub-total	303,351	480,888	(186,213)	-	-	-	598,026		
MRE related entity participants [(3)]	-	-	-	-	-	-	-	-	-
Total	**11,494,734**	**8,889,654**	**(6,086,817)**	**(432,252)**	**-**	**-**	**13,865,319**		

Notes:

1. MRE employee participants include both current and former directors (other than the Directors of the Company) and employees of Melco Resorts and/or its subsidiaries.

2. MRE service providers include both current and former service providers who provide or have provided services to Melco Resorts and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of Melco Resorts and/or its subsidiaries.

3. MRE related entity participants include both current and former directors (other than the Directors of the Company) and employees of the holding companies, fellow subsidiaries or associated companies of Melco Resorts.

4. The vesting date is rescheduled from 9 June 2024 to 1 June 2024.

5. The vesting date of the 74,511 restricted shares has been modified from 6 April 2025 to 23 August 2025 with effect from 22 February 2024.

6. The vesting date of the 88,635 restricted shares has been modified from 5 April 2025 to 23 August 2025 with effect from 22 February 2024.

7. A total of 279,396 restricted shares under the category "MRE employee participants" is reclassified to the category "MRE service providers".

8. In respect of the restricted shares vested during the year, the weighted average closing price of the shares of Melco Resorts immediately before the dates on which the restricted shares vested was US$2.37 per share of Melco Resorts. The participants are not required to pay any purchase price for the restricted shares subject to the share award upon vesting.

During the year ended 31 December 2024, the following restricted shares were granted under the Melco Resorts Amended 2021 Share Incentive Plan:

(1) Restricted shares granted that are expected to be funded by existing shares of Melco Resorts and not to involve any issue of new shares by Melco Resorts nor involve any shares of Melco Resorts held by or for the Company upon vesting

Grant date	23 February 2024	1 March 2024	2 May 2024	5 August 2024	6 August 2024	19 August 2024	28 October 2024
Number of restricted shares granted	279,396	300,000	18,747	479,322	86,886	33,786	61,506
Approximate percentage of the total number of issued shares of Melco Resorts (excluding treasury shares) on the date of grant	0.021%	0.023%	0.001%	0.036%	0.007%	0.003%	0.005%
Vesting period	Three years from 2025 to 2027	Two years from 2025 to 2026	Three years from 2025 to 2027	Two years from 2025 to 2026	Three years from 2025 to 2027	Three years from 2025 to 2027	One year in 2025
Purchase price payable by the grantee(s) upon vesting of the restricted shares subject to the share award	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Closing price of MRE ADSs trading on Nasdaq Global Select Market immediately before the date of grant	US$8.18 per MRE ADS (representing approximately US$2.73 per Melco Resorts Share)	US$7.73 per MRE ADS (representing approximately US$2.58 per Melco Resorts Share)	US$6.59 per MRE ADS (representing approximately US$2.20 per Melco Resorts Share)	US$5.15 per MRE ADS (representing approximately US$1.72 per Melco Resorts Share)	US$5.32 per MRE ADS (representing approximately US$1.77 per Melco Resorts Share)	US$5.20 per MRE ADS (representing approximately US$1.73 per Melco Resorts Share)	US$6.73 per MRE ADS (representing approximately US$2.24 per Melco Resorts Share)
Aggregate fair value of the restricted shares granted at the date of grant, which was determined with reference to the closing price of MRE ADSs trading on Nasdaq Global Select Market at the date of award in accordance with HKFRS 2	US$800,004	US$712,000	US$44,680	US$849,998	US$158,133	US$62,504	US$143,309
Weighted average fair value per restricted share granted	US$2.86	US$2.37	US$2.38	US$1.77	US$1.82	US$1.85	US$2.33

(2) *Restricted shares granted that may be satisfied by new shares issued by Melco Resorts and/or existing MRE ADSs or shares of Melco Resorts at the time of vesting*

Grant date	3 April 2024
Number of restricted shares granted	11,218,806
Approximate percentage of the total number of issued shares of Melco Resorts (excluding treasury shares) on the date of grant	0.84%
Vesting period	Three years from 2025 to 2027
Purchase price payable by the grantees upon vesting of the restricted shares subject to the share award	Nil
Closing price of MRE ADSs trading on Nasdaq Global Select Market immediately before the date of grant	US$7.34 per MRE ADS (representing approximately US$2.45 per Melco Resorts Share)
Performance targets and/or clawback mechanism	Neither performance targets nor clawback mechanism attached to the restricted shares granted
Aggregate fair value of the restricted shares granted at the date of grant, which was determined with reference to the closing price of MRE ADSs trading on Nasdaq Global Select Market at the date of award in accordance with HKFRS 2	US$28,271,391
Weighted average fair value per restricted share granted	US$2.52

The number of shares of Melco Resorts that may be issued in respect of the share options and share awards granted under all share schemes (within the meaning of Chapter 17 of the Listing Rules) of Melco Resorts during the year ended 31 December 2024 divided by the weighted average number of shares of Melco Resorts in issue (excluding treasury shares) for the year ended 31 December 2024 was 0.99%.

During the year ended 31 December 2024, none of the participants has been granted share options and/or restricted shares (under share schemes (within the meaning of Chapter 17 of the Listing Rules) of Melco Resorts) by Melco Resorts that exceed 1% of the total number of shares of Melco Resorts in issue (excluding treasury shares) and none of the MRE related entity participants or MRE service providers has been granted share options and/or restricted shares (under share schemes (within the meaning of Chapter 17 of the Listing Rules) of Melco Resorts) by Melco Resorts that exceed 0.1% of the total number of shares of Melco Resorts in issue (excluding treasury shares) in any 12-month period.

CONNECTED TRANSACTIONS

For the year ended 31 December 2024, the Group entered into the following connected transactions, which are subject to announcement and reporting requirements but are exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules:

Grant of Restricted Shares to the Directors of the Company by Melco Resorts

On 3 April 2024, Melco Resorts granted, under the Melco Resorts 2021 Share Incentive Plan, (1) restricted shares in respect of 952,380 MRE ADSs (equivalent to 2,857,140 Melco Resorts Shares) to Mr. Ho, Lawrence Yau Lung; and (2) restricted shares in respect of 149,637 MRE ADSs (equivalent to 448,911 Melco Resorts Shares) to Mr. Evan Andrew Winkler, representing approximately 0.21% and 0.03% of Melco Resorts' total issued shares (excluding treasury shares) as of 3 April 2024, respectively. The restricted shares shall vest in three equal batches with the first batch to vest on 3 April 2025, and the remaining two batches to vest on 3 April 2026 and 3 April 2027 thereafter, respectively. No price was payable by each of the grantees in respect of the aforesaid grants of restricted shares.

The purpose of the aforesaid grants of restricted shares to Mr. Ho and Mr. Winkler is to incentivise and motivate them to strive for the future development of the businesses of Melco Resorts and its subsidiaries. The number of restricted shares granted to Mr. Ho and Mr. Winkler was respectively determined with reference to their respective duties and responsibilities at Melco Resorts and its subsidiaries, namely, Mr. Ho as director at the subsidiary level and Mr. Winkler as the President and director of the boards of Melco Resorts and its subsidiaries.

Mr. Ho is a substantial shareholder, Director, the Chairman and Chief Executive Officer of the Company. He is also a director and the Chairman and Chief Executive Officer of Melco Resorts. Mr. Winkler is a Director of the Company and a director of Melco Resorts. Therefore, they are connected persons of the Company under the Listing Rules. The grant of restricted shares to each of them constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the closing price of US$7.56 per MRE ADSs as quoted on the Nasdaq Global Select Market on 3 April 2024 and the number of restricted shares granted to each of Mr. Ho and Mr. Winkler, one or more applicable percentage ratios is 0.1% or more but each of the applicable percentage ratios is less than 5%. Accordingly, the grant of restricted shares to each of them is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further details of the connected transactions were set out in the announcement of the Company dated 5 April 2024.

WAIVER IN RELATION TO CONNECTED TRANSACTIONS

Grant of Waiver from Strict Compliance with the Connected Transactions Requirements under Rule 14A.103 of the Listing Rules

Mr. Thomas Jefferson Wu ("Mr. Wu"), an independent non-executive director of Melco Resorts, a listed subsidiary of the Company, is a connected person of the Company at subsidiary level pursuant to Rule 14A.07(1) of the Listing Rules. The parents of Mr. Wu (the "Parents") and the majority-controlled companies held directly or indirectly by the Parents (the "Parents' Controlled Companies") are, therefore, associates of Mr. Wu and are connected persons of the Company at subsidiary level pursuant to Rules 14A.07(4) and 14A.12(2) of the Listing Rules. It came to the attention of the Company that it would be impractical and unduly burdensome for Mr. Wu to provide the necessary information to the Company for it to comply with the connected transaction requirements for the transactions under Chapter 14A of the Listing Rules which may become applicable if a transaction entered into by the Group is connected only because of the interest of the Parents and/or the Parents' Controlled Companies (the "Transactions"). Accordingly, the Company applied for, and the Hong Kong Stock Exchange granted to the Company a waiver from the connected transactions requirements for the Transactions under Rule 14A.103 of the Listing Rules (the "Waiver"), subject to the conditions that:

(a) Mr. Wu is a connected person only because he is an independent non-executive director at the subsidiary level;

(b) the Company will disclose the Waiver in its annual reports as long as the Waiver remains valid and in place; and

(c) the Company and Mr. Wu will promptly notify the Hong Kong Stock Exchange if they become aware of any material changes in the information provided in the submissions in respect of the Waiver.

As at 31 December 2024, Mr. Wu continues to be an independent non-executive director of Melco Resorts and therefore a connected person of the Company at the subsidiary level and hence the Waiver remains valid and in place.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2024, which did not constitute connected transactions under Chapter 14A of the Listing Rules, are disclosed in note 41 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the following persons/corporations had interests in five per cent or more of the issued shares of the Company as recorded in the register required to be kept under Section 336 of the SFO. Details of the interests in the shares and underlying shares of the Company as notified to the Company were as follows:

Long positions in the shares and underlying shares of the Company

Name	Capacity	No. of shares held	No. of underlying shares held	Approximate % of total issued shares(1)	Note(s)
Better Joy Overseas Ltd.	Beneficial owner	301,368,606	–	19.87%	2
Lasting Legend Ltd.	Beneficial owner	122,243,024	–	8.06%	2
	Interest of controlled corporation	301,368,606	–	19.87%	2
Trident Trust Company (Cayman) Limited	Trustee	423,611,630	–	27.93%	3
Black Spade Capital Limited	Beneficial owner	91,445,132	–	6.03%	4
	Interest of controlled corporation	73,590,345	–	4.85%	4
King Dragon Ventures Limited	Interest of controlled corporations	165,035,477	–	10.88%	4
LHT I Limited	Interest of controlled corporations	165,035,477	–	10.88%	4
Zedra Asia Limited	Trustee	165,752,477	–	10.93%	5
L3G Holdings Inc.	Beneficial owner	312,666,187	–	20.62%	6
Zedra Trust Company (Cayman) Limited	Trustee	312,666,187	–	20.62%	6
Mr. Ho, Lawrence Yau Lung	Beneficial owner	24,054,574	30,073,000	3.57%	10
	Interest of controlled corporations	590,213,107	–	38.91%	8
	Interest of spouse	4,212,102	–	0.28%	9
	Others	313,383,187	–	20.66%	7
Ms. Lo Sau Yan, Sharen	Beneficial owner	4,212,102	–	0.28%	–
	Interest of spouse	927,650,868	30,073,000	63.15%	9, 10

Notes:

1. As at 31 December 2024, the total number of issued shares of the Company was 1,516,683,755.

2. Better Joy Overseas Ltd. is a company controlled by Lasting Legend Ltd. and, therefore, Lasting Legend Ltd. was deemed to be interested in the 301,368,606 shares held by Better Joy Overseas Ltd. The shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by the person, company and/or trusts associated with Mr. Ho, Lawrence Yau Lung.

3. The 423,611,630 shares relate to the same block of shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. referred to in note 2 above.

4. Black Spade Capital Limited is wholly owned by King Dragon Ventures Limited which in turn is wholly owned by LHT I Limited and, therefore, King Dragon Ventures Limited and LHT I Limited were deemed to be interested in the 165,035,477 shares held by Black Spade Capital Limited and its wholly-owned subsidiary, Mighty Dragon Developments Limited. The shares held by the aforesaid companies also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by a trust associated with him.

5. Among the 165,752,477 shares, 165,035,477 shares relate to the same block of shares held by Black Spade Capital Limited and Mighty Dragon Developments Limited referred to in note 4 above, and 717,000 shares held by Lucky Life Limited.

   Lucky Life Limited is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Asia Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to have interests in the shares held by Lucky Life Limited by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.

6. L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Trust Company (Cayman) Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to have interests in the shares held by L3G Holdings Inc. by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.

7. The 313,383,187 shares relate to the 717,000 shares held by Lucky Life Limited (controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 5) and 312,666,187 shares held by L3G Holdings Inc. (controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 6).

8. The 590,213,107 shares relate to the 301,368,606 shares, 122,243,024 shares, 73,590,345 shares, 91,445,132 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.10% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies.

9. Mr. Ho, Lawrence Yau Lung is the spouse of Ms. Lo Sau Yan, Sharen and was deemed to be interested in the shares of the Company through the interest of his spouse under the SFO.

10. Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho, Lawrence Yau Lung and was deemed to be interested in the shares of the Company through the interest of her spouse under the SFO.

11. The interests of Mr. Ho, Lawrence Yau Lung in the underlying shares of the Company (in respect of the awarded shares granted by the Company) are set out in the "Directors' interests in shares, underlying shares and debentures" section of this report.

Save as disclosed above, as at 31 December 2024, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

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

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the Share Purchase Scheme purchased on the Hong Kong Stock Exchange a total of 17,501,000 shares of the Company at a total consideration of approximately HK$92,688,000 for satisfying the award of shares to selected participants pursuant to the terms of the rules and trust deed of the Share Purchase Scheme.

EQUITY-LINKED AGREEMENTS

Other than the share option schemes as disclosed in the "Share Schemes" section of this report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interests. Information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 43 to 63 of this annual report.

REMUNERATION POLICIES

The Company has in place remuneration policies for Directors, senior management and other staff. When determining remuneration packages of Directors and senior management, a number of factors will be taken into account, including benchmark of the relevant and similar roles in the industry, competitive market conditions, performance ratings of senior management by their leaders, and other relevant matters. Particulars of the emoluments of Directors on a named basis for the year are set out in note 12 to the consolidated financial statements.

The Company has in place the 2024 Share Incentive Scheme and the Share Purchase Scheme for the purpose of providing incentives to the Directors and employees. Details of the schemes are set out in the "Share Schemes" section of this report and in note 34 to the consolidated financial statements.

DONATIONS AND CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2024, donations and charitable contributions by the Group for charitable and other purposes amounted to approximately HK$135,701,000 (2023: HK$130,322,000).

AUDIT COMMITTEE

The Company has an Audit Committee (the "Audit Committee"), which was established for the purpose of reviewing and providing supervision over the Group's financial reporting processes and overseeing the Group's risk management and internal control systems.

The Audit Committee, made up of three Independent Non-executive Directors, met four times during the year. At 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 the internal auditor, external auditor and management the auditing, risk management, internal control and financial reporting matters.

AUDITOR

Ernst & Young ("EY") has resigned as auditor of the Company with effect from 28 June 2024. The Board, with the recommendation from the Audit Committee, has resolved to appoint Deloitte Touche Tohmatsu ("Deloitte") as the new auditor of the Company to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the announcement of the Company dated 28 June 2024. Save as disclosed above, there were no other changes of auditors of the Company in the past three years.

The consolidated financial statements of the Group for the financial year ended 31 December 2024 have been audited by Deloitte, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Ho, Lawrence Yau Lung
Chairman and Chief Executive Officer

Hong Kong, 28 March 2025

INDEPENDENT AUDITOR'S REPORT

Deloitte.

TO THE MEMBERS OF MELCO INTERNATIONAL DEVELOPMENT LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Melco International Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 114 to 221, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of non-current non-financial assets of Studio City	
We identified the impairment assessment on the recoverable amounts of non-current non-financial assets in respect of hotel and related operations in Studio City, being a single cash-generating unit, as a key audit matter because the estimation of the recoverable amounts of these assets involved significant management judgement and estimation. As disclosed in notes 17, 31 and 18 to the consolidated financial statements, as at 31 December 2024, the non-current non-financial assets of Studio City comprise property, plant and equipment, right-of-use assets and intangible assets (including trademark) in respect of hotel and related operations with carrying amounts of HK$21,501 million, HK$2,623 million and HK$5,459 million, respectively. The management of the Group considered there was indication of impairment for these assets and prepared a discounted cash flow projection. As disclosed in note 3 to the consolidated financial statements, the impairment assessment of these assets is performed by comparing the recoverable amount of non-current non-financial assets of Studio City, which is the higher of its value-in-use and its fair value less costs of disposal, to its carrying value as at 31 December 2024. The key assumptions adopted by the management of the Group are the revenue growth rates and pre-tax discount rate in the discounted cash flow projection. During the year ended 31 December 2024, in the opinion of the directors of the Company, impairment losses of HK$677 million, HK$83 million and HK$172 million have been recognised on property, plant and equipment, right-of-use assets and intangible assets in respect of the hotel and related operations of Studio City, respectively.	Our procedures in relation to the impairment assessment of non-current non-financial assets in respect of hotel and related operations in Studio City included: • Understanding the processes performed by the management of the Group in relation to the impairment assessment of non-current non-financial assets of Studio City including the preparation of the discounted cash flow projection; • Evaluating the reasonableness of key assumptions adopted by the management of the Group on the revenue growth rates applied in the discounted cash flow projection in determining the recoverable amount of non-current non-financial assets in respect of hotel and related operations in Studio City with reference to historical performance and available market data; • Involving our internal valuation specialists to evaluate the valuation methodology and the reasonableness of the pre-tax discount rate in the impairment assessment applied by the management of the Group; and • Assessing whether the disclosures in the consolidated financial statements are appropriate and sufficient.

OTHER MATTER

The consolidated financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 28 March 2024.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Chan Ka Sing.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

28 March 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NET REVENUES	5	36,172,972	29,531,635
OPERATING COSTS AND EXPENSES			
Gaming tax and license fees	6	(14,185,453)	(11,662,205)
Employee benefits expenses	7	(6,971,953)	(6,171,188)
Depreciation and amortisation	8	(4,478,398)	(4,445,793)
Other operating expenses, gains and losses, net	9	(7,890,212)	(6,537,329)
Total operating costs and expenses, net		(33,526,016)	(28,816,515)
OPERATING INCOME		2,646,956	715,120
NON-OPERATING INCOME/(EXPENSES)			
Interest income		138,753	214,560
Interest expense, net of amounts capitalised	10	(4,215,963)	(4,298,758)
Losses on modification or extinguishment of debts, net		(7,818)	(69,650)
Other financing costs		(61,181)	(37,981)
Foreign exchange (losses)/gains, net		(92,567)	51,182
Other (expenses)/income, net	11	(42,063)	36,846
Share of losses of a joint venture	21	(162)	(631)
Share of losses of associates	22	(1,131)	(6,446)
Total non-operating expenses, net		(4,282,132)	(4,110,878)
LOSS BEFORE INCOME TAX		(1,635,176)	(3,395,758)
Income tax expense	14	(48,561)	(98,363)
LOSS FOR THE YEAR		(1,683,737)	(3,494,121)

	Note	2024 HK$'000	2023 HK$'000
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		171,828	63,400
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Other		92	(6,111)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		171,920	57,289
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,511,817)	(3,436,832)
Loss for the year attributable to:			
Owners of the Company		(784,603)	(1,743,932)
Non-controlling interests		(899,134)	(1,750,189)
		(1,683,737)	(3,494,121)
Total comprehensive loss for the year attributable to:			
Owners of the Company		(744,438)	(1,721,808)
Non-controlling interests		(767,379)	(1,715,024)
		(1,511,817)	(3,436,832)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	16		
Basic and diluted		HK$(0.52)	HK$(1.16)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	17	41,978,077	44,989,049
Right-of-use assets	31	5,073,287	5,079,373
Intangible assets	18	19,053,015	19,357,150
Goodwill	19	5,299,451	5,299,451
Investment in a joint venture	21	53,046	161,860
Investments in associates	22	–	18,556
Prepayments, deposits and other receivables	25	1,035,366	801,381
Restricted cash	26	974,404	975,076
Total non-current assets		73,466,646	76,681,896
CURRENT ASSETS			
Inventories	23	251,940	229,874
Trade receivables	24	1,119,583	715,857
Prepayments, deposits and other receivables	25	811,957	938,336
Tax recoverable		1,252	759
Restricted cash	26	68,972	79,249
Cash and bank balances	27	9,029,153	10,765,478
Total current assets		11,282,857	12,729,553
CURRENT LIABILITIES			
Trade payables	28	192,485	91,807
Other payables, accruals and deposits received	29	8,250,163	7,982,093
Tax payable		295,829	220,739
Interest-bearing borrowings	30	9,483,349	1,000
Lease liabilities	31	424,737	430,475
Total current liabilities		18,646,563	8,726,114
NET CURRENT (LIABILITIES)/ASSETS		(7,363,706)	4,003,439
TOTAL ASSETS LESS CURRENT LIABILITIES		66,102,940	80,685,335

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT LIABILITIES			
Other payables, accruals and deposits received	29	2,458,289	2,527,612
Interest-bearing borrowings	30	51,204,349	63,556,455
Lease liabilities	31	1,999,531	1,885,781
Deferred tax liabilities	32	2,234,250	2,342,280
Total non-current liabilities		57,896,419	70,312,128
Net assets		8,206,521	10,373,207
EQUITY			
Share capital	33	5,701,853	5,701,853
Deficit		(5,655,923)	(5,036,855)
Equity attributable to owners of the Company		45,930	664,998
Non-controlling interests		8,160,591	9,708,209
Total equity		8,206,521	10,373,207

The accompanying notes are an integral part of the consolidated financial statements.

