IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached offering memorandum. In accessing the attached offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached offering memorandum or make an investment decision with respect to the securities, you must: (i) be a non-U.S. person (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and be outside the United States; or (ii) be a qualified institutional buyer ("QIB") (within the meaning of Rule 144A under the Securities Act). By accepting or accessing the attached offering memorandum, you shall be deemed to represent to each of the initial purchasers set forth in the attached offering memorandum (collectively, the "Initial Purchasers"), being the sender or senders of the attached, that either: (A)(i) you and any customers you represent are not U.S. persons; and (ii) the electronic mail (or e-mail) address to which it has been delivered is not located in the United States of America, its territories and possessions, any state of the United States and the District of Columbia; "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; or (B) you and any customers you represent are QIBs and that you consent to delivery by electronic transmission. Prospective purchasers that are QIBs are hereby notified that sellers of the securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

In addition, you have accessed the attached document on the basis that you have confirmed your representation that (1) you are not a retail client in the EEA as defined in Markets in Financial Instruments Directive 2014/65/EU (as amended) ("MiFID II"); (2) whether or not you are subject to the Regulations (as defined below), you will not (i) sell or offer the Notes (or any beneficial interest therein) to retail clients in the EEA (as defined in MiFID II) or (ii) communicate (including the distribution of the attached) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to, or disseminated in such a way that it is likely to be received by a retail client in the EEA (in each case within the meaning of MiFID II) and (3) you will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction. Prospective investors are referred to the section headed "Plan of Distribution – Selling Restrictions" in this offering memorandum for further information.

You have also have confirmed your representation that (1) you are not a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (2) whether or not you are subject to Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA, you will not (i) sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK (as defined in EUWA) or (ii) communicate (including the distribution of the attached) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to, or disseminated in such a way that it is likely to be received by a retail client in the United Kingdom (in each case within the meaning of EUWA) and (3) you will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the United Kingdom) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) EUWA and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction. Prospective investors are referred to the section headed "Plan of Distribution – Selling Restrictions" in this offering memorandum for further information.

You further acknowledge that (i) no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation, and (ii) no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The attached offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, neither the Initial Purchasers, any person who controls any Initial Purchaser, the Issuer, nor any director, officer, employer, employee or agent of theirs, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

You are reminded that the attached offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the offering memorandum to any other person. You will not transmit the attached offering memorandum (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person. Any forwarding, distribution or reproduction of the offering memorandum in whole or in part is unauthorized. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. If you have gained access to this transmission contrary to any of the foregoing restrictions, you are not authorized and will not be able to purchase any of the securities described herein.

Restrictions: Nothing on this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. Recipients of the attached offering memorandum who intend to subscribe for or purchase securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the attached offering memorandum. The securities have not been, and will not be registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction, and the securities may not be offered or sold in the United States or to or for the account or benefit of U.S. persons (as such terms are defined in Regulation S under the Securities Act) unless pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and applicable state of local securities laws.

The materials relating to the offering do not constitute, and may be not used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed brokered or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of us in such jurisdiction.

Under no circumstances shall the attached offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Notification under Section 309B(1)(c) of the Securities and Futures Act ("SFA"): The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Strictly Confidential

MELCO RESORTS FINANCE

(incorporated in the Cayman Islands with limited liability)

US$500,000,000
6.500% Senior Notes due 2033
Issue Price: 100.000%

Melco Resorts Finance Limited ("Melco Resorts Finance") is offering (the "Offering") US$500,000,000 6.500% Senior Notes due 2033 (the "Notes").

We will pay interest on the Notes semi-annually in arrears on March 24 and September 24 of each year, beginning on March 24, 2026. The Notes will mature on September 24, 2033. The Notes will be senior obligations of Melco Resorts Finance, rank equally with all of Melco Resorts Finance's existing and future senior indebtedness, rank senior to all of Melco Resorts Finance's existing and future subordinated indebtedness and be effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of all of Melco Resorts Finance's subsidiaries. For a more detailed description of the Notes, see "Description of Notes" beginning on page 135 of this offering memorandum.

At any time on or after September 24, 2028, we may redeem some or all of the Notes at the redemption prices listed in "Description of Notes—Optional Redemption." Prior to September 24, 2028, we may redeem all or part of the Notes by paying a "make-whole" premium. Prior to September 24, 2028, we may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings. In addition, we may redeem the Notes in whole, but not in part, at any time at a price equal to their principal amount plus accrued and unpaid interest, in the event of certain changes in withholding tax laws. We may also redeem the Notes if any applicable gaming authority requires holders of the Notes to be licensed, qualified or found suitable under applicable law and such holder is not so licensed or qualified or is found unsuitable. Furthermore, upon the occurrence of a Change of Control Triggering Event (as defined herein) or a Special Put Option Triggering Event (as defined herein) which relates to certain events regarding our gaming license, we must offer to purchase the Notes at a price equal to 101% and 100%, respectively, of their principal amount plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of the repurchase.

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 (or its equivalent in foreign currencies) for so long as the Notes are listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes or our company.

See "Risk Factors" beginning on page 14 for a discussion of certain risks that you should consider in connection with an investment in the Notes.

The Notes have not been, and will not be, registered under the Securities Act, and are being offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on offers, resales and transfers and distribution of this offering memorandum, see "Transfer Restrictions."

The initial purchasers of the Notes expect to deliver the Notes to purchasers on or about September 24, 2025, which is the sixth business day after the date of this offering memorandum (such settlement being referred to as "T+6"), solely in book-entry form through the facilities of The Depository Trust Company ("DTC"). See "Plan of Distribution."

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **Morgan Stanley** **UBS**

Joint Lead Managers
(In Alphabetical Order)

Bank of China Macau Branch **Bank of Communications, Macau** **CBRE** **ICBC (Macau)**

The date of this Offering Memorandum is September 16, 2025

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NOTICE TO INVESTORS

This offering memorandum does not constitute an offer to sell or a solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this offering memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time after that date.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, SINGAPORE BRANCH AS STABILIZING COORDINATOR, OR ANY PERSON ACTING FOR IT, MAY PURCHASE AND SELL THE NOTES IN THE OPEN MARKET. THESE TRANSACTIONS MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, INCLUDE SHORT SALES, STABILIZING TRANSACTIONS AND PURCHASES TO COVER POSITIONS CREATED BY SHORT SALES. THESE ACTIVITIES MAY STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICE OF THE NOTES. AS A RESULT, THE PRICE OF THE NOTES MAY BE HIGHER THAN THE PRICE THAT OTHERWISE MIGHT EXIST IN THE OPEN MARKET. IF THESE ACTIVITIES ARE COMMENCED, THEY MAY BE DISCONTINUED AT ANY TIME AND MUST IN ANY EVENT BE BROUGHT TO AN END AFTER A LIMITED TIME. THESE ACTIVITIES WILL BE UNDERTAKEN SOLELY FOR THE ACCOUNT OF DEUTSCHE BANK AG, SINGAPORE BRANCH, AND NOT FOR OR ON BEHALF OF MELCO RESORTS FINANCE.

This offering memorandum is highly confidential and has been prepared by us solely for use in connection with the proposed offering of the Notes described in this offering memorandum. Deutsche Bank AG, Singapore Branch, Morgan Stanley & Co. LLC, UBS AG Hong Kong Branch, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, CBRE Capital Advisors, Inc. and Industrial and Commercial Bank of China (Macau) Limited (collectively, the "Initial Purchasers") and Melco Resorts Finance reserve the right to withdraw this Offering at any time before closing, to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the amount of the Notes offered by this offering memorandum.

Notwithstanding anything in this offering memorandum to the contrary, except as reasonably necessary to comply with applicable securities laws, you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the United States federal income tax treatment and tax structure of this Offering and all materials of any kind (including opinions or other tax analysis) that are provided to you relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the United States federal income tax treatment of this Offering.

We have prepared this offering memorandum, and we are solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Notes. By purchasing the Notes, you will be deemed to have acknowledged that you have made certain acknowledgements, representations and agreements as set forth under the section headed "Transfer Restrictions" herein.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Initial Purchasers or any of their affiliates or advisors as to the accuracy or completeness of the information set forth herein or any other information supplied in connection with the Notes, and nothing contained in this offering memorandum or such other information is, or shall be relied upon as, a promise or representation, whether as to the past or the future. The Initial Purchasers have not independently verified any of such information and assume no responsibility for such information and assume no responsibility for its accuracy or completeness.

Each person receiving this offering memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us, our subsidiaries and affiliates or the Notes (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of our company and the terms of the offering of the Notes) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us or the Initial Purchasers.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other United States

regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering or the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense in the United States.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Notes are being offered and sold only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act in transactions that are not subject to the registration requirements of the Securities Act.

Melco Resorts Finance is not, and the Initial Purchasers are not, making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted. The distribution of this offering memorandum and the offering of the Notes may in certain jurisdictions be restricted by law. Persons into whose possession this offering memorandum comes are required by us and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Notes and distribution of this offering memorandum, see the sections headed "Transfer Restrictions" and "Plan of Distribution" below.

This offering memorandum summarizes certain material documents and other information, and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering, including the merits and risks involved. We are not making any representation to you regarding the legality of an investment in the Notes by you under any legal, investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business adviser and tax adviser for legal, business and tax advice regarding an investment in the Notes.

Melco Resorts Finance reserves the right to withdraw the offering of Notes at any time, and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to any prospective purchaser less than the full amount of the Notes sought by such purchaser. The Initial Purchasers and certain related entities may acquire for their own account a portion of the Notes.

PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs Regulation / Prohibition of Sales to UK Retail Investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the EU PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (THE "SFA")

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Notes are (A) prescribed capital markets products (as defined in the CMP Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this Offering of the Notes, including the Initial Purchasers, are "capital market intermediaries" ("CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code "). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an association ("Association") with the Company, the CMI or the relevant group company. Prospective investors associated with the Company or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the SFC Code, including to the Company, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this Offering. Failure to provide such information may result in that order being rejected.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, all of which are largely based on our current expectations and projections. All statements other than statements of historical fact in this offering memorandum are forward-looking statements. Known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. See "Risk Factors" for a discussion of some risk factors that may affect our business and results of operations. These risks are not exhaustive. Other sections of this offering memorandum may include additional factors that could adversely impact our business and financial performance. Moreover, because we operate in a heavily regulated and evolving industry, may become highly leveraged and operate in Macau, a growth market with intense competition, new risk factors may emerge from time to time. It is not possible for our management to predict all risk factors, nor can we assess the impact of these factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

In some cases, forward-looking statements can be identified by words or phrases such as "may," "will," "expect," "anticipate," "target," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. We have based the forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- our goals and strategies;
- general domestic or global political and economic conditions, including in China, which may impact levels of travel, leisure and consumer spending;
- our ability to successfully operate our casinos;
- the ability of the Macau government to terminate the Concession Contract under certain circumstances without compensating Melco Resorts Macau or exercise its redemption right with respect to the Concession;
- our ability to obtain or maintain all required governmental approvals, authorizations and licenses for our operations;
- our compliance with conditions and covenants under the existing and future indebtedness;
- capital and credit market volatility;
- our ability to raise additional capital, if and when required;
- our future business development, results of operations and financial condition;
- fluctuations in the gaming and leisure market in Macau;
- the liberalization of travel restrictions on mainland China citizens and convertibility of the Renminbi;
- the tightened control of certain cross-border fund transfers from mainland China;
- the availability of credit for gaming patrons;
- the uncertainty of tourist behavior related to spending and vacationing at casino resorts in Macau;
- cybersecurity risks including misappropriation of customer information or other breaches of information security;
- fluctuations in occupancy rates and average daily room rates in Macau;
- our ability to continue to develop new technologies and/or upgrade our existing technologies;
- our ability to protect our intellectual property rights;
- increased competition from other casino hotel and resort projects in Macau and elsewhere in Asia, including the other concessionaires in Macau;
- any new projects and new ventures that we may pursue in or outside of Macau;
- construction cost estimates and completion time estimates for our development projects, including projected variances from budgeted costs and timing;
- government policies, laws and regulations relating to the leisure and gaming industry, including the implementation of the amended gaming law in Macau, and the legalization of gaming in other jurisdictions;

- significantly increased regulatory scrutiny on Macau gaming promoters' operations that has resulted in the cessation of business by many gaming promoters in Macau;
- the completion of infrastructure projects in Macau;
- our ability to retain and gain new customers;
- our ability to offer new services and attractions;
- expected changes in our revenues, costs or expenditures;
- our expectations regarding demand for our services and market acceptance of our brands and businesses;
- the reduced access to our target markets due to travel restrictions, and the potential long-term impact on customer retention;
- the impact on the travel and leisure industry from factors such as an outbreak of an infectious disease, such as the COVID-19 pandemic or the period of time required for tourism to return to pre-pandemic levels (if at all), extreme weather patterns or natural disasters, military conflicts and any future security alerts and/or terrorist attacks or other acts of violence;
- the outcome of any current and future litigation; and
- other factors described under "Risk Factors."

You should read this offering memorandum with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this offering memorandum include additional factors which could adversely impact our business and financial performance. Moreover, we operate in Macau's gaming sector, a market with intense competition, and in an evolving and heavily regulated environment. We have a highly leveraged business model. New risk factors and uncertainties may emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this offering memorandum relate only to events or information as of the date on which the statements are made in this offering memorandum. Except as required by law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this offering memorandum completely and with the understanding that our actual future results may be materially different from what we expect.

This offering memorandum also contains statistical data and estimates that we obtained from industry publications and reports generated by government or third-party providers of market intelligence. Although we have not independently verified the data, we believe that the publications and reports are reliable.

AVAILABLE INFORMATION

For so long as the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and in any period during which Melco Resorts Finance is not a reporting company subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt therefrom pursuant to Rule 12g3-2(b) of the Exchange Act, Melco Resorts Finance will furnish to any holder or beneficial owner of the Notes, securities analyst or prospective purchaser of the Notes, upon their request, the information specified in and meeting the requirements of Rule 144A(d)(4) under the Securities Act.

In addition, we will provide, without charge, to each person to whom this offering memorandum is delivered, upon that person's written or oral request, a copy of the Indenture.

ENFORCEMENT OF CIVIL LIABILITIES

Melco Resorts Finance is incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. For example, the Cayman Islands has a less developed body of securities laws as compared to the United States and provides fewer protections to investors.

Substantially all of our current operations and administrative functions are conducted in Macau, and substantially all of our assets are located in Macau. Our sole director and one of our two officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a holder of the Notes or the trustee to effect service of process within the United States upon us or such persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

Melco Resorts Finance has appointed Cogency Global Inc. as its agent to receive service of process with respect to any action brought against Melco Resorts Finance in the United States District Court for the Southern District of New York under the federal securities laws of the United States or of any state in the United States or any action brought against Melco Resorts Finance in the Supreme Court of the State of New York in the County of New York under the securities laws of the State of New York.

Walkers (Singapore) Limited Liability Partnership, our counsel as to Cayman Islands law, and Manuela António—Lawyers and Notaries, our counsel as to Macau law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and Macau, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our sole director or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our sole director or officers predicated upon the securities laws of the United States or any state in the United States.

Walkers (Singapore) Limited Liability Partnership has further advised us that a judgment obtained in a foreign court will be recognized and enforced in the courts of the Cayman Islands without any re-examination of the merits (a) other than in respect of certain judgments of a superior court of any state of the Commonwealth of Australia, at common law, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, where the judgment is (i) final and conclusive and in respect of which the foreign court had jurisdiction over the defendant according to Cayman Islands conflict of law rules, (ii) either for a liquidated sum not in respect of penalties or taxes or a fine or similar fiscal or revenue obligations or, in certain circumstances, for in personam non-money relief, and which was neither obtained in a manner, nor is of a kind enforcement of which is contrary to the principles of natural justice or the public policy of the Cayman Islands and in obtaining the judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the foreign court, or (b) by statute, by registration in the Grand Court of the Cayman Islands and execution as if it were a judgment of the Grand Court where the judgment is a judgment of a superior court of any state of the Commonwealth of Australia obtained after June 28, 1993 and which is final and conclusive for a sum of money in respect of compensation or damages to an injured party and not in respect of taxes or other charges of a like nature or in respect of a fine, penalty or revenue obligation, has not been wholly satisfied and which could be enforced by execution in that jurisdiction and is not set aside on the grounds that the country of the original court had no jurisdiction or the judgment was obtained by fraud or the enforcement of the judgment would be contrary to the public policy of the Cayman Islands or on any other grounds.

Manuela António—Lawyers and Notaries has advised further that a final and conclusive monetary judgment for a definite sum obtained in a federal or state court in the United States would be treated by the courts of Macau as a cause of action in itself so that no retrial of the issues would be necessary, provided that: (1) such court had jurisdiction in the matter and the defendant either submitted to such jurisdiction or was resident or carrying on business within such jurisdiction and was duly served with process; (2) due process was observed by such court, with equal treatment given to both parties to the action, and the defendant had the opportunity to submit a defense; (3) the judgment given by such court was not in respect of penalties, taxes, fines or similar fiscal or tax revenue obligations; (4) in obtaining judgment there was no fraud on the part of the person in whose favor judgment was given or on the part of the court; (5) recognition or enforcement of the judgment in Macau would not be contrary to public policy; (6) the proceedings pursuant to which judgment was obtained were not contrary to natural justice; and (7) any interest charged to the defendant does not exceed three times the official interest rate, which is currently 9.75% per annum, over the outstanding payment (whether of principal, interest fees or other amounts) due.

The constituent documents of Melco Resorts Finance do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between Melco Resorts Finance, its officers, sole director and shareholders, be arbitrated.

PRESENTATION OF FINANCIAL INFORMATION

Our financial statements were prepared in accordance with U.S. GAAP. Our reporting currency is U.S. dollars.

Certain numerical figures set out in this offering memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, the totals of the data in this offering memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in "Management's Discussion and Analysis of Financial Condition and Results of Operations" are calculated using the numerical data in our consolidated financial statements or the tabular presentation of other data (subject to rounding) contained in this offering memorandum, as applicable, and not using the numerical data in the narrative description thereof.

This offering memorandum contains non-GAAP financial measures and ratios that are not required by, or presented in accordance with, U.S. GAAP, including Adjusted property EBITDA, Adjusted EBITDA and Free Cash Flow (as defined below). We present non-GAAP financial measures because we believe that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance. We use non-GAAP financial measures as measures of the operating performance of our properties and to compare the operating performance of our properties with those of our competitors. The non-GAAP financial measures may not be comparable to other similarly titled measures of other companies, since they are not uniformly defined, and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results reported under U.S. GAAP. Non-GAAP financial measures and ratios are not measurements of our performance under U.S. GAAP and should not be considered as alternatives to operating income/loss or net profit/loss or any other performance measures derived in accordance with U.S. GAAP or any other generally accepted accounting principles.

CERTAIN DEFINED TERMS RELATING TO THE COMPANY

In this offering memorandum, unless the context otherwise requires, the following expressions shall have the following meanings. Certain technical terms are explained in "Glossary" below.