The consolidated financial statements on pages 114 to 221 were approved and authorised for issue by the board of Directors on 28 March 2025 and are signed on its behalf by:

Ho, Lawrence Yau Lung
Director

Evan Andrew Winkler
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to owners of the Company												
	Share capital HK$'000 (note 33)	**Capital reserve** HK$'000	**Special reserve** HK$'000 (note a)	**Legal reserve** HK$'000 (note b)	**Other revaluation reserve** HK$'000	**Exchange reserve** HK$'000	**Share option reserve** HK$'000	**Shares held under share award schemes** HK$'000	**Share award reserve** HK$'000	**Retained profits/ (accumulated losses)** HK$'000	**Sub-total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
As at 1 January 2023	5,701,853	7,053	(5,588,177)	245,255	1,182	(358,247)	28,478	(108,763)	424,227	1,438,444	1,791,305	11,594,760	13,386,065
Exchange differences on translation of foreign operations	-	-	-	-	-	25,356	-	-	-	-	25,356	38,044	63,400
Other	-	-	-	-	(3,232)	-	-	-	-	-	(3,232)	(2,879)	(6,111)
Other comprehensive (loss)/income for the year	-	-	-	-	(3,232)	25,356	-	-	-	-	22,124	35,165	57,289
Loss for the year	-	-	-	-	-	-	-	-	-	(1,743,932)	(1,743,932)	(1,750,189)	(3,494,121)
Total comprehensive (loss)/income for the year	-	-	-	-	(3,232)	25,356	-	-	-	(1,743,932)	(1,721,808)	(1,715,024)	(3,436,832)
Recognition of share-based payments	-	-	191,556	-	-	-	1,047	-	85,235	-	277,838	171,610	449,448
Shares vested under the share award schemes	-	-	-	-	-	-	-	108,357	(185,117)	76,760	-	-	-
Purchase of shares for unvested shares under the share award schemes (note 33)	-	-	-	-	-	-	-	(11,977)	-	-	(11,977)	-	(11,977)
Transfer to legal reserve	-	-	-	11	-	-	-	-	-	(11)	-	-	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,385)	(1,385)
Change in ownership interests of certain subsidiaries (note 36)	-	-	329,640	-	-	-	-	-	-	-	329,640	(341,752)	(12,112)
	-	-	521,196	11	-	-	1,047	96,380	(99,882)	76,749	595,501	(171,527)	423,974
As at 31 December 2023	5,701,853	7,053*	(5,066,981)*	245,266*	(2,050)*	(332,891)*	29,525*	(12,383)*	324,345*	(228,739)*	664,998	9,708,209	10,373,207

	Attributable to owners of the Company												
	Share capital HK$'000 (note 33)	**Capital reserve** HK$'000	**Special reserve** HK$'000 (note a)	**Legal reserve** HK$'000 (note b)	**Other revaluation reserve** HK$'000	**Exchange reserve** HK$'000	**Share option reserve** HK$'000	**Shares held under share award schemes** HK$'000	**Share award reserve** HK$'000	**Accumulated losses** HK$'000	**Sub-total** HK$'000	**Non-controlling interests** HK$'000	**Total equity** HK$'000
As at 1 January 2024	5,701,853	7,053	(5,066,981)	245,266	(2,050)	(332,891)	29,525	(12,383)	324,345	(228,739)	664,998	9,708,209	10,373,207
Exchange differences on translation of foreign operations	-	-	-	-	-	40,199	-	-	-	-	40,199	131,629	171,828
Other	-	-	-	-	(34)	-	-	-	-	-	(34)	126	92
Other comprehensive (loss)/income for the year	-	-	-	-	(34)	40,199	-	-	-	-	40,165	131,755	171,920
Loss for the year	-	-	-	-	-	-	-	-	-	(784,603)	(784,603)	(899,134)	(1,683,737)
Total comprehensive (loss)/ income for the year	-	-	-	-	(34)	40,199	-	-	-	(784,603)	(744,438)	(767,379)	(1,511,817)
Recognition of share-based payments	-	-	328,895	-	-	-	3,017	-	102,780	-	434,692	(119,601)	315,091
Purchase of shares for unvested shares under the share award schemes (note 33)	-	-	-	-	-	-	-	(92,688)	-	-	(92,688)	-	(92,688)
Shares vested under the share award schemes	-	-	-	-	-	-	-	104,867	(290,625)	185,758	-	-	-
Transfer of share option reserve upon expiry of share options	-	-	-	-	-	-	(17,787)	-	-	17,787	-	-	-
Transfer to legal reserve	-	-	-	41,187	-	-	-	-	-	(41,187)	-	-	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,592)	(1,592)
Change in ownership interests of certain subsidiaries (note 36)	-	-	(216,634)	-	-	-	-	-	-	-	(216,634)	(659,046)	(875,680)
	-	-	112,261	41,187	-	-	(14,770)	12,179	(187,845)	162,358	125,370	(780,239)	(654,869)
As at 31 December 2024	5,701,853	7,053*	(4,954,720)*	286,453*	(2,084)*	(292,692)*	14,755*	(204)*	136,500*	(850,984)*	45,930	8,160,591	8,206,521

* These reserve accounts comprise the consolidated deficit of HK$5,655,923,000 (2023: HK$5,036,855,000) in the consolidated statement of financial position.

The accompanying notes are an integral part of the consolidated financial statements.

Notes:

(a) The special reserve mainly represents (1) the difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid to acquire additional interest in a subsidiary; (2) the difference by which the non-controlling interests were adjusted and the fair value of consideration received in relation to the disposal of a partial interest of a subsidiary; (3) the deemed disposal of a partial interest in a subsidiary in relation to the exercise of share options by non-controlling interests; (4) share of net asset changes of a subsidiary resulting from the share repurchase or issuance by the subsidiary, which changed the Group's effective ownership therein; (5) the difference between the cash consideration and net assets acquired for privatisation of a subsidiary; and (6) share of net asset change of subsidiaries in relation to their share-based compensation.

(b) Subsidiaries of the Company incorporated in the Macau Special Administrative Region of the People's Republic of China ("Macau") are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the board of directors of the relevant subsidiaries. As at 31 December 2024, the aggregate balance of the legal reserves amounted to Hong Kong dollars ("HK$") 286,453,000 (2023: HK$245,266,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(1,635,176)	(3,395,758)
Adjustments for:			
Depreciation and amortisation	8	4,478,398	4,445,793
Loss on disposal of property, plant and equipment	9	12,640	3,448
Impairment of non-current non-financial assets	9	949,652	1,113,883
Impairment of investments in associates	11	17,341	19,637
Impairment of investment in a joint venture	11	104,171	–
Allowances/(reversal of allowances) for credit losses, net	9	30,476	(23,200)
Loss/(gain) on lease modifications	9	469	(5,539)
Share-based compensation	7	318,191	356,298
Interest income		(138,753)	(214,560)
Interest expense, net of amounts capitalised	10	4,215,963	4,298,758
Losses on modification or extinguishment of debts, net		7,818	69,650
Share of losses of a joint venture	21	162	631
Share of losses of associates	22	1,131	6,446
Gain on disposal of assets classified as held for sale, net	9	–	(34,752)
Gain on fair value changes of financial assets at fair value through profit or loss	11	–	(764)
		8,362,483	6,639,971
Changes in working capital:			
Increase in inventories		(22,128)	(23,645)
Increase in trade receivables		(421,105)	(247,293)
Decrease in prepayments, deposits and other receivables		270,022	144,489
Increase in trade payables		100,678	39,250
Increase in other payables, accruals and deposits received		517,658	1,963,101
Cash generated from operations		8,807,608	8,515,873
Income tax paid, net of refunds		(79,728)	(8,216)
Net cash generated from operating activities		8,727,880	8,507,657

	Notes	2024 HK$'000	2023 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments and deposits for property, plant and equipment		(2,028,925)	(1,814,641)
Payments for intangible and other assets		(306,408)	(53,483)
Payments for right-of-use assets		(23,505)	(13,162)
Proceeds from disposal of property, plant and equipment		2,965	4,168
Interest received		139,097	217,706
Proceeds from disposal of financial assets at fair value through profit or loss		–	21,932
Proceeds from disposal of assets classified as held for sale		–	116,622
Net cash used in investing activities		(2,216,776)	(1,520,858)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of interest-bearing borrowings		(9,144,543)	(18,633,784)
Interest paid	37	(3,624,880)	(4,028,910)
Payments of financing costs		(289,712)	(5,553)
Dividends paid to non-controlling shareholders		(2,674)	(7,119)
Payments of lease liabilities (including associated interest)	37	(463,711)	(427,361)
Payments of intangible assets liabilities (including associated interest)	37	(258,580)	(209,503)
Purchase of shares for the share award schemes		(92,688)	(11,977)
Repurchase of shares of subsidiaries		(882,616)	(12,042)
Proceeds from exercise of share options		–	1,851
Withdrawal of restricted cash		10,259	2,961,873
Proceeds from interest-bearing borrowings		6,651,509	9,811,171
Net cash used in financing activities		(8,097,636)	(10,561,354)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,586,532)	(3,574,555)
Cash and cash equivalents at beginning of year		10,765,478	14,317,506
Effect of foreign exchange rate changes, net		(149,793)	22,527
CASH AND CASH EQUIVALENTS AT END OF YEAR		9,029,153	10,765,478
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	9,029,153	10,765,478

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. ORGANISATION AND BUSINESS

(a) Corporate and group information

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

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

The principal activities of the Group are divided into two operating and reportable segments, namely (i) the Casino and Hospitality segment; and (ii) the Other segment. See note 4 for additional information about the Group's segments.

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company Directly As at 31 December 2024	2023	Indirectly As at 31 December 2024	2023
Melco Resorts	Cayman Islands	Investment holding	Ordinary shares - United States dollars ("US$") 13,515,404 (2023: US$14,046,791)	-	-	54.59%	52.42%
COD Resorts Limited	Macau	Integrated resort development and related operations	Quota capital - Macau Pataca ("MOP") 1,050,000	-	-	54.59%	52.42%
MCO Cotai Investments Limited	Cayman Islands	Investment holding	Ordinary share - US$0.01	-	-	54.59%	52.42%
MCO Europe Holdings (NL) B. V.	The Netherlands	Investment holding	Ordinary share - Euro ("EUR") 1	-	-	54.59%	52.42%
MCO Holdings Limited	Cayman Islands	Investment holding	Ordinary share - US$0.01	-	-	54.59%	52.42%
MCO International Limited	Cayman Islands	Investment holding	Ordinary shares - US$4	-	-	54.59%	52.42%
MCO Investments Limited	Cayman Islands/ Hong Kong	Investment holding	Ordinary shares - US$2.02	-	-	54.59%	52.42%
MCO Nominee One Limited	Cayman Islands/ Hong Kong	Investment holding and financing	Ordinary share - US$0.01	-	-	54.59%	52.42%
Melco Resorts (Macau) Limited ("MRM")	Macau	Casino operations and investment holding	Ordinary shares - Class A shares[1]: MOP1,400,000,000 Class B shares[2]: MOP3,600,000,000	-	-	54.59%[3]	52.42%[3]
Melco Resorts and Entertainment (Philippines) Corporation ("MRP")	The Philippines	Investment holding	Common shares - Philippine Peso ("PHP") 5,689,764,700	-	-	54.39%	52.17%
Melco Resorts Finance Limited ("MRF")	Cayman Islands/ Hong Kong	Investment holding and financing	Ordinary shares - US$12.02	-	-	54.59%	52.42%
Melco Resorts Leisure (PHP) Corporation ("MRL")	The Philippines	Integrated resort development and related operations	Common shares - PHP2,281,894,500	-	-	54.39%	52.17%
Melco Resorts Services Limited	Hong Kong	Investment holding and provision of management service to group companies	Ordinary shares - HK$1	-	-	54.59%	52.42%
MPHIL Holdings No.1 Corporation	The Philippines	Investment holding	Ordinary shares - PHP2,281,894,500	-	-	54.39%	52.17%

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company			
				Directly As at 31 December		Indirectly As at 31 December	
				2024	2023	2024	2023
MPHIL Holdings No.2 Corporation	The Philippines	Investment holding	Ordinary shares - PHP2,281,894,500	-	-	54.39%	52.17%
MSC Cotai Limited ("MSC Cotai")	The British Virgin Islands ("BVI")	Investment holding	Ordinary shares - US$77,035.27	-	-	30.03%	28.84%
SCP Holdings Limited	BVI	Investment holding	Ordinary share - US$1 A share* - US$1	-	-	30.03%	28.84%
SCP One Limited	BVI	Investment holding	Ordinary share - US$1 A share* - US$1	-	-	30.03%	28.84%
SCP Two Limited	BVI	Investment holding	Ordinary share - US$1 A share* - US$1	-	-	30.03%	28.84%
Studio City Company Limited ("SCC")	BVI/Hong Kong	Investment holding and financing	Ordinary shares - US$3	-	-	30.03%	28.84%
Studio City Developments Limited	Macau	Integrated resort development and related operations	Quota capital - MOP6,001,000	-	-	30.03%	28.84%
Studio City Finance Limited ("SCF")	BVI/Hong Kong	Investment holding and financing	Ordinary shares - US$3	-	-	30.03%	28.84%
Studio City Holdings Limited	BVI	Investment holding	Ordinary share - US$1	-	-	30.03%	28.84%
Studio City Holdings Two Limited	BVI	Investment holding	Ordinary share - US$1 A share* - US$1	-	-	30.03%	28.84%
SCIHL	Cayman Islands	Investment holding	Ordinary shares - Class A shares[4]: US$77,035.27 Class B shares[4]: US$7,251.18	0.09%	0.09%	29.94%	28.75%
Studio City Investments Limited	BVI/Hong Kong	Investment holding	Ordinary shares - US$3	-	-	30.03%	28.84%
ICR Cyprus Holdings Limited ("ICR Cyprus")	Cyprus	Investment holding	Ordinary shares - EUR1,000,000	-	-	40.94%	39.31%
Integrated Casino Resorts Cyprus Limited	Cyprus	Operation of gaming business in an integrated resort and satellite casinos	Ordinary shares - EUR11,001 Redeemable preference share - EUR100	-	-	40.94%	39.31%
ICR Cyprus Resort Development Co Limited ("ICRD")	Cyprus	Integrated resort development and related operations	Ordinary shares - EUR11,002	-	-	40.94%	39.31%

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company			
				Directly As at 31 December		Indirectly As at 31 December	
				2024	2023	2024	2023
Melco Leisure and Entertainment Group Limited ("Melco Leisure")	BVI/Hong Kong	Investment holding	Ordinary share - US$1	100%	100%	-	-
Melco Services Limited	BVI/Hong Kong	Provision of management service to group companies	Ordinary share - US$1	100%	100%	-	-
Melco Investment Resources Limited	BVI/Hong Kong	Financing	Ordinary share - US$1	100%	100%	-	-

* Class A share has no voting right.

Notes:

(1) The holders of the Class A shares of MRM, as a group, are entitled to an annual dividend in an amount in the aggregate of up to MOP1 (the "Class A Dividend") and a distribution in the event of liquidation of MRM or return of capital to the Class A shares in an amount in the aggregate of up to MOP1 (the "Class A Capital Distribution"), and shall be entitled to no other dividends, distributions, return of capital, liquidation proceeds, return of par value, or other sum of any type from MRM.

(2) The Class B shares of MRM in the aggregate represent the entire rights to receive dividends and other distributions from, and capital of, MRM, after payment of the Class A Dividend and the Class A Capital Distribution in respect of Class A shares. The holders of the Class B shares, in proportion to their ownership thereof, shall be entitled to receive any dividends, distributions, capital, liquidation proceeds, par value, or other emoluments that may at any time be paid to or received by the holders of the Class A shares, except the Class A Dividend and the Class A Capital Distribution.

(3) Certain Macau laws require companies limited by shares (sociedade anónima) incorporated in Macau to have a minimum of three shareholders, and all gaming concessionaires to be managed by a Macau permanent resident, the managing director, who must hold at least 15% (2023: 15%) of the share capital of the concessionaire. In accordance with such Macau laws, 85% (2023: 85%) of the share capital of MRM is indirectly owned by Melco Resorts. While the Group complies with the Macau laws, MRM is considered an indirectly 54.59% (2023: 52.42%) owned subsidiary of the Company for purposes of the consolidated financial statements of the Company because the economic interest of the 15% (2023: 15%) holding of the managing director is limited to, in aggregate with other Class A shareholders, MOP1 on the winding up or liquidation of MRM and to receive an aggregate annual dividend of MOP1.

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

Particulars of the Company's principal subsidiaries are as follows: (continued)

Notes: (continued)

(4) Each Class A ordinary share and each Class B ordinary share entitles its holder to one vote on all matters to be voted on by shareholders generally and holders of Class A ordinary shares and Class B ordinary shares will vote together as a single class on all matters presented to the shareholders for their vote or approval, except as otherwise required by applicable law or the memorandum of association and articles of association. The Class A ordinary shares and the Class B ordinary shares have the same rights, except that holders of the Class B ordinary shares only have voting and no economic rights to receive dividends or distribution upon the liquidation or winding up of SCIHL. In addition, pursuant to the terms of a participation agreement ("Participation Agreement") signed in 2018 among SCIHL, MSC Cotai, a subsidiary of SCIHL, and New Cotai, LLC ("New Cotai"), the holders of all outstanding Class B ordinary shares, New Cotai has a non-voting, non-shareholding economic participation interest in MSC Cotai, which entitles New Cotai to receive from MSC Cotai an amount equal to a certain percentage of the MSC Cotai's distribution, subject to adjustments, exceptions and conditions as set out in the Participation Agreement. The Participation Agreement also provides that New Cotai is entitled to exchange all or a portion of its participation interest for a number of Class A ordinary shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement and a proportionate number of Class B ordinary shares will be deemed surrendered and automatically cancelled for no consideration as set out in the Participation Agreement when New Cotai exchanges all or a portion of the participation interest for Class A ordinary shares.

The above table lists the subsidiaries of the Company which, in the opinion of the management of the Group, principally affected the results for the year or formed a substantial portion of the total assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

MRF, SCF and SCC, subsidiaries of the Company, had issued debt securities of HK$37,556,179,000, HK$14,099,123,000 and HK$2,695,005,000, respectively, at the end of the year, as disclosed in note 30, in which the Group has no interest.

(b) Recent developments related to business operations

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

On 27 March 2024, the Sri Lanka government granted a casino license (the "Sri Lanka License") to Bluehaven Services (Private) Limited ("Bluehaven"), a wholly-owned subsidiary of Melco Resorts to operate a casino business (the "Sri Lanka Casino") for a term of 20 years effective from 1 April 2024 in an integrated resort under development at that time by Waterfront Properties (Private) Limited ("WPL"), a subsidiary of John Keells Holdings PLC, an independent third party, in Colombo, Sri Lanka.

1. ORGANISATION AND BUSINESS (continued)

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

On 10 July 2024, Bluehaven and WPL entered into a lease agreement (the "Sri Lanka Lease Agreement") for the purpose of operating the Sri Lanka Casino and such lease ends upon the expiry of the Sri Lanka License. The Sri Lanka Casino is currently under development by the Group and is expected to commence operations in the third quarter of 2025.

As at 31 December 2024, while the Group had net current liabilities of HK$7,363,706,000 (2023: net current assets of HK$4,003,439,000), the Group had total cash and bank balances of HK$9,029,153,000 and available unused borrowing capacity of HK$17,162,551,000, subject to the satisfaction of certain conditions precedent. For the subsequent events of the Group after the year ended 31 December 2024, please refer to note 45 for details.

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

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention and are presented in HK$ except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Group. Control is achieved when the Company (i) has power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and other components of equity; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs).

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

The application of the amendments to HKFRSs in current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[3]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[3]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS	*Annual Improvements to HKFRS Accounting Standards – Volume 11*[3]
Amendments to HKAS 21	*Lack of Exchangeability*[2]
HKFRS 18	*Presentation and Disclosure in Financial Statements*[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRSs (continued)

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 ***Amendments to the Classification and Measurement of Financial Instruments***

The amendments to HKFRS 9 *Amendments to the Classification and Measurement of Financial Instruments* clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. As a result of the clarification made by the amendments on the derecognition of financial assets and liabilities, the Group can only derecognise financial assets and financial liabilities settled via cheques on the date the cheques have been cleared in the bank account. The Group is in the process of assessing the detailed impact of the amendments to HKFRS 9 on the Group's consolidated statements.

HKFRS 18 ***Presentation and Disclosure in Financial Statements***

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated statements.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any accumulated impairment. Adjustments are made to bring in line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment, and irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs). An impairment recognised for goodwill is not reversed in a subsequent period.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of non-financial assets, investments in joint venture and associates
Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value-in-use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs. In testing a CGU for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGUs.

An impairment is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of CGUs. An impairment is recognised in profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment been recognised for the asset in prior years. A reversal of such an impairment is credited to profit or loss in the period in which it arises.

Property, plant and equipment and depreciation
Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. Estimated useful lives are as follows:

Freehold land	Not depreciated
Land improvements	5 years
Buildings and improvements	4 to 40 years
Gaming equipment	3 to 5 years
Leasehold improvements	Over the shorter of the lease terms or 3 to 10 years
Furniture, fixtures and equipment	2 to 15 years
Transportation	5 to 10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Generally, any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any accumulated impairment, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. The Group's finite-lived intangible assets consist of gaming concession and licenses, internal-use software and proprietary rights (refer to note 18 for details). Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

All research costs are charged to profit or loss as incurred. Expenditure incurred on projects to develop new software is capitalised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises a right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any accumulated impairment, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets are subject to impairment, if applicable.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

Group as a lessee (continued)

(c) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

(d) Short-term leases

The Group applies the short-term lease recognition exemption to all leases that have lease terms of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income includes minimum operating lease income and variable lease income and is recognised in "Entertainment, retail and other revenues". Minimum operating lease income is accounted for on the straight-line basis over the lease terms. Variable lease income or contingent rent that does not depend on an index or a rate is recognised as income in the accounting period in which it is earned. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as minimum operating lease income.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified and measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus transaction costs.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

The Group's financial assets consist of trade and other receivables, deposits, restricted cash and cash and bank balances.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial assets at amortised cost are subject to impairment under the general approach for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. At each reporting date, the Group defines a financial asset as credit-impaired, when it meets one or more of the following criteria indicating the debtor is in significant financial difficulty:

- a breach of contract, such as a default or past due event;

- the Group, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the Group would not otherwise consider; or

- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Where ECL provisions modelled on a collective basis or cater for cases where evidence at the individual instrument level may not be available, the financial instruments are grouped based on shared credit risk characteristics and days past due.

Simplified approach

The Group applies the simplified approach in calculating ECLs for trade receivables. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed using a provision matrix that is based on the Group's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions forecasts and forward-looking information that is available without undue cost or effort.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities consist of trade and other payables, interest-bearing borrowings and lease liabilities.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Subsequent measurement of financial liabilities at amortised cost

Financial liabilities including trade and other payables, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest expense in profit or loss.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Shares held under share award schemes

Own equity instruments which are reacquired and held by the Company or the Group are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out, weighted average and specific identification methods. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash and cash equivalents

Cash and bank balances in the consolidated statement of financial position comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term deposits with an original maturity of three months or less and carried at cost, which is a reasonable estimate of their fair value. Cash equivalents are placed with financial institutions with high-credit ratings and quality, which are subject to an insignificant risk of changes in value and are not restricted as to use.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Bank overdrafts, if any, are presented as short-term borrowings in the consolidated statement of financial position.

Restricted cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Group expects those funds will be released or utilised in accordance with the terms of the respective agreements within the next 12 months, while the non-current portion of restricted cash represents those funds that will not be released or utilised within next 12 months.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Revenue recognition

Revenue from contracts with customers

The Group's revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

(a) Casino revenues

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Group accounts for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers and gaming promoters and cash discounts and other cash incentives earned by customers are recorded as a reduction of gross casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivise future gaming or in exchange for incentives or points earned under the Group's non-discretionary incentive programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by the Group to incentivise future gaming, the Group allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Group's control and discretion and supplied by third parties are recorded as other operating expenses, gains and losses, net.

The Group operates different non-discretionary incentive programs in certain of its properties which include loyalty programs (the "Loyalty Programs") to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under the Loyalty Programs, the Group defers a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Group-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue when the wagers are settled.

(b) Entertainment and resort facilities revenue

The transaction prices of rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services and are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by the Group are excluded from revenues. Advance deposits on rooms and convention space and advance tickets sales are performance obligations that are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Group are allocated to each good or service based on its relative standalone selling price.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from other sources

Rental income is included in "Entertainment, retail and other revenues" and is recognised in accordance with HKFRS 16. See Leases for the accounting policy of rental income.

Contract and contract-related liabilities

A contract and contract-related liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract and contract-related liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract and contract-related liabilities are recognised as revenue when the Group performs under the contract.

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

Equity-settled share options/share awards granted to employees

The Group operates share option and share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes valuation model or with reference to the market closing prices of the shares, further details of which are given in note 34 to the consolidated financial statements.

The cost of equity-settled transactions is recognised in employee benefits expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments (continued)

Equity-settled share options/share awards granted to employees (continued)

When the awarded shares granted under the Share Purchase Scheme (as defined in note 34) are vested, the amount previously recognised in share award reserve will be transferred to shares held under share award schemes. The difference between the amount previously recognised in share award reserve and the corresponding cost of acquiring the vested awarded shares held under share award schemes will be transferred to retained profits/accumulated losses.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options and awarded shares is reflected as additional share dilution in the computation of earnings per share.

Equity-settled share options/share awards granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case they are measured by reference at the fair value of the equity instrument granted measured at the date the counterparty renders the service. The fair values of the services received are recognised as expenses, with a corresponding increase in equity, when the counterparties render services, unless the services qualify for recognition as assets.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Other employee benefits

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These consolidated financial statements are presented in HK$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than HK$. As at the end of the reporting period, the assets and liabilities of these entities are translated into HK$ at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into HK$ at the average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currencies (continued)

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into HK$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK$ at the average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Useful lives of trademarks

Certain trademarks of the Group were acquired through the deemed acquisition of Melco Resorts on 9 May 2016 which have legal lives of 7 to 10 years and are renewable for the same consecutive period upon expiry at minimal cost. The Group is of the opinion that the Group will renew the trademarks continuously and has the ability to do so. Such trademarks are considered by the Group to have indefinite useful lives because they are expected to contribute to net cash inflows and will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and/or whenever there is an indication that they may be impaired.

Lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise or not to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Estimation uncertainty(continued)

Impairment of non-current non-financial assets (other than goodwill)

The Group performs an impairment test on all non-current non-financial assets, where an indication of impairment exists or when annual impairment testing for an asset is required. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its value-in-use and its fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management estimates the expected future cash flows including revenue growth rates from the asset or the CGU and chooses a suitable pre-tax discount rate in order to calculate the present value of those cash flows. During the year ended 31 December 2024, the Group recognised impairment of non-current non-financial assets of HK$949,652,000 (2023: HK$1,113,883,000) (note 17).

Impairment of goodwill

Determining whether goodwill is impaired requires estimations of the recoverable amounts of the group of CGUs to which goodwill has been allocated, which are the higher of the value-in-use and fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows including revenue growth rates expected to arise from the group of CGUs and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances result in a downward revision of future cash flows, a material impairment/further impairment may arise. As at 31 December 2024, the carrying amount of goodwill was HK$5,299,451,000 (2023: HK$5,299,451,000). Details of the impairment and recoverable amount calculation are disclosed in note 20.

Provision for expected credit losses on trade receivables

The Group applies the HKFRS 9 simplified approach in calculating ECLs for its trade receivables. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns and adjusted for factors specific to the debtors, general economic conditions forecasts and forward-looking information that is available without undue cost or effort. Should there be any change in such estimates, it could have a material effect to the carrying amount of trade receivables.

The information about the ECLs on the Group's trade receivables is disclosed in note 24.

Assessment of economic useful lives

Property, plant and equipment and intangible assets (other than goodwill and trademarks) are depreciated or amortised over their estimated useful lives. The assessment of estimated useful lives is based on the nature of the assets, the experience of the Group, taking into account factors such as the expectation of the success in obtaining a new concession upon expiry of the Concession (as defined in note 18), technological progress, changes in market demand, expected usage and physical wear and tear and legal considerations, such as contractual life. Useful lives are periodically reviewed for continued appropriateness. Due to the long lives of the assets, changes to the estimates used can result in variations in their carrying values.

The carrying amounts of property, plant and equipment and intangible assets (other than goodwill and trademarks) as at 31 December 2024 were HK$41,978,077,000 (2023: HK$44,989,049,000) and HK$2,215,849,000 (2023: HK$2,364,692,000), respectively.

4. SEGMENT INFORMATION

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

(a) the "Casino and Hospitality" segment, which comprises the operation of casinos and the provision of hospitality services and facilities through Melco Resorts; and

(b) the "Other" segment comprises investments in a joint venture and associates and other.

Management monitors the results of the Group's operating and reportable segments separately for the purpose of making decisions about resource allocations and performance assessments. Segment performance is evaluated based on Adjusted EBITDA, which is a non-HKFRS financial measure and the segment results of the Group, is the loss for the year before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to the Philippine Parties (as defined in note 38), integrated resort and casino rent*, corporate expenses, share of losses of a joint venture, share of losses of associates and other non-operating income and expenses. This is the measure reported to the chief operating decision-maker for the purposes of resource allocations and performance assessments. Not all companies calculate Adjusted EBITDA in the same manner. As a result, Adjusted EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

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

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

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

* Integrated resort and casino rent represents variable lease costs to Belle Corporation ("Belle") (note 38) for City of Dreams Manila.

4. SEGMENT INFORMATION (continued)

Segment net revenues and results
For the year ended 31 December 2024

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
Segment net revenues			
Sales to external customers (note 5)	36,172,972	–	36,172,972
Intersegment sales	13,291	–	13,291
	36,186,263	–	36,186,263
Elimination of intersegment sales	(13,291)	–	(13,291)
Total segment net revenues	36,172,972	–	36,172,972
Segment expenses			
Gaming tax and license fees (1)	(14,174,858)	–	
Employee benefits expenses (2)	(6,536,422)	–	
Other operating expenses, gains and losses, net (3)	(6,417,485)	(13,471)	
Adjusted EBITDA	9,044,207	(13,471)	9,030,736
Other operating costs and expenses			
Depreciation and amortisation			(4,478,398)
Share-based compensation expenses			(318,191)
Pre-opening costs			(138,154)
Development costs			(42,188)
Property charges and other			(1,027,199)
Payments to the Philippine Parties			(327,045)
Integrated resort and casino rent			(9,228)
Corporate expenses			(43,377)
Operating income			2,646,956
Non-operating income/(expenses)			
Interest income			138,753
Interest expense, net of amounts capitalised			(4,215,963)
Losses on extinguishment of debts			(7,818)
Other financing costs			(61,181)
Foreign exchange losses, net			(92,567)
Other expenses, net			(42,063)
Share of losses of a joint venture			(162)
Share of losses of associates			(1,131)
Total non-operating expenses, net			(4,282,132)
Loss before income tax			(1,635,176)
Income tax expense			(48,561)
LOSS FOR THE YEAR			(1,683,737)

4. SEGMENT INFORMATION (continued)

Segment net revenues and results (continued)
For the year ended 31 December 2023

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
Segment net revenues			
Sales to external customers (note 5)	29,531,635	–	29,531,635
Intersegment sales	17,222	–	17,222
	29,548,857	–	29,548,857
Elimination of intersegment sales	(17,222)	–	(17,222)
Total segment net revenues	29,531,635	–	29,531,635
Segment expenses			
Gaming tax and license fees (1)	(11,662,205)	–	
Employee benefits expenses (2)	(5,547,950)	(363)	
Other operating expenses, gains and losses, net (3)	(4,809,496)	(6,508)	
Adjusted EBITDA	7,511,984	(6,871)	7,505,113
Other operating costs and expenses			
Depreciation and amortisation			(4,445,793)
Share-based compensation expenses			(356,298)
Pre-opening costs			(327,948)
Development costs			(9,393)
Property charges and other			(1,271,794)
Payments to the Philippine Parties			(332,455)
Corporate expenses			(46,312)
Operating income			715,120
Non-operating income/(expenses)			
Interest income			214,560
Interest expense, net of amounts capitalised			(4,298,758)
Losses on modification or extinguishment of debts, net			(69,650)
Other financing costs			(37,981)
Foreign exchange gains, net			51,182
Other income, net			36,846
Share of losses of a joint venture			(631)
Share of losses of associates			(6,446)
Total non-operating expenses, net			(4,110,878)
Loss before income tax			(3,395,758)
Income tax expense			(98,363)
LOSS FOR THE YEAR			(3,494,121)

4. SEGMENT INFORMATION (continued)

Segment net revenues and results (continued)

Notes:

Prior year comparatives have been represented to conform with the current year presentation. This did not have an impact to the segment net revenues and segment adjusted EBITDA disclosed previously in the prior year.

(1) Gaming tax and license fees of HK$10,595,000 (2023: nil) are included in pre-opening costs.

(2) Employee benefits expenses of HK$21,932,000 (2023: HK$20,331,000) are included in the corporate expenses and HK$413,599,000 (2023: HK$602,544,000) are included in pre opening costs, property charges and other, share-based compensation expenses and development costs.

(3) Other operating expenses, gains and losses, net of HK$21,445,000 (2023: HK$25,981,000) are included in corporate expenses and HK$1,437,811,000 (2023: HK$1,695,344,000) are included in pre-opening costs, development costs, property charges and other, payments to the Philippine Parties and integrated resort and casino rent.

As at 31 December 2024

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
Segment assets	84,478,079	151,801	84,629,880
Corporate and other unallocated assets			119,623
Total assets			84,749,503
Segment liabilities	71,359,354	2,217	71,361,571
Corporate and other unallocated liabilities			5,181,411
Total liabilities			76,542,982

As at 31 December 2023

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
Segment assets	88,545,958	274,396	88,820,354
Corporate and other unallocated assets			591,095
Total assets			89,411,449
Segment liabilities	73,787,002	51,843	73,838,845
Corporate and other unallocated liabilities			5,199,397
Total liabilities			79,038,242

4. SEGMENT INFORMATION (continued)

Other segment information

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
For the year ended 31 December 2024			
Capital expenditures	2,042,744	–	2,042,744
Impairment of non-current non-financial assets	949,652	–	949,652
Impairment of investment in a joint venture	–	104,171	104,171
Impairment of investments in associates	–	17,341	17,341
Share of losses of a joint venture	–	162	162
Share of losses of associates	–	1,131	1,131
As at 31 December 2024			
Investment in a joint venture	–	53,046	53,046

	Casino and Hospitality HK$'000	Other HK$'000	Total HK$'000
For the year ended 31 December 2023			
Capital expenditures	1,984,670	–	1,984,670
Impairment of non-current non-financial assets	1,113,883	–	1,113,883
Impairment of investments in associates	–	19,637	19,637
Share of losses of a joint venture	–	631	631
Share of losses of associates	–	6,446	6,446
As at 31 December 2023			
Investment in a joint venture	–	161,860	161,860
Investments in associates	–	18,556	18,556

Geographical information

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

Net revenues from external customers

	For the year ended 31 December	
	2024 HK$'000	**2023** HK$'000
Casino and Hospitality		
Macau	30,651,258	24,405,158
The Philippines	3,683,988	3,876,579
Cyprus	1,837,726	1,249,898
Total	36,172,972	29,531,635

4. SEGMENT INFORMATION (continued)

Non-current segment assets

	As at 31 December 2024 HK$'000	2023 HK$'000
Macau	65,675,996	69,662,303
Cyprus	4,720,298	5,347,000
The Philippines	869,969	1,081,819
Sri Lanka	645,217	–
Hong Kong	416,135	384,024
Other	56,619	183,022
Total	72,384,234	76,658,168

Net revenues from major products and services

The Group's net revenues from major products and services are disclosed in note 5.

Information about major customers

During the years ended 31 December 2024 and 2023, no individual customer contributed over 10% of the total net revenues of the Group.

5. NET REVENUES

	For the year ended 31 December 2024 HK$'000	2023 HK$'000
Casino revenues	29,432,330	24,090,362
Entertainment and resort facilities:		
Rooms	3,296,635	2,647,559
Food and beverage	2,230,663	1,635,027
Entertainment, retail and other	1,213,344	1,158,687
Sales to external customers (note 4)	36,172,972	29,531,635

For the year ended 31 December 2024, entertainment, retail and other include rental income of HK$449,281,000 (2023: HK$410,407,000).

For the year ended 31 December 2024, the revenue from contracts with customers was HK$35,723,691,000 (2023: HK$29,121,228,000).

5. NET REVENUES (continued)

Contract and contract-related liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenue, resulting in a contract or contract-related liability.

The Group primarily has three types of liabilities related to contracts with customers: (1) outstanding gaming chips, which represent the amounts owed in exchange for gaming chips held by customers and gaming promoters; (2) loyalty program liabilities, which represent the deferred allocation of revenues relating to incentives earned from the Loyalty Programs; and (3) advance deposits and ticket sales, which represent casino front money deposits that are funds deposited by customers and gaming promoters before gaming play occurs and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms and convention space. These liabilities are generally expected to be recognised as revenues within one year of being purchased, earned or deposited and are recorded as other payables, accruals and deposits received in the consolidated statement of financial position. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers and gaming promoters, increases in unredeemed incentives relating to the Loyalty Programs and additional deposits made by customers and gaming promoters.

Details of contract and contract-related liabilities are as follows:

	Outstanding gaming chips		**Loyalty program liabilities**		**Advance deposits and ticket sales**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance as at 1 January	648,473	291,713	281,225	121,575	1,960,406	2,175,653
Balance as at 31 December	647,581	648,473	303,614	281,225	1,966,787	1,960,406
Increase/(decrease)	(892)	356,760	22,389	159,650	6,381	(215,247)

6. GAMING TAX AND LICENSE FEES

The Group is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees included the Cyprus License Fee (as defined in note 18) prior to the fulfilment of the Cyprus License Requirement (as defined in note 18) and the franchise tax under the Regular License (as defined in note 18) in the Philippines. Further details on the commitments under the gaming concession and licenses are disclosed in note 40.

7. EMPLOYEE BENEFITS EXPENSES

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Wages, salaries and staff welfare	5,084,961	4,438,444
Discretionary bonus	759,302	665,805
Defined contribution plans and social security funds	279,960	250,378
Share-based compensation	318,191	356,298
Other	529,539	460,263
Total employee benefits expenses (including directors' emoluments)	6,971,953	6,171,188

8. DEPRECIATION AND AMORTISATION

	Notes	For the year ended 31 December 2024 HK$'000	2023 HK$'000
Depreciation of property, plant and equipment	17	3,870,559	3,815,054
Depreciation of right-of-use assets	31	351,665	345,219
Less: capitalised in construction in progress	31	(5,092)	(7,138)
Amortisation of intangible assets	18	261,266	292,658
		4,478,398	4,445,793

9. OTHER OPERATING EXPENSES, GAINS AND LOSSES, NET

	For the year ended 31 December 2024 HK$'000	2023 HK$'000
Advertising and promotions	1,704,277	1,150,997
Impairment of non-current non-financial assets (note 17)	949,652	1,113,883
Repairs and maintenance	863,069	701,837
Other gaming operations expenses	843,533	600,418
Costs of inventories	830,355	645,780
Utilities and fuel	670,779	626,809
Payments to the Philippine Parties	327,045	332,455
Operating supplies	249,302	138,137
Legal and professional fees	198,098	124,405
Insurance	169,088	173,159
Transportation expenses	135,141	173,338
Other taxes and licenses	128,744	104,326
Rental and other expenses	69,593	55,755
Auditor's remuneration		
– Audit services to the Company	1,334	2,615
– Audit services to subsidiaries	20,116	32,882
Allowances/(reversal of allowances) for credit losses, net	30,476	(23,200)
Loss on disposal of property, plant and equipment	12,640	3,448
Loss/(gain) on lease modifications	469	(5,539)
Gain on disposal of assets classified as held for sale, net (note)	–	(34,752)
Other	686,501	620,576
	7,890,212	6,537,329

Note:

On 12 July 2023, the Group completed the disposal of a parcel of freehold land together with the accompanying building structures in Hakone, Japan, with an aggregate carrying value of HK$60,404,000, to an independent third party at a consideration of JPY2,144,000,000 (equivalent to approximately HK$116,040,000). A gain on disposal of assets held for sale (net of the accumulated exchange differences on translation of certain entities incorporated in Japan) of HK$34,752,000 was recorded during the year ended 31 December 2023.