- "2015 Credit Facilities" refers to the HK$13.65 billion (equivalent to US$1.75 billion) senior secured credit facilities agreement dated June 19, 2015, entered into by Melco Resorts Macau, as borrower, comprising (i) a Hong Kong dollar term loan facility of HK$3.90 billion (equivalent to US$500.0 million) with a term of six years and (ii) a HK$9.75 billion (equivalent to US$1.25 billion) revolving credit facility, and following the repayment of all outstanding loan amounts, together with accrued interest and associated costs on May 7, 2020, other than the HK$1.0 million (equivalent to US$0.1 million) which remains outstanding under the term loan facility, and the HK$1.0 million (equivalent to US$0.1 million) revolving credit facility commitment which remains available under the revolving credit facility, all other commitments under the 2015 Credit Facilities were canceled, with the maturity date extended to June 24, 2026;
- "2020 Credit Facilities" refers to the senior facilities agreement dated April 29, 2020, entered into between, among others, MCO Nominee One Limited ("MCO Nominee One"), our subsidiary and as borrower, and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators, under which lenders have made available HK$14.85 billion (equivalent to US$1.92 billion) in a revolving credit facility for an initial term of five years, and which has been amended and restated under the 2023 Amendment and Restatement and the 2024 Amendment and Restatement including an extension of the maturity date to April 29, 2027, and an increase in the overall commitments by HK$387.5 million (equivalent to US$49.8 million) to HK$15.24 billion (equivalent to US$1.96 billion) pursuant to the establishment of an incremental facility in February 2025;
- "2023 Amendment and Restatement" refers to the Amendment and Restatement Agreement dated June 29, 2023 among MCO Nominee One, MCO Investments Limited, Melco Resorts Finance, MCO International Limited, and Bank of China Limited, Macau Branch, acting as the facility agent, to amend the provisions of the 2020 Credit Facilities such that borrowings under the 2020 Credit Facilities denominated in U.S. dollars bear interest at the Term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum, as adjusted in accordance with the interest period, and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries;
- "2024 Amendment and Restatement" refers to the Second Amendment and Restatement Agreement dated April 8, 2024 among MCO Nominee One, MCO Investments Limited, Melco Resorts Finance, MCO International Limited, and Bank of China Limited, Macau Branch, acting as the facility agent, to amend, among other things, the maturity date of the 2020 Credit Facilities to April 29, 2027;
- "2025 Senior Notes" refers to the US$1.0 billion aggregate principal amount of 4.875% senior notes due 2025 we issued, of which US$650.0 million in aggregate principal amount was issued on June 6, 2017 and US$350.0 million in aggregate principal amount was issued on July 3, 2017, and as to which no amount remains outstanding following the repayment of all remaining outstanding amounts in June 2025;
- "2026 Senior Notes" refers to the US$500.0 million aggregate principal amount of 5.250% senior notes due 2026 we issued on April 26, 2019;
- "2027 Senior Notes" refers to the US$600.0 million aggregate principal amount of 5.625% senior notes due 2027 we issued on July 17, 2019;
- "2028 Senior Notes" refers to the US$850.0 million aggregate principal amount of 5.750% senior notes due 2028 we issued, of which US$500.0 million in aggregate principal amount was issued on July 21, 2020 (the "First 2028 Senior Notes") and US$350.0 million in aggregate principal amount was issued on August 11, 2020 (the "Additional 2028 Senior Notes");
- "2029 Senior Notes" refers to the US$1.15 billion aggregate principal amount of 5.375% senior notes due 2029 we issued, of which US$900.0 million in aggregate principal amount was issued on December 4, 2019 (the "First 2029 Senior Notes") and US$250.0 million in aggregate principal amount was issued on January 21, 2021 (the "Additional 2029 Senior Notes");
- "2032 Senior Notes" refers to the US$750.0 million aggregate principal amount of 7.625% senior notes due 2032 we issued on April 17, 2024;

- "ADSs" refers to American depositary shares, each representing three ordinary shares of Melco, par value US$0.01 per ordinary share;
- "Altira Macau" refers to an integrated resort located in Taipa, Macau;
- "Altira Resorts" refers to our subsidiary, Altira Resorts Limited (formerly known as Altira Developments Limited), a Macau company through which we hold the land and building for Altira Macau and operate hotel and certain other non-gaming businesses at Altira Macau;
- "board" and "board of directors" refer to the board of directors of our Company or a duly constituted committee thereof;
- "China" refers to the People's Republic of China, including the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") and the Macau Special Administrative Region of the People's Republic of China ("Macau" or "Macau SAR"), except when referencing specific laws and regulations adopted by the People's Republic of China and other legal and tax matters applicable only to mainland China. The legal and operational risks associated with operating in mainland China may also apply to our operations in Hong Kong and Macau;
- "City of Dreams" refers to an integrated resort located in Cotai, an area of reclaimed land located between the islands of Taipa and Coloane in Macau, which currently features gaming areas and luxury hotels, a collection of retail brands, a wet stage performance theater and other entertainment venues;
- "COD Resorts" refers to our subsidiary, COD Resorts Limited (formerly known as Melco Crown (COD) Developments Limited), a Macau company through which we hold the land and buildings for City of Dreams, operate hotel and certain other non-gaming businesses at City of Dreams and provide shared services within the Parent and its subsidiaries;
- "Concession Contract" and "Concession" refer to the concession contract executed between the Macau SAR and Melco Resorts Macau on December 16, 2022, that provides for the terms and conditions of the concession granted to Melco Resorts Macau, which expires on December 31, 2032;
- "DICJ" refers to the Direcção de Inspecção e Coordenação de Jogos (the Gaming Inspection and Coordination Bureau), a department of the Public Administration of Macau;
- "DSEC" refers to the Statistics and Census Service of Macau, a department of the government of Macau;
- "Existing Notes" refers to the 2026 Senior Notes, 2027 Senior Notes, 2028 Senior Notes, 2029 Senior Notes and 2032 Senior Notes;
- "HIBOR" refers to the Hong Kong Interbank Offered Rate;
- "HK$" and "H.K. dollar(s)" refer to the legal currency of Hong Kong;
- "HKSE" refers to The Stock Exchange of Hong Kong Limited;
- "LIBOR" refers to the London Interbank Offered Rate;
- "Indenture" refers to the indenture relating to the Notes to be dated as of the date of initial issuance of the Notes, among the Company and the Trustee;
- "Initial Purchasers" refers to the initial purchasers referred to under "Plan of Distribution" in this offering memorandum;
- "Master Services Agreements" refers to a master services agreement entered into between SCI and certain of its subsidiaries, and related arrangements for work agreements entered into between certain subsidiaries of SCI, on December 21, 2015 for non-gaming services, on the one hand, and certain Melco Affiliates, on the other hand, under which certain of SCI's subsidiaries and Melco Affiliates share and mutually provide certain non-gaming services at Studio City, City of Dreams and Altira Macau. The Master Services Agreements and other arrangements for non-gaming services at the properties in Macau, are collectively referred to as "Management and Shared Services Arrangements", have been extended to December 31, 2032;
- "Melco Affiliates" refers to the subsidiaries of Melco other than SCI and its subsidiaries;
- "Melco International" refers to Melco International Development Limited, a Hong Kong-listed company, the single largest shareholder of Melco;

- "Melco Leisure" refers to Melco Leisure and Entertainment Group Limited, a company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of Melco International;
- "Melco Resorts Macau" refers to our subsidiary, Melco Resorts (Macau) Limited (formerly known as Melco Crown (Macau) Limited), a Macau company and the holder of our gaming concession;
- "Mocha Clubs" refers to, collectively, our clubs with gaming machines in Macau, which are non-casino based operations of electronic gaming machines;
- "MOP" and "Pataca(s)" refer to the legal currency of Macau;
- "Notes" refer to the US$500,000,000 aggregate principal amount of 6.500% senior notes due 2033 being offered hereunder;
- "our concession" and "our gaming concession" refer to the Macau gaming concession held by Melco Resorts Macau, effective from January 1, 2023 until December 31, 2032;
- "Parent" and "Melco" refer to Melco Resorts & Entertainment Limited, a Cayman Islands exempted company with limited liability, the American depositary shares of which are listed on the Nasdaq Global Select Market;
- "Redemption" refers to the early redemption of the 2026 Senior Notes which remain outstanding following the completion of the Tender Offer;
- "RMB" and "Renminbi" refer to the legal currency of mainland China;
- "SCI" refers to Studio City International Holdings Limited, an exempted company registered by way of continuation in the Cayman Islands, the American depositary shares of which are listed on the New York Stock Exchange;
- "Studio City" refers to a cinematically-themed integrated resort in Cotai, Macau;
- "Studio City Casino" refers to the gaming areas being operated within Studio City;
- "Studio City Casino Agreement" (previously referred to as the Services and Right to Use Arrangements) refers to the agreement entered into among Melco Resorts Macau and Studio City Entertainment, dated May 11, 2007 and amended on June 15, 2012 and June 23, 2022, and any other agreements or arrangements entered into from time to time, which may amend, supplement or relate to the aforementioned agreements or arrangements;
- "Studio City Entertainment" refers to our affiliate, Studio City Entertainment Limited, a Macau company which is a subsidiary of the Parent;
- "Tender Offer" refers to the offer by the Issuer to purchase for cash, any and all of its outstanding 2026 Senior Notes, which is being made pursuant to a separate offer to purchase dated September 15, 2025;
- "Term SOFR" refers to the term Secured Overnight Financing Rate;
- "Trustee" refers to Deutsche Bank Trust Company Americas;
- "US$" and "U.S. dollar(s)" refer to the legal currency of the United States;
- "U.S. GAAP" refers to the U.S. generally accepted accounting principles; and
- "we", "us", "our", "our company", "Melco Resorts Finance", the "Issuer" and the "Company" refer to Melco Resorts Finance Limited and, as the context requires, its predecessor entities and its consolidated subsidiaries.

GLOSSARY

"average daily rate"	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day
"cage"	a secure room within a casino with a facility that allows patrons to carry out transactions required to participate in gaming activities, such as exchange of cash for chips and exchange of chips for cash or other chips
"chip"	round token that is used on casino gaming tables in lieu of cash
"concession"	a government grant for the operation of games of fortune and chance in casinos in Macau under an administrative contract pursuant to which a concessionaire, or the entity holding the concession, is authorized to operate games of fortune and chance in casinos in Macau
"dealer"	a casino employee who takes and pays out wagers or otherwise oversees a gaming table
"drop"	the amount of cash to purchase gaming chips and promotional vouchers that is deposited in a gaming table's drop box, plus gaming chips purchased at the casino cage
"drop box"	a box or container that serves as a repository for cash, chip purchase vouchers, credit markers and forms used to record movements in the chip inventory on each table game
"electronic gaming table"	table with an electronic or computerized wagering and payment system that allow players to place bets from multiple-player gaming seats
"gaming machine"	slot machine and/or electronic gaming table
"gaming machine handle"	the total amount wagered in gaming machines
"gaming machine win rate"	gaming machine win (calculated before non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) expressed as a percentage of gaming machine handle
"gaming promoter"	a corporate entity who, for the purpose of promoting rolling chip and other gaming activities, arranges customer transportation and accommodation, and arranges food and beverage services and entertainment in exchange for commissions or other compensation from a gaming operator
"integrated resort"	a resort which provides customers with a combination of hotel accommodations, gaming areas, retail and dining facilities, MICE space, entertainment venues and spas
"IVS"	the Individual Visit Scheme that allows citizens of China to obtain visas to visit Macau and Hong Kong individually and not as a part of a tour group
"junket player"	a player sourced by gaming promoters

"marker"	evidence of indebtedness by a player to the gaming operator
"mass market patron"	a customer who plays in the mass market operations
"mass market operations"	consists of both table games and gaming machines played by mass market patrons primarily for cash stakes
"mass market table games drop"	the amount wagered in the mass market table games operations
"mass market table games hold percentage"	mass market table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of mass market table games drop
"mass market table games operations"	the mass market operations consisting of mass market patrons who play table games
"MICE"	Meetings, Incentives, Conventions and Exhibitions, an acronym commonly used to refer to tourism involving large groups brought together for an event or specific purpose
"net rolling"	net turnover in a non-negotiable chip game
"non-negotiable chip"	promotional casino chip that is not to be exchanged for cash
"non-rolling chip"	chip that can be exchanged for cash, used by mass market patrons to make wagers
"occupancy rate"	the average percentage of available hotel rooms occupied, including complimentary rooms, during a period
"premium direct player"	a rolling chip patron who is a direct customer of the gaming operator and is attracted to the casino through marketing efforts of the gaming operator
"progressive jackpot"	a jackpot for a gaming machine or table game where the value of the jackpot increases as wagers are made; multiple gaming machines or table games may be linked together to establish one progressive jackpot
"revenue per available room" or "REVPAR"	calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy
"rolling chip" or "VIP rolling chip"	non-negotiable chip primarily used by rolling chip patrons to make wagers
"rolling chip patron"	a player who primarily plays on rolling chip or VIP rolling chip tables and typically plays for higher stakes than mass market patrons
"rolling chip operations"	consists of table games played in areas designated for rolling chip patrons who are either premium direct players or junket players

“rolling chip volume” . . . . the amount of non-negotiable chips wagered by the rolling chip operations

“rolling chip win rate” . . . . rolling chip table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of rolling chip volume

“slot machine” . . . . slot or electronic gaming machine operated by a single player

“subconcession” . . . . an agreement for the operation of games of fortune and chance in casinos between the entity holding the concession, or the concessionaire, and a subconcessionaire, pursuant to which the subconcessionaire has been or may be authorized to operate games of fortune and chance in casinos in Macau

“table games win” . . . . the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues. Table games win is calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis

SUMMARY

This summary highlights selected information appearing elsewhere in this offering memorandum and does not contain all the information that may be important to you in deciding to invest in the Notes. You should read the entire offering memorandum, including the section entitled "Risk Factors" and the financial statements and related notes thereto, before making an investment decision.

Overview

We are a developer, owner and operator of integrated resort facilities. Our subsidiary Melco Resorts Macau is one of six companies licensed, through concessions, to operate casinos in Macau.

We currently have two major casino-based operations in Macau, namely, City of Dreams and Altira Macau. We operate the Studio City Casino pursuant to the Studio City Casino Agreement. We also provide non-gaming services to Studio City pursuant to the Master Services Agreements. Also in Macau, we currently operate non-casino based operations at our Mocha Clubs. In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Between September and December 2025, the Grand Dragon Casino and three of our six Mocha Clubs will progressively cease operations, as part of our development strategy and in accordance with Macau law, with the gaming tables and electronic gaming machines being reallocated to our other gaming areas in Macau.

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip patrons to gaming patrons seeking a broader entertainment experience. We currently own and operate three Forbes Travel Guide Five-Star hotels in Macau—Altira Macau, Morpheus and Nüwa—and have received 12 Forbes Travel Guide Five-Star and one Forbes Travel Guide Four-Star recognitions across our properties in 2025. We seek to attract patrons throughout Asia and, in particular, from China.

Our Major Existing Operations

City of Dreams

City of Dreams is an integrated resort in Cotai, Macau, which opened in June 2009. City of Dreams is a premium-focused property, targeting high-end customers and rolling chip patrons from regional markets across Asia. City of Dreams had an average of approximately 434 gaming tables and approximately 622 gaming machines during the six months ended June 30, 2025, compared to an average of approximately 430 gaming tables and approximately 613 gaming machines in 2024, approximately 430 gaming tables and approximately 628 gaming machines in 2023, and approximately 447 gaming tables and approximately 677 gaming machines in 2022.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from around Asia. Morpheus offers approximately 783 rooms, suites and villas, Nüwa offers approximately 286 guest rooms, suites and villas, and the Grand Hyatt Macau hotel within City of Dreams, offers approximately 763 guest rooms and suites. The Countdown is currently undergoing renovations as part of its rebranding to provide a unique high end luxury hotel experience and is expected to reopen in the third quarter of 2026 with approximately 150 high end luxury suites with an average room size of over 1,000 sq. ft. In addition, City of Dreams includes approximately 41 restaurants and bars, approximately 149 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, swimming pools, spas and salons and banquet and meeting facilities. The Para nightclub offers approximately 2,232 square meters (equivalent to approximately 24,025 square feet) of live entertainment space. SOHO, a lifestyle entertainment and dining precinct located on the second floor of City of Dreams, offers customers a wide selection of food and beverage and other non-gaming offerings. The wet stage performance theater with approximately 2,000 seats features *House of Dancing Water,* which had been temporarily closed since June 2020 and re-opened in May 2025.

City of Dreams has garnered numerous awards in recognition of its high level of customer service and diverse range of entertainment experiences. Below are some of these accolades:

- City of Dreams was honored as one of the top 10 winners in the "Best Integrated Resorts" category at the T+L Luxury Awards Asia Pacific 2025 for the third consecutive year;

- Morpheus and its spa were recognized by Forbes Travel Guide with Five-Star recognition for the sixth consecutive year in 2025. Other accolades garnered by Morpheus include:
  - "Best Design" in the Hotel Category at the Tatler Best 2025 Hong Kong and Macau; and
  - Being listed among the World's Most Beautiful Hotels by the Prix Versailles in 2023;
- Nüwa was recognized as a Forbes Travel Guide Five-Star hotel for the 13th consecutive year in 2025, while its spa was awarded Forbes Travel Guide Five-Star recognition for the 12th consecutive year;
- The Cantonese culinary masterpiece Jade Dragon was awarded Forbes Travel Guide Five-Star recognition for the 12th consecutive year in 2025. It received Three Diamonds in the Black Pearl Restaurant Guide 2025 for the sixth consecutive year and maintained its Three MICHELIN Star rating for the seventh consecutive year in the MICHELIN Guide Hong Kong Macau 2025. It was named Macau's "Restaurant of the Year" and listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau, and it was recognized by Tatler Best as one of Asia's top 100 finest restaurants and was named one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. Additionally, it garnered the Diamond award at the Trip.Best Gourmet Awards 2024 and was named a three-star restaurant by the Golden Phoenix Tree China Restaurant Guide 2024;
- The ultimate French culinary experience provided by Alain Ducasse at Morpheus enabled it to receive Forbes Travel Guide Five-Star recognition for the sixth year in 2025. It was honored with One Diamond in the Black Pearl Restaurant Guide 2025 for the second consecutive year and attained Two MICHELIN Stars in the MICHELIN Guide Hong Kong Macau 2025 for the seventh year running. It won the "Best Service" accolade in the Restaurant & Bar Category and listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau, and was selected as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. Additionally, it garnered the Diamond award at the Trip.Best Gourmet Awards 2024;
- Yi at Morpheus was honored with Forbes Travel Guide Five-Star recognition for the sixth year in 2025. It received One Diamond in the Black Pearl Restaurant Guide 2025 for the sixth consecutive year and was recommended by MICHELIN Guide Hong Kong Macau 2025. It was listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau and was recognized as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. It also garnered the Platinum award at the Trip.Best Gourmet Awards 2024; and
- Sushi Kinetsu, specializing in Japanese cuisine, was awarded One Diamond from the Black Pearl Restaurant Guide 2025 and One MICHELIN Star in the MICHELIN Guide Hong Kong Macau 2025, both for the second consecutive year. It also garnered the Diamond award at the Trip.Best Gourmet Awards 2024.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award-winning water-based extravaganza, *House of Dancing Water*. *House of Dancing Water* is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams and highlights City of Dreams as an innovative entertainment-focused destination, strengthening the overall diversity of Macau as a multi-day stay market and one of Asia's premier leisure and entertainment destinations. *House of Dancing Water* incorporates costumes, sets and audio-visual special effects and showcases an international cast of performance artists. *House of Dancing Water* had been temporarily closed since June 2020 and re-opened in May 2025.