10. INTEREST EXPENSE, NET OF AMOUNTS CAPITALISED

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Interest on:		
Interest-bearing borrowings	3,634,700	3,922,166
Lease liabilities	244,244	233,546
Intangible assets liabilities	205,682	183,579
Amortisation of deferred financing costs	153,588	162,398
	4,238,214	4,501,689
Less: interest capitalised (note)	(22,251)	(202,931)
	4,215,963	4,298,758

Note:

Borrowing costs capitalised during the year ended 31 December 2024 were calculated by applying a capitalisation rate of 5.93% (2023: 5.84%) to expenditures on qualifying assets.

11. OTHER EXPENSES/(INCOME), NET

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Impairment of investment in a joint venture	104,171	–
Impairment of investments in associates	17,341	19,637
Gain on fair value changes of financial assets at fair value through profit or loss	–	(764)
Other	(79,449)	(55,719)
	42,063	(36,846)

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the six (2023: seven) directors for the year ended 31 December 2024 and 2023 were as follows:

For the year ended 31 December 2024

	Mr. Ho, Lawrence Yau Lung HK$'000 (note a)	Mr. Evan Andrew Winkler HK$'000 (note a)	Mr. Chung Yuk Man, Clarence HK$'000 (note a)	Mr. John William Crawford HK$'000 (note c)	Mr. Tsui Che Yin, Frank HK$'000 (note c)	Ms. Karuna Evelyne Shinsho HK$'000 (note c)	Total HK$'000
Fees	-	-	2,338	2,133	380	380	5,231
Other emoluments:							
Salaries and other benefits	18,834	15,613	4,488	-	-	-	38,935
Discretionary bonus (note e)	37,283	15,535	5,930	-	-	-	58,748
Pension costs - defined contribution plans	36	2,343	18	-	-	-	2,397
Share-based compensation	157,398	7,952	8,854	1,654	450	434	176,742
Total emoluments	213,551	41,443	21,628	3,787	830	814	282,053

For the year ended 31 December 2023

	Mr. Ho, Lawrence Yau Lung HK$'000 (note a)	Mr. Evan Andrew Winkler HK$'000 (note a)	Mr. Chung Yuk Man, Clarence HK$'000 (note a)	Mr. Ng Ching Wo HK$'000 (notes b and d)	Mr. John William Crawford HK$'000 (note c)	Mr. Tsui Che Yin, Frank HK$'000 (note c)	Ms. Karuna Evelyne Shinsho HK$'000 (note c)	Total HK$'000
Fees	-	-	2,350	253	2,142	380	313	5,438
Other emoluments:								
Salaries and other benefits	18,834	15,660	4,488	-	-	-	-	38,982
Discretionary bonus (note e)	-	11,405	5,735	-	-	-	-	17,140
Pension costs - defined contribution plans	36	-	18	-	-	-	-	54
Share-based compensation	161,726	16,814	8,433	732	1,660	412	389	190,166
Total emoluments	180,596	43,879	21,024	985	3,802	792	702	251,780

Notes:

(a) The individuals represent the Executive Directors of the Company and directors of certain subsidiaries of the Company. The Executive Directors' emoluments shown above were for their services in connection with management of the affairs and as director of the Company and the Group.

(b) The individual represents a Non-executive Director of the Company. The Non-executive Director's emoluments shown above were for his services as director of the Company.

(c) The individuals represent the Independent Non-executive Directors of the Company and certain subsidiaries of the Company. The Independent Non-executive Directors' emoluments shown above were for their services as directors of the Company and the Group.

(d) Mr. Ng Ching Wo, in pursuit of his retirement plan, resigned as Non-executive Director of the Company with effect from 1 September 2023.

(e) The discretionary bonus was determined based on the Group's financial performance for the years ended 31 December 2024 and 2023.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes: (continued)

Mr. Ho, Lawrence Yau Lung ("Mr. Ho") is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Except for one director who waived emoluments of approximately HK$1,200,000 (2023: HK$1,200,000), no other directors waived any emoluments in the years ended 31 December 2024 and 2023.

During both years, all directors were granted awarded shares, in respect of their services to the Group under the long-term incentive schemes set out in note 34.

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included three (2023: three) directors, details of whose remuneration are set out in note 12 above. Details of the remuneration for the year of the remaining two (2023: two) highest paid employees who are neither a director nor the Chief Executive of the Company are as follows:

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Basic salaries, housing allowances, other allowances and benefits in kind	16,591	18,737
Discretionary bonus	13,692	7,972
Pension costs – defined contribution plans	1,035	1,657
Share-based compensation	15,996	23,836
	47,314	52,202

The number of the highest paid employees (excluding directors and the Chief Executive) whose remuneration fell within the following bands are as follows:

	Number of employees For the year ended 31 December	
	2024	**2023**
HK$19,500,001 to HK$20,000,000	1	–
HK$22,500,001 to HK$23,000,000	–	1
HK$27,500,001 to HK$28,000,000	1	–
HK$29,500,001 to HK$30,000,000	–	1
	2	2

During both years, all highest paid employees (excluding directors and the Chief Executive) were granted share options and/or awarded shares, in respect of their services to the Group under the long-term incentive schemes set out in note 34.

14. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Macau Complementary Tax has been provided at the rate of 12% (2023: 12%) on the estimated taxable income earned in or derived from Macau during the year, if applicable. Pursuant to a Dispatch of the Chief Executive of Macau dated 29 January 2024, MRM, a subsidiary of the Company and a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau from 1 January 2023 to 31 December 2032, continues to benefit from the Macau Complementary Tax exemption on profits generated from gaming operations, under the Concession (as defined in note 18) for the period of five years from 2023 to 2027. MRM's non-gaming profits are subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with the Concession. Studio City Entertainment Limited ("SCE"), a subsidiary of the Company, applied for an extension of the Macau Complementary Tax exemption on profits generated from income from MRM for 2022 under the previous gaming subconcession and for the period of 10 years from 2023 to 2032 under the Concession to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. These applications are subject to the discretionary approval of the Macau government. The application for the Macau Complementary Tax exemption for 2023 to 2032 was confirmed to be rejected in September 2024. The dividend distributions of SCE from income tax exempted profits to its shareholders continue to be subject to the Macau Complementary Tax.

In February 2024, MRM entered into an agreement with the Macau government in relation to payments in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of MRM on dividend distributions from gaming profits for the period from 1 January 2023 to 31 December 2025 under the Concession. Such payments are required regardless of whether dividends are actually distributed or whether MRM has distributable profits in the relevant year. During the year ended 31 December 2024, an estimated amount of HK$54,709,000 (2023: HK$44,165,000) was provided for such arrangement.

In the Philippines, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") took effect on 11 April 2021. CREATE reduced the minimum corporate income tax rate in the Philippines from 2% to 1% for the period from 1 July 2020 to 30 June 2023 and the corporate income tax rate in the Philippines from 30% to 25% starting 1 July 2020. The gaming operations of MRL, the operator of City of Dreams Manila, are exempt from Philippine Corporate Income Tax, among other taxes, pursuant to the Philippine Amusement and Gaming Corporation ("PAGCOR") charter as a result of its payment of the 5% franchise tax based on gross gaming revenue in the Philippines, in lieu of all other taxes. MRL is also subject to license fees in accordance with the PAGCOR charter.

The Cyprus Corporate Income Tax rate is 12.5%. No provision for Cyprus Corporate Income Tax was made for the years ended 31 December 2024 and 2023 as the subsidiaries operating in Cyprus either had no taxable profits or utilised tax losses against the taxable profits.

The subsidiaries incorporated in Sri Lanka are subject to Sri Lanka corporate income tax of 40%, which is increased to 45% with effect from 1 April 2025 on profits from betting and gaming activities while profits of other businesses are subject to tax of 30% on profit earned in or derived from Sri Lanka and abroad.

14. INCOME TAX EXPENSE (continued)

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

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

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two transitional safe harbour relief will apply or the effective tax rates are above 15% in 2024. Based on management's best estimate, the Group does not have exposure to Pillar Two top-up taxes for the year ended 31 December 2024. No income tax expense has been provided in 2024 for the Group in relation to Pillar Two.

An analysis of the income tax expense for the year is as follows:

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Current tax:		
Macau Complementary Tax	60,563	–
Payments in lieu of Macau Complementary Tax on dividends	54,709	44,165
Philippine withholding tax on dividends	42,971	20,041
Hong Kong Profits Tax	1,514	90,780
Philippine Corporate Income Tax	–	37
Income tax in other jurisdictions	245	523
Sub-total	160,002	155,546
Under/(over) provision in prior years:		
Macau Complementary Tax	361	(3,991)
Payments in lieu of Macau Complementary Tax on dividends	(112)	(10,420)
Hong Kong Profits Tax	(8,059)	(3,531)
Philippine Corporate Income Tax	3,737	(1,737)
Income tax in other jurisdictions	(1,766)	391
Sub-total	(5,839)	(19,288)
Deferred tax (note 32)	(105,602)	(37,895)
Total	48,561	98,363

14. INCOME TAX EXPENSE (continued)

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

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Loss before income tax	(1,635,176)	(3,395,758)
Tax at the Macau Complementary Tax rate of 12% (2023: 12%)	(196,221)	(407,491)
Effect of different tax rates of the Company and subsidiaries operating in other jurisdictions	(147,261)	(127,225)
Effect of tax exemption granted by the government	(722,438)	(590,422)
Effect of income not taxable for income tax purposes	(241,821)	(131,231)
Effect of expenses not deductible for income tax purpose	828,246	820,497
Effect of tax losses and temporary differences not recognised	500,749	509,422
Utilisation of tax losses previously not recognised	(21,563)	(64)
Payments in lieu of Macau Complementary tax on dividends	54,709	44,165
Overprovision in prior years	(5,839)	(19,288)
Income tax expense for the year	48,561	98,363

15. DIVIDENDS

The board of directors of the Company (the "Board") does not recommend the payment of any dividends for the years ended 31 December 2024 and 2023.

16. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Loss for the year		
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	(784,603)	(1,743,932)

	For the year ended 31 December	
	2024	**2023**
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	1,507,860	1,509,678

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

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

Diluted loss per share attributable to owners of the Company is calculated by adjusting the weighted average number of ordinary shares outstanding and assumed conversion of all dilutive potential ordinary shares, and the loss as adjusted to reflect the dilution effect of the share options and restricted shares issued by a subsidiary of the Company. For the years ended 31 December 2024 and 2023, no adjustment was made to the basic loss per share amount presented in respect of a dilution as the impact of the outstanding share options and unvested restricted shares/awarded shares had an anti-dilutive effect on the basic loss per share attributable to owners of the Company amount presented.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Land improvements HK$'000	Buildings and improvements HK$'000	Gaming equipment HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Transportation HK$'000	Construction in progress HK$'000	Total HK$'000
Cost:									
As at 1 January 2023	441,493	-	43,042,087	1,537,657	6,927,878	6,296,442	1,294,907	11,527,041	71,067,505
Additions	-	-	4,590	203,555	220,738	643,457	9,534	800,472	1,882,346
Reclassifications	-	-	12,079,824	(154)	66,794	244,107	905	(12,391,476)	-
Disposals and write-off	-	-	(54,011)	(49,827)	(102,993)	(177,368)	(196)	(2,949)	(387,344)
Exchange adjustments	15,236	-	32,838	12,360	25,693	30,035	398	78,668	195,228
As at 31 December 2023	456,729	-	55,105,328	1,703,591	7,138,110	7,036,673	1,305,548	11,756	72,757,735
Additions	-	-	75,983	297,467	805,579	623,930	33,372	56,054	1,892,385
Reclassifications	-	17,145	44,520	74	(950)	934	-	(61,723)	-
Disposals and write-off	-	-	(10,653)	(79,661)	(25,421)	(167,100)	(8,049)	(988)	(291,872)
Exchange adjustments	(30,078)	(987)	(216,808)	(47,752)	(135,367)	(107,469)	(1,646)	500	(539,607)
As at 31 December 2024	426,651	16,158	54,998,370	1,873,719	7,781,951	7,386,968	1,329,225	5,599	73,818,641
Accumulated depreciation and impairment:									
As at 1 January 2023	-	-	12,177,839	1,275,749	5,066,804	4,503,464	696,419	-	23,720,275
Provided for the year	-	-	2,192,617	127,035	851,639	539,331	104,432	-	3,815,054
Impairment, net	-	-	509,438	(667)	47,479	9,414	-	-	565,664
Disposals and write-off	-	-	(54,010)	(49,476)	(102,097)	(173,949)	(196)	-	(379,728)
Exchange adjustments	-	-	1,753	8,372	20,348	16,641	307	-	47,421
As at 31 December 2023	-	-	14,827,637	1,361,013	5,884,173	4,894,901	800,962	-	27,768,686
Provided for the year	-	1,350	2,417,023	136,767	593,560	621,208	100,651	-	3,870,559
Impairment, net	-	-	629,563	-	41,419	30,176	-	-	701,158
Disposals and write-off	-	-	(6,116)	(76,915)	(23,313)	(161,874)	(8,049)	-	(276,267)
Exchange adjustments	-	(49)	(13,321)	(35,799)	(102,762)	(70,495)	(1,146)	-	(223,572)
As at 31 December 2024	-	1,301	17,854,786	1,385,066	6,393,077	5,313,916	892,418	-	31,840,564
Carrying values:									
As at 31 December 2024	426,651	14,857	37,143,584	488,653	1,388,874	2,073,052	436,807	5,599	41,978,077
As at 31 December 2023	456,729	-	40,277,691	342,578	1,253,937	2,141,772	504,586	11,756	44,989,049

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The net carrying amount of property, plant and equipment pledged to secure against the Group's interest-bearing borrowings as at 31 December 2024 was HK$36,043,664,000 (2023: HK$38,411,862,000) (note 30).

Altira Impairment

During the year ended 31 December 2023, given the market conditions and lingering disruptions to the business caused by COVID-19 and the Group's earlier cessation of arrangements with gaming promoters in Macau, the Group recognised an impairment of non-current non-financial assets in relation to Altira Macau, as a CGU ("Altira CGU") under the Casino and Hospitality segment of HK$1,113,883,000, which included (i) the impairment of certain property, plant and equipment of HK$579,048,000; (ii) the reversal of impairment of certain property, plant and equipment of HK$13,384,000; (iii) the full impairment of right-of-use assets of HK$310,468,000 (note 31); and (iv) the full impairment of intangible assets of HK$237,751,000 (note 18). Such impairment was determined based on the estimated recoverable amounts of HK$63,091,000 as at 31 December 2023 of individual assets using their fair values less costs of disposal. Such fair values less costs of disposal estimated using the cost approach which considered the cost to reproduce or replace in new condition the assets appraised in accordance with then current market prices for similar assets with allowance for accrued depreciation or obsolescence, based on certain key assumptions including asset useful lives of 5 years to 8 years, trend multipliers in the range of approximately 0.28 to 1.73 to the original costs and residual value of 5% to the depreciated replacement cost which were considered as level 3 inputs under the fair value hierarchy.

During the year ended 31 December 2024, the performance of Altira CGU had not improved and the Group recognised an impairment of HK$18,401,000 for the Altira CGU, which included (i) the impairment of certain property, plant and equipment of HK$24,313,000; and (ii) the net reversal of impairment of intangible assets of HK$5,912,000 (representing an impairment of intangible assets of HK$1,529,000 net with a reversal of impairment of HK$7,441,000) (note 18), which were determined based on the estimated recoverable amount of HK$43,781,000 of individual assets as at 31 December 2024 based on their fair value less costs of disposal estimated by cost approach based on certain key assumptions including asset useful lives of 2 years to 7 years which were considered as level 3 inputs under the fair value hierarchy. The impairment of intangible assets of HK$7,441,000 was reversed as a result of certain gaming tables and electronic gaming machines transferred from the Altira CGU to other CGUs during the year ended 31 December 2024.

Studio City Impairment

During the year ended 31 December 2024, due to the longer than expected ramp up of operations following the opening of Studio City Phase 2 starting in April 2023, the Group recognised an impairment of non-current non-financial assets of HK$931,251,000 (2023: nil) for Studio City, as a CGU ("Studio City CGU") under the Casino and Hospitality segment, which included impairment of property, plant and equipment, intangible assets (including trademark) and right-of-use assets of HK$676,845,000, HK$171,847,000 (note 18) and HK$82,559,000 (note 31), respectively, which were determined based on the estimated recoverable amounts of HK$27,951,839,000 as at 31 December 2024 using the value-in-use calculation by discounting the forecasted cash flows of Studio City CGU at 10.0% on a pre-tax basis and reflected specific risks relating to the Studio City CGU. After impairment, the carrying amounts of Studio City CGU included property, plant and equipment, intangible assets (including trademark), right-of-use assets and other net liabilities of HK$21,500,725,000, HK$5,458,937,000, HK$2,622,580,000 and HK$1,630,403,000, respectively.

All impairments of non-current non-financial assets are included in "other operating expenses, gains and losses, net" in the consolidated statement of profit or loss and other comprehensive income.

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Studio City Impairment (continued)

In accordance with the Macau gaming law, the Reversion Assets (as defined in note 18) that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Effective as at 1 January 2023, the Reversion Assets were transferred by the Macau government to MRM for the duration of the Concession, in return for annual payments for the right to use and operate the Reversion Assets as part of the Concession as disclosed in note 18. As the Group continues to be operated with the Reversion Assets in the same manner as under the previous gaming subconcession, obtains substantially all of the economic benefits and bears all of the risks arising from the operation of these assets, and assuming it will be successful in obtaining a new concession upon expiry of the Concession, the Group continues to recognise these Reversion Assets as property, plant and equipment over their remaining estimated useful lives.

18. INTANGIBLE ASSETS

		As at 31 December	
		2024	**2023**
	Notes	HK$'000	HK$'000
Concession and licenses	(i)	1,944,732	2,040,079
Trademarks	(ii)	16,837,166	16,992,458
Other intangible assets	(iii)	271,117	324,613
		19,053,015	19,357,150

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses

	Concession HK$'000 (note a)	Cyprus License HK$'000 (note b)	Sri Lanka License HK$'000 (note c)	Regular License HK$'000 (note d)	Total HK$'000
Cost:					
As at 1 January 2023	–	–	–	21,709	21,709
Additions	1,877,704	579,505	–	–	2,457,209
Exchange adjustments	–	8,775	–	–	8,775
As at 31 December 2023	1,877,704	588,280	–	21,709	2,487,693
Additions	6,884	–	129,880	–	136,764
Exchange adjustments	–	(38,743)	2,790	–	(35,953)
As at 31 December 2024	1,884,588	549,537	132,670	21,709	2,588,504
Accumulated amortisation and impairment:					
As at 1 January 2023	–	–	–	8,374	8,374
Charge for the year	187,770	12,239	–	1,257	201,266
Impairment (note 17)	237,751	–	–	–	237,751
Exchange adjustments	–	223	–	–	223
As at 31 December 2023	425,521	12,462	–	9,631	447,614
Charge for the year	162,174	23,890	–	1,261	187,325
Impairment, net (note 17)	10,643	–	–	–	10,643
Exchange adjustments	–	(1,810)	–	–	(1,810)
As at 31 December 2024	598,338	34,542	–	10,892	643,772
Net carrying values:					
As at 31 December 2024	1,286,250	514,995	132,670	10,817	1,944,732
As at 31 December 2023	1,452,183	575,818	–	12,078	2,040,079

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(a) Concession

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

On 30 December 2022, in accordance with the obligations under the letters of undertakings dated 23 June 2022, MRM and certain subsidiaries of Melco Resorts, which hold the land lease rights for the properties on which the City of Dreams Casino, the Altira Casino and the Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the City of Dreams Casino, Altira Casino and Studio City Casino with an area of 31,227.3 square meters, 17,128.8 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively referred to as the "Reversion Assets"), reverted to the Macau government, without compensation and free and clear from any charges or encumbrances, at the expiration of the previous gaming subconcession in accordance with the Macau gaming law. The Reversion Assets that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Under the terms of the Macau gaming law and the Concession, effective as at 1 January 2023, the Reversion Assets were transferred by the Macau government to MRM for use in its operations during the Concession for a fee of MOP750 (equivalent to approximately HK$730) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2,500 (equivalent to approximately HK$2,400) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the "Fee").

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(a) Concession (continued)

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

(b) Cyprus License

On 26 June 2017, the Cyprus government granted a gaming license (the "Cyprus License") to a subsidiary of ICR Cyprus (the "Cyprus Subsidiary") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of City of Dreams Mediterranean, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of City of Dreams Mediterranean, the temporary casino) and any operating satellite casinos (the "Cyprus License Fee"). The annual license fee for the integrated casino resort is EUR2,500,000 (equivalent to approximately HK$20,194,000) for the first four years, and EUR5,000,000 (equivalent to approximately HK$40,389,000) for the next four years. Upon the completion of the first eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000,000 (equivalent to approximately HK$40,389,000) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period. The Cyprus License required City of Dreams Mediterranean to open by the extended deadline of 30 June 2023 as approved by the Cyprus government (the "Cyprus License Requirement").

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

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(c) Sri Lanka License

As disclosed in note 1(b), on 27 March 2024, the Sri Lanka government granted the Sri Lanka License to Bluehaven to operate the Sri Lanka Casino for a term of 20 years effective from 1 April 2024 in an integrated resort under development at that time by WPL in Colombo, Sri Lanka. Upon signing of the Sri Lanka Lease Agreement on 10 July 2024, the Group recognised an intangible asset of Sri Lankan Rupees ("LKR") 5,000,000,000 (equivalent to approximately HK$129,880,000), representing the casino license fee for the Sri Lanka License which will be amortised on a straight-line basis upon the commencement date of the operation of the Sri Lanka Casino to the date of the expiry of the Sri Lanka License.

(d) Regular License

Regular License is a casino gaming license issued by PAGCOR in the Philippines on 29 April 2015 and expires on 11 July 2033 to operate City of Dreams Manila in the Philippines. Further details of the terms and commitments under the Regular License are included in notes 38 and 40, respectively.

(ii) Trademarks

	2024 HK$'000	**2023** HK$'000
Cost:		
As at 1 January and 31 December	16,992,458	16,992,458
Accumulated impairment:		
As at 1 January	–	–
Impairment (notes 17 and 20)	155,292	–
As at 31 December	155,292	–
Net carrying values:		
As at 31 December	16,837,166	16,992,458

The trademarks have legal lives of 7 to 10 years and are renewable for the same consecutive period upon expiry at minimal cost. These trademarks are considered by the Group to have indefinite useful lives because they are expected to contribute to net cash inflows and will not be amortised until their useful lives are determined to be finite. Instead they are tested for impairment annually and whenever there is an indication that they may be impaired. Particulars regarding impairment testing of trademarks are disclosed in notes 17 and 20.

18. INTANGIBLE ASSETS (continued)

(iii) Other intangible assets

	Club membership HK$'000	Internal-use software HK$'000	Proprietary rights HK$'000	Total HK$'000
Cost:				
As at 1 January 2023	5,580	464,153	93,133	562,866
Additions	–	102,540	–	102,540
Disposal	–	(105)	–	(105)
Exchange adjustments	–	200	–	200
As at 31 December 2023	5,580	566,788	93,133	665,501
Additions	–	20,562	–	20,562
Disposal	–	(69,492)	–	(69,492)
Exchange adjustments	–	(800)	–	(800)
As at 31 December 2024	5,580	517,058	93,133	615,771
Accumulated amortisation:				
As at 1 January 2023	–	229,470	20,075	249,545
Charge for the year	–	82,079	9,313	91,392
Exchange adjustments	–	(49)	–	(49)
As at 31 December 2023	–	311,500	29,388	340,888
Charge for the year	–	64,628	9,313	73,941
Disposal	–	(69,492)	–	(69,492)
Exchange adjustments	–	(683)	–	(683)
As at 31 December 2024	–	305,953	38,701	344,654
Carrying values:				
As at 31 December 2024	5,580	211,105	54,432	271,117
As at 31 December 2023	5,580	255,288	63,745	324,613

The club membership has indefinite useful live because the membership has no expiry date and the internal-use software which has finite useful lives of 3 to 15 years is amortised on a straight-line basis. The proprietary rights are related to an entertainment show in City of Dreams. The estimated useful life is 10 years and the proprietary rights are amortised on a straight-line basis.

19. GOODWILL

	2024 HK$'000	2023 HK$'000
As at 1 January and 31 December	5,299,451	5,299,451

The goodwill arose from the deemed acquisition of Melco Resorts in 2016 which was allocated to a group of CGUs under Melco Resorts. Melco Resorts belongs to the "Casino and Hospitality" segment.

Particulars regarding impairment testing on goodwill are disclosed in note 20.

20. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS

(a) Goodwill

For the purpose of impairment testing on goodwill, the recoverable amount of the group of CGUs under Melco Resorts has been determined based on value-in-use calculations. The value-in-use calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The rate used to discount the forecast cash flows from the group of CGUs under Melco Resorts is 10.2% (2023: 11.2%). The discount rate used is pre-tax and reflects specific risks relating to the group of CGUs under Melco Resorts. The cash flow projections beyond the five-year period for the group of CGUs under Melco Resorts are extrapolated with growth rates ranging from 2.5% to 3.0% (2023: 1.7% to 3.0%). The result of the goodwill impairment test indicates that the excess of the recoverable amount of the group of CGUs under Melco Resorts over its corresponding carrying amount was not less than 35%.

(b) Trademarks

For the purpose of impairment testing, trademarks as set out in note 18 were allocated to four individual CGUs operating in the "Casino and Hospitality" segment. The carrying amounts of trademarks as at 31 December 2024 and 2023 allocated to these CGUs are as follows:

	As at 31 December	
	2024 HK$'000	2023 HK$'000
City of Dreams	11,184,643	11,184,643
Studio City	4,933,037	5,088,329
City of Dreams Manila	455,473	455,473
Mocha Clubs	264,013	264,013
	16,837,166	16,992,458

The basis of the recoverable amounts of the above CGUs and their key underlying assumptions are summarised below:

The recoverable amounts of each of the CGUs above were determined on the basis of value-in-use calculations. Their recoverable amounts are based on certain similar key assumptions. All value-in-use calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flow projections beyond the five-year period are extrapolated with a growth rate of 3.0% (2023: ranging from 1.7% to 3.0%). The rates used to discount the forecasted cash flows from City of Dreams, Studio City, City of Dreams Manila and Mocha Clubs are 9.9%, 10.0%, 11.4% and 10.5% (2023: 10.3%, 11.3%, 12.5% and 11.7%), respectively. The discount rates used are pre-tax and reflected specific risks relating to the CGUs.

20. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS (continued)

(b) Trademarks (continued)

During the year ended 31 December 2024, the Group recognised an impairment of trademark in relation to the Studio City CGU of HK$155,292,000 (2023: nil) as disclosed in note 17. Except for the Studio City CGU, the results of impairment tests indicate that the excess of the recoverable amounts over the carrying amounts, for each of the CGUs as above, was not less than 100%.

Cash flow projections during the budget period for CGUs or group of CGUs are based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses, capital expenditure and working capital requirements during the budget period. The assumptions and estimations are based on the CGU's past performance, management's expectations of the market development and the success of the cost cutting strategy implemented by the Group.

Other than impairment of trademark of the Studio City CGU in 2024, during the years ended 31 December 2024 and 2023, management determined that there was no impairment of its CGUs or group of CGUs containing goodwill and trademarks. Management believes that any reasonably possible change in any of these assumptions would not cause the recoverable amounts of the CGUs or group of CGUs to fall below the carrying amounts of the CGUs or group of CGUs.

21. INVESTMENT IN A JOINT VENTURE

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Cost of investment in a joint venture	180,150	180,150
Share of losses	(3,125)	(2,963)
Share of changes in exchange reserve	(19,808)	(15,327)
Impairment recognised	(104,171)	–
	53,046	161,860

Particulars of the Group's joint venture as at 31 December 2024 and 2023 are as follows:

Name	Particulars of registered capital	Place of registration and business	Percentage of Ownership interest (note)	Percentage of Voting power	Principal activity
Zhongshan Melco Yachuang Real Estate Development Co., Ltd.* 中山新濠雅創房地產開發有限公司 ("JV Company")	Renminbi 1,000,000,000	Mainland China	51%	50%	Property development

* for identification purposes only

Note:

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

21. INVESTMENT IN A JOINT VENTURE (continued)

A notice dated 13 July 2022 from the Group was served to the joint venture partner to terminate a cooperation agreement and its supplemental agreements (collectively, the "Joint Venture Cooperation Agreement") because certain provisions in the Joint Venture Cooperation Agreement were not met by the joint venture partner (the "JV Termination"). On 30 June 2023, the Group entered into a framework agreement, as further supplemented on 29 November 2023, with the joint venture partner for the separation plan regarding the JV Termination. The Group has commenced arbitration at the China International Economic and Trade Arbitration Commission against the joint venture partner, the JV Company and Agile Group Holdings Limited, in order to seek compensation from the joint venture partner, the JV Company and Agile Group Holdings Limited. During the year ended 31 December 2024, an impairment of HK$104,171,000 for the cost of investment was recognised in light of the liquidity pressure faced by the joint venture partner.

Information of the joint venture that is not material to the Group

	2024 HK$'000	**2023** HK$'000
The Group's share of losses for the year	(162)	(631)
The Group's share of other comprehensive loss for the year	(4,481)	(4,542)
The Group's share of total comprehensive loss for the year	(4,643)	(5,173)

22. INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2024 HK$'000	**2023** HK$'000
Cost of investments in associates		
Unlisted in the U.S.	52,517	52,517
Net changes in investments in associates	(317)	(317)
Share of changes in exchange reserve	196	280
Share of losses	(15,418)	(14,287)
Impairment recognised (notes a and b)	(36,978)	(19,637)
	–	18,556

Particulars of the associates at the end of the reporting period are as follows:

Name	**Place of incorporation/ operation**	**Proportion of ownership interest and voting rights held by the Group As at 31 December 2024**	**2023**	**Principal activities**
CleanRobotics Technologies, Inc ("CleanRobotics") (note a)	The U.S.	28.85%	28.85%	Waste management
Metalmark Innovations, PBC ("Metalmark") (note b)	The U.S.	15.49%	15.49%	Air purification solutions

22. INVESTMENTS IN ASSOCIATES (continued)

Notes:

(a) On 17 August 2021, the Group acquired preferred stocks issued by CleanRobotics, a private company, for an aggregate consideration of US$4,000,000 (equivalent to approximately HK$31,084,000). The preferred stocks shall vote together with the common stocks of CleanRobotics on an as-converted basis and the Group is entitled to appoint one director to the board of CleanRobotics in accordance with the terms of the agreements. CleanRobotics became an associate of the Group on 17 August 2021. During the year ended 31 December 2023, full impairment of US$2,510,000 (equivalent to approximately HK$19,637,000) (including goodwill on acquisition of US$2,337,000 (equivalent to approximately HK$18,251,000) included in the cost of investment) was recognised due to continuous loss-making and liquidity position of CleanRobotics. In March 2024, a representative of the Group resigned as director of the board of CleanRobotics.

(b) On 17 February 2022, the Group acquired shares of preferred stock issued by Metalmark, a private company, for an aggregate consideration of approximately US$2,750,000 (equivalent to approximately HK$21,433,000). The shares of preferred stock shall vote together with the shares of common stock of Metalmark on an as-converted basis and the Group is entitled to appoint one director to the board of Metalmark in accordance with the terms of the agreements. Metalmark became an associate of the Group on 17 February 2022. During the year ended 31 December 2024, full impairment of US$2,231,000 (equivalent to approximately HK$17,341,000) (including goodwill on acquisition of US$1,308,000 (equivalent to approximately HK$10,165,000) included in the cost of investment) was recognised due to continuous loss-making and liquidity position of Metalmark.

Aggregate information of the associates that are not individually material

	2024 HK$'000	**2023** HK$'000
The Group's share of losses for the year	(1,131)	(6,446)
The Group's share of other comprehensive (loss)/income for the year	(84)	58
The Group's share of total comprehensive loss for the year	(1,215)	(6,388)
Aggregate carrying amount of the Group's investments in associates	–	18,556
Unrecognised share of losses of the associates for the year	(368)	–
Cumulative unrecognised share of losses of the associates	(368)	–

23. INVENTORIES

	As at 31 December	
	2024 HK$'000	**2023** HK$'000
Finished goods	157,120	144,228
Food and beverages	94,820	85,646
	251,940	229,874

24. TRADE RECEIVABLES

In relation to the gaming operations from the Casino and Hospitality segment, the Group issues credit in the form of markers to approved casino customers following review of creditworthiness, typically with a credit period of 14 to 28 days. An extended repayment term of up to 90 days may be offered to casino customers with large gaming losses and established credit history. Credit is/can be given to gaming promoters with unsecured credit lines in the Philippines and Cyprus based on pre-approved credit limits. When credit is granted, the Group typically issues markers to gaming promoters with a credit period of 30 days. Credit lines granted to all approved casino customers and gaming promoters are subject to monthly review and settlement procedures.

The Group currently has a legally enforceable right to offset the commissions payable and front money deposits against the casino receivables which it intends to settle on a net basis. As at 31 December 2024, the gross amounts of casino receivables are HK$2,363,944,000 (2023: HK$2,363,950,000) and the aggregate amounts of the commissions payable and front money deposits are HK$297,050,000 (2023: HK$538,528,000).

The Group's trade receivables related to the rooms, food and beverage, entertainment and retail from the Casino and Hospitality segment which are largely operated on cash on delivery or due immediately on the date of billing, except for those well-established customers to whom credit terms of 30-60 days may be granted.

As at 1 January 2023, trade receivables from contracts with customers amounted to HK$437,273,000.

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

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Current	339,455	319,950
Past due:		
Within 1 month	508,621	92,705
More than 1 month but within 3 months	111,873	75,523
More than 3 months but within 6 months	28,847	64,952
More than 6 months	1,112,464	1,315,768
	2,101,260	1,868,898
Allowances for credit losses	(981,677)	(1,153,041)
	1,119,583	715,857

Movement in the allowances for credit losses

	2024	**2023**
	HK$'000	HK$'000
As at 1 January	1,153,041	1,428,687
Allowances/(reversal of allowances) for credit losses, net	19,825	(30,455)
Write-off	(191,189)	(245,191)
As at 31 December	981,677	1,153,041

24. TRADE RECEIVABLES (continued)

For the year ended 31 December 2024, allowances for credit losses, net, of HK$19,825,000 (2023: reversal of allowances for credit losses, net HK$30,455,000) was recognised in profit or loss and included in the Casino and Hospitality segment.

As at 31 December 2024, the Group has provided allowances for credit losses of HK$930,522,000 (2023: HK$1,135,773,000) on certain trade receivables which are considered as credit-impaired with corresponding gross carrying amount of HK$1,127,017,000 (2023: HK$1,337,245,000).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2024

	ECL rate	**Gross carrying amount** HK$'000	**ECLs** HK$'000
Current	3.3%	339,455	11,191
Past due:			
Within 1 month	7.5%	508,621	38,146
More than 1 month but within 3 months	13.4%	111,873	15,009
More than 3 months but within 6 months	31.9%	28,847	9,208
More than 6 months	81.6%	1,112,464	908,123
	46.7%	2,101,260	981,677

As at 31 December 2023

	ECL rate	**Gross carrying amount** HK$'000	**ECLs** HK$'000
Current	7.2%	319,950	22,986
Past due:			
Within 1 month	0.2%	92,705	145
More than 1 month but within 3 months	6.5%	75,523	4,929
More than 3 months but within 6 months	43.5%	64,952	28,247
More than 6 months	83.4%	1,315,768	1,096,734
	61.7%	1,868,898	1,153,041

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Current assets		
Prepayments and other assets	554,180	605,168
Other receivables	204,610	283,938
Deposits	53,167	49,230
	811,957	938,336
Non-current assets		
Prepayments and other assets	803,341	653,673
Deposits for acquisition of property, plant and equipment	143,909	58,149
Rental, utilities and other deposits	86,405	87,324
Other receivables	1,711	2,235
	1,035,366	801,381

During the year ended 31 December 2024, impairment of other receivables of HK$5,532,000 (2023: HK$6,473,000) and other assets of HK$5,119,000 (2023: nil) were recognised in profit or loss and included in the Casino and Hospitality segment.

26. RESTRICTED CASH

Restricted cash mainly consists of cash deposited in (i) collateral bank accounts for bank guarantees (as disclosed below); and (ii) collateral bank accounts associated with borrowings under credit facilities.

On 9 December 2022, as required under the Concession, MRM provided a bank guarantee in favour of the Macau government of MOP1,000,000,000 (equivalent to approximately HK$970,874,000) to secure the fulfilment of performance of certain of its legal and contractual obligations, including labour obligations. As stipulated in the bank guarantee contract, MOP1,000,000,000, or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As at 31 December 2024 and 2023, HK$970,874,000 (equivalent to MOP1,000,000,000) held in the cash collateral bank account was included in the non-current portion of restricted cash in the consolidated statement of financial position.

27. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits, with original maturities of three months or less, carrying prevailing deposit interest rate.

28. TRADE PAYABLES

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

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Within 1 month	135,596	58,397
More than 1 month but within 3 months	39,399	20,441
More than 3 months but within 6 months	4,981	1,441
More than 6 months	12,509	11,528
	192,485	91,807

The trade payables are non-interest-bearing and are normally settled on credit terms of 15 to 45 days.

29. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

		As at 31 December	
		2024	**2023**
	Note	HK$'000	HK$'000
Current liabilities			
Advance deposits and ticket sales	5	1,966,787	1,960,406
Accrued operating expenses and other liabilities		1,349,259	1,338,445
Gaming tax and license fee payables		1,327,666	1,244,304
Accrued employee benefits expenses		959,106	800,213
Interest payables		925,273	900,336
Outstanding gaming chips	5	647,581	648,473
Payable for acquisition of property, plant and equipment		415,044	292,955
Loyalty program liabilities	5	303,614	281,225
Intangible assets liabilities		247,566	230,040
Construction cost payable		105,324	281,360
Dividends payable		2,943	4,336
		8,250,163	7,982,093
Non-current liabilities			
Intangible assets liabilities		2,100,516	2,203,552
Other liabilities		217,987	226,603
Accrued employee benefits expenses		75,666	42,283
Deposits received		64,120	55,174
		2,458,289	2,527,612

30. INTEREST-BEARING BORROWINGS

	Notes	As at 31 December 2024 HK$'000	2023 HK$'000
Unsecured notes	a	51,655,302	47,496,913
Secured bank loans	b	5,108,391	5,135,975
Secured notes	c	2,695,005	2,702,567
Unsecured bank loans	d	1,229,000	8,222,000
		60,687,698	63,557,455
Non-current portion		(51,204,349)	(63,556,455)
Current portion		9,483,349	1,000
Analysed into borrowings repayable:			
Bank loans:			
Within one year or on demand		–	1,000
In the second year		5,114,036	8,222,000
In the third to fifth years, inclusive		1,230,000	5,145,831
		6,344,036	13,368,831
Less: deferred financing costs and adjustments on modification of debts, net		(6,645)	(10,856)
		6,337,391	13,357,975
Senior notes:			
Within one year or on demand		9,484,054	–
In the second year		3,881,747	10,913,039
In the third to fifth years, inclusive		35,323,893	21,872,951
After five years		5,822,620	17,576,478
		54,512,314	50,362,468
Less: deferred financing costs and original issue premiums, net		(162,007)	(162,988)
		54,350,307	50,199,480

30. INTEREST-BEARING BORROWINGS (continued)

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

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Fixed-rate borrowings	54,350,307	50,199,479
Variable-rate borrowings	6,337,391	13,357,976
	60,687,698	63,557,455

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

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
US$	59,456,698	55,333,455
HK$	1,231,000	8,224,000
	60,687,698	63,557,455

During the year ended 31 December 2024, the Group obtained new interest-bearing borrowings of HK$6,651,509,000 (2023: HK$9,811,171,000) and repaid interest-bearing borrowings of HK$9,144,543,000 (2023: HK$18,633,784,000).