In recognition of its innovation and spectacular experience, *House of Dancing Water* was named the "Best IR Resort Attraction" at the IAG Academy IR Awards in 2025.

Altira Macau

Since the third quarter of 2021, Altira Macau has strategically repositioned to cater to the premium mass and mass operations and ceased VIP rolling chip operations. Prior to that, Altira Macau was designed to provide a casino and hotel experience that catered to Asian rolling chip customers. Altira Macau had an average of approximately 33 gaming tables and 133 gaming machines operated under the brand Mocha at Altira Macau during the six months ended June 30, 2025, compared to an average of approximately 39 gaming tables and 134 gaming machines operated under the brand Mocha at Altira Macau in 2024, approximately 44 gaming tables and

141 gaming machines operated under the brand Mocha at Altira Macau in 2023, and approximately 93 gaming tables and 146 gaming machines operated under the brand Mocha at Altira Macau in 2022. Altira Macau has a multi-floor layout comprising various gaming areas. Our multi-floor layout allows us the flexibility to reconfigure Altira Macau's gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira hotel, located within the 38-story Altira Macau, to be one of the leading hotels in Macau as evidenced by its long-standing Forbes Travel Guide Five-Star recognition. The top floor of the Altira hotel serves as the hotel lobby and reception area, providing guests with views of the surrounding area. The Altira hotel comprises approximately 216 guest rooms, including suites and villas, as of June 30, 2025. A number of restaurants and dining facilities are available at Altira Macau, including a leading Italian restaurant, Aurora, several Chinese and international restaurants and a bar/karaoke. Altira hotel also offers several non-gaming amenities, including a spa, health club, outdoor garden podium and sky terrace lounge.

Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. Below are some of the awards Altira Macau has received:

- Forbes Travel Guide Five-Star recognition in lodging and spa categories by Forbes Travel Guide for 16 consecutive years in 2025;
- Altira and Altira Spa were selected as top 10 winners in the "Hotel Pools" and "Hotel Spas" categories, for the second and third consecutive years respectively, of the T+L Luxury Awards Asia Pacific 2025;
- Its Japanese tempura specialist Tenmasa received Forbes Travel Guide Five-Star recognition for the 11th consecutive year in 2025;
- Its Cantonese restaurant Ying was honored with the Forbes Travel Guide Five-Star recognition for the sixth consecutive year in 2025 and was awarded One MICHELIN Star in the MICHELIN Guide Hong Kong Macau 2025 for the ninth consecutive year; and
- Its Italian restaurant Aurora earned Forbes Travel Guide Five-Star recognition for the 11th year in 2025.

With the changes in the VIP operations in Macau, we are reviewing Altira's position and strategy.

Mocha Clubs and Other

Mocha Clubs comprise our non-casino based operations of electronic gaming machines in Macau. Mocha Clubs had an average of approximately 845 gaming machines in operation (excluding approximately 133 gaming machines at Altira Macau) during the six months ended June 30, 2025, compared to an average of approximately 882 gaming machines in operation (excluding approximately 134 gaming machines at Altira Macau) in 2024, approximately 874 gaming machines in operation (excluding approximately 141 gaming machines at Altira Macau) in 2023, and approximately 935 gaming machines in operation (excluding approximately 146 gaming machines at Altira Macau) in 2022. According to the DICJ, there were a total of 12,000 gaming machines in the Macau market as of June 30, 2025. Mocha Clubs focus on general mass market patrons, including day trip customers, outside the conventional casino setting. We operate Mocha Clubs at leased or sub-leased premises or under right-to-use agreements.

The Mocha Club gaming facilities offer both electronic gaming machines, including stand-alone machines, stand-alone progressive jackpot machines and linked progressive jackpot machines with a variety of games, and electronic table games which feature fully-automated multi-player machines with roulette, baccarat and sic-bo, a traditional Chinese dice game.

In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Grand Dragon Casino had an average of approximately 15 gaming tables during the six months ended June 30, 2025, compared to an average of approximately 16 gaming tables in 2024, approximately 17 gaming tables in 2023 and approximately 25 gaming tables in 2022.

In accordance with the Company's overall development strategy and applicable Macau law, the Grand Dragon Casino and three of our Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal will progressively cease operations between September and December 2025 and the gaming tables and electronic gaming machines will be reallocated to our other gaming areas in Macau. We have submitted the relevant applications for the continuing operations of Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond December 31, 2025, and such applications are currently under review by the Macau government.

Studio City

We operate the Studio City Casino pursuant to the Studio City Casino Agreement. We also provide non-gaming services to Studio City pursuant to the Master Services Agreements. Studio City features a 5,000-seat live performance arena, MICE space, as well as an additional indoor/outdoor water park. It offers 4,000 square meters of indoor event space, approximately 38,500 square meters of complementary retail space and 1,820 square meters of ballroom space.

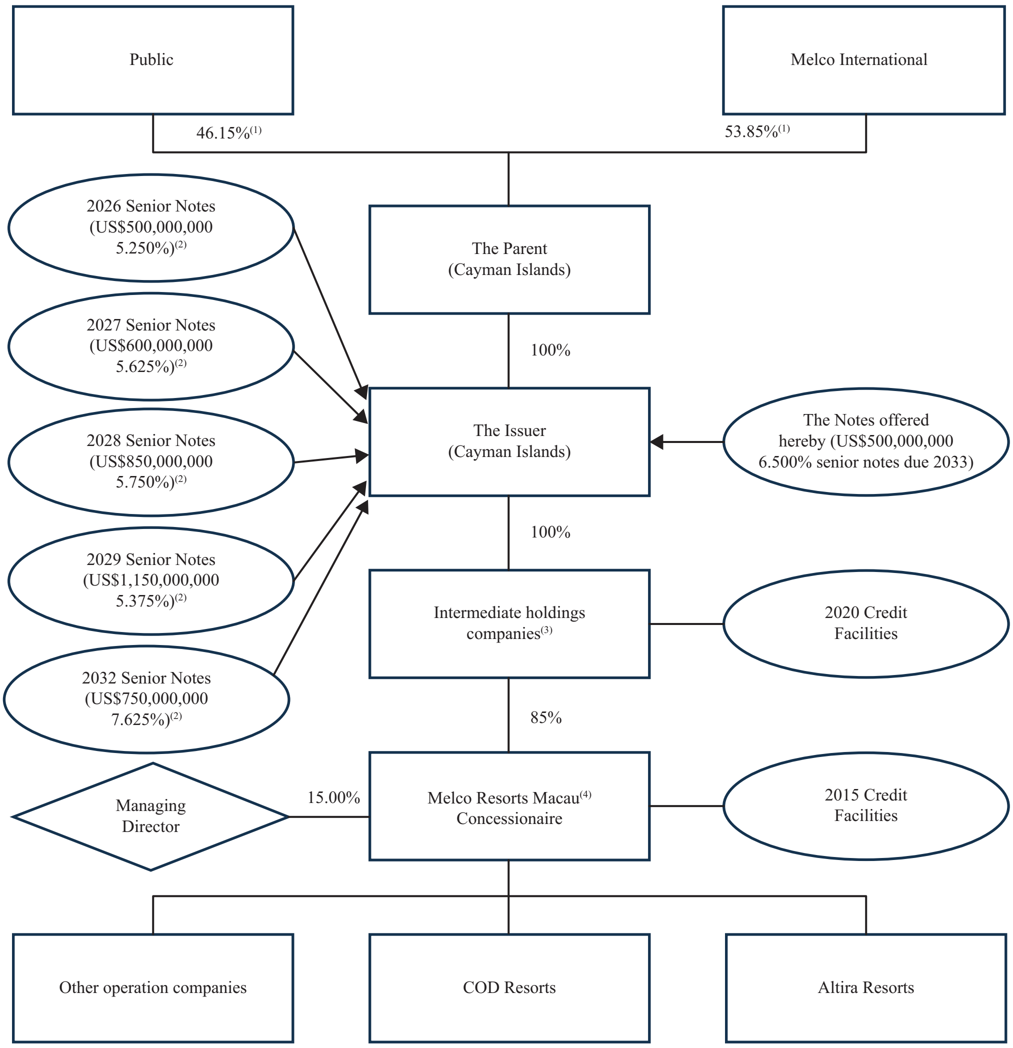
General Information

Melco Resorts Finance was incorporated in the Cayman Islands on June 7, 2006 as an exempted company with limited liability, with registered number 168872. Our registered office is located at Intertrust SPV (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

Melco's website is www.melco-resorts.com. The information contained on our website does not form part of this offering memorandum.

Corporate Structure and Certain Financing Arrangements

The following chart shows our simplified corporate and financing structure as of the date of this offering memorandum.



(1) Based on 1,276,540,382 ordinary shares of the Parent outstanding as of August 31, 2025, which includes ordinary shares held by the Parent's depositary bank to facilitate the administration and operation of the Parent's share incentive plans.
(2) Principal amounts and interest rates as of June 30, 2025.
(3) Includes, among others, MCO Nominee One, the borrower under the 2020 Credit Facilities.
(4) The shares of Melco Resorts Macau are owned approximately 84.99% by MCO Investments Limited (formerly known as MPEL Investments Limited), 15.00% by the Managing Director of Melco Resorts Macau, Mr. Lawrence Ho, and approximately 0.01% by MCO Nominee One.

Recent Developments

Concurrent Tender Offer

Concurrently with this Offering, the Issuer is offering to purchase for cash, any and all of its outstanding 2026 Senior Notes, which is being made pursuant to a separate offer to purchase dated September 15, 2025. US$500.0 million in aggregate principal amount of the 2026 Senior Notes remain outstanding as of the date of this offering memorandum. The Company's obligation to consummate the Tender Offer is subject to the satisfaction of certain conditions, including, among other things, the successful completion of this Offering, the gross proceeds of which shall be sufficient to fund (i) the purchase of all outstanding Notes in the Tender Offer and (ii) the Redemption (as defined herein), before taking into account accrued interest, fees and expenses (the "Tender Offer Financing Condition"). Subject to the satisfaction of the Tender Offer Financing Condition, the Issuer may, in its sole discretion, effect the Redemption at a redemption price of 100.000%, plus accrued and unpaid interest to but excluding the applicable redemption date, in accordance with the indenture governing the 2026 Senior Notes.

THE OFFERING

The following is a brief summary of the terms of this Offering and the Notes and is qualified in its entirety by the remainder of this offering memorandum. Terms used in this summary and not otherwise defined shall have the meanings given to them in the "Description of Notes."

Issuer	Melco Resorts Finance Limited ("Melco Resorts Finance")
Notes Offered	US$500,000,000 aggregate principal amount of 6.500% Senior Notes due 2033
Issue Price	100.000% of the principal amount of the Notes
Issue Date	September 24, 2025
Maturity Date	September 24, 2033
Interest	The Notes will bear interest at a rate of 6.500% per annum, payable semi-annually in arrears on March 24 and September 24 of each year beginning on March 24, 2026.
Ranking of Notes	The Notes (1) will be general obligations of Melco Resorts Finance, (2) will be *pari passu* in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, (3) will be senior in right of payment to any existing and future subordinated Indebtedness of Melco Resorts Finance, and (4) will be effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's Subsidiaries.
Use of Proceeds	We estimate that the net proceeds from this Offering will be approximately US$495.0 million after deducting the Initial Purchasers' discounts and commissions and estimated offering expenses payable by us. We intend to use the proceeds from this Offering to fund the Tender Offer, pay fees and costs related to the Offering and the Tender Offer and, if any amount remains, to redeem in full any 2026 Senior Notes which remain outstanding following the completion of the Tender Offer (if we elect to redeem such remaining 2026 Senior Notes) and for general corporate purposes.
Optional Redemption of the Notes	Prior to September 24, 2028, Melco Resorts Finance at its option may redeem the Notes, in whole or in part, at a redemption price equal to 100.000% of the principal amount of the Notes plus the applicable "make-whole" premium described in this offering memorandum plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date. See "Description of Notes—Optional Redemption." At any time on or after September 24, 2028, Melco Resorts Finance at its option may redeem the Notes, in whole or in part, at the redemption prices set forth in "Description of Notes—Optional Redemption" plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date. At any time prior to September 24, 2028, Melco Resorts Finance may redeem up to 35% of the principal amount of the Notes, with the net cash proceeds of one or more Equity Offerings at a redemption price of 106.500% of the principal amount of the Notes, plus accrued and unpaid interest and Additional Amounts, if any, to but excluding the redemption date. See "Description of Notes—Optional Redemption."

Redemption for Taxation Reasons	Subject to certain exceptions and as more fully described herein, Melco Resorts Finance may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed by Melco Resorts Finance for redemption, if Melco Resorts Finance would become obliged to pay certain additional amounts as a result of certain changes in specified tax laws. See "Description of Notes—Redemption for Taxation Reasons."
Gaming Redemption	The Indenture will grant Melco Resorts Finance the power to redeem the Notes if the gaming authority of any jurisdiction in which the Melco Resorts Finance, any of its Subsidiaries or Melco International conducts, or proposes to conduct, gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or become licensed or qualified within the required time period or is found unsuitable. See "Description of Notes—Gaming Redemption."
Repurchase of Notes upon a Change of Control Triggering Event	Upon the occurrence of certain events constituting a Change of Control Triggering Event, Melco Resorts Finance will be required to offer to repurchase the Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to but excluding the date of the purchase. See "Description of Notes—Repurchase at the Option of Holders—Change of Control."
Special Put Option	Upon the occurrence of (1) any event after which none of Melco Resorts Finance or any of its Subsidiaries has such licenses, concessions, subconcessions or other permits or authorizations as are necessary for Melco Resorts Finance and its Subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as Melco Resorts Finance and its Subsidiaries are entitled to at the Issue Date, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of Melco Resorts Finance and its Subsidiaries, taken as a whole; or (2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of Melco Resorts Finance and its Subsidiaries, taken as a whole, each holder of the Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase. See "Description of Notes—Repurchase at the Option of Holders—Special Put Option."
Covenants	The Indenture governing the Notes will include certain limitations on Melco Resorts Finance's ability to merge or consolidate with another company and require Melco Resorts Finance to provide certain information to the holders of Notes. These covenants are subject to a number of important exceptions and qualifications. See "Description of Notes—Certain Covenants" and the related definitions.

Transfer Restrictions	The Notes have not been registered under the Securities Act or under any state securities laws of the United States and will be subject to certain restrictions on transfer and resale. See “Transfer Restrictions.” Melco Resorts Finance will not register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction or offer to exchange the Notes for registered Notes under the Securities Act or the securities laws of any other jurisdiction.
Original Issue Discount	The Notes may be issued with original issue discount (“OID”) for U.S. federal income tax purposes. In such event, U.S. Holders (as such term is defined under “Taxation—Certain U.S. Federal Income Tax Considerations”) will generally be required to include such OID in gross income (as ordinary income) on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. Holders will generally include any OID in income in advance of the cash attributable to such income. See “Taxation—Certain U.S. Federal Income Tax Considerations—Original Issue Discount.”
Form, Denomination and Registration . .	The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$200,000 of principal amount and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more global notes registered in the name of a nominee of The Depository Trust Company.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see “Description of Notes—Book-Entry, Delivery and Form.”
Delivery of the Notes	Melco Resorts Finance expects to make delivery of the Notes against payment in same-day funds on or about September 24, 2025, which is the sixth business day after the date of this offering memorandum (such settlement being referred to as “T+6”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in one business day, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next five succeeding business days will be required, by virtue of the fact that the Notes initially will settle T+6, to specify alternative settlement arrangements to prevent a failed settlement. See “Plan of Distribution.”
Trustee, Paying Agent, Transfer Agent and Registrar	Deutsche Bank Trust Company Americas
Listing	Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. The Notes will be traded on the SGX-ST in a minimum board lot size of US$200,000 (or its equivalent in foreign currencies) for so long as the Notes are listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this offering memorandum. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes or our company.

Governing Law for the Notes and the Indenture	The Notes and the Indenture will be governed by, and will be construed in accordance with, the laws of the State of New York.
Security Codes	

	Rule 144A Notes	**Regulation S Notes**
CUSIP:	58547D AJ8	G5975L AL0
ISIN:	US58547DAJ81	USG5975LAL02
Common Code	318689938	318689946

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following summary historical consolidated statements of operations data for the years ended December 31, 2024, 2023 and 2022, and the summary historical consolidated balance sheets data as of December 31, 2024, 2023 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this offering memorandum. These consolidated financial statements have been prepared and presented in accordance with U.S. GAAP.

The following summary historical consolidated statements of operations data for the six months ended June 30, 2025 and 2024 and the summary historical consolidated balance sheet data as of June 30, 2025 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this offering memorandum. Our unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements for the year ended December 31, 2024.

You should read this section in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and those financial statements and the notes to those statements included elsewhere in this offering memorandum. Historical results are not necessarily indicative of the results that you may expect for any future period.

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:					
Total operating revenues	2,276,234	1,980,383	3,994,215	3,190,667	971,670
Total operating costs and expenses	(2,077,097)	(1,812,500)	(3,676,122)	(3,222,868)	(1,430,845)
Operating income (loss)	199,137	167,883	318,093	(32,201)	(459,175)
Net income (loss)	48,624	8,848	599	(354,205)	(733,820)

	As of June 30,	As of December 31,		
	2025	2024	2023	2022
	(in thousands of US$)			
CONSOLIDATED BALANCE SHEETS DATA:				
Cash and cash equivalents	573,686	492,852	645,555	1,044,682
Restricted cash(1)	123,956	125,331	124,556	175,563
Total assets(2)	5,807,542	5,854,767	5,967,191	6,702,898
Total current liabilities(2)	857,470	869,158	961,880	895,114
Total debts(3)	5,224,800	5,239,544	5,361,080	5,983,786
Total liabilities(2)	6,104,625	6,133,758	6,198,176	6,590,158
Total shareholder's (deficit) equity	(297,083)	(278,991)	(230,985)	112,740

(1) Restricted cash includes the current and non-current portions.

(2) On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1.93 billion (equivalent to US$239.6 million based on the prevailing exchange rate on the transaction date), representing the right to use and operate the gaming and gaming support areas comprising the City of Dreams casino, the Altira casino and the Studio City Casino and related gaming equipment and utensils, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that Melco Resorts Macau is currently approved to operate by the Macau government. In the consolidated balance sheet as of December 31, 2023 included elsewhere in this offering memorandum, the noncurrent portion of the financial liability of the Concession is included in "Other long-term liabilities" and the current portion is included in "Accrued expenses and other current liabilities." The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

(3) Total debts include current and non-current portions of long-term debt, net, and other long-term liabilities.