Notes:

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

The 2025 Senior Notes (as defined below) and an aggregate principal amount of US$1,000,000,000 (equivalent to approximately HK$7,763,493,000) 4.875% unsecured senior notes due 2025 are due within next 12 months after the year ended 31 December 2024, the net carrying amount of HK$1,718,594,000 and HK$7,764,755,000, respectively, are classified as current liabilities as at 31 December 2024.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(a) (continued)

On 9 November 2023, the Group initiated a cash tender offer (the "2023 Tender Offer") which expired on 8 December 2023, subject to the terms and conditions, to purchase for up to an aggregate principal amount of US$75,000,000 (equivalent to approximately HK$585,279,000) of US$500,000,000 (equivalent to approximately HK$3,901,861,000) in an aggregate principal amount of 6.000% senior notes due 2025 (the "2025 Senior Notes") and was subsequently amended to increase to US$100,000,000 (equivalent to approximately HK$780,372,000) (the maximum tender amount). The Group purchased an aggregate principal amount of US$100,000,000 (equivalent to approximately HK$780,372,000) of the 2025 Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2023 Tender Offer, as amended, and settled the transaction on 28 November 2023. On 8 April 2024, the Group initiated a cash tender offer (the "2024 Tender Offer") which expired on 6 May 2024, subject to the terms and conditions, to purchase for up to an aggregate principal amount of US$100,000,000 (equivalent to approximately HK$782,601,000) of the outstanding 2025 Senior Notes and was subsequently amended to increase to US$100,029,000 (equivalent to approximately HK$782,828,000) (the maximum tender amount). The Group purchased an aggregate principal amount of US$100,029,000 (equivalent to approximately HK$782,828,000) of the 2025 Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2024 Tender Offer, as amended, and settled the transaction on 24 April 2024. Other than the 2023 Tender Offer and the 2024 Tender Offer, the Group repurchased an aggregate principal amount of US$75,349,000 (equivalent to approximately HK$586,715,000) and US$3,000,000 (equivalent to approximately HK$23,482,000) of the 2025 Senior Notes during the years ended 31 December 2024 and 2023, respectively. The 2024 Tender Offer and repurchases of the 2025 Senior Notes during the year ended 31 December 2024 included certain amounts purchased from related parties as disclosed in note 41 (2023: nil). In connection with the 2023 Tender Offer and the 2024 Tender Offer and the repurchases of the 2025 Senior Notes, the Group recorded an aggregate loss on extinguishment of debt of HK$7,818,000 and gain on extinguishment of debt of HK$12,572,000 during the years ended 31 December 2024 and 2023, respectively. As at 31 December 2024, the outstanding principal amount of the 2025 Senior Notes was US$221,622,000 (equivalent to approximately HK$1,720,561,000) (2023: US$397,000,000 (equivalent to approximately HK$3,101,272,000)).

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

Certain indentures governing the respective unsecured notes contain certain covenants, subject to certain exceptions and conditions, that limit the ability of the issuer and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the ability of the restricted subsidiaries of relevant borrowing groups to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with affiliates; and (viii) effect a consolidation or merger. The respective indentures governing the unsecured notes also contain conditions and provide for customary events of default for such financings as well as early redemption options available to the issuer during certain time periods and redemption options available to the senior notes holders in certain events.

(b) As at 31 December 2024, the outstanding secured bank loans are denominated in US$ or HK$. Borrowings denominated in US$ bear interest at the term Secured Overnight Financing Rate ("SOFR") plus an applicable credit adjustment spread, if any, ranging from 0.06% to 0.20% (2023: 0.06%) per annum and a margin ranging from 1.95% to 2.55% (2023: 2.35%) per annum; and borrowings denominated in HK$ bear interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus an applicable margin ranging from 1.00% to 2.55% (2023: 1.00% to 4.00%) per annum. The secured bank loans consisted of term loan facilities and revolving credit facilities. As at 31 December 2024, the term loan facilities were repayable at maturity within the period from 2026 to 2029 (2023: from 2024 to 2028) and the revolving credit facilities are repayable on the last day of an agreed upon interest period or rolled over subject to compliance with certain covenants and satisfaction of conditions precedent. The secured bank loans are guaranteed by certain subsidiaries of the Company and one of the secured bank loans is also guaranteed by the Company.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(b) (continued)

On 24 April 2023, the Group obtained confirmation from the facility and security agents that certain provisions contained in an US$1.0 billion 5-year secured credit facility agreement (the "2021 Credit Facilities") were waived and amended. Such waiver and amendment allowed the Group to repay an outstanding principal amount of US$165,120,000 (equivalent to approximately HK$1,296,147,000) along with accrued interest under the term loan facility of the 2021 Credit Facilities on 26 April 2023. As a result of such prepayment, the Group recorded losses on modification of debts of HK$82,222,000 during the year ended 31 December 2023.

On 6 June 2024, the maturity date and the applicability of the waiver obtained in April 2020 on various undertakings and covenants of a secured credit facility of HK$2,000,000 was extended from 24 June 2024 to 24 June 2026.

On 29 November 2024, the Group entered into a senior secured revolving credit facility agreement with a syndicate of banks (the "2024 Revolving Facility") for HK$1,945,000,000 with a term of five years and an option to increase the commitments in an amount not exceeding US$100,000,000 (equivalent to approximately HK$778,198,000), subject to satisfaction of conditions precedent. The 2024 Revolving Facility is available up to the date that is one month prior to 29 November 2029, the maturity date. As at 31 December 2024, the outstanding principal amount of the 2024 Revolving Facility was nil. Borrowings under the 2024 Revolving Facility can be denominated in US$ which bear interest at term SOFR or HK$ which bear interest at HIBOR, in both case plus an applicable margin ranging from 1.95% to 2.55% per annum as adjusted in accordance with the leverage ratio. The Group may select an interest period for borrowings under the 2024 Revolving Facility ranging from one to six months or any other agreed period.

On 29 November 2024, the Group amended and restated a secured credit facility in aggregate amount of HK$234,000,000, which consists of a HK$233,000,000 revolving credit facility and a HK$1,000,000 term loan facility. The maturity of the facility is extended from 15 January 2028 to 29 August 2029. Borrowings denominated in US$, if any, bear interest at term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin of 2.25% per annum; and borrowings denominated in HK$, including the outstanding principal amount denominated in HK$ bear interest at HIBOR plus an applicable margin of 2.25% per annum, which was amended from HIBOR plus an applicable margin of 4.00% per annum. As at 31 December 2024, the outstanding principal amount of the term loan facility was HK$1,000,000.

Certain agreements governing the secured bank loans, as the case may be, contain covenants, subject to certain exceptions and conditions, that limit the ability of respective borrowing groups to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the ability of the restricted subsidiaries of relevant borrowing groups to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The agreements governing the secured bank loans also contain conditions and events of default customary for such financings. Certain secured bank loans also contain financial covenants including leverage ratios, gearing ratios, interest cover ratio and minimum net assets requirements with respective applicable test dates of each year until maturity.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(c) On 16 February 2022, the Group issued US$350,000,000 (equivalent to approximately HK$2,733,499,000) in an aggregate principal amount of 7.00% senior secured notes due 2027 at an issue price of 100% of the principal amount (the "2027 Senior Notes"). Certain subsidiaries of the Company and other future restricted subsidiaries as defined in the 2027 Senior Notes are guarantors to guarantee the indebtedness under the 2027 Senior Notes.

The indenture governing the secured notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of the issuer, one of the subsidiary as parent guarantor and restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The indenture governing the secured notes also contains conditions and provides for customary events of default for such financings as well as early redemption options available to the issuer during certain time periods and redemption options available to the secured notes holders in certain events.

(d) On 29 April 2020, the Group entered into a senior unsecured credit facilities agreement with a syndicate of banks (the "2020 Credit Facilities") for a HK$14,850,000,000 revolving credit facility with a term of five years. On 8 April 2024, the lenders approved an extension of the maturity date by two years from 29 April 2025 to 29 April 2027. Each loan made under the 2020 Credit Facilities is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. The Group is also subject to mandatory prepayment requirements in respect of various amounts as specified in the 2020 Credit Facilities.

As at 31 December 2024 and 2023, the outstanding balance under the 2020 Credit Facilities are denominated in HK$. Borrowings under the 2020 Credit Facilities can be denominated in US$ which bear interest at term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum, or in HK$ which bear interest at HIBOR, in both cases plus an applicable margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of certain subsidiaries of the Company. The indebtedness under the 2020 Credit Facilities is guaranteed by certain subsidiaries of the Company.

As at 31 December 2024, the outstanding principal amount of the 2020 Credit Facilities was HK$1,229,000,000 (2023: HK$8,222,000,000).

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

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(e) As at 31 December 2024, an unsecured credit facility amounting to PHP2,350,000,000 (equivalent to approximately HK$314,479,000) (2023: PHP2,350,000,000 (equivalent to approximately HK$330,370,000)) was available for drawdown, subject to satisfaction of certain conditions precedent. As at 31 December 2024 and 2023, the available drawdown currencies under the credit facility are PHP and US$ and the maturity date of each individual drawdown is to be the earlier of: (i) the date which is 360 days from the date of drawdown, and (ii) the date which is 360 days after the end of the availability period. The credit facility availability period was extended to 30 June 2025 during the year ended 31 December 2024, with no material changes in the underlying terms and conditions.

(f) As at 31 December 2024, the Group had a total available and unutilised borrowing capacity of HK$17,162,551,000 (2023: HK$8,246,959,000), subject to satisfaction of certain conditions precedent.

(g) As at 31 December 2024, borrowings in an aggregate principal amount of HK$7,832,259,000 (2023: HK$7,880,949,000) were secured by the following assets of the Group:

(i) certain property, plant and equipment (note 17);

(ii) certain right-of-use land and all present and future buildings on and fixtures to such land, and land use rights (or equivalent) (note 31);

(iii) certain bank deposits;

(iv) receivables and other assets including certain intragroup loans; and

(v) issued shares of certain subsidiaries of the Company.

31. LEASES

Group as a lessee

The Group has lease contracts for land, buildings, gaming equipment, transportation assets and furniture, fixtures and equipment used in its operations. The Group leases the land and certain of the building structures for City of Dreams Manila under the MRP Lease Agreement as described in note 38(d), Cyprus casino sites, Mocha Clubs sites, the Sri Lanka Casino under the Sri Lanka Lease Agreement, office spaces, warehouses, staff quarters, and certain parcels of land in Macau on which City of Dreams, Altira Macau and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractually agreed incremental rates and on the general inflation rate once agreed by the Group and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover or calculated based on certain performance indicator. Certain leases include options to extend the lease term and options to terminate the lease term. The land concession contracts in Macau have a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contracts in Macau is 40 years.

Set out below are the carrying amounts of the right-of-use assets and lease liabilities and the movements during the year.

	Right-of-use assets						
	Land HK$'000	**Buildings** HK$'000	**Gaming equipment** HK$'000	**Transportation** HK$'000	**Furniture, fixtures and equipment** HK$'000	**Total** HK$'000	**Lease liabilities** HK$'000
As at 1 January 2023	5,028,444	528,400	4,172	628	19,802	5,581,446	2,359,575
Additions	–	211,263	3,901	–	2,446	217,610	204,448
Depreciation	(173,941)	(161,580)	(1,842)	(667)	(7,189)	(345,219)	–
Modification	(61,541)	(7,377)	(779)	112	(471)	(70,056)	(75,595)
Impairment (note 17)	(310,468)	–	–	–	–	(310,468)	–
Interest expense	–	–	–	–	–	–	233,546
Payments	–	–	–	–	–	–	(427,361)
Exchange adjustments	624	5,192	168	18	58	6,060	21,643
As at 31 December 2023	4,483,118	575,898	5,620	91	14,646	5,079,373	2,316,256
Additions	–	292,568	–	–	10,024	302,592	279,087
Depreciation	(158,298)	(183,594)	(1,826)	(76)	(7,871)	(351,665)	–
Modification	5,110	141,720	–	–	(5)	146,825	147,318
Impairment (note 17)	(82,559)	–	–	–	–	(82,559)	–
Interest expense	–	–	–	–	–	–	244,244
Payments	–	–	–	–	–	–	(463,711)
Exchange adjustments	(2,751)	(18,123)	(294)	(3)	(108)	(21,279)	(98,926)
As at 31 December 2024	4,244,620	808,469	3,500	12	16,686	5,073,287	2,424,268

31. LEASES (continued)

Group as a lessee (continued)

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Analysed of lease liabilities into:		
Current portion	424,737	430,475
Non-current portion	1,999,531	1,885,781
	2,424,268	2,316,256

The maturity analysis of lease liabilities is disclosed in note 42(b).

The following are the amounts recognised in profit or loss in relations to leases:

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Depreciation of right-of-use assets	351,665	345,219
Less: capitalised in construction in progress	(5,092)	(7,138)
Interest expense on lease liabilities	244,244	233,546
Impairment of right-of-use assets (note 17)	82,559	310,468
Expense relating to short-term leases	8,030	2,681
Variable lease payments not included in the measurement of lease liabilities	32,074	21,013
Loss/(gain) on lease modifications	469	(5,539)
Total amount recognised in profit or loss	713,949	900,250

The Group has total cash outflows for leases of HK$528,413,000 during the year ended 31 December 2024 (2023: HK$464,216,000).

As at 31 December 2024, certain right-of-use land with an aggregate carrying amount of HK$4,037,964,000 (2023: HK$4,264,533,000) were pledged to secure against the Group's interest-bearing borrowings (note 30).

31. LEASES (continued)

Group as a lessor

The Group entered into non-cancellable operating leases mainly for its mall spaces in the sites of City of Dreams, City of Dreams Manila, Studio City and City of Dreams Mediterranean with various retailers that expire at various dates through June 2037. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover. For the years ended 31 December 2024 and 2023, the Group earned minimum operating lease income of HK$370,555,000 and HK$348,849,000, respectively, and variable lease income of HK$78,726,000 and HK$61,558,000, respectively.

At the end of the reporting period, undiscounted future minimum lease payments to be received under all non-cancellable operating leases were as follows:

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Within one year	452,429	440,795
More than one year but within two years	247,117	440,654
More than two years but within three years	66,659	234,155
More than three years but within four years	29,257	56,688
More than four years but within five years	8,101	26,392
After five years	14,685	28,437
	818,248	1,227,121

The total future minimum rentals do not include any escalated contingent fee amounts.

32. DEFERRED TAX

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Deferred tax liabilities	(2,234,250)	(2,342,280)

32. DEFERRED TAX (continued)

The following are the major deferred tax (liabilities) and assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK$'000	Right-of-use assets HK$'000	Lease liabilities HK$'000	Cyprus License HK$'000	Cyprus license liabilities HK$'000	Tax losses HK$'000	Others HK$'000	Total HK$'000
As at 1 January 2023	(2,398,208)	(76,474)	85,659	-	-	31,443	(22,418)	(2,379,998)
Credit/(charge) to profit or loss for the year (note 14)	61,585	8,384	(11,580)	(70,914)	70,892	3,538	(24,010)	37,895
Exchange adjustments	(307)	(617)	707	(1,063)	1,086	251	(234)	(177)
As at 31 December 2023	(2,336,930)	(68,707)	74,786	(71,977)	71,978	35,232	(46,662)	(2,342,280)
Credit/(charge) to profit or loss for the year (note 14)	111,934	(93,775)	89,921	2,975	(2,975)	1,598	(4,076)	105,602
Exchange adjustments	863	1,050	(1,266)	4,627	(4,628)	(851)	2,633	2,428
As at 31 December 2024	(2,224,133)	(161,432)	163,441	(64,375)	64,375	35,979	(48,105)	(2,234,250)

At the end of the reporting period, the Group has unused estimated tax losses of approximately HK$14,719,327,000 (2023: HK$14,067,246,000). A deferred tax asset has been recognised in respect of HK$148,070,000 (2023: HK$174,205,000) of tax losses to the extent that it is probable that future taxable profits or temporary differences will be available against which the temporary differences can be utilised. No deferred tax asset has been recognised in respect of the remaining tax losses of HK$14,571,257,000 (2023: HK$13,893,041,000) due to the unpredictability of future profit streams.

Included in unrecognised tax losses are losses of HK$13,019,145,000 (2023: HK$12,818,539,000) that are allowed to be carried forward and utilised against the taxable profit which shall not exceed 2.5 to 20 years (2023: 3 to 20 years). Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK$17,338,181,000 (2023: HK$11,067,789,000). No deferred tax asset has been recognised in relation to these deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, no deferred tax has been recognised for withholding taxes that would be payable upon distribution of undistributed earnings that are subject to withholding taxes of certain subsidiaries as it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised totalled approximately HK$5,832,704,000 as at 31 December 2024 (2023: HK$5,835,031,000).

33. SHARE CAPITAL

	Number of ordinary shares	Amount HK$'000
Issued and fully paid:		
As at 1 January 2023, 31 December 2023 and 31 December 2024	1,516,683,755	5,701,853

During the year ended 31 December 2024, the trustee of the Share Purchase Scheme as defined in note 34 purchased 17,501,000 (2023: 2,000,000) ordinary shares of the Company on the Hong Kong Stock Exchange for an aggregate consideration of approximately HK$92,688,000 (2023: HK$11,977,000) which are for future vesting of unvested shares under the Company's Share Purchase Scheme.

As at 31 December 2024, 3,197,176 (2023: 3,955,746) issued shares of the Company were held for vesting of awarded shares (including those shares held for participants for their vested awarded shares) under the Company's share award schemes (note 34).

34. LONG-TERM INCENTIVE SCHEMES

(I) The Company

2024 Share Incentive Scheme

At the annual general meeting of the Company held on 13 June 2024, the shareholders of the Company approved the adoption of a new share incentive scheme (the "2024 Share Incentive Scheme"), which is a combined scheme involving the issue of new shares of the Company, in replacement of and to the exclusion of both the Company's then existing share option scheme (the "2022 Share Option Scheme") adopted on 7 June 2022 and share subscription scheme ("2007 Share Subscription Scheme") adopted on 18 October 2007, in compliance with the amended Chapter 17 of the Listing Rules. Following the adoption of the 2024 Share Incentive Scheme, each of the 2022 Share Option Scheme and 2007 Share Subscription Scheme had ceased to operate and no further share options or share awards may be offered or granted respectively thereunder, except that the share options or share awards which were granted during the life of each of the 2022 Share Option Scheme and 2007 Share Subscription Scheme and remained unexpired immediately prior to the adoption of the 2024 Share Incentive Scheme shall continue to be valid in accordance with their terms of issue.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

2024 Share Incentive Scheme (continued)

During the year ended 31 December 2023 and during the period from 1 January 2024 to 13 June 2024 (the adoption date of the 2024 Share Incentive Scheme), no share options were granted or outstanding under the 2022 Share Option Scheme and no share awards were granted or outstanding under the 2007 Share Subscription Scheme.

Under the 2024 Share Incentive Scheme, the total number of shares of the Company which may be issued in respect of all share options and share awards available for grant under the scheme mandate limit as at 13 June 2024 and 31 December 2024 was 151,668,375, representing 10.00% of the total number of shares of the Company in issue. No share options or share awards have been granted under the 2024 Share Incentive Scheme since its adoption.

2012 Share Option Scheme

The Company adopted a share option scheme on 30 May 2012, as amended on 5 June 2020 (the "2012 Share Option Scheme") expired on 29 May 2022. After the expiration of the 2012 Share Option Scheme, no further share options could be granted under the scheme but the share options granted during the life of the scheme shall remain valid and exercisable in accordance with their terms of issue and in all other respects the provisions of the scheme shall remain in full force and effect. The share option granted to the participants under the 2012 Share Option Scheme will be settled by issuance of new ordinary shares of the Company and the maximum term of the outstanding share options is 10 years from the date of grant. The outstanding share options generally vest over 1 to 3 years (2023: 1 to 3 years).

The exercise price of a share option grant is determined at the higher of (i) the closing price of the Company's ordinary shares as stated in the daily quotation sheet issued by the Hong Kong Stock Exchange on the date of grant; and (ii) the average closing prices of the Company's shares as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant.

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of the Company's ordinary shares trading on the Hong Kong Stock Exchange. Expected life is based upon the vesting term, and expected life adopted by other publicly traded companies. The risk-free interest rate used for each period presented is based on the Hong Kong Government Bond rate at the time of grant for the period equal to the expected life.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

2012 Share Option Scheme (continued)

Movements of the share options granted under the 2012 Share Option Scheme are set out below:

	Number of share options	Weighted average exercise price HK$
Outstanding as at 1 January 2023 and 31 December 2023	3,409,000	10.21
Expired	(1,392,000)	11.47
Outstanding as at 31 December 2024	2,017,000	9.34
Exercisable as at 31 December 2024	1,706,000	9.71
Exercisable as at 31 December 2023	2,561,000	11.18

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

	As at 31 December			
	2024		2023	
Range of exercise prices HK$	Number of share options outstanding	Weighted average remaining contractual life (years)	Number of share options outstanding	Weighted average remaining contractual life (years)
7.01 – 8.00	1,386,000	7.27	1,386,000	8.27
10.01 – 11.00	345,000	1.27	1,499,000	2.27
12.01 – 13.00	42,000	5.28	74,000	6.29
14.01 – 15.00	91,000	2.27	202,000	3.27
19.01 – 20.00	69,000	4.27	107,000	5.28
23.01 – 24.00	84,000	3.27	141,000	4.28
	2,017,000		3,409,000	

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

Share Purchase Scheme

On 18 October 2007, the Company adopted a share incentive award scheme, namely The Melco Share Purchase Scheme Trust (the "Share Purchase Scheme"), with certain rules of such scheme amended on 12 June 2015, 31 March 2020, 6 April 2022 and 13 June 2024. The shares awarded to the participants under the Share Purchase Scheme will mainly be settled by shares of the Company purchased on the market. The outstanding awarded shares generally vest over 1 to 3 years (2023: 1 to 3 years).

The Share Purchase Scheme has a term of 20 years and the scheme limit under each of the schemes is 3% of the issued shares of the Company from time to time (excluding the shares which have already been transferred to the eligible participants on vesting and providing that the Board and such committee delegated by the Board to administer the relevant schemes may resolve to increase such limit at its sole discretion).

The fair values of the awarded shares are determined with reference to the closing prices of the ordinary shares of the Company as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange at the respective dates of grant or modification, if applicable.

As at 31 December 2024, the accrued liability associated with the cash-settled awarded shares was HK$1,338,000 (2023: HK$9,955,000). Remeasurement gain of the liability associated with the cash-settled awarded shares of HK$1,401,000 (2023: HK$1,698,000) was recognised for the year ended 31 December 2024.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

Share Purchase Scheme (continued)

Movements of the awarded shares granted under the Share Purchase Scheme are set out below:

	Number of awarded shares	Weighted average grant date fair value HK$
Equity-settled		
Unvested as at 1 January 2023	32,301,825	9.48
Granted	12,010,180	9.54
Vested	(11,992,954)	8.52
Unvested as at 31 December 2023 and 1 January 2024	32,319,051	9.86
Granted	21,156,100	5.21
Vested	(19,507,945)	10.71
Modified to cash-settled	(36,146)	7.10
Unvested as at 31 December 2024	33,931,060	6.48
Cash-settled		
Unvested as at 1 January 2023	3,907,175	7.18
Granted	177,820	9.54
Vested	(1,927,046)	7.21
Unvested as at 31 December 2023 and 1 January 2024	2,157,949	7.35
Granted	325,900	5.21
Vested	(2,004,055)	7.23
Modified from equity-settled	36,146	7.10
Unvested as at 31 December 2024	515,940	6.47
Total unvested awarded shares as at 31 December 2024	34,447,000	6.48
Total unvested awarded shares as at 31 December 2023	34,477,000	9.70

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts

Melco Resorts share incentive plans

Melco Resorts adopted a share incentive plan in 2011 (as amended) (the "Melco Resorts 2011 Share Incentive Plan") and a share incentive plan in 2021 (the "Melco Resorts 2021 Share Incentive Plan"), effective on 6 December 2021 (also the termination date of the Melco Resorts 2011 Share Incentive Plan). All share incentive plans of Melco Resorts have a term of 10 years. Upon the termination of the Melco Resorts 2011 Share Incentive Plan, no further awards can be granted under the Melco Resorts 2011 Share Incentive Plan but the provisions of such plan shall remain in full force and effect in all other respects for any awards granted prior to the date of the termination of such plan. Under the plans, Melco Resorts may grant various share-based awards, including but not limited to, options, restricted shares, share appreciation rights and other types of awards, subject to certain criteria as defined in the share incentive plans, to eligible participants including directors, employees and consultants of Melco Resorts and its subsidiaries and affiliates (including the Company).

Melco Resorts 2021 Share Incentive Plan was subsequently amended on 13 June 2024 to bring the plan in line with the amended Chapter 17 of the Listing Rules. The maximum term of an award is 10 years from the date of the grant. The outstanding share options and restricted shares generally vest over 1 to 3 years (2023: 1 to 3 years). The maximum aggregate number of ordinary shares to be available for all awards under the Melco Resorts 2021 Share Incentive Plan may be increased from time to time, provided that the maximum aggregate number of Melco Resorts' ordinary shares which may be issued under the Melco Resorts 2021 Share Incentive Plan shall not be more than 10% of the total number of the issued share capital of Melco Resorts on the date the plan limit is approved by the shareholders of the Company in accordance with the applicable listing rules in Hong Kong. As at 31 December 2024, there were 90,868,413 ordinary shares available for grants under the Melco Resorts 2021 Share Incentive Plan.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

The exercise price of a share option grant is determined at the market closing price of Melco Resorts' ADSs trading on the Nasdaq Global Select Market on the date of grant.

Melco Resorts uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco Resorts' ADSs trading on the Nasdaq Global Select Market. Expected life is based upon the vesting term or the historical expected life of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected life.

The fair values of the restricted shares are determined with reference to the market closing prices of Melco Resorts' ADSs trading on the Nasdaq Global Select Market on the dates of grant or modification, if applicable.

The fair values of share options granted under the Melco Resorts 2021 Share Incentive Plan were estimated on the dates of grant using the following assumptions:

	Grant date of the share options	
	3 April 2024	**5 April 2023**
Share price per share at date of grant of share options	US$2.52	US$4.13
Exercise price per share	US$2.52	US$4.13
Expected volatility	60%	58.67%
Expected life	5.1 years	5.1 years
Risk-free rate	4.36%	3.39%
Expected dividend yield	2.50%	2.50%
Weighted average fair value of share options at the date of grant	US$1.16	US$1.82

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Share options

(a) Melco Resorts 2011 Share Incentive Plan

Movements of the share options granted under the Melco Resorts 2011 Share Incentive Plan during the years ended 31 December 2024 and 2023 are set out below:

	Number of share options	**Weighted average exercise price** US$
Outstanding as at 1 January 2023	2,845,719	5.89
Exercised	(14,094)	4.13
Forfeited	(58,176)	5.47
Expired	(83,802)	5.39
Outstanding as at 31 December 2023 and 1 January 2024	2,689,647	5.93
Expired	(394,014)	7.15
Outstanding as at 31 December 2024	2,295,633	5.72
Exercisable as at 31 December 2024	2,295,633	5.72
Exercisable as at 31 December 2023	2,570,973	5.88

The weighted average share price at the date of exercise was US$4.63 during the year ended 31 December 2023.

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

	As at 31 December			
	2024		**2023**	
Range of exercise prices US$	**Number of share options outstanding**	**Weighted average remaining contractual life** (years)	**Number of share options outstanding**	**Weighted average remaining contractual life** (years)
4.01 – 5.00	1,018,332	5.25	1,037,043	6.25
5.01 – 6.00	295,830	0.88	365,130	1.62
6.01 – 7.00	588,828	5.13	729,357	5.63
8.01 – 9.00	257,223	4.25	323,652	5.25
9.01 – 10.00	135,420	3.24	234,465	4.24
	2,295,633		2,689,647	

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Share options (continued)

(b) Melco Resorts 2021 Share Incentive Plan

Movements of the share options granted under the Melco Resorts 2021 Share Incentive Plan during the years ended 31 December 2024 and 2023 are set out below:

	Number of share options	**Weighted average exercise price** US$
Outstanding as at 1 January 2023	5,360,526	2.47
Granted	158,949	4.13
Exercised	(68,148)	2.47
Outstanding as at 31 December 2023 and 1 January 2024	5,451,327	2.52
Granted	1,815,498	2.52
Forfeited	(76,167)	2.47
Outstanding as at 31 December 2024	7,190,658	2.52
Exercisable as at 31 December 2024	4,387,266	2.49
Exercisable as at 31 December 2023	2,133,066	2.47

The weighted average share price at the date of exercise was US$4.36 during the year ended 31 December 2023.

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

	As at 31 December			
	2024		**2023**	
Range of exercise prices US$	**Number of share options outstanding**	**Weighted average remaining contractual life** (years)	**Number of share options outstanding**	**Weighted average remaining contractual life** (years)
2.01 – 3.00	7,031,709	7.78	5,292,378	8.26
4.01 – 5.00	158,949	8.26	158,949	9.26
	7,190,658		5,451,327	

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Restricted shares

(a) Melco Resorts 2011 Share Incentive Plan

Movements of the restricted shares granted under the Melco Resorts 2011 Share Incentive Plan during the years ended 31 December 2024 and 2023 are set out below:

	Number of restricted shares	**Weighted average grant date fair value** US$
Unvested as at 1 January 2023	7,705,320	5.42
Vested	(5,760,885)	4.97
Forfeited	(117,597)	5.93
Unvested as at 31 December 2023 and 1 January 2024	1,826,838	6.81
Vested	(1,814,232)	6.81
Forfeited	(12,606)	6.89
Unvested as at 31 December 2024	–	–

(b) Melco Resorts 2021 Share Incentive Plan

Movements of the restricted shares granted under the Melco Resorts 2021 Share Incentive Plan during the years ended 31 December 2024 and 2023 are set out below:

	Number of restricted shares	**Weighted average grant date fair value** US$
Unvested as at 1 January 2023	19,183,428	2.33
Granted	11,086,512	4.12
Vested	(12,819,975)	2.87
Forfeited	(362,919)	2.64
Unvested as at 31 December 2023 and 1 January 2024	17,087,046	3.08
Granted	12,478,449	2.49
Vested	(8,879,376)	2.82
Forfeited	(432,252)	2.87
Unvested as at 31 December 2024	20,253,867	2.83

35. EMPLOYEE BENEFIT PLANS

The Group operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the "Defined Contribution Fund Schemes"). The Group either contributes a fixed percentage of the eligible employees' relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Group's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from upon contribution to 10 years from the date of employment. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Group by independent trustees.

Employees employed by the Group in different jurisdictions are members of government-managed social security fund schemes (the "Social Security Fund Schemes"), which are operated by the respective governments, if applicable. The Group is required to pay monthly fixed contributions or certain percentages of employee relevant income and meet the minimum mandatory requirements of the respective Social Security Fund Schemes to fund the benefits.

Forfeited contributions totalling HK$6,342,000 (2023: HK$17,791,000) were utilised during the year ended 31 December 2024. As at 31 December 2024, HK$13,285,000 (2023: HK$8,527,000) was available to reduce future contributions.

During the year ended 31 December 2024, the Group's contributions into the defined contribution retirement benefits schemes and social security funds were HK$279,960,000 (2023: HK$250,378,000).

36. CHANGE IN OWNERSHIP INTERESTS OF CERTAIN SUBSIDIARIES

Melco Resorts

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

During the year ended 31 December 2024, Melco Resorts repurchased 20,712,895 ADSs (equivalent to 62,138,685 ordinary shares) (2023: nil) from the open market for an aggregate consideration of approximately US$112,292,000 (equivalent to approximately HK$876,805,000), of which 53,138,685 repurchased ordinary shares were cancelled during the year ended 31 December 2024. The Group's ownership interest in Melco Resorts increased as a result.

During the years ended 31 December 2024 and 2023, certain share options and restricted shares under the Melco Resorts share incentive plans were exercised and vested, respectively which decreased the Group's ownership interest in Melco Resorts.

As a net result of the above transactions, the Group's ownership interest in Melco Resorts decreased from 54.50% on 1 January 2023 to 52.42% on 31 December 2023 and increased to 54.59% on 31 December 2024. The Group recognised a decrease of HK$214,228,000 (2023: increase of HK$332,127,000) in special reserve and a decrease of HK$655,641,000 (2023: HK$338,979,000) in non-controlling interests.

The Philippine subsidiaries

During the year ended 31 December 2024, the Group, through a subsidiary, purchased 11.816 (2023: 10.111) common shares of MRP at a total consideration of PHP42,833,000 (equivalent to approximately HK$5,811,000) (2023: PHP36,651,000 (equivalent to approximately HK$5,260,000)) from the non-controlling interests, which increased the Group's ownership interest in MRP.

As a net result of the above transaction and aforesaid change in the Group's ownership interest in Melco Resorts, the Group's ownership interest in MRP decreased from 54.19% on 1 January 2023 to 52.17% on 31 December 2023 and increased to 54.39% on 31 December 2024. The Group recognised a decrease of HK$2,406,000 (2023: HK$2,487,000) in special reserve and a decrease of HK$3,405,000 (2023: HK$2,773,000) in non-controlling interests.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

In 2024, property, plant and equipment amounting to HK$412,501,000 were purchased from external parties and remained unsettled as at 31 December 2024. In 2023, property, plant and equipment amounting to HK$256,511,000 were purchased from external parties and remained unsettled as at 31 December 2023.

In 2023, intangible assets amounting to HK$49,057,000 were purchased from external parties and remained unsettled as at 31 December 2023.

(b) Changes in liabilities arising from financing activities during the years ended 31 December 2024 and 2023

	Interest-bearing borrowings HK$'000	**Interest payables** HK$'000	**Lease liabilities** HK$'000	**Intangible assets liabilities** HK$'000	**Total** HK$'000
As at 1 January 2023	72,211,007	978,349	2,359,575	–	75,548,931
New leases	–	–	204,448	–	204,448
Recognition of intangible assets liabilities	–	–	–	2,450,395	2,450,395
Net changes of cash flows from financing activities	(8,824,025)	(4,028,910)	(427,361)	(209,503)	(13,489,799)
Exchange adjustments	47,331	11,400	21,643	9,121	89,495
Other (note)	123,142	3,939,497	157,951	183,579	4,404,169
As at 31 December 2023	63,557,455	900,336	2,316,256	2,433,592	69,207,639
New leases	–	–	279,087	–	279,087
Recognition of intangible assets liabilities	–	–	–	6,884	6,884
Net changes of cash flows from financing activities	(2,540,103)	(3,624,880)	(463,711)	(258,580)	(6,887,274)
Exchange adjustments	(380,657)	(3,023)	(98,926)	(39,496)	(522,102)
Other (note)	51,003	3,652,840	391,562	205,682	4,301,087
As at 31 December 2024	60,687,698	925,273	2,424,268	2,348,082	66,385,321

Note:

"Other" mainly represents the effects of movements in deferred financing costs, modification or extinguishment of debts, lease modification and interest incurred during the year.

38. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

The following agreements related to the development of City of Dreams Manila were entered into by the relevant parties of the Licensees (described below) and certain of its subsidiaries, which became effective on 13 March 2013 and end on the date of expiry of the Regular License, currently expected to be on 11 July 2033, unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) Regular License

On 29 April 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted by PAGCOR as at 13 March 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No.1 Corporation, a subsidiary of MRP, and its subsidiaries including MRL (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with MRL, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license and is valid until 11 July 2033. Further details of the terms and commitments under the Regular License are included in note 40.

(b) Cooperation Agreement

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, MRL is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in note 40.

(c) Operating Agreement

The Licensees entered into an operating agreement, as amended (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by MRL. Under the Operating Agreement, MRL is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the operation and management of City of Dreams Manila (including the gaming and non-gaming operations). The Operating Agreement also includes terms of certain monthly payments to PLAI from MRL, based on the performance of gaming operations of City of Dreams Manila, and is included in payments to the Philippine Parties in the consolidated statement of profit or loss and other comprehensive income, and further provides that MRL has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

38. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA (continued)

(d) MRP Lease Agreement

MRL and Belle entered into a lease agreement, as amended from time to time (the "MRP Lease Agreement") under which Belle agreed to lease to MRL the land and certain of the building structures for City of Dreams Manila. The leased property is used by MRL and any of its affiliates exclusively as a hotel, casino and resort complex.

During the year ended 31 December 2022, MRL and Belle entered into supplemental agreements to the MRP Lease Agreement to make certain adjustments to the rental payments paid or payable by MRL from 2022 to 2033.

39. CONTRACTUAL COMMITMENTS

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Capital commitments contracted but not provided for in respect of the acquisition of property, plant and equipment	791,010	405,723

40. OTHER COMMITMENTS

Concession – Macau

Under the Concession awarded by the Macau government to MRM on 16 December 2022, in addition to the fixed premium and variable premiums, as well as the Fee disclosed in note 18, MRM is obligated to pay the Macau government the following:

(i) A special gaming tax of an amount equal to 35% of gross gaming revenue on a monthly basis;

(ii) Contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively, on a monthly basis. These contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances;

(iii) A special premium in the event the average gross gaming revenue of MRM's gaming tables does not reach the annual minimum of MOP7,000,000 (equivalent to approximately HK$6,796,000) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300,000 (equivalent to approximately HK$291,000). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by MRM and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and electronic gaming machines; and

(iv) MRM must maintain a guarantee issued by a Macau bank in favour of the Macau government in the amount of MOP1,000,000,000 (equivalent to approximately HK$970,874,000) until 180 days after the earlier of the expiration or termination of the Concession to guarantee its performance of certain of its legal and contractual obligations, including labour obligations.

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

Committed investment

In connection with the Concession, MRM has undertaken to carry out investment in the overall amount of MOP11,823,700,000 (equivalent to approximately HK$11,479,320,000) by December 2032. The investment plan includes gaming and non-gaming related projects in the expansion of foreign market patrons, conventions and exhibitions, entertainment shows, sports events, art and culture, health and well-being, thematic entertainment, gastronomy, community and maritime tourism and others. Out of the total investment amount referred to above, MOP10,008,000,000 (equivalent to approximately HK$9,716,505,000) is to be applied to non-gaming related projects, with the balance applied to gaming related projects.

40. OTHER COMMITMENTS (continued)

Concession – Macau (continued)

Committed investment (continued)

MRM has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000,000 (equivalent to approximately HK$1,944,660,000), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000,000 (equivalent to approximately HK$174,757,282,000) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000,000 (equivalent to approximately HK$174,757,282,000) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000,000 (equivalent to approximately HK$1,944,660,000) to MOP12,011,000,000 (equivalent to approximately HK$11,661,165,000), with the overall investment amount increased to MOP13,826,700,000 (equivalent to approximately HK$13,423,980,000) to be carried out by December 2032. As at 31 December 2024, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP3,341,450,000 (equivalent to approximately HK$3,244,127,000).

Regular License – Philippines

Commitments required by PAGCOR under the Regular License are as follows:

(i) to secure a surety bond in favour of PAGCOR in the amount of PHP100,000,000 (equivalent to approximately HK$13,382,000) to ensure prompt and punctual remittances/payments of all license fees;

(ii) license fees and franchise taxes, amounting to with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations must be remitted, with the 5% franchise taxes included in each of the income component charge% above, are in lieu of all other taxes on income from gaming operations. In October 2021, certain terms under the Regular License were amended to include the monthly minimum guarantee fee of PHP300,000 (equivalent to approximately HK$40,000) on certain games under the 25% non-high roller tables effective on 15 March 2022. This monthly minimum guarantee fee was discontinued in June 2022, but was reinstated on 2 March 2023;

(iii) the Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR;

(iv) PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires; and

40. OTHER COMMITMENTS (continued)

Regular License – Philippines (continued)

(v) grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) the holder has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As at 31 December 2024 and 2023, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement – Philippines

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any losses suffered or incurred by that Licensee arising out of, or in connection with, any breach by the indemnifying Licensee of the Regular License. Also, each of the Philippine Parties and MPHIL Holdings Group agree to indemnify the non-breaching party for any losses suffered or incurred as a result of a breach of any warranties.

Gaming License – Cyprus

Pursuant to the Cyprus License agreement, in addition to the Cyprus License Fee (see note 18), the Cyprus Subsidiary has committed to pay the Cyprus government a casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

Gaming License – Sri Lanka

Pursuant to the casino business regulation in Sri Lanka and based on the type of the Sri Lanka License granted by the Sri Lanka government to Bluehaven on 27 March 2024, Bluehaven is required to (i) invest a minimum amount of US$100,000,000 (equivalent to approximately HK$776,349,000) in a casino; and (ii) operate such casino in an integrated resort in which a minimum of US$500,000,000 (equivalent to approximately HK$3,881,747,000) has been invested, as approved by the Sri Lanka government. Confirmation of the satisfaction of (ii) above was provided to the Sri Lanka government as part of Bluehaven's application for the Sri Lanka License.

In accordance with the Sri Lanka Betting and Gaming Levy Act (as amended), Bluehaven is subject to (i) an annual levy of LKR500,000,000 (equivalent to approximately HK$13,267,000) from the fiscal year in which it commences carrying on the business of gaming and (ii) a monthly gross collection levy of 15% of total collections from the business of gaming (exempted if monthly gross collections do not exceed LKR1,000,000 (equivalent to approximately to HK$27,000)).

40. OTHER COMMITMENTS (continued)

Agreement with the Board of Investment of Sri Lanka

On 28 June 2024, Bluehaven signed an agreement (the "BOI Agreement") with the Board of Investment of Sri Lanka confirming its investment plan and commitment, in return for certain import and labour-related concessions. Pursuant to the BOI Agreement, Bluehaven, subject to the terms and certain conditions, is obligated to create and operate a "recreation centre including a casino and related activities" in the integrated resort developed by WPL with an investment amount of US$100,000,000 (equivalent to approximately HK$776,349,000) (the "Investment") by (i) the date which is 24 months from 28 June 2024, or (ii) the date that the casino commences operations, whichever occurs first. The Investment commitment is required to be funded by 20% equity and 80% loan capital as foreign direct investment. As at 31 December 2024, the Group made equity and loan investments of LKR 6,040,000,000 (equivalent to approximately HK$153,612,000) and US$20,000,000 (equivalent to approximately HK$155,270,000), respectively, in Bluehaven for its operation and development of the Sri Lanka Casino.