The following table sets forth a summary of our consolidated statements of cash flows for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF CASH FLOWS:					
Net cash provided by (used in) operating activities	206,804	70,810	241,293	332,099	(597,384)
Net cash (used in) provided by investing activities	(95,042)	(48,693)	(128,743)	75,747	(566,507)
Net cash (used in) provided by financing activities	(25,522)	(175,094)	(269,267)	(857,627)	1,499,156
Effect of exchange rate on cash, cash equivalents and restricted cash	(6,781)	325	4,789	(353)	(1,251)
Increase (decrease) in cash, cash equivalents and restricted cash	79,459	(152,652)	(151,928)	(450,134)	334,014
Cash, cash equivalents and restricted cash at beginning of period/year	618,183	770,111	770,111	1,220,245	886,231
Cash, cash equivalents and restricted cash at end of period/year	697,642	617,459	618,183	770,111	1,220,245

Other Financial and Operational Data

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Adjusted property EBITDA(1)(3)	405,125	307,127	598,468	526,807	(60,578)
Adjusted EBITDA(2)	398,864	297,519	583,478	493,932	(88,991)

The following table sets forth the Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Adjusted property EBITDA(1)(3)					
City of Dreams	396,712	297,175	580,853	507,898	(27,736)
Altira Macau	(2,102)	(2,957)	(6,587)	(5,557)	(43,145)
Mocha and Other(4)	10,515	12,909	24,202	24,466	10,303
Total Adjusted property EBITDA	405,125	307,127	598,468	526,807	(60,578)

The following table sets forth the Free Cash Flow for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Free Cash Flow(5)	111,671	2,048	92,470	295,247	(642,358)

(1) "Adjusted property EBITDA" is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, Corporate and Other expenses, and other non-operating income and expenses.

(2) "Adjusted EBITDA" is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, and other non-operating income and expenses.

(3) The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA to measure the operating performance of City of Dreams, Altira Macau and Mocha and Other and to compare the operating performance of its properties with those of its competitors.

(4) Effective from June 27, 2022, the Grand Dragon Casino, a casino on Taipa Island, Macau, which focuses on mass market table games and which was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino.

(5) "Free Cash Flow" is defined as net cash provided by (used in) operating activities minus acquisition of property and equipment and acquisition of intangible and other assets.

The following table reconciles our net income (loss) to our Adjusted EBITDA and Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Net income (loss)	48,624	8,848	599	(354,205)	(733,820)
Adjustments:					
Income tax expense (benefit)	4,852	3,447	6,924	(1,386)	1,272
Total non-operating expenses, net	145,661	155,588	310,570	323,390	273,373
Property charges and other	45,431	3,732	10,705	229,000	22,579
Share-based compensation	5,159	5,684	10,343	12,014	31,059
Depreciation and amortization	116,351	112,468	224,223	270,376	272,968
Amortization of land use rights	4,021	4,010	8,039	10,797	10,793
Amortization of gaming subconcession	—	—	—	—	32,785
Pre-opening costs	28,765	3,742	12,075	3,946	—
Adjusted EBITDA	398,864	297,519	583,478	493,932	(88,991)
Corporate and Other expenses	6,261	9,608	14,990	32,875	28,413
Adjusted property EBITDA	405,125	307,127	598,468	526,807	(60,578)

The following tables reconcile each property's operating income (loss) to its Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,							
	2025				2024			
	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total
	(in thousands of US$)							
Operating income (loss)	276,317	(4,729)	(47,236)	224,352	188,316	(5,926)	10,983	193,373
Adjustments:								
Property charges and other	(11,432)	1,313	55,557	45,438	2,166	1,543	(5)	3,704
Share-based compensation	3,065	212	90	3,367	2,745	227	80	3,052
Depreciation and amortization	95,976	1,102	2,104	99,182	96,265	1,130	1,851	99,246
Amortization of land use rights	4,021	—	—	4,021	4,010	—	—	4,010
Pre-opening costs	28,765	—	—	28,765	3,673	69	—	3,742
Adjusted property EBITDA	396,712	(2,102)	10,515	405,125	297,175	(2,957)	12,909	307,127

	Year Ended December 31,											
	2024				2023				2022			
	(in thousands of US$)											
	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total
Operating income (loss)	358,401	(12,871)	20,317	365,847	246,826	(237,333)	20,465	29,958	(305,105)	(66,677)	4,737	(367,045)
Adjustments:												
Property charges and other	7,116	3,485	(5)	10,596	20,792	208,120	76	228,988	19,126	1,200	76	20,402
Share-based compensation	5,532	438	166	6,136	7,143	397	130	7,670	20,875	1,104	360	22,339
Depreciation and amortization	189,759	2,292	3,724	195,775	221,181	20,472	3,795	245,448	229,361	18,442	5,130	252,933
Amortization of land use rights	8,039	—	—	8,039	8,010	2,787	—	10,797	8,007	2,786	—	10,793
Pre-opening costs	12,006	69	—	12,075	3,946	—	—	3,946	—	—	—	—
Adjusted property EBITDA	580,853	(6,587)	24,202	598,468	507,898	(5,557)	24,466	526,807	(27,736)	(43,145)	10,303	(60,578)

The following table reconciles our net cash provided by (used in) operating activities and Free Cash Flow for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Net cash provided by (used in) operating activities	206,804	70,810	241,293	332,099	(597,384)
Adjustments:					
Acquisition of property and equipment	(83,677)	(59,945)	(128,010)	(32,590)	(36,233)
Acquisition of intangible and other assets	(11,456)	(8,817)	(20,813)	(4,262)	(8,741)
Free Cash Flow	111,671	2,048	92,470	295,247	(642,358)

The following table sets forth rolling chip volume for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in billions of US$)				
City of Dreams	11.54	10.52	20.06	19.42	4.38
Total rolling chip volume	11.54	10.52	20.06	19.42	4.38

The following table sets forth mass market table games drop for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in millions of US$)				
City of Dreams	3,342.6	2,938.5	5,869.4	5,018.5	1,187.4
Altira Macau	227.7	275.1	535.8	488.2	124.0
Mocha and Other	110.7	116.9	231.6	176.1	39.2
Total mass market table games drop	3,681.0	3,330.5	6,636.8	5,682.8	1,350.6

The following table sets forth rolling chip win rate and mass market table games hold percentage for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
City of Dreams					
Rolling chip win rate	3.83%	2.58%	2.74%	2.61%	3.85%
Mass market table games hold percentage	30.4%	32.0%	32.1%	30.9%	30.5%
Altira Macau					
Mass market table games hold percentage	21.8%	22.5%	22.4%	22.7%	19.6%
Mocha and Other					
Mass market table games hold percentage	16.0%	17.6%	16.8%	17.0%	20.1%

You should carefully consider the risks described below and other information contained in this offering memorandum before making an investment decision. The risks and uncertainties described below may not be the only ones that we face. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our business, financial condition or results of operations. If any of the possible events described below occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Notes, and you could lose all or part of your investment.

Risks Relating to Our Business and Operations

The operating history of some of our businesses may not serve as an adequate basis to judge our future operating results and prospects.

The operating history of some of our businesses is shorter than some of our competitors and therefore may not serve as an adequate basis for your evaluation of our business and prospects.

We face certain risks, expenses and challenges in operating gaming businesses in intensely competitive markets. Some of the risks relate to our ability to:

- fulfill conditions precedent to draw down or roll over funds from current and future credit facilities;
- respond to economic uncertainties and global or regional health events;
- comply with covenants under our existing and future debt issuances and credit facilities;
- raise additional capital, as required;
- respond to changing financing requirements;
- operate, support, expand and develop our operations and our facilities;
- attract and retain customers and qualified employees;
- maintain effective control of our operating costs and expenses;
- maintain internal personnel, systems, controls and procedures to assure compliance with the extensive regulatory requirements applicable to the gaming business;
- respond to competitive and/or deteriorating market conditions; and
- respond to changes in our regulatory environment and government policies.

If we are unable to complete any of these tasks or successfully manage one or more of the risks, we may be unable to operate our businesses in the manner we contemplate and generate revenues from such projects in the amounts and by the times we anticipate. We may also be unable to meet the conditions to draw on our existing or future financing facilities in order to fund various activities, which may result in a default under our existing or future financing facilities. If any of these events were to occur, it could cause a material adverse effect on our business and prospects, financial condition, results of operations and cash flows.

We generate substantially all of our cash flow from our properties in Macau and, as a result, we are subject to greater risks than a gaming company which operates in more geographical regions.

All of our operations are in Macau and our revenues may be materially affected by any disruption or downturns in the Macau gaming market. The dividends and distributions that our direct and indirect subsidiaries pay to us serve as our primary sources of cash and are derived from the earnings and cash flow generated by our operating properties in Macau.

Given that our operations are and will be primarily conducted based on our principal properties in Macau, we are and will be subject to greater risks resulting from limited diversification of our businesses and sources of revenues as compared to gaming companies with more operating properties in various geographic regions. These risks include, but are not limited to:

- changes in Macau and mainland China laws and regulations, including gaming laws and regulations or interpretations thereof, as well as mainland China travel and visa policies;

- dependence on the gaming, tourism and leisure market in Macau;
- limited diversification of businesses and sources of revenues;
- a decline in air, land or ferry passenger traffic to Macau from mainland China and other areas or countries due to higher ticket costs, fears concerning travel, travel restrictions or otherwise, including as a result of outbreaks of widespread health epidemics or pandemics;
- a decline in economic and political conditions in Macau, mainland China or Asia;
- an increase in competition within the gaming industry in Macau or generally in Asia;
- inaccessibility to Macau due to inclement weather, road construction or closure of primary access routes;
- austerity measures imposed now or in the future by the governments in mainland China or other countries in Asia;
- tightened control of cross-border fund transfers, foreign exchange and/or anti-money laundering regulations or policies effected by the mainland China or Macau governments;
- any enforcement or legal measures taken by the mainland China government to deter gaming activities and/or marketing thereof;
- natural and other disasters, including typhoons, outbreaks of infectious diseases, terrorism, violent criminal activities or disruption affecting Macau;
- lower than expected rate of increase or decrease in the number of visitors to Macau;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau market;
- any enforcement or legal measures taken by the mainland China government to deter gaming activities and/or marketing thereof;
- relaxation of regulations on gaming laws in other regional economies that could compete with the Macau market;
- government restrictions on growth of gaming markets, including policies on gaming table and electronic gaming machine allocation and caps; and
- a decrease in gaming activities and other spending at our properties.

Any of these developments or events could have a material adverse effect on our business, cash flows, financial condition, results of operations and prospects.

The renewal of a land concession is subject to compliance with certain legal requirements. In the event of any failure to meet such legal requirements, we could be forced to forfeit all or part of our investment in City of Dreams, along with our interest in the land on which City of Dreams is located and the building and structures on such land.

We have entered into land concession contracts for the land on which City of Dreams is located. Land concessions in Macau are issued by the Macau government and generally have terms of 25 years and are renewable for further consecutive periods of ten years, subject to compliance with certain legal and administrative requirements, including the registration of the definitive concession.

In the event that we do not timely meet the legal and administrative requirements to enable the renewal of the land concession, we could lose all or substantially all of our investment in City of Dreams including our interest in the land and building and may not be able to continue to operate City of Dreams as planned, which will materially and adversely affect our business and prospects, results of operations and financial condition.

Our business is subject to regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitations to our properties and have a material adverse effect on our results of operations.

The strength and profitability of our business will depend on consumer demand for integrated resorts and leisure travel in general. Terrorist and violent criminal activities in Europe, the United States, South and

Southeast Asia and elsewhere, the military conflict between Russia and Ukraine, the Israel-Hamas conflict, and other conflicts in the Middle East, social events, natural disasters such as typhoons, tsunamis and earthquakes, and outbreaks of widespread health epidemics or pandemics, have had and may continue to negatively affect travel and leisure expenditures, including lodging, gaming and tourism. We cannot predict the extent to which such acts or events may affect us, directly or indirectly, in the future. See also "— An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations" and "— Economic or trade sanctions and a heightened trend towards trade and technology "de-coupling" could negatively affect the relationships and collaborations with our suppliers, service providers, technology partners and other business partners and our ability to accept certain customers, which could materially and adversely affect our competitiveness and business operations."

All of our properties are located in Macau and a significant number of our customers come from, and are expected to continue to come from, mainland China. Accordingly, our results of operations and financial condition may be materially and adversely affected by significant political, social and economic developments in Macau and mainland China and our business is sensitive to the willingness and ability of our customers to travel. In particular, our operating results may be adversely affected by:

- changes in Macau's and mainland China's political, economic and social conditions, including any slowdown in economic growth in mainland China;
- tightening of travel or visa restrictions to Macau or from mainland China, including due to outbreaks of infectious diseases, or austerity measures which may be imposed by the mainland China government;
- measures that may be introduced to control inflation, such as interest rate increases or bank account withdrawal controls; and
- changes in the tax laws and regulations.

For example, our business and operations are affected by the travel or visa restrictions imposed by mainland China on its citizens from time to time. Even before the COVID-19 outbreak, the mainland China government imposed restrictions on exit visas granted to resident citizens of mainland China for travel to Macau. The mainland China government further restricts the number of days that resident citizens of mainland China may spend in Macau for certain types of travel. Such travel and visa restrictions, and any changes imposed by the mainland China government from time to time, could disrupt the number of visitors from mainland China to our properties.

Our operations in Macau are also exposed to the risk of changes in laws and policies that govern operations of Macau-based companies. Tax laws and regulations may also be subject to amendments or different interpretations and implementation, thereby adversely affecting our profitability after tax. For example, the Macau gaming law amended in 2022 requires the payment of a special premium if gross gaming revenue falls below the gross gaming revenue threshold set by the Macau government. In addition, the new Macau Tax Code, approved by Law no. 24/2024, will have the majority of its provisions take effect on January 1, 2026. This legislation aims to modernize and consolidate Macau's tax regulations, covering various aspects such as legal relationships, administrative procedures, judicial proceedings, and enforcement related to tax matters. Two key changes include the introduction of transfer pricing rules and a shift from a worldwide tax basis to a territorial basis. However, this shift excludes dividends, interest, royalties, and gains from disposal of properties earned outside Macau by multinational entities that qualify as tax residents in Macau which still fall within the scope of the complementary tax. The new Macau Tax Code also includes mechanisms for double taxation relief and promotes the use of electronic tax platforms to streamline administrative processes.

In addition, the demand for gaming activities and related services and luxury amenities that we provide through our operations is dependent on discretionary consumer spending and, as with other forms of entertainment, is susceptible to downturns in global and regional economic conditions. An economic downturn may reduce consumers' willingness to travel and reduce their spending overseas, which would adversely impact us as we depend on visitors from mainland China and other countries to generate a substantial portion of our revenues. Changes in discretionary consumer spending or consumer preferences could be driven by factors such as perceived or actual general economic conditions, high energy and food prices, the increased cost of travel, weak segments of the job market, perceived or actual disposable consumer income and wealth, fears of recession and changes in consumer confidence in the economy or fears of armed conflict or future acts of terrorism. An extended period of reduced discretionary spending and/or disruptions or declines in travel could materially and adversely affect our business, results of operations and financial condition.

In addition, our business and results of operations may be materially and adversely affected by any changes in mainland China's economy, including any decrease in the pace of economic growth. Various factors have negatively impacted economic growth in mainland China in recent years, including the government's efforts to cool mainland China's housing market and disruptions caused by COVID-19 outbreaks, leading to reduced consumer discretionary budget and ultimately affecting their spending on travel and leisure. Moreover, mainland China's common prosperity drive which started in 2021 aims to narrow the nation's wealth gap by reducing wealth inequality. Any changes in the income tax rate or government policy which discourages conspicuous consumption may affect the spending patterns of our patrons. All of these measures as well as a number of measures taken by the mainland China government in recent years to control the rate of economic growth, including those designed to tighten credit and liquidity, may have contributed to a slowdown of mainland China's economy. According to the National Bureau of Statistics of China, mainland China's GDP growth rate was 5.0% in 2024, which was lower than the 5.4% growth in 2023. However, mainland China's economy expanded in the first six months of 2025 by 5.3%, based on preliminary estimates from the National Bureau of Statistics of China. Any slowdown in mainland China's future growth may have an adverse impact on financial markets, currency exchange rates and other economies, as well as the spending of visitors in Macau and our properties. There is no guarantee that economic downturns, whether actual or perceived, any further decrease in economic growth rates or an otherwise uncertain economic outlook in mainland China will not occur or persist in the future, that they will not be protracted or that governments will respond adequately to control and reverse such conditions, any of which could materially and adversely affect our business, financial condition and results of operations.

The subtropical climate and location of Macau render it susceptible to typhoons, heavy rainstorms and other natural disasters. In the event of a major typhoon, or other natural disasters in Macau, our properties may be severely damaged, our operations may be materially and adversely affected, and our properties may even be required to temporarily cease operations by regulatory authorities. Any flooding, unscheduled interruption in the technology or transportation services or interruption in the supply of public utilities is likely to result in an immediate and possibly substantial loss of revenues due to a shutdown of any of our properties and material adverse effect on our business operations and financial condition.

In addition, the global macroeconomic environment continues to face significant challenges, including the continuation of international trade conflicts such as the trade disputes between the United States and China and the recent escalation of trade tariffs and related retaliatory measures between these two countries and globally.

Tensions between the United States and China have continued to escalate in connection with ongoing trade disputes as well as other political factors. Continued rising political tensions globally could reduce levels of trade, investment, technological exchanges and other economic activities between these two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. The introduction of the National Security Law for Hong Kong and the U.S. Department of State's statements in reaction to it have resulted in a further deterioration in the Sino-U.S. bilateral relationship, which could negatively affect the mainland China economy and its demand for gaming and leisure activities.

Elevated inflation rates globally and in places where we operate may not only weaken discretionary spending of our customers but also increase our operating costs due to possible hikes in salary payments for our staff or key expenditures in our business. In September 2024, the U.S. Federal Reserve lowered the benchmark federal-funds rate for the first time in four years to 5.00% and has continued to lower interest rates in 2024 to the current rate of 4.50%. The direction that the U.S. Federal Reserve will take with regards to its monetary policies is uncertain. Interest rate hikes from one or more central banks across the world to address inflation or other macroeconomic factors would increase the cost of credit throughout global economies, impacting cashflows for both businesses and consumers as they spend more on interest payments which, in turn, reduces the amount available for capital investments and for discretionary consumption. Any developments that adversely impacts global liquidity, heighten market volatility and increase U.S. dollar funding costs resulting in tightened global financial conditions and a prolonged period of volatile and unstable market conditions would likely increase our funding costs and negatively affect our market risk mitigation strategies.

The continued pressure on the mainland China property market since 2022, as well as the deterioration in the mainland China economy post-COVID-19, also negatively impacted the market for high yield bonds of issuers in other sectors connected with mainland China, including those issued by Macau gaming operators and associated entities. Other factors affecting discretionary consumer spending, including amounts of disposable consumer income, fears of recession, lack of consumer confidence in the economy, change in consumer preferences, high energy, fuel and other commodity costs and increased cost of travel may negatively impact our business. An extended period of reduced discretionary spending and/or disruptions or declines in travel have had and could materially adversely affect our business, results of operations and financial condition.

Considerable uncertainty remains over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over conflicts, unrest and terrorist threats in the Ukraine, Middle East, Europe and Africa, including, but not limited to, the Israel-Hamas conflict and the continuing military conflict between Russia and Ukraine leading to sanctions and export controls imposed by the United States, the European Union, the United Kingdom and other countries targeting Russia, its financial system and major financial institutions and certain Russian entities and persons. Such sanctions and measures and the Israel-Hamas conflict have had and may continue to have a negative impact on our business and our ability to accept certain customers. These conflicts have also caused volatility in global financial markets as well as a rise in prices of oil, gas and other commodities. In addition, concerns over conflicts involving the United States and Iran and potential conflicts involving the Korean peninsula persist. Any severe or prolonged slowdown in the global economy or increase in international trade or political conflicts may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

Policies, campaigns and measures adopted by the mainland China and/or Macau governments from time to time could materially and adversely affect our operations.

A significant number of the customers of our properties come from, and are expected to continue to come from, mainland China. Any travel restrictions imposed by mainland China could negatively affect the number of patrons visiting our properties from mainland China. Since mid-2003, under the Individual Visit Scheme, or IVS, mainland China citizens from certain cities have been able to travel to Macau individually instead of as part of a tour group. While the mainland China government has restricted and then loosened IVS travel frequently, it has indicated its intention to maintain tourism development by opening the IVS to more mainland China cities to visit Macau. For example, the IVS was expanded to Qingdao and Xi'an beginning in March 2024, and further expanded to include eight additional cities in May 2024, namely Taiyuan, Hohhot, Harbin, Lhasa, Lanzhou, Xining, Yinchuan, and Urumqi. A decrease in the number of visitors from mainland China could adversely affect our results of operations. See also "—An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations".

In addition, certain policies and campaigns implemented by the mainland China government may lead to a decline in the number of patrons visiting our properties in Macau and the amount of spending by such patrons. The strength and profitability of our business depends on consumer demand for integrated resorts in general and for the type of luxury amenities that a gaming operator offers. Initiatives and campaigns undertaken by the mainland China government in recent years have resulted in an overall dampening effect on the behavior of mainland China consumers and a decrease in their spending, particularly in luxury good sales and other discretionary spending. For example, the mainland China government's ongoing anti-corruption campaign has had an overall dampening effect on the behavior of mainland China consumers and their spending patterns both domestically and abroad. In addition, the number of patrons visiting our properties may be affected by the mainland China government's focus on deterring marketing of gaming to mainland China citizens and its initiatives to tighten monetary transfer regulations, increase monitoring of various transactions, including bank or credit card transactions, and reduce the amount that mainland China-issued ATM cardholders can withdraw in each withdrawal and impose a limit on the annual aggregate amount that may be withdrawn. The mainland China government has also developed its digital currency and has performed certain test trials in its application within mainland China. If a digital currency is adopted by the Macau government for gaming operations in Macau, there could be a material and adverse impact on our operations, especially our VIP rolling chip operations, if limitations on transactions per player are also introduced in conjunction with the adoption of the digital currency.

Regulatory scrutiny of gaming promoters in mainland China and Macau has also affected the gaming business. See "—We depend upon gaming promoters for a portion of our gaming revenues. If we are unable to establish or maintain the number of successful relationships with gaming promoters in Macau, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are unable to find alternative means to attract VIP rolling chip patrons in Macau where gaming promoters have become subject to restrictions on doing business due to legal and regulatory requirements, our results of operations could be materially and adversely impacted" and "—Our business is subject to regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitations to our properties and have a material adverse effect on our results of operations."

We derive substantially all of our revenues from our Macau gaming business and any disruptions or downturns in the Macau gaming market may have a material impact on our business.

All of our operations are in Macau and we may be materially affected by any disruptions or downturns in the Macau gaming market. In 2019, for example, gross gaming revenues in Macau declined by 3.4% on a year-over-year basis as reported by the DICJ. We believe such year-over-year decline in 2019 was mainly driven by a decline in VIP gaming revenues in Macau and the slowdown in the mainland China economy. Although gross gaming revenues in Macau increased by 23.9% on a year-over-year basis in 2024 compared to 2023 according to the DICJ, governmental policies and responses to COVID-19 outbreaks resulted in a significant decline in inbound tourism in Macau with gross gaming revenues declining by 30.2% in 2022 compared to 2020, according to the DICJ.

Our business, financial condition and results of operations may be materially and adversely affected by such impacts or other disruptions in the Macau gaming market. See "—An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations."

The gaming industry in Macau is highly regulated.

Gaming is a highly regulated industry in Macau. Our Macau gaming business is subject to various laws and increased audits and inspections from regulators, such as those relating to licensing, tax rates and other regulatory obligations, such as anti-money laundering measures, which may change or become more stringent. Changes in laws may result in additional regulations being imposed on our gaming operations in Macau and our future projects. Our operations in Macau are also exposed to the risk of changes in the Macau government's policies that govern operations of Macau-based companies and the Macau government's interpretation of, or amendments to, our gaming concession. Any such adverse developments in the regulation of the Macau gaming industry could be difficult to comply with and could significantly increase our costs, which could cause our projects to be unsuccessful.

In addition, current laws and regulations in Macau concerning gaming and gaming concessions and licenses, for the most part, have been enacted or amended recently and there are limited precedents on the interpretation of these laws and regulations. These laws and regulations are complex, and a court or administrative or regulatory body may in the future render an interpretation of these laws and regulations, or issue new or modified regulations, that differ from our interpretation.

Changes in laws, regulations and policies in mainland China and uncertainties in the legal systems in mainland China may expose us to risks. In addition, rules and regulations in mainland China can change quickly with little advance notice.

All of our properties are located in Macau and a significant number of our customers come from, and are expected to continue to come from, mainland China. Accordingly, our results of operations and financial condition may be materially and adversely affected by significant regulatory developments not only in Macau but also in mainland China. Gaming-related activities in mainland China, including marketing activities, are strictly regulated by the mainland China government and subject to various mainland China laws and regulations. The legal system of mainland China continues to rapidly evolve and the interpretations of many laws, regulations and rules are not always uniform. Rules and regulations in mainland China can change quickly with little advance notice. In addition, the legal system of mainland China is based in part on government policies and internal rules, some of which are not published on a timely basis or at all. As a result, we may not be aware of all policies and rules imposed by mainland China authorities which may affect or relate to our business and operations. There is also no assurance that our interpretation of the laws and regulations that affect our activities in mainland China is or will be consistent with the interpretation and application by mainland China governmental authorities. These uncertainties may impede our ability to assess our legal rights or risks relating to our business and activities. Any changes in the laws and regulations, or in the interpretation or enforcement of these laws and regulations, that affect gaming-related activities in mainland China could require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations and have a material and adverse effect on our business and prospects, financial condition and results of operations. We may incur penalties for any failure to comply with mainland China laws and regulations.

In addition, mainland China administrative and court authorities have significant discretion in interpreting and implementing statutory terms. Such discretion of mainland China administrative and court authorities increases the uncertainties in mainland China's legal system and makes it difficult to evaluate the likely outcome of any administrative and court proceedings in mainland China and the level of legal protection we enjoy than in other legal systems. Any litigation or proceedings in mainland China may be protracted and result in substantial costs and diversion of our resources and management attention. Any such litigation or proceedings could have a material adverse effect on our business, reputation, financial condition and results of operations.

The mainland China government may influence our operations in Macau or intervene in our offerings conducted overseas or foreign investments in us. Its oversight and discretion over our business could result in material adverse changes in our operations and the value of our securities.

The mainland China government has exercised and continues to exercise substantial control over virtually every sector of the mainland China economy through evolving development, interpretation and implementation of applicable laws and regulations. The mainland China government may also enact new laws, rules or regulations, which may influence our operations in Macau, at any time as the mainland China government deems appropriate to further regulatory, political and societal goals, or may exert more control over offerings conducted overseas and/or foreign investment in China-based companies, which could result in a material change in our operations and/or the value of our securities. Additionally, the mainland China government has in the past made statements indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers and any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of our securities to significantly decline or be worthless. See also "— Failure to protect the integrity and security of company staff, supplier and customer information and comply with cybersecurity, data privacy, data protection or any other laws and regulations related to data may materially and adversely affect our business, financial condition and results of operations, and/or result in damage to reputation and/or subject us to fines, penalties, lawsuits, restrictions on our use or transfer of data and other risks" for discussions relating to the Data Security Law of China.

For example, on February 17, 2023, the China Securities Regulatory Commission ("CSRC") released a set of regulations, including the Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies, or the Trial Administrative New Measures, and related guidelines, which came into effect on March 31, 2023, and the Notice on the Arrangements for the Recordation Management of Overseas Issuances and Listings of Domestic Enterprises, or the Notice on Overseas Issuance and Listing.

Under the first paragraph of Article 15 of the Trial Administrative New Measures, overseas offerings and listings of a listing applicant by a mainland China company must conduct and complete the relevant filing procedures with the CSRC if (i) more than 50% of its operating revenue, total profit, total assets or net assets were derived from its mainland China entities based on the audited consolidated financial statements for the most recent financial year, and (ii) the main parts of its business activities are conducted in mainland China, its principal places of business are located in mainland China, or the majority of senior management in charge of its business operations are mainland China citizens or domiciled in mainland China. Furthermore, the second paragraph of Article 15 of the Trial Administrative New Measures provides that a "substance over form" principle, or the Principle, shall be followed when determining whether an issuer is subject to the filing requirements under the Trial Administrative New Measures. In addition, according to the Notice on Overseas Issuance and Listing, companies which have completed overseas listings or offerings prior to March 31, 2023 are not required to complete any filing procedures immediately, but may be required to file with the CSRC for any follow-on offerings.

We do not believe that our previous or any future offshore offerings are or will be subject to the filing procedures under the Trial Administrative New Measures and related guidelines as (i) the main parts of the Company's business activities are not and are not expected to be conducted in mainland China; (ii) the Company's principal places of business are not and are not expected to be located in mainland China; (iii) the senior management in charge of the Company's business operation are not mainland China citizens and the management does not and is not expected to be domiciled in mainland China; and (iv) the risk factors disclosed in this offering memorandum and in the offering document of any future offshore offerings are not expected to be predominately related to mainland China as compared to other countries and regions. However, significant uncertainties exist as to how the Trial Administrative New Measures and the related guidelines will be interpreted and implemented since they are still in a relatively early stage of implementation. Particularly, the Principle is subject to any new laws, rules and regulations or interpretations and implementations in any form relating to the filing requirements under the Trial Administrative New Measures at the discretion of the mainland China government authorities.

If (i) we incorrectly conclude that certain regulatory permissions and approvals are not required or (ii) applicable laws, regulations, or interpretations change in a way that requires us to complete such filings or obtain such approvals in the future, and (iii) we are required to obtain such permissions or approvals in the future, but fail to receive or maintain such permissions or approvals, we may face sanctions by the CSRC, the CAC or other mainland China regulatory agencies. These regulatory agencies may impose fines and penalties on us, limit our operations, limit our ability to list on stock exchanges outside of mainland China or offer our securities to foreign investors or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of our securities.

We face intense competition in Macau and elsewhere in Asia and may not be able to compete successfully.

The hotel, resort and gaming industries are highly competitive. Our competitors include many of the largest gaming, hospitality, leisure and resort companies in the world. Some of these current and future competitors are larger than we are and may have more diversified resources, better brand recognition and greater access to capital to support their developments and operations in Macau and elsewhere.

In Macau, some competitors have opened new properties, expanded operations and/or have announced intentions for further expansion and developments in Cotai, where City of Dreams is located. For example, Phase 4 of the Galaxy Macau Resort is currently under development with Capella at Galaxy Macau, and is expected to be completed in 2027. Capella at Galaxy Macau, an all-suite luxury hotel, opened in August 2025. Sands China Ltd., a subsidiary of Las Vegas Sands Corporation, completed renovations of the former Sheraton Grand, rebranding the hotel as the Londoner Grand, which opened in June 2025. Sociedade de Jogos de Macau, S.A., or SJM, opened Grand Lisboa Palace in July 2021 and opened two additional hotels in 2023. See "Business—Market and Competition."

We also compete to some extent with casinos located in other countries, such as Philippines, Sri Lanka, Singapore, Malaysia, South Korea, Vietnam, Cambodia, Australia, New Zealand and elsewhere in the world, including Las Vegas and Atlantic City in the United States, and in the future, proposed developments in Japan, Greece and the United Arab Emirates, among others. Certain other markets, such as Thailand, may also in the future legalize casino gaming and may not be subject to as stringent regulations as the Macau market. We also compete with both legal and illegal online gaming and sports betting websites, cruise ships operating out of Hong Kong and other areas of Asia that offer gaming. The proliferation of gaming venues in Asia could also significantly and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Currently, Macau is the only region in China offering legal casino gaming. Although the mainland China government has strictly enforced its regulations prohibiting domestic gaming operations, there may be casinos in parts of mainland China that are operated illegally and without licenses. In addition, there is no assurance that mainland China will not in the future permit domestic gaming operations. Competition from casinos in mainland China, legal or illegal, could materially and adversely affect our business, results of operations, financial condition, cash flows and prospects.

Our regional competitors also include casino resorts that Melco International may develop elsewhere in Asia Pacific outside Macau or elsewhere in the world. Melco International may develop different interests and strategies for projects in Asia or elsewhere in the world which conflict with the interests of our business in Macau or otherwise compete with us for Asian gaming and leisure customers. See "—Risks Relating to Our Corporate Structure and Ownership."

Inadequate transportation infrastructure in Macau may hinder increases in visitations to Macau.

Macau consists of a peninsula and two islands and is connected to mainland China by five land border crossings. Macau has an international airport and connections to mainland China and Hong Kong by road and ferry. To support Macau's planned future development as a gaming and leisure destination, the frequency of bus, car, air and ferry services to Macau will need to increase. While various projects are under development to improve Macau's internal and external transportation links, including the expansion of the Macau Light Rapid Transit and capacity expansion of border crossings, these projects may not be approved, financed or constructed in time to handle the projected increase in demand for transportation or at all, which could impede the expected increase in visitation to Macau and adversely affect our projects in Macau. Furthermore, even if constructed, the expected benefits of these projects may not fully materialize, and may not result in significantly increased traffic to Macau and to our Macau properties. Any further delays or termination of Macau's transportation infrastructure projects may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

The government in Macau could grant additional rights to conduct gaming in the future, which could significantly increase competition and cause us to lose or be unable to gain market share.

In Macau, Melco Resorts Macau is one of the six companies authorized by the Macau government to operate gaming activities. Pursuant to the terms of Macau Law No. 16/2001, or the Macau Gaming Operations Law, as amended, the maximum number of gaming concessions is six. Concessionaires are prohibited from entering into a subconcession agreement. Notwithstanding, the policies and laws of the Macau government may change and could result in the grant of additional concessions or subconcessions, which could significantly increase competition in Macau and also cause us to lose or be unable to maintain or gain market share and, as a result, adversely affect our business.

Any simultaneous planning, design, construction and development of any projects may stretch our management's time and resources, which could lead to delays, increased costs and other inefficiencies in the development of these projects.

There may be overlap in the planning, design, development and construction periods of our gaming and non-gaming projects. Members of our senior management will be involved in planning and developing our projects at the same time, in addition to overseeing our day-to-day operations. Our management may be unable to devote sufficient time and attention to such projects, as well as our operating properties, which may result in delays in the construction or opening of any of our current or future projects, cause construction cost overruns or cause the performance of our operating properties to be lower than expected, which could have a material adverse effect on our business, financial condition and results of operations.

Our business depends substantially on the continuing efforts of our senior management, and our business may be severely disrupted if we lose their services.

We place substantial reliance on the gaming, project development and hospitality industry experience and knowledge of the Macau market possessed by the sole director of our company, our senior management team, as well as other management personnel. We may experience changes in our key management in the future, including for reasons beyond our control. The loss of Mr. Lawrence Ho's services or key management personnel could hinder our ability to effectively manage our business and implement our growth and development strategies. Finding suitable replacements for our key management personnel could be difficult, and competition for personnel of similar experience could be intense in Macau. In addition, we do not currently carry key person insurance on any members of our senior management team.

The success of our business depends on our ability to attract and retain an adequate number of qualified personnel. A limited labor supply, increased competition and any increase in demands from our employees could cause labor costs to increase.

The pool of experienced gaming and other skilled and unskilled personnel in Macau is limited. Our demand remains high for personnel occupying sensitive positions that require qualifications sufficient to meet gaming regulations and other requirements or skills and knowledge. Competitive demand for qualified personnel is expected to continue due to the increased number of properties recently opened and expected to open in close proximity to our properties in Macau. The limited supply and increased competition in the labor market could cause our labor costs to increase.

Macau government policy prohibits us from hiring non-Macau resident dealers and supervisors. In addition, the Macau government has continuously stressed that it will continue to monitor the proportion of management positions held by Macau residents and implement measures to ensure such proportion remains no less than 85% of senior and mid-management positions. Due to the increased competition in the labor market and the relevant regulatory restrictions, we cannot assure you that we will be able to attract and retain a sufficient number of qualified individuals to operate our properties, or that costs to recruit and retain such personnel will not increase significantly. In addition, we have previously been subject to certain labor demands in Macau. The inability to attract, retain and motivate qualified employees and management personnel and to continuously optimize our workforce based on changing business demands could have a material adverse effect on our business.

Further, the Macau government is currently enforcing a labor policy pursuant to which the ratio of local to foreign workers that may be recruited is determined on a case-by-case basis and, in relation to construction work, must be at least 1:1 unless otherwise authorized by the Macau government. Such a policy could have a material adverse effect on our ability to complete work on our properties. Moreover, if the Macau government enforces similar restrictive ratios in other areas, such as the gaming, hotel and entertainment sectors, or imposes additional restrictions on the hiring of foreign workers generally, this could have a material adverse effect on the operation of our properties.

Moreover, casino resort employers may also contest the hiring of their former employees by us. There can be no assurance that any such claim will not be successful or other similar claims will not be brought against us or any of our affiliates in the future. In the event any such claim is found to be valid, we could suffer losses and face difficulties in recruiting from competing operators. If found to have basis by courts, these allegations could also result in possible civil liabilities on us or our relevant officers if such officers are shown to have deliberately and willfully condoned a patently unlawful act.

Our insurance coverage may not be adequate to cover all losses that we may suffer from our operations. In addition, our insurance costs may increase and we may not be able to obtain the same insurance coverage in the future.

We currently have various insurance policies providing certain coverage typically required by gaming and hospitality operations in Macau. These insurance policies provide coverage that is subject to policy terms, conditions and limits. There is no assurance that we will be able to renew such insurance coverage on equivalent premium costs, terms, conditions and limits upon their expiration. Certain events, such as typhoons and fires, have increased our premium costs and reduced policy limits. The cost of coverage may in the future become so high that we may be unable to obtain the insurance policies we deem necessary for the operation of our projects on commercially practicable terms, or at all, or we may need to reduce our policy limits or agree to certain exclusions from our coverage. Our cyber insurance may not cover all expenses and losses arising from any cybersecurity incidents and, accordingly, such breaches or other compromises of our information security or that of its third-party service providers or business partners may have an adverse impact on our operating results and financial condition.

We cannot assure you that any such insurance policies we obtained or may obtain will be adequate to protect us from material losses. Certain acts and events, including any pandemic, epidemic of infectious diseases, earthquakes, hurricanes and floods, terrorist acts, or cybersecurity attacks could expose us to significant uninsured losses that may be, or are, uninsurable or too expensive to justify obtaining insurance. As a result, we may not be successful in obtaining insurance without increases in cost or decreases in coverage levels. In addition, in the event of a substantial loss, the insurance coverage we carry may not be sufficient to pay the full market value or replacement cost of our lost investment or in some cases could result in certain losses being totally uninsured. In addition to the damages caused directly by a casualty loss (such as fire or natural disasters), infectious disease outbreaks, terrorist acts or cybersecurity attacks, we may suffer a disruption of our business as a result of these events or be subject to claims by third parties who may be injured or harmed. As an example, COVID-19 outbreaks resulted in many governments around the world, including in Macau where we operate, placing quarantines disallowing residents to travel into or outside of the quarantined area, enforcing business closures and other restrictions. While we intend to continue carrying business interruption insurance and general liability insurance, such insurance may not be available on commercially reasonable terms, or at all, and, in any event, may not be adequate to cover any losses that may result from such events.

There is limited available insurance in Macau and our insurers in Macau may need to secure reinsurance in order to provide adequate cover for our property and development projects. Our credit agreements, our gaming concession in Macau, and certain other material agreements require a certain level of insurance to be maintained, which must be obtained in Macau, unless otherwise authorized by the respective counter-parties. Failure to maintain adequate coverage could be an event of default under our credit agreements, our gaming concession in Macau and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Gaming inherently involves elements of chance that are beyond our control, and as a result our revenues may be volatile and the winnings of our patrons could exceed our casino winnings at particular times during our operations.

The gaming industry is characterized by the element of chance. In addition to the element of chance, theoretical expected win rates are also affected by other factors, including players' skills and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume and mix of bets placed by our players, the amount of time players spend on gambling and the number of our players. As a result, our actual win rates may differ greatly over short time periods, such as from quarter to quarter, and could cause our quarterly results to be volatile. Each of these factors, alone or in combination, have the potential to negatively impact our win rates, and our business, financial condition and results of operations could be materially and adversely affected.

Our revenues are mainly derived from the difference between our casino winnings and the winnings of our casino patrons. Since there are inherent elements of chance in the gaming industry, we do not have full control over our winnings or the winnings of our casino patrons. If the winnings of our patrons exceed our casino winnings, we may record a loss from our gaming operations, and our business, financial condition and results of operations could be materially and adversely affected.

Our gaming business is subject to the risk of cheating and counterfeiting.

All gaming activities at our table games are conducted exclusively with gaming chips which, like real currency, are subject to the risk of alteration and counterfeiting. We incorporate a variety of security and anti-counterfeit features to detect altered or counterfeit gaming chips. Despite such security features, unauthorized parties may try to copy our gaming chips and introduce, use and cash in altered or counterfeit gaming chips in our gaming areas. Any negative publicity arising from such incidents could also tarnish our reputation and may result in a decline in our business, financial condition and results of operations.

Gaming customers may attempt or commit fraud or cheat in order to increase their winnings, including in collusion with the casino's staff. Internal acts of cheating could also be conducted by staff through collusion with dealers, surveillance staff, floor managers or other gaming area staff. Our existing surveillance and security systems, designed to detect cheating at our casino operations, may not be able to detect all such cheating in time or at all, particularly if patrons collude with our employees. In addition, our gaming promoters or other persons could, without our knowledge, enter into betting arrangements directly with our casino patrons on the outcomes of our games of chance, thus depriving us of revenues.

Our operations are reviewed to detect and prevent cheating. Each game has a theoretical win rate and statistics are examined with these in mind. Cheating may give rise to negative publicity and such action may materially affect our business, financial condition, operations and cash flows.

An outbreak of widespread health epidemics or pandemics, contagious disease or other outbreaks may have an adverse effect on the economies of affected countries or regions and may have a material adverse effect on our business, financial condition and results of operations.

Our operations could be, and in certain cases, such as in relation to COVID-19, have been adversely affected by the outbreak of widespread health epidemics or pandemics, such as swine flu, avian influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome (MERS), Zika, Ebola and COVID-19. The occurrence of such health epidemics or pandemics, prolonged outbreak of an epidemic illness or other adverse public health developments in mainland China or elsewhere in the world could materially disrupt our business and operations. Such events could significantly impact our industry and cause severe travel restrictions in mainland China or elsewhere in the world as well as temporary or prolonged closures of the facilities we use for our operations and disruptions to public transportation, which could severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Such events may also indirectly and materially adversely impact our operations by negatively impacting the outlook, growth or business sentiment in the global, regional or local economy.

There can be no assurance that any further outbreak of COVID-19 or an outbreak of swine flu, avian influenza, SARS, MERS, Zika, Ebola or other contagious disease or any measures taken by the governments of affected countries against such potential outbreaks will not seriously interrupt our gaming operations. The perception that an outbreak of any health epidemic or contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia. In addition, our operations could be disrupted if any of our facilities or employees or others involved in our operations were suspected of having COVID-19, swine flu, avian influenza, SARS, MERS, Zika or Ebola as this could require us to quarantine some or all of such employees or persons or disinfect the facilities used for our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, which could result in reduced business volume and the temporary closure of our facilities or otherwise disrupt our business operations and adversely affect our results of operations. Our revenues and profitability could be materially reduced to the extent that a health epidemic or other outbreak harms mainland China or global economy in general.

Health and safety or food safety incidents at our properties may lead to reputational damage and financial exposures.

We provide goods and services to a significant number of customers on a daily basis at our properties. In particular, with attractions, entertainment and food and beverage offerings at our properties, there are risks of health and safety incidents, personal injury, or adverse food safety events, such as food poisoning, physical trauma, slip and fall accidents, or surges in crowd flow at popular ingress and egress points. While we have a number of measures and controls in place aimed at managing such risks, we cannot guarantee that our insurance is adequate to cover all losses, which may result in us incurring additional costs or damages, and negatively impact our financial performance. Such incidents may also lead to reduced customer flow and reputational damage to our properties. See "— We are subject to risks relating to litigation, disputes and regulatory investigations and proceedings which may adversely affect our profitability, financial condition, reputation and prospects."

Unfavorable fluctuations in the currency exchange rates of the H.K. dollar, U.S. dollar or the Pataca and other risks related to foreign exchange and currencies, including restrictions on conversions and/or repatriation of foreign currencies, could adversely affect our indebtedness, expenses, profitability and financial condition.

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our financial statements in U.S. dollars. The majority of our current revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in gaming transactions in Macau and is often used interchangeably with the Pataca in Macau. Our current expenses are denominated predominantly in Patacas and H.K. dollars. In addition, a significant portion of our indebtedness, including the Existing Notes and the Notes, and certain expenses, are or will be denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars.

The value of the H.K. dollar and the Pataca against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar or the Pataca to the U.S. dollar may have a material adverse effect on our revenues and financial condition. For example, to the extent that we are required to convert U.S. dollar financings into H.K. dollars or Patacas for our operations, fluctuations in exchange rates between the H.K. dollar or Pataca against the U.S. dollar could have an adverse effect on the amounts we receive from the conversion.

While we maintain a certain amount of our operating funds in the same currencies in which we have obligations in order to reduce our exposure to currency fluctuations, we have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the six months ended June 30, 2025 and the years ended December 31, 2024, 2023 and 2022. In addition, we may face regulatory, legal and other risks in connection with our assets and operations in certain jurisdictions that may impose limitations, restrictions or approval requirements on conversions and/or repatriation of foreign currencies. We will consider our overall procedure for managing our foreign exchange risk from time to time, but we cannot assure you that any such procedures will enable us to obtain and achieve effective hedging of our foreign exchange risk, which could materially and adversely affect our financial condition and operating results.

Furthermore, mainland China has tightened currency exchange controls and restrictions on the export and conversion of the Renminbi in recent years. Restrictions on the export of the Renminbi, as well as the increased effectiveness of such restrictions, may impede the flow of gaming patrons from mainland China to Macau, inhibit the growth of gaming in those markets and negatively impact our gaming operations.

We have various transactions and contracts with Studio City, our affiliate and a subsidiary of our Parent, under which we operate the Studio City Casino and provide non-gaming services and may enter into additional transactions and contracts with our affiliates that may affect our business, financial condition and results of operations.

We have entered into various transaction and contracts, including the Studio City Casino Agreement and the Master Services Agreements, under which we operate the Studio City Casino and provide non-gaming services to Studio City, our affiliate and a subsidiary of our Parent. Furthermore, we may enter into additional transactions and contracts with Studio City or our other affiliates and such transactions and contracts may affect our business, financial condition and results of operations. See "—Risks Relating to Our Corporate Structure and Ownership—Our ultimate principal shareholder and our Parent have a substantial influence over us and their interests in our business may be different from yours. We have had, and may continue to have, transactions with our ultimate principal shareholder, our Parent and their respective affiliates and such transactions may create conflicts of interest between us and our ultimate principal shareholder." As described in the "Related Party Transactions" section of this offering memorandum, we have obligations to operate the Studio City Casino and provide non-gaming services to Studio City and our right to terminate or modify the Studio City Casino Agreement and Master Services Agreements is restricted under the relevant agreements. While we believe that our arrangements with Studio City are mutually beneficial for our respective businesses, we cannot assure you that such arrangements, and any other affiliate arrangements that we may enter into in the future, will not adversely affect our business, financial condition and results of operations. See "—Risks Relating to Our Indebtedness and the Notes—The limited covenants in the Indenture may not protect against developments that may impair our ability to repay the Notes or the trading price for the Notes."

We and/or our Parent may undertake mergers, acquisitions, strategic transactions, investments or divestments that are not realized or that may result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us or our Parent to regulatory and legal inquiries and proceedings or investigations.

We and/or our Parent have made, and may in the future make, acquisitions, investments, divestments or strategic transactions in companies or projects to expand or complement our existing operations. In addition, we have supported and may in the future support our Parent in its acquisitions, investments or strategic transactions. See "—We may use our cash and other financial resources to engage in strategic transactions, including mergers, acquisitions, joint ventures and share repurchases, or to help support or otherwise fund our Parent in its strategic transactions." From time to time, we and/or our Parent engage in discussions and negotiations with companies regarding acquisitions, investments, divestments or other strategic transactions, which may be material or significant, in such companies or projects.

Should we pursue acquisitions in mainland China, we will be subject to a variety of mainland China anti-monopoly laws. In recent years, additional regulations have been implemented which make merger and acquisition activities by foreign investors more time-consuming and complex. The Measures for the Security Review of Foreign Investments promulgated by National Development and Reform Commission, or the NDRC, and Ministry of Commerce, which became effective from January 2021, require that a security review by relevant governmental authorities must be conducted for foreign investments that affect or may affect national security in accordance with the provisions thereunder. In November 2021, the State Council inaugurated the National Anti-Monopoly Bureau, which aims to further implement fair competition policies and strengthen anti-monopoly supervision in mainland China, particularly to strengthen oversight and law enforcement in areas involving innovation, science and technology, information security and people's livelihoods. Any failure or perceived failure by us to comply with the anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, lawsuits or claims against us and could have an adverse effect on our business, financial condition and results of operations.

Any integration process that would follow any of our acquisitions, investments or strategic transactions may prove more difficult than anticipated. We may be subject to liabilities or claims that we are not aware of at the time of the investment or acquisition, and we may not realize the benefits anticipated at the time of the investment or acquisition. Any benefits anticipated at the time of the investment or acquisition may also not be realized, or may be impacted, due to factors beyond our control. These difficulties could disrupt our ongoing business, distract our management and employees, increase our expenses and liabilities, result in losses, including in material amounts, and may adversely affect our businesses, financial condition and operating results. Even if we do identify suitable opportunities, we may not be able to make such acquisitions or investments on commercially acceptable terms or adequate financing may not be available on commercially acceptable terms, if at all, and we may not be able to consummate a proposed acquisition or investment.

We may also, from time to time, receive inquiries from regulatory and legal authorities and become subject to regulatory and legal proceedings or investigations in connection with our acquisitions, investments, divestments or strategic transactions in companies or projects, which may delay or materially impact the completion of such acquisitions, investments, divestments or strategic transactions. Any such regulatory and legal proceedings or investigations may materially and adversely affect our business, operations, financial condition and prospects.

We may use our cash and other financial resources to engage in strategic transactions, including mergers, acquisitions, joint ventures and share repurchases, or to help support or otherwise fund our Parent in its strategic transactions.

We have engaged in, and may in the future engage in, strategic transactions, including mergers, acquisitions and joint ventures, and may use our cash and other financial resources to fund such transactions. The Parent also has engaged in, and may in the future engage in, strategic transactions, including mergers, acquisitions, joint ventures and share repurchases, for which it has received, and may receive in the future, cash and other financial resources from us to help support or otherwise fund such transactions. See "—Risks Relating to Our Corporate Structure and Ownership—Our ultimate principal shareholder and our Parent have substantial influence over us and their interests in our business may be different from yours. We have had, and may continue to have, transactions with our ultimate principal shareholder, our Parent and their respective affiliates and such transactions may create conflicts of interest between us and our ultimate principal shareholder" and "—We and/or our Parent may undertake mergers, acquisitions, strategic transactions, investments or divestments that are not realized or that may result in operating difficulties, distractions from our current businesses or a material and adverse effect on our business and financial condition and subject us or our Parent to regulatory and legal inquiries and proceedings or investigations."

We are subject to risks relating to litigation, disputes and regulatory investigations and proceedings which may adversely affect our profitability, financial condition, reputation and prospects.

We are, and may in the future be, subject to legal actions, disputes and regulatory investigations in the ordinary course of our business. We are also subject to risks relating to legal, administrative and regulatory proceedings and investigations which we or our affiliates are or may be a party to from time to time, or which could develop in the future, as well as fines or other penalties which may be imposed on us in connection with any requisite permit, license or other approval for our business and operations. Any adverse outcome may cause material disruptions to our normal business operations. In addition, litigation, dispute, administrative and regulatory proceedings can be costly and time-consuming and may divert management attention and resources from our operations. We could incur significant defense costs and be required to pay damages and interest to the prevailing party and, depending on the jurisdiction of the litigation, be held responsible for the costs of the prevailing party. Our reputation may also be adversely affected by our involvement or the involvement of our affiliates in litigation, dispute, administrative and regulatory proceedings. In addition, we and our affiliates operate or have interests in a number of jurisdictions in which regulatory and government authorities have wide discretion to take procedural actions in support of their investigations and regulatory proceedings, including seizures and freezing of assets and other properties that are perceived to be connected or related to such investigations or regulatory proceedings. Given such wide discretion, regulatory or government authorities may take procedural or other actions that may affect our assets and properties in connection with any investigation or legal, administrative or regulatory proceeding involving us, any of our affiliates, or third parties, which may materially affect our business, financial condition or results of operations.

In addition, claims and proceedings against us, including but not limited to any claims alleging that we received, misappropriated or misapplied funds, or violated any anti-corruption law or regulation, may result in our business operations being subject to greater scrutiny from relevant regulatory authorities and requiring us to make further improvements to our existing systems and controls and business operations, all of which may increase our compliance costs. No assurance can be provided that any provisions we have made for such matters will be sufficient. Litigation, disputes and regulatory proceedings and investigation are inherently unpredictable and our results of operations or cash flows may be adversely affected by an unfavorable resolution of any pending or future litigation, disputes and regulatory investigation.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct, and expect to continue to conduct, our gaming activities at our casinos on a credit basis as well as a cash basis. We grant credit to certain premium direct players and certain customers of gaming promoters.

We extend credit, often on an unsecured basis, to certain patrons whose level of play and financial resources warrant such an extension in our opinion. High-end patrons typically are extended more credit than patrons who wager lower amounts. Any slowdown in the economy could adversely impact our customers to whom we extend credits, which could in turn increase the risk that these clients may default on credit extended to them.

We may not be able to collect all of our gaming receivables from, or fully realize the value of collateral posted by, our credit customers. We expect that we will be able to enforce our gaming receivables in Macau and under certain circumstances, Hong Kong, U.S., Australia and Canada. As most of our customers in Macau are visitors from other jurisdictions, we may not have access to a forum in which we will be able to collect all of our gaming receivables because, among other reasons, courts in many jurisdictions do not enforce gaming debts. Further, we may be unable to locate assets in other jurisdictions against which recovery of gaming debts can be sought. The collectability of receivables from our credit customers and, in particular, our international credit customers, could be negatively affected by future business or economic trends or by significant events in the jurisdictions in which these customers reside, or in which their assets are located. We may also have to determine whether aggressive enforcement actions against a customer will unduly alienate the customer and cause the customer to cease playing at our casinos. We could suffer a material adverse impact on our operating results if receivables from our credit customers are deemed uncollectible. In addition, in the event a credit customer suffers losses in connection with any gaming activities at our properties and receivables from such customer are uncollectible, Macau gaming taxes will still be payable on the resulting gaming revenues, notwithstanding the fact that any receivables owed by such customer to us may be uncollectable. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which approximate fair values.

Our business and financial plans may be negatively impacted by any contraction in the availability and significant increase in the cost of credit.

Our business and financing plans may be dependent upon the completion of future financings. Any severe contraction of liquidity in the global credit markets and/or a significant increase in interest rates may make it difficult and costly to obtain new lines of credit or to refinance existing debt, and may place broad limitations on the availability of credit from credit sources as well as lengthen the recovery cycle of extended credit. Any deterioration in the credit environment may cause us to have difficulty in obtaining additional financing on acceptable terms, or at all, which could adversely affect our ability to complete current and future projects and/or refinance existing debt on a timely basis. Tightening of liquidity conditions in credit markets and material rises in the cost of funding may also constrain revenue generation and growth and could have a material adverse effect on our business, financial condition and results of operations.

Rolling chip patrons and premium direct players may cause significant volatility in our revenues and cash flows.

A portion of our casino revenues in Macau are generated from the rolling chip operations of the gaming market. The loss or a reduction in the play of the most significant of these rolling chip patrons or premium direct players could have an adverse effect on our business. In addition, revenues and cash flows derived from high-end gaming of this type are typically more volatile than those from other forms of gaming primarily due to high bets and the resulting high winnings and losses. As a result, our business, results of operations and cash flows from operations may be more volatile from quarter to quarter than that of our competitors and consequently may require higher levels of cage cash in reserve to manage this volatility.

We depend upon gaming promoters for a portion of our gaming revenues. If we are unable to establish or maintain the number of successful relationships with gaming promoters in Macau, the financial resources of our gaming promoters are insufficient to allow them to continue doing business or we are unable to find alternative means to attract VIP rolling chip patrons in Macau where gaming promoters have become subject to restrictions on doing business due to legal and regulatory requirements, our results of operations could be materially and adversely impacted.

Historically, VIP rolling chip patrons introduced to us by gaming promoters were responsible for a significant portion of our gaming revenues in Macau. However, significantly increased regulatory scrutiny of gaming promoters in Macau has resulted, and may continue to result, in restrictions on their activities and the cessation of business of many gaming promoters. In addition, changes to the legal and regulatory framework in mainland China has also affected gaming promoters in Macau. For example, amendments to mainland China's criminal laws, which provide that anyone that organizes trips for mainland China citizens for the purpose of gambling outside of mainland China, including Macau, may be deemed to have conducted a criminal act, came into effect on March 1, 2021. Furthermore, in November 2021, the Court of Final Appeal in Macau issued a final unappealable decision holding that a gaming operator was jointly liable with a gaming promoter for the refund of funds deposited with such gaming promoter, and separately the Macau authorities have arrested executives from a gaming promoter for alleged illegal overseas gaming related activities. In January 2022, the Macau authorities also arrested an executive from another gaming promoter and certain related individuals and certain of these individuals were sentenced to jail terms in addition to the payment of monetary compensation to the Macau SAR in January 2023. On December 20, 2022, a new law came into effect that included provisions clarifying the extent of joint liability of concessionaires and gaming promoters pursuant to which the acceptance of funds or chips from others by a gaming promoter is only considered activity undertaken by the casino when such funds or chips were used to play or result from gaming winnings. The records kept by the concessionaire with respect to the chips or play are relevant for such determination. Under such new law, the taking of deposits of funds from others not for gaming purposes is considered a crime. We currently engage gaming promoters in Macau. In the event gaming promoters are subject to additional restrictions and regulatory scrutiny in Macau and we, or the gaming promoters we engage, are unable to successfully attract VIP rolling chip patrons, our business, financial condition and results of operations could be affected materially and adversely. For a further discussion of restrictions on gaming promoters in Macau, see "— Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful."

If we are unable to utilize, maintain, resume and/or develop relationships with gaming promoters, our ability to grow our gaming revenues may be hampered and we may have to seek alternative ways to develop and maintain relationships with rolling chip patrons, which may not be as profitable as relationships developed through gaming promoters. As competition intensifies, we may therefore need to offer better terms to gaming promoters, including extensions of credit to junket players, which may increase our overall credit exposure or to find alternate ways of attracting such patrons which may not be as effective as gaming promoters or may increase our marketing expenses.

In addition, such gaming promoters may encounter difficulties in attracting patrons to come to our casinos.

We are impacted by the reputation and integrity of the parties with whom we engage in business activities, including gaming promoters, and we cannot assure you that these parties will always maintain high standards or suitability throughout the term of our association with them. Failure to maintain such high standards or suitability may cause us and our shareholders to suffer harm to our own and our shareholders' reputation, as well as impair relationships with, and possibly result in sanctions from, gaming regulators.

The reputation and integrity of the parties with whom we engage in business activities are important to our own reputation and our ability to continue to operate in compliance with the permits and licenses required for our businesses. These parties include, but are not limited to, those who are engaged in gaming-related activities, such as gaming promoters, developers and hotel, restaurant and night club operators with whom we have or may enter into services or other types of agreements. Under the Macau Gaming Operations Law and Gaming Activities Law, Melco Resorts Macau has an obligation to supervise gaming promoters who operate at our Macau properties to ensure their compliance with applicable laws and regulations. To conduct any business activity in licensed casinos, all persons responsible for the operations of gaming promoters and/or applicants for gaming promoters operations must demonstrate that they are "fit and proper" persons.

For parties we deal with in gaming-related activities, where relevant, the gaming regulators also undertake their own probity checks and will reach their own suitability findings in respect of the activities and parties with which we intend to associate. In addition, we also conduct our internal due diligence and evaluation process prior to engaging such parties. Notwithstanding such regulatory probity checks and our own due diligence, we cannot assure you that the parties with whom we are associated will always maintain the high standards that gaming regulators and we require or that such parties will maintain their suitability throughout the term of our association with them. In addition, if any of our gaming promoters violate applicable laws, the government may, at its discretion, take enforcement action against the gaming promoters and could also seek to impose liability on us for the conduct of the gaming promoters. Also, if a party associated with us falls below the gaming regulator's suitability standard or if their probity is in doubt, this may be negatively perceived when assessed by the gaming regulators. As a result, we and our shareholders may suffer reputational harm, as well as impaired relationships with, and possibly sanctions or other measures or actions from, the relevant gaming regulators with authority over our operations.

Any failure or alleged failure to comply with anti-corruption laws, including the U.S. Foreign Corrupt Practices Act ("FCPA"), could result in penalties, which could harm our reputation and have an adverse effect on our business, results of operations and financial condition.

We and our Parent are subject to a number of anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, or FCPA. The FCPA prohibits companies and any individuals or entities acting on their behalf from offering or making improper payments or providing things of value to foreign officials for the purpose of obtaining or keeping business. The FCPA also requires companies to maintain accurate books and records and to devise and maintain a system of internal accounting controls. Breach of these anti-corruption laws carries severe criminal and civil sanctions as well as other penalties and reputational harm. There has been a general increase in FCPA enforcement activities in recent years by the SEC and the U.S. Department of Justice. Both the number of FCPA cases and sanctions imposed have risen significantly.

We and our affiliated companies have adopted and implemented an anti-corruption compliance program covering both commercial bribery and public corruption which includes internal policies, procedures and training aimed to prevent and detect anti-corruption compliance issues and risks, and procedures to take remedial action when compliance issues are identified, there is no assurance that our employees, consultants, contractors and agents, and those of our affiliates, will adhere to the anti-corruption compliance programs, or that any action taken to comply with, or address compliance issues, will be considered adequate by the regulatory bodies with jurisdiction over us and our affiliates. Any violation of our compliance programs or applicable laws by us or our affiliates could subject us or our affiliates to investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions, any of which may result in a material adverse effect on our reputation, cause us to lose customer relationships or gaming licenses, or lead to other adverse consequences on our business, prospects, financial condition and results of operations. As our Parent is a U.S. listed company, certain U.S. laws and regulations apply to our operations and compliance with those laws and regulations increases our cost of doing business. We also deal in significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws or regulations by us could have a negative effect on our results of operations.

A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations.

We have the right to use certain trademarks that are owned or licensed by a subsidiary of our Parent, including "Melco," "Altira," "Mocha Club," "City of Dreams," "Nüwa," "The Countdown," "Morpheus," "*House of Dancing Water*" and "Melco Resorts & Entertainment" in Macau and/or other jurisdictions. The brands we use in connection with our properties have gained recognition. Failure to possess, obtain or maintain adequate protection of our intellectual property rights could negatively impact our brands and could have a material adverse effect on our business, financial condition and results of operations. For example, third parties may misappropriate or infringe our intellectual property, which may include but not be limited to the use of our intellectual property by offshore gaming websites, including those that may attempt to defraud members of the public. While we may take legal or other appropriate actions against these unauthorized offshore websites, such as by reporting the sites to the appropriate governmental or regulatory authorities, such actions may not be effective or significant expenses could be incurred and such unauthorized activities may draw businesses away from our operations and/or tarnish our reputation, all of which may adversely affect our business, financial condition and results of operations.

The infringement or alleged infringement of intellectual property rights belonging to third parties could adversely affect our business.

We face the potential risk of claims that we have infringed upon the intellectual property rights of third parties, which could be expensive and time-consuming to defend. In addition, we may be required to cease using certain intellectual property rights or selling or providing certain products or services, pay significant damages or enter into costly royalty or licensing agreements in order to obtain the right to use a third party's intellectual property rights (if available at all), any of which could have a negative impact on our business, financial condition and future prospects. Furthermore, if litigation were to result from such claims, our business could be interrupted.

We cannot assure you that anti-money laundering policies that we have implemented, and compliance with applicable anti-money laundering laws, will be effective to prevent our casino operations from being exploited for money laundering purposes.

Macau's free port, offshore financial services and free movement of capital have created an environment whereby Macau's casinos could be exploited for money laundering purposes. We also deal with significant amounts of cash in our regular casino operations in Macau. As our Macau operations are subject to various reporting and anti-money laundering regulations and increased audits and inspections from regulators, we have implemented anti-money laundering policies to address those requirements. Any further changes to anti-money laundering laws and regulations in Macau may require us to adopt changes to our own anti-money laundering policies.

We cannot assure you that our contractors, agents or employees will continually adhere to any such current or future policies or these policies will be effective in preventing our casino operations from being exploited for money laundering purposes, including from jurisdictions outside of Macau.

There can be no assurance that, despite the anti-money laundering measures we have adopted and undertaken, we would not be subject to any accusation or investigation related to any possible money laundering activities. In addition, we expect to be required by relevant regulatory authorities from Macau and other jurisdictions that regulate our business activities to attend meetings and interviews from time to time to discuss our operations as they relate to anti-money laundering laws and regulations during which regulatory authorities may make inquiries and take other actions such as compliance audits at their discretion. Any incident of money laundering, accusation of money laundering or regulatory investigations into possible money laundering activities involving us, our employees, our gaming promoters, our customers or others with whom we are associated could have a material adverse impact on our reputation, business, cash flow, financial condition, prospects and results of operations. Any serious incident of, or repeated violation of, laws related to money laundering or any regulatory investigation into money laundering activities may cause a revocation or suspension of the concession. For more information regarding anti-money laundering regulations in Macau, see "Regulations—Anti-Money Laundering and Terrorism Financing Regulations."

Information technology and other systems that we depend on are subject to cybersecurity risks, including disruptions to systems and operations, misappropriation of customer information, other breaches of information security or other cybercrimes, as well as regulatory and other risks.

We rely on information technology and other systems (including those maintained by third-party service providers, supplies and customers) to maintain and transmit large volumes of customer information, credit card settlements, credit card funds transmissions, mailing lists and reservations information and other personally identifiable information. We also maintain important internal company data such as personally identifiable information about our employees and information relating to our operations. The systems and processes we have implemented to protect customers, employees and company information are subject to the rapidly changing risks of compromised security and may therefore become outdated. Despite our preventive efforts, we are subject to the risks of compromised security, including cyber and physical security breaches, system failures, computer viruses, technical malfunctions, inadequate system capacities, power outages, natural disasters and inadvertent, negligent or intentional misuses, disclosure or dissemination of information or data by customers, company employees or employees of third-party vendors, ransomware attacks that encrypt, exfiltrate or otherwise render data unusable or unavailable or other forms of cybercrimes that include fraud or extortion. These risks can also be manifested in a variety of other ways, including through methods which may not yet be known to the cybersecurity community, and have become increasingly difficult to anticipate and prevent.

The steps we take to deter and mitigate these risks may not be successful or effective and our insurance coverage for protecting against cybersecurity risks may not be sufficient. The third parties that we engage or conduct business with face risks relating to cybersecurity similar to ours, and we do not directly control any of such service providers' information security operations. A significant theft, loss or fraudulent use of customer or company data maintained by us or by a third-party service provider could have an adverse effect on our reputation, cause a material disruption to our operations and management team, and result in remediation expenses, regulatory penalties and litigation by customers and other parties whose information was subject to such attacks, all of which could have a material adverse effect on our business, prospects, results of operations and cash flows. In addition to risks related to the theft, loss or unauthorized disclosure of data, we are also exposed to significant risks related to the availability and functionality of our information technology systems such as resulting from cybercrimes or information technology outages. If our information technology systems become damaged or otherwise cease to function properly, our services and results of operations may be adversely affected and we may have to make significant investments to repair or replace them. Furthermore, any extended downtime from power supply disruptions or information technology system outages which may be caused by cybersecurity attacks or other reasons at our properties may lead to an adverse impact on our operating results if we are unable to deliver services to customers for an extended period of time.

Despite the security measures we currently have in place, our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, phishing attacks, computer viruses, misplaced or lost data, programming or human errors, other cybercrimes and other events. Cybersecurity risks continue to intensify globally, with cybercriminals employing increasingly sophisticated methods of cyber-attack. There were a number of well-publicized attacks on large corporations, including several in our industry. Cyber-attacks are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature and, as a result, the technology we use to protect our systems could become outdated. The occurrence of any of the cyber incidents described above could cause reputational harm to us, expose us to legal proceedings and have a material adverse effect on our business, results of operations and cash flows.

Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, whether by us or by a third party, could disrupt our business, damage our reputation and relationships with our customers, suppliers and employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers', suppliers' and employees' confidence in us, and adversely affect our business, results of operations and financial condition. Any perceived or actual unauthorized disclosure of personally identifiable information of our employees, customers, suppliers or website visitors could harm our reputation and credibility and reduce our ability to attract and retain employees, suppliers and customers. We are also subject to enactment of new laws, or amendments to existing laws with more stringent requirements, in relation to cybersecurity. For example, a new Cybersecurity Law was introduced in Macau in 2019 which also applies to our businesses in Macau. See "Regulations—Cybersecurity Regulations." As any of the above cybersecurity threats develop and grow and our obligations under cybersecurity regulations increase, we may find it necessary to make significant further investments to protect our data and infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of personnel.

Finally, while we have developed and implemented a cybersecurity risk management program, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully complied with or effective in protecting our systems and information.

Negative press or publicity about us or our sole director, officers or affiliates may lead to government investigations, result in harm to our business, brand or reputation and have a material and adverse effect on our business.

Unfavorable publicity regarding us, or our sole director, officers or affiliates, whether substantiated or not, including, but not limited to, as a result of any unfavorable publicity regarding and/or legal or other proceedings against parties we work with from time to time, including auditors, consultants and financial, legal or other advisors, may have a material and adverse effect on our business, brand and reputation. Such negative publicity may require us to engage in a defensive media campaign, which may divert our management's attention, result in an increase in our expenses and adversely impact our results of operations, financial condition, prospects and strategies. The prevalence of social media compounds the potential scope of the negative publicity that could be generated. Any negative press or publicity could also lead to government or other regulatory investigations, including causing regulators with jurisdiction over our gaming operations in Macau to take action against us or our related licensees, including actions that could affect the ability or terms upon which our subsidiaries hold their gaming licenses and/or concession, our suitability to continue as a shareholder of those subsidiaries and/ or the suitability of key personnel to remain with us. If any of these events were to occur, it could cause a material adverse effect on our business and prospects, financial condition and results of operations.

Failure to protect the integrity and security of company staff, supplier and customer information and comply with cybersecurity, data privacy, data protection or any other laws and regulations related to data may materially and adversely affect our business, financial condition and results of operations, and/or result in damage to reputation and/or subject us to fines, penalties, lawsuits, restrictions on our use or transfer of data and other risks.

Our businesses collect, use and transmit large volumes of data, including credit card numbers and personal information in various information systems relating to our customers, suppliers and staff, and such personal information may be collected and/or used in, and transmitted to or from, multiple jurisdictions. We may be subject to a variety of cybersecurity, data privacy, data protection and other laws and regulations related to data, including those relating to the collection, use, sharing, retention, security, disclosure, and transfer of confidential and private information, such as personal information and other data. These laws and regulations apply not only to third-party transactions, but also to transfers of information within our organization. These laws and regulations may restrict our business activities and increase our compliance costs and efforts. Any breach or noncompliance may subject us to proceedings, damage our reputation, or result in penalties and other significant legal liabilities, and thus may materially and adversely affect our business, financial condition, and results of operations.

Our customers, suppliers and employees have a high expectation that we will adequately protect their personal information. Such collection, use and/or transmission of personal information is governed by privacy laws and regulations and such laws and regulations change often, vary significantly by jurisdiction and often are newly enacted. For example, the European Union ("EU")'s General Data Protection Regulation ("GDPR")requires companies to meet new and more stringent requirements regarding the handling of personal information. The GDPR may also capture data processing by non-EU firms with no EU establishment if, for example, they conduct direct marketing that specifically targets individuals in the EU. In mainland China, on November 1, 2023, the National Information Security Standardization Technical Committee issued the Network Security Standard Practice Guide—Guangdong-Hong Kong-Macau Greater Bay Area Cross-Border Personal Information Protection Requirements (Draft for Comment), setting out the basic principles and protection requirements in the personal information cross-border flow in the Guangdong-Hong Kong-Macao Greater Bay Area, which requires personal information processors to comply with the local laws and regulations in the jurisdictions concerned. It is likely that this Standard Practice Guide, if effective, will be applicable to companies operating in Macau and Hong Kong, like us.

In some jurisdictions, including mainland China where our Parent has a wholly-owned subsidiary that hosts domain names of our mainland China websites and other online platforms which promote our non-gaming amenities in mainland China, the cybersecurity, data privacy, data protection, or other data-related laws and regulations are relatively new and evolving, and their interpretation and application may be uncertain. For example, the Cybersecurity Administration of China, or CAC, introduced the Management Measures for Reporting Cybersecurity Incidents (Draft for Comment) in December 2023, which require mandatory reporting within one hour for significant, major, or exceptionally major incidents. On January 4, 2022, the CAC issued the New Measures for Cybersecurity Review, or the New Measures, which amended the Measures for Cybersecurity Review (Draft Revision for Comments) released on July 10, 2021 and came into effect on February 15, 2022. The New Measures extend the scope of cybersecurity review to network platform operators engaging in data processing activities that affect or may affect national security, including overseas listings. Specifically, the New Measures provide that if a network platform operator who possesses personal information of more than one million users plans to be listed in foreign countries, it must apply for cybersecurity review and, in any event, the CAC has the authority to initiate a cybersecurity review if it considers the data processing activities in connection with a proposed listing will or may affect national security. The New Measures do not specify the types of public listings that will be subject to cybersecurity review and do not give sufficient guidance on the specific types of data processing activities that may be subject to cybersecurity review. The mainland China government authorities may have wide discretion in the interpretation and enforcement of the applicable laws. As such, we cannot predict the impact of the New Measures on us, if any, at this stage, and we will closely monitor and assess the developments in the rule-making process. If the practical application of the New Measures results in mandated clearance of cybersecurity reviews and other specific actions to be completed by companies operating in Macau like us, we face uncertainties as to whether such clearance can be timely obtained, or at all. We have not received any formal notice from any mainland China cybersecurity regulator that we should apply for or otherwise be subject to a cybersecurity review, but we cannot be certain that such notifications will not occur in the future.

On September 30, 2024, the Administration Regulations on Cyber Data Security (the "Data Security Regulations") were published by the State Council, which came into effect on January 1, 2025. The Data

Security Regulations reiterate and refine the general regulations for cyber data processing activities and rules of personal information protection, important data security protection, cyber data cross-border transfer security management, and the responsibilities of online platform service providers. In particular, the Data Security Regulations provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Data Security Regulations provide no further explanation or interpretation for the criteria on determining the risks that "affect or may affect national security." Also, since the Data Security Regulations are still relatively new, the interpretation and implementation of these regulations may further evolve and develop, we cannot predict the impact of the Data Security Regulations on us.

In addition, the Data Security Law of China, which was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and took effect on September 1, 2021, requires data collection to be conducted in a legitimate and proper manner, and stipulates that, for the purpose of data protection, data processing activities must be conducted based on data classification and hierarchical protection systems for data security. Furthermore, the recently issued Opinions on Strictly Cracking Down Illegal Securities Activities requires (i) speeding up the revision of the provisions on strengthening the confidentiality and archives management relating to overseas issuance and listing of securities and (ii) improving the laws and regulations relating to data security, cross-border data flow, and management of confidential information. The Personal Information Protection Law of China, which was promulgated by the Standing Committee of the National People's Congress on August 20, 2021 and took effect on November 1, 2021, integrates the various rules with respect to personal information rights and privacy protection and applies to the processing of personal information within mainland China as well as certain personal information processing activities outside mainland China, including those for the provision of products and services to natural persons within mainland China or for the analysis and assessment of acts of natural persons within mainland China. Although we have not collected, stored or managed any personal information in mainland China, given that there remain uncertainties regarding the further interpretation and implementation of those laws and regulations, if they are deemed to be applicable to companies operating in Macau, like us, we cannot assure you that we will be compliant with such new regulations in all respects, and we may be ordered to rectify and terminate any actions that are deemed illegal by the government authorities and become subject to fines and other government sanctions, which may materially and adversely affect our business, financial condition, and results of operations. Furthermore, we must also comply with other industry standards such as those for the credit card industry and other applicable data security standards.

Compliance with applicable privacy laws, regulations and standards may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our customers and guests. For example, these laws, regulations and standards may restrict information sharing in ways that make it more difficult to obtain or share information concerning at risk individuals. In addition, non-compliance with applicable privacy laws, regulations and standards by us (or in some circumstances non-compliance by third parties engaged by us) may result in damage of reputation and/or subject us to fines, penalties, payment of damages, lawsuits, criminal liability or restrictions on our use or transfer of data.

Any failure to keep pace with and successfully incorporate technological developments into our operations may impair our ability to compete effectively.

We use sophisticated information technology and systems in our gaming operations, non-gaming operations and corporate functions. Technological developments in tools and solutions which can be incorporated into our operations and processes are rapidly evolving, such as the recent incorporation by us and other gaming operators of gaming tables utilizing radio frequency identification which permit enhanced monitoring of wagers and other gaming table activities. Furthermore, developing, acquiring and maintaining such tools and solutions may require significant capital and result in higher costs than anticipated. If we fail to keep pace with, or successfully incorporate, technological developments in such tools and solutions into our operations and processes, our ability to compete may be impaired.

Our new branded products or new business lines may not be successful.

In 2018, we launched the Nüwa brand at City of Dreams. We intend to rebrand The Countdown. We may continue introducing new brand names and brand identities in the future, which may be time-consuming and expensive, or may not have the intended effect, any of which could have a material adverse effect on our business, results of operations and financial condition. We may also launch new products or enter into new business or service lines that are subject to different business or regulatory risks than our existing gaming business. These new initiatives may subject us to additional costs for complying with a new set of laws, rules, regulations and policies and/or requirements imposed by new governmental and regulatory bodies. Given our relative lack of experience in these new business ventures, there is also no assurance that they will be successful. Accordingly, the revenue streams from our new properties and casinos opening in the near future may not be stable or significant.

Economic or trade sanctions and a heightened trend towards trade and technology "de-coupling" could negatively affect the relationships and collaborations with our suppliers, service providers, technology partners and other business partners and our ability to accept certain customers, which could materially and adversely affect our competitiveness and business operations.

The United Nations and a number of countries and jurisdictions, including the United States, China and the EU, have adopted various economic or trade sanction regimes. In particular, economic and trade sanctions have been threatened and/or imposed by the U.S. government on a number of mainland China-based technology companies, including ZTE Corporation, Huawei Technologies Co., Ltd., or Huawei, Tencent Holdings Limited, certain of their respective affiliates, and other mainland China-based technology companies. These mainland China technology conglomerates manufacture and/or develop telecommunications and other equipment, software, mobile Apps and devices that are popular and widely used globally, including by us and by our customers, especially those in mainland China. The United States has also in certain circumstances imposed and threatened to impose further sanctions, trade embargoes, and other heightened regulatory requirements on mainland China and mainland China-based companies. The U.S. government has brought enforcement actions against ZTE Corporation and Huawei and related persons, as well as companies who engaged in unauthorized transactions with Huawei.

These restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, though may not be directly applicable to us, may materially and adversely affect our suppliers, service providers, technology partners or other business partners' abilities to acquire technologies, systems, devices or components that may be critical to our relationships or collaborations with them. In addition, if any of our suppliers, service providers, technology partners or other business partners that have collaborative relationships with us or our affiliates were to become subject to sanctions or other restrictions, this might restrict or negatively impact our ongoing relationships or collaborations with them, which could materially and adversely affect our competitiveness and business operations. Media reports on alleged uses of the technologies, systems or innovations developed by business partners or other parties not affiliated with or controlled by us, even on matters not involving us, could nevertheless damage our reputation and lead to regulatory investigations, fines and penalties against us.

In addition, the continuing military conflict between Russia and Ukraine has led to sanctions and export controls being imposed by the United States, the European Union, the United Kingdom and other countries targeting Russia, its financial systems and major financial institutions and certain Russian entities and persons. As these new and growing lists of sanctions and measures are extensive and changing, they could be difficult to comply with and could also significantly increase our business and compliance costs. Such sanctions and measures have had and may continue to have a negative impact on our business and our ability to accept certain customers.

Climate change, environmental, social and governance and sustainability related concerns could have a significant negative impact on our business and results of operations.

Various jurisdictions are adopting or considering new laws and regulations that expand mandatory disclosure, reporting and diligence requirements with respect to environmental, social and governance ("ESG") matters, and expectations of investors, customers, employees and other stakeholders in this area continue to evolve.

There are also risks associated with the chronic and acute physical effects of climate change (including changes in sea levels, water shortages, droughts, typhoons and other extreme weather phenomena and natural disasters). Inability to maintain reliable energy supplies due to climate change disruptions may also impact our business continuity and an increase in frequency of extreme weather events could leave us vulnerable to increased insurance costs or limit or ability to obtain sufficient coverage. See "— Our business is subject to regional and global political, social and economic risks, as well as natural disasters, that may significantly affect visitations to our properties and have a material adverse effect on our results of operations" for a discussion of risks relating to natural disasters that could be exacerbated by climate change.

The criteria by which our ESG and sustainability practices are assessed may also change due to the evolution of the sustainability landscape, which could result in greater expectations of us and cause us to undertake costly initiatives to satisfy such new criteria. We have potentially high exposure to net zero transition-related policies and carbon prices that could result in energy inflationary pressures. Implicit carbon costs could also affect us where investments are required to meet building efficiency requirements and emissions regulations that are introduced as part of net zero transition plans. In addition, we have exposure to potential commodity price increase pressures on energy intensive goods and construction materials procured as a result of net zero transition-related regulations. If we are unable to satisfy such new criteria, stakeholders may conclude our policies and/or actions with respect to ESG and sustainability matters are inadequate. In addition, we utilize a significant amount of energy and water and produce a considerable amount of waste in our operations and any failure in our efforts to use materials efficiently or reduce waste may not meet the expectations of our stakeholders. Compliance with future climate-related legislation and regulation, and our efforts to achieve emissions reduction targets, could also be difficult and costly. Consumer travel and consumption preferences may also shift due to sustainability related concerns or costs. Moreover, stakeholders (including those in support of or in opposition to ESG principles) may have a negative view of us to the extent we are perceived to have not responded appropriately to their ESG concerns or take positions that are contrary to their views or expectations. As a result of the foregoing, we may experience significant increase in operating and compliance costs, operating disruptions or limitations, reduced demand, and constraints on our growth, all of which could adversely affect our profits.

Claims or regulatory actions against us under mainland China's competition laws may result in fines, constraints on our business and damage to our reputation.

In recent years, the mainland China government has stepped up enforcement against concentration of undertakings, cartel activities, monopoly agreements, unfair pricing, abusive behaviors by companies with market dominance and other anti-competitive activities. In December 2020, the mainland China government announced that strengthening anti-monopoly measures and preventing the disorderly expansion of capital has become one of its focuses, and that it intended to improve digital regulations and legal standards for the identification of platform enterprise monopolies for the gathering, usage and management of data, and for the protection of consumer rights.

For example, the mainland China government has enhanced its anti-monopoly and anti-unfair competition laws and regulations, such as the enactment of the Online Trading Measures, which took effect on May 1, 2021, and the amended Anti-monopoly Law, which came into effect on August 1, 2022 and significantly increased the consequences of liability for violations, including for failing to notify the State Administration for Market Regulation prior to implementing transactions if certain thresholds are met.

As of the date of this offering memorandum, mainland China's statements and regulatory actions related to anti-monopoly concerns have not impacted our business, our ability to accept foreign investments or our ability to issue our securities to foreign investors. However, in the future, we may become subject to these or similar laws and regulations and compliance with such laws and regulations, as well as administrative guidance and requirements by regulators from time to time, may require significant resources and efforts, including changing our operations and pricing practices, restructuring our operations and adjusting our investment activities, which may materially and adversely affect our operations, growth prospects, reputation and the value of the Notes.

All of our current and future construction projects are and will be subject to significant development and construction risks, which could have a material adverse impact on related project timetables, costs and our ability to complete the projects.

All of our current and future construction projects are and will be subject to a number of risks, including:

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- disruptions to key supply markets, including shortages of, and price increases in, energy, materials and skilled and unskilled labor, geopolitical issues and inflation;
- delays in obtaining or inability to obtain necessary permits, licenses and approvals;
- lack of sufficient, or delays in availability of, financing;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming, leisure, residential, real estate development or construction projects;

- labor disputes or work stoppages;
- shortage of qualified contractors and suppliers or inability to enter into definitive contracts with contractors with sufficient skills, financial resources and experience on commercially reasonable terms, or at all;
- disputes with, and defaults by, contractors and subcontractors and other counter-parties;
- personal injuries to workers and other persons;
- environmental, health and safety issues, including site accidents and the spread or outbreak of infectious diseases;
- weather interferences or delays;
- fires, typhoons and other natural disasters;
- geological, construction, excavation, regulatory and equipment problems; and
- other unanticipated circumstances or cost increases.

The occurrence of any of these events could increase the total costs, delay or prevent the construction or opening or otherwise affect the design and features of any existing or future construction projects which we might undertake. We cannot guarantee that our construction costs or total project costs for existing or future projects will not increase beyond amounts initially budgeted.

We could encounter substantial cost increases or delays in our projects, which could prevent or delay the opening of such projects.

We have certain projects under development and may have development projects in the future. The completion of these projects, such as the renovation and rebranding of The Countdown, is subject to a number of contingencies, including adverse developments in applicable legislation, delays or failures in obtaining necessary government licenses, permits or approvals, disruptions to key supply markets, including shortages of, and price increases in energy, materials and skilled and unskilled labor, and inflation. The occurrence of any of these developments could increase the total costs or delay or prevent the construction or opening of new projects, which could materially and adversely affect our business, financial condition and results of operations. We may also require additional financing to develop our projects. Our ability to obtain such financing depends on a number of factors beyond our control, including market conditions, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies and interest rates.

There is no assurance that the actual costs related to our projects will not exceed the costs we have projected and budgeted, which could materially and adversely affect our business, cash flow, financial condition, results of operations and prospects.

Construction is subject to hazards that may cause personal injury or loss of life, thereby subjecting us to liabilities and possible losses, which may not be covered by insurance.

The construction of large-scale properties, including the types of projects we are or may be involved in, can be dangerous. Construction workers at such sites are subject to hazards that may cause personal injury or loss of life, thereby subjecting the contractors and us to liabilities, possible losses, delays in completion of the projects and negative publicity. We believe, and require, our contractors take safety precautions that are consistent with industry practice, but these safety precautions may not be adequate to prevent serious personal injuries or loss of life, damage to property or delays. If accidents occur during the construction of any of our projects, we may be subject to delays, including delays imposed by regulators, liabilities and possible losses, which may not be covered by insurance, and our business, prospects and reputation may be materially and adversely affected.

Changes in tax law relating to multinational corporations could adversely affect our tax position.

The member countries of the Organization for Economic Co-operation and Development ("OECD"), with the support of the G20, initiated the base erosion and profit shifting ("BEPS") project in 2013 in response to concerns that changes were needed to international tax laws. In November 2015, the G20 finance ministers adopted final BEPS reports designed to prevent, among other things, the artificial shifting of income to low-tax jurisdictions, and legislation to adopt and implement the standards set forth in such reports has been enacted or is currently under consideration in a number of jurisdictions. In May 2019, the OECD published a "Programme of

Work," which was divided into two pillars. Pillar One focused on the allocation of group profits among taxing jurisdictions based on a market-based concept rather than the historical "permanent establishment" concept. Pillar Two, among other things, introduced a global minimum tax. On October 10, 2021, 137 member jurisdictions of the G20/OECD Inclusive Framework on BEPS (including Israel) joined the "Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy" which sets forth the key terms of such two-pillar solution, including a reallocation of taxing rights among market jurisdictions under Pillar One and a global minimum tax rate of 15% under Pillar Two. The agreement reached by 137 of the 140 members of the OECD's Inclusive Framework on BEPS calls for law enactment by OECD and G20 members in 2022 to take effect in 2023 and 2024. On December 20, 2021, the OECD published model rules to implement the Pillar Two rules and released commentary to the Pillar Two model rules in March 2022 and published administrative guidance in 2023 and 2024. The model rules and commentary allow the OECD's Inclusive Framework members to begin implementing the Pillar Two rules in accordance with the agreement reached in October 2021. Pillar Two has been enacted or substantively enacted in certain jurisdictions where the Parent operates and the timing and ultimate impact of additional enactments and implementation on our tax obligations is uncertain. These changes, when enacted, by various countries in which we do business may increase our taxes in these countries in the future. The foregoing tax changes and other possible future tax changes may have an adverse impact on us, our business, financial condition, results of operations and cash flow.

Risks Relating to Operating in the Gaming Industry in Macau

Our business and operations in Macau are dependent upon our concession and, if we fail to comply with the complex legal and regulatory regime in Macau, our concession may be subject to revocation.

Under the terms of the Concession Contract, we are obligated to comply with all laws, regulations, rulings and orders promulgated by the Macau government from time to time. In addition, we must comply with all terms of the Concession Contract which contains various general covenants and provisions, such as general and special duties of cooperation, special duties of information and obligations in relation to the execution of our investment plan, as to which the determination of compliance is subjective and depend, in part, on our ability to maintain continuing communications and good faith negotiations with the Macau government to ensure that we are performing our obligations and covenants under the concession and applicable laws and regulations in a manner that would avoid any violations. We cannot assure you that we will perform such obligations and covenants in a way that satisfies the requirements of the Macau government.

Melco Resorts Macau's concession further provides that the Macau government is allowed to request various changes in our investment plan and impose business and corporate requirements that may be binding on us. Melco Resorts Macau must also first obtain the Macau government's approval before raising certain financing and must notify the Macau government before taking significant financial decisions. As a result, we cannot assure you that we will be able to comply with these requirements or any other requirements of the Macau government or with the other requirements and obligations imposed by our concession, the gaming law or other related regulations.

The harshest penalty that may be imposed on us for failure to comply with the complex legal and regulatory regime in Macau and the terms of the Concession Contract is revocation of the concession. Under the concession, the Macau government has the right to unilaterally terminate the concession in the event of non-compliance by Melco Resorts Macau with its basic obligations under the concession and applicable Macau laws. If such a termination were to occur, any casino premises and gaming equipment at that time owned by Melco Resorts Macau will revert or be transferred to the Macau government without compensation to us and we would be unable to operate casino gaming in Macau, which would have a material adverse effect on our financial condition, results of operations and cash flows and could result in defaults under our indebtedness agreements and a partial or complete loss of our investments in our projects. Termination events include, among others, endangerment to the national security of mainland China or Macau; the operation of gaming without permission or operation of a business which does not fall within the business scope of the concession; abandonment of approved business or suspension of operations of its gaming business in Macau without reasonable grounds; transfer of all or part of Melco Resorts Macau's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of fortune or chance and other casino games in Macau and without Macau government approval; failure to pay taxes, premiums, levies or other amounts payable to the Macau government; systematic non-compliance with the Macau Gaming Operations Law's basic obligations; for reasons of public interest; and for failure to meet probity standards or failure to meet the investment amount and other criteria set in the Concession Contract within the period set by the Macau government. These events could lead to the termination of Melco Resorts Macau's concession without compensation to Melco Resorts Macau. In many of these instances, the Concession Contract does not provide for a specific cure period within which any such events may be cured and the granting of any cure period, if at all, would be at the discretion of the Macau government See "Regulations—Gaming Operation Regulations."

Currently, there is no precedent on how the Macau government will treat the termination of a concession and the laws and regulations relating to termination of a concession have not yet been applied by the Macau government. Accordingly, the scope and enforcement of the provisions of Macau's gaming regulatory system cannot be fully assessed.

Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi.

Gaming operators in Macau are currently prohibited from accepting wagers in Renminbi, the currency of China. There are currently restrictions on the export of the Renminbi outside of mainland China, including to Macau. For example, a mainland China citizen traveling abroad is only allowed to take a total of RMB20,000 (equivalent to approximately US$2,789) plus the non-RMB currency with an amount equivalent of up to US$5,000 out of China. The annual limit of RMB100,000 (equivalent to approximately US$13,944) is the aggregate amount that can be withdrawn overseas by any person from mainland China bank accounts and it was set by the mainland China government, with effect on January 1, 2018. In addition, the mainland China government's ongoing anti-corruption campaign has led to tighter monetary transfer regulations, including real-time monitoring of certain financial channels, reducing the amount that China-issued ATM cardholders can withdraw in each withdrawal, imposing a limit on the annual aggregate amount that may be withdrawn and the launch of facial recognition and identity card checks with respect to certain ATM users, which could disrupt the amount of money visitors can bring from mainland China to Macau. Furthermore, a law also exists to control cross-border transportation of cash and other negotiable instruments to the bearer. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount of MOP120,000 (equivalent to approximately US$14,842) as determined by the Chief Executive of Macau are required to declare such amount to the customs authorities. The adoption of digital currency by the mainland China government may also cause more restrictions on the export of the Renminbi out of mainland China, which may impede the flow of customers from mainland China to Macau, inhibit the growth of gaming in Macau and negatively impact our operations.

In addition, the value of RMB against the U.S. dollar and other currencies may fluctuate and may be affected by, among other things, changes in political and economic conditions and the foreign exchange policies adopted by mainland China government. In 2024, the value of RMB depreciated approximately 2.7% against the U.S. dollar, compared to 2023. It remains difficult to predict how market forces or mainland China or U.S. government policy, including the ongoing trade disputes between mainland China and the U.S. governments, may further exacerbate the devaluation of the RMB against the U.S. dollar and other currencies in the future. Given that we derive a substantially all of our revenues from our operations in Macau and a significant number of our gaming customers come from, and are expected to continue to come from, mainland China, any further devaluation of the RMB against the U.S. dollar and other currencies may affect the visitation and level of spending of these gaming customers and could in turn have a material adverse effect on our revenues and financial condition.

Adverse changes or developments in gaming laws or other regulations in Macau that affect our operations could be difficult to comply with or may significantly increase our costs, which could cause our projects to be unsuccessful.

Our operations in Macau are also exposed to the risks of changes in laws and policies. Current laws in Macau, such as licensing requirements, tax rates, immigration and other regulatory obligations, including those for anti-money laundering, could change or become more stringent resulting in additional regulations being imposed upon gaming operations in Macau. See "—Risks Relating to Our Business and Operations—The gaming industry in Macau is highly regulated."

On June 22, 2022, Law no. 7/2022, which amends Law no. 16/2001, or the Macau Gaming