Guarantees

In addition to as disclosed in note 30 and the bank guarantees under "Concession – Macau" section of this note, the Group had made the following significant guarantees as at 31 December 2024:

(i) Melco Resorts entered into a deed of guarantee with a third party amounting to US$5,000,000 (equivalent to approximately HK$38,817,000) to guarantee certain payment obligations of the City of Dreams' operations;

(ii) In October 2013, one of the Company's subsidiaries entered into a trade credit facility agreement for HK$200,000,000 ("Trade Credit Facility") with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility which matured on 31 August 2023 was further extended to 31 August 2025 and is guaranteed by SCC. As at 31 December 2024, approximately HK$5,000,000 of the Trade Credit Facility had been utilised; and

(iii) MRL issued a corporate guarantee of PHP100,000,000 (equivalent to approximately HK$13,382,000) to a bank in respect of a surety bond issued to PAGCOR as disclosed above under the Regular License.

40. OTHER COMMITMENTS (continued)

Litigation

Car parking spaces litigation

Aberdeen Restaurant Enterprises Limited ("AREL"), a subsidiary of the Company, was a plaintiff in a defence and counterclaim filed with the High Court of Hong Kong.

In relation to a sale and purchase agreement dated 17 March 2017 (the "Agreement") signed between AREL as seller and Gain Premium Holdings Limited ("Gain Premium") as purchaser for certain car parking spaces in Aberdeen, Hong Kong for HK$500,000,000 (the "Sale Transaction"), AREL received a deposit of HK$50,000,000 (the "Deposit") from Gain Premium and the Sale Transaction was to complete on or before 31 May 2017 (the "Completion Date").

The Sale Transaction did not complete by the Completion Date. On 11 September 2017, AREL (as a plaintiff) commenced action against Gain Premium (as a defendant) in the High Court of Hong Kong (the "Court") to seek declarations that AREL had validly and effectively terminated the Agreement and is entitled to forfeit the Deposit and claims damages. On 23 October 2017, Gain Premium filed a defence and counterclaim seeking among other things, full refund of the Deposit and damages of up to HK$160,000,000.

The judgment in favour of AREL was issued on 29 November 2024. The judge held that AREL had validly and effectively terminated the Agreement and entitled to forfeit the Deposit, and was awarded with damages. AREL recovered the Deposit previously withheld by the Court. Gain Premium did not lodge any appeal within the appeal period as per the Court rules. The Group recognised the Deposit as other income after the expiry of the appeal period in December 2024.

City of Dreams Mediterranean arbitration

On 24 July 2024, Avax S.A. & Terna S.A. (the "Claimants", main contractor for the construction of City of Dreams Mediterranean) filed a notice of arbitration against ICRD (the "Respondent") initiating an arbitration under the London Court of International Arbitration Rules, principally seeking additional payment for the construction of City of Dreams Mediterranean (the "Arbitration"). The Respondent intends to vigorously defend against the claims and believes that the claims are without merit. The Respondent has significant counter claims against the Claimants which the Respondent intends to vigorously pursue. The Arbitration is in the preliminary stages and ICRD has determined that based on the Arbitration progress to date, it is currently unable to determine the outcome of the Arbitration or reasonably estimate the range of possible loss, if any.

General litigation

As at 31 December 2024, the Group was a party to certain other legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impact on the Group's consolidated financial statements as a whole.

41. RELATED PARTY TRANSACTIONS

(a) Compensation of key management personnel

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

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Short-term benefits	56,239	56,492
Discretionary bonus	67,704	23,782
Post-employment benefits	3,212	869
Share-based compensation	186,976	204,389
	314,131	285,532

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals, the Group's operating results and market standards.

(b) Other related party transaction

During the year ended 31 December 2024, an aggregate principal amount of US$30,000,000 (equivalent to approximately HK$233,746,000) (2023: nil) of the 2025 Senior Notes held by Mr. Ho were repurchased by a subsidiary of the Company for a consideration of US$30,000,000 (equivalent to approximately HK$233,746,000). As at 31 December 2024, Mr. Ho and his controlled entity held an aggregate principal amount of US$30,000,000 (equivalent to approximately HK$232,905,000) (2023: US$60,000,000 (equivalent to approximately HK$468,706,000)) senior notes issued by a subsidiary of the Company, which are unsecured and not convertible or exchangeable. Mr. Ho and his controlled entity purchased the senior notes at their face values.

During the year ended 31 December 2024, total interest expenses of US$2,508,000 (equivalent to approximately HK$19,576,000) (2023: US$3,300,000 (equivalent to approximately HK$25,839,000) in relation to the senior notes issued by the subsidiary were paid or payable to Mr. Ho and his controlled entity.

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Financial assets at amortised cost		
Trade receivables	1,119,583	715,857
Financial assets included in prepayments, deposits and other receivables	345,893	422,727
Cash and bank balances	9,029,153	10,765,478
Restricted cash	1,043,376	1,054,325
	11,538,005	12,958,387

Financial liabilities

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Financial liabilities at amortised cost		
Trade payables	192,485	91,807
Financial liabilities included in other payables, accruals and deposits received	5,930,807	6,045,106
Interest-bearing borrowings	60,687,698	63,557,455
	66,810,990	69,694,368
Lease liabilities	2,424,268	2,316,256
	69,235,258	72,010,624

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, restricted cash, cash and bank balances, trade and other payables, interest-bearing borrowings and lease liabilities. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Details of the sensitivity analysis for currency risk and interest rate risk are set out below.

Market risk

(i) Currency risk

The Group operates in various countries in Asia and Europe and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised monetary assets and liabilities denominated in a currency that is not the functional currency of the relevant group entities. The Group has certain cash and bank balances, trade and other receivables, deposits, restricted cash, trade and other payables, interest-bearing borrowings and lease liabilities denominated in currencies other than the functional currencies of the relevant group entities.

The Group has not engaged in the hedging transactions with respect to foreign exchange exposure of the revenues and expenses in the day-to-day operations during the years ended 31 December 2024 and 2023. Instead, the Group maintains a certain amount of the operating funds in the same currencies in which the Group has obligations, thereby reducing the exposure to currency fluctuations. However, the Group occasionally enters into foreign exchange transactions as part of financing transactions and capital expenditure programs.

The Group's foreign currency transactions are mainly denominated in US$.

The carrying amounts of the US$-denominated monetary assets and monetary liabilities, including intercompany balances, at the end of the reporting period are as follows:

	Assets As at 31 December		**Liabilities As at 31 December**	
	2024	**2023**	**2024**	**2023**
	HK$'000	HK$'000	HK$'000	HK$'000
US$	21,458,583	21,614,215	(27,898,482)	(27,450,805)

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to transactions denominated in US$ against HK$, which is the functional currency of the relevant group entities.

The following table details the Group's sensitivity to a 1% increase or decrease in HK$ against US$. 1% is the sensitivity rate used for US$, when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding US$-denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rate.

The number below indicates a decrease in loss where the HK$ strengthens 1% against US$ and all other variables were held constant. For a 1% weakening of the HK$ against the relevant US$ and all other variables were held constant, there would be an equal and opposite impact on the loss.

	US$ Impact (note) HK$'000
2024: Loss for the year	64,399
2023: Loss for the year	58,366

Note:

This is mainly attributable to the exposure on outstanding US$-denominated cash and bank balances, receivables and payables at the end of the reporting period.

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is primarily exposed to cash flow interest rate risk in relation to borrowings which carried interest at floating rate (see note 30 for details). The Group attempts to manage interest rate risk by managing the mix of long-term fixed-rate borrowings and variable-rate borrowings and mitigate the effects of fluctuations in cash flows.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rate risk for variable-rate borrowings. The analysis is prepared by assuming the amount of variable-rate borrowings at the end of the reporting period was outstanding for the whole year. 50 basis points is the sensitivity rate used for variable-rate borrowings, when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

The following analysis details the Group's sensitivity to a 50 basis points increase or decrease on its variable-rate borrowings.

The numbers below indicate an increase in loss if the interest rate had been 50 basis points higher and all other variables were held constant. If the interest rate had been 50 basis points lower and all other variables were held constant, there would be an equal and opposite impact on the loss.

	Borrowings HK$'000
2024: Loss for the year	31,720
2023: Loss for the year	66,844

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group trades only with recognised and creditworthy parties. The Group issues credit in the form of markers to approved casino customers following review of creditworthiness. Credit is/can be given to gaming promoters in the Philippines and Cyprus. These receivables can be offset against commissions payable and front money deposits held by the Group to the respective customers and gaming promoters for which the Group intends to set-off when required. In this regard, the management of the Group considers that the Group's credit risk is adequately monitored. As at 31 December 2024 and 2023, the credit risks associated with certain casino receivables are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related casino receivable.

As at 31 December 2024, the Group has concentration of credit risk as 50.3% (2023: 40%) of the Group's trade receivables are due from the Group's five largest customers under the Casino and Hospitality segment. The Group believes that the concentration of its credit risk in trade receivables is mitigated substantially by its credit evaluation processes, credit policies, credit controls and collection procedures, and also believes that no significant credit risk is inherent in the Group's trade receivables not provided with allowances for credit losses as at 31 December 2024 and 2023.

Maximum exposure and year-end staging

Credit risk from the financial assets of the Group was mainly comprised cash and cash equivalents, restricted cash, trade receivables, deposits and other receivables. The carrying amounts of these financial assets represented the maximum exposure to credit risk.

The credit risk on cash and cash equivalents and restricted cash was limited because they were deposited with several banks with high credit ratings assigned by international credit-rating agencies. Trade receivables, deposits and other receivables were considered as high grade as the Group only trades with recognised and creditworthy parties.

The Group applies the general approach for impairment of these financial assets except for trade receivables. For the years ended 31 December 2024 and 2023, other than impairment on certain financial assets, the credit risks for the financial assets that are subject to impairment under the general approach have not increased significantly since initial recognition and for which the loss allowances are measured at an amount equal to 12-month ECLs. The Group applies the simplified approach for impairment of trade receivables (note 24).

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

For management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on borrowings as a significant source of liquidity, details of which are set out in note 30. As at 31 December 2024, the Group had available unused banking facilities of HK$17,162,551,000 (2023: HK$8,246,959,000), subject to the satisfaction of certain conditions precedent.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual repayment date or the earliest date that the Group is required to pay. The amounts disclosed are based on undiscounted cash flows that include principal and interest payments.

To the extent that interest flows are at floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

	On demand or less than one year HK$'000	In the second year HK$'000	In the third to fifth years HK$'000	Over five years HK$'000	Total undiscounted cash flows HK$'000
As at 31 December 2024					
Trade and other payables	3,919,996	413,953	1,225,519	1,991,157	7,550,625
Borrowings	12,754,917	11,712,643	41,204,336	6,842,528	72,514,424
Lease liabilities	448,658	430,389	1,244,671	2,369,069	4,492,787
	17,123,571	12,556,985	43,674,526	11,202,754	84,557,836
As at 31 December 2023					
Trade and other payables	3,859,198	311,835	1,202,881	2,448,633	7,822,547
Borrowings	3,787,764	22,207,523	32,108,493	18,039,168	76,142,948
Lease liabilities	453,132	395,205	1,048,790	1,835,972	3,733,099
	8,100,094	22,914,563	34,360,164	22,323,773	87,698,594

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

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

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

The Group does not have financial instruments to measure at fair value on a recurring basis as at 31 December 2024 and 2023.

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

The Group considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values with the exception of the senior notes.

The estimated fair value of the senior notes as at 31 December 2024 is HK$52,208,655,000 (2023: HK$46,270,120,000). The estimated fair value of the senior notes is based on recent trades, if available, and indicative pricing from market information (level 2 inputs).

43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity balances. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which is the interest-bearing borrowings disclosed in note 30, and equity attributable to owners of the Company, comprised of issued share capital and deficit.

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Debt – interest-bearing borrowings (note 30)	60,687,698	63,557,455
Equity attributable to owners of the Company	45,930	664,998

The Group reviews the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the directors' assessment, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase as well as the issue of new debt or the redemption of existing debt.

44. NON-WHOLLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of non-wholly-owned subsidiaries that have material non-controlling interests

Name	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/profit allocated to non-controlling interests		Accumulated non-controlling interests	
		As at 31 December		For the year ended 31 December		As at 31 December	
		2024	**2023**	**2024**	**2023**	**2024**	**2023**
				HK$'000	HK$'000	HK$'000	HK$'000
Melco Resorts Group	Cayman Islands/Macau/ the Philippines/Cyprus	45.41%	47.58%	(906,207)	(1,750,118)	8,121,557	9,676,248
Individually immaterial subsidiaries with non-controlling interests				7,073	(71)	39,034	31,961
				(899,134)	(1,750,189)	8,160,591	9,708,209

44. NON-WHOLLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

The summarised financial information of Melco Resorts Group below represents amounts before intragroup eliminations.

Melco Resorts Group

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
Current assets	11,101,199	12,072,426
Non-current assets	73,393,705	76,477,750
Current liabilities	18,570,185	8,613,578
Non-current liabilities	52,789,563	65,176,467

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Revenue	36,186,263	29,548,857
Expenses	37,315,377	32,444,649
Loss for the year	(1,129,114)	(2,895,792)
Other comprehensive gain/(loss) for the year	172,114	(108,711)
Total comprehensive loss for the year	(957,000)	(3,004,503)
Dividend to non-controlling shareholders	1,592	1,385

44. NON-WHOLLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Melco Resorts Group (continued)

	For the year ended 31 December	
	2024	**2023**
	HK$'000	HK$'000
Net cash generated from operating activities	8,649,288	8,697,545
Net cash used in investing activities	(2,228,630)	(22,755)
Net cash used in financing activities	(7,613,219)	(12,607,668)
Effect of foreign exchange rate changes, net	(140,221)	15,357
Net cash outflow	(1,332,782)	(3,917,521)

45. SUBSEQUENT EVENTS

(a) On 9 January 2025, the Company, as borrower, entered into two shareholder loan facility agreements (collectively referred to as the "Shareholder Loan Facility Agreements"), separately with the Chairman and Chief Executive Officer of the Company and his controlled company (each as lender and collectively referred to as the "Lenders"). Pursuant to the Shareholder Loan Facility Agreements, uncommitted revolving loan facilities, in an amount of US$2,200,000 (equivalent to approximately HK$17,080,000) and US$22,800,000 (equivalent to approximately HK$177,008,000), were granted by the Chairman and Chief Executive Officer of the Company and his controlled company, respectively, to the Company for a period from 9 January 2025 to 2 July 2026 (the "Maturity Date"), subject to certain conditions precedent. Principal amounts outstanding under the Shareholder Loan Facility Agreements bear interest at 11% per annum, payable every two months, with outstanding principal amounts payable by the Company on the Maturity Date. Notwithstanding the aforesaid, the Lenders may demand immediate repayment of all or part of the principal amounts outstanding together with interest accrued by notice to the Company. As at 28 March 2025, a principal amount of US$5,000,000 (equivalent to approximately HK$38,879,000) was outstanding under the Shareholder Loan Facility Agreements.

(b) On 5 February 2025, the Group obtained confirmation that the majority of lenders of the 2021 Credit Facilities consented and agreed to waive certain financial covenants from 1 July 2024 to 31 December 2025 (both dates inclusive), subject to certain conditions.

45. SUBSEQUENT EVENTS (continued)

(c) On 25 February 2025, pursuant to the terms under the 2020 Credit Facilities, an incremental facility of HK$387,500,000 was established to increase the available commitments under the 2020 Credit Facilities from HK$14,850,000,000 to HK$15,237,500,000, such unused incremental borrowing capacity of HK$387,500,000 as of the date of issuance of these consolidated financial statements will be subject to satisfaction of certain conditions precedent.

(d) During the period from 1 January 2025 through 28 March 2025, the date of issuance of these consolidated financial statements, Melco Resorts repurchased 7,629,599 ADSs (equivalent to 22,888,797 ordinary shares) from the open market for an aggregate consideration of approximately US$41,359,000 (equivalent to approximately HK$321,754,000), of which nil shares repurchased were cancelled. The Group's ownership interest in Melco Resorts increased as a result.

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	7,205,969	6,961,312
Intangible assets	5,580	5,580
Prepayments, deposits and other receivables	13,523	–
Amount due from a subsidiary	5,102,095	5,332,001
Total non-current assets	12,327,167	12,298,893
CURRENT ASSETS		
Prepayments, deposits and other receivables	2,927	1,267
Amounts due from subsidiaries	2,358,076	2,177,865
Cash and bank balances	20,493	168,186
Total current assets	2,381,496	2,347,318
CURRENT LIABILITIES		
Other payables and accruals	7,068	14,875
Amounts due to subsidiaries	943,155	890,848
Loan from a subsidiary	177,000	177,000
Total current liabilities	1,127,223	1,082,723
NET CURRENT ASSETS	1,254,273	1,264,595
TOTAL ASSETS LESS CURRENT LIABILITIES	13,581,440	13,563,488
NON-CURRENT LIABILITIES		
Other payables and accruals	453	427
Loan from a subsidiary	1,374,138	1,382,683
Total non-current liabilities	1,374,591	1,383,110
Net assets	12,206,849	12,180,378

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	As at 31 December	
	2024	**2023**
	HK$'000	HK$'000
EQUITY		
Share capital	5,701,853	5,701,853
Reserves (note)	6,504,996	6,478,525
Total equity	12,206,849	12,180,378

The Company's statement of financial position was approved and authorised for issue by the Board on 28 March 2025 and is signed on its behalf by:

Ho, Lawrence Yau Lung
Director

Evan Andrew Winkler
Director

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve HK$'000	Share option reserve HK$'000	Shares held under share award schemes HK$'000	Share award reserve HK$'000	Retained profits HK$'000	Total HK$'000
As at 1 January 2023	7,053	28,478	(108,763)	424,227	5,890,663	6,241,658
Profit for the year	–	–	–	–	162,562	162,562
Recognition of share-based payments	–	1,047	–	85,235	–	86,282
Shares vested under the share award schemes	–	–	108,357	(185,117)	76,760	–
Purchase of shares for unvested shares under the share award schemes (note 33)	–	–	(11,977)	–	–	(11,977)
As at 31 December 2023	7,053	29,525	(12,383)	324,345	6,129,985	6,478,525
Profit for the year	–	–	–	–	13,362	13,362
Recognition of share-based payments	–	3,017	–	102,780	–	105,797
Purchase of shares for unvested shares under the share award schemes (note 33)	–	–	(92,688)	–	–	(92,688)
Shares vested under the share award schemes	–	–	104,867	(290,625)	185,758	–
Transfer of share option reserve upon expiry of share options	–	(17,787)	–	–	17,787	–
As at 31 December 2024	7,053	14,755	(204)	136,500	6,346,892	6,504,996

FIVE-YEAR FINANCIAL SUMMARY

31 December 2024

CONSOLIDATED RESULTS

	For the year ended 31 December				
	2020	2021	2022	2023	2024
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Net revenues	13,424,435	15,638,846	10,565,657	29,531,635	36,172,972
Loss for the year	(12,377,928)	(7,943,261)	(9,987,317)	(3,494,121)	(1,683,737)
Loss for the year attributable to:					
Owners of the Company	(6,339,887)	(3,808,968)	(5,113,127)	(1,743,932)	(784,603)
Non-controlling interests	(6,038,041)	(4,134,293)	(4,874,190)	(1,750,189)	(899,134)
	(12,377,928)	(7,943,261)	(9,987,317)	(3,494,121)	(1,683,737)

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				
	2020	2021	2022	2023	2024
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	95,534,733	94,193,277	97,091,618	89,411,449	84,749,503
Total liabilities	(64,757,437)	(71,725,269)	(83,705,553)	(79,038,242)	(76,542,982)
	30,777,296	22,468,008	13,386,065	10,373,207	8,206,521
Equity attributable to owners of the Company	10,764,187	6,862,667	1,791,305	664,998	45,930
Non-controlling interests	20,013,109	15,605,341	11,594,760	9,708,209	8,160,591
	30,777,296	22,468,008	13,386,065	10,373,207	8,206,521

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

EXECUTIVE COMMITTEE

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

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

REGULATORY COMPLIANCE COMMITTEE

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

FINANCE COMMITTEE

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

COMPANY SECRETARY

Mr. Leung Hoi Wai, Vincent

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Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

* non-voting co-opted member

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Election of Language or Means of Receipt of Corporate Communications

This annual report is printed in English and Chinese, and is available in the "Investor Relations" section of the Company's website at www.melco-group.com.

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

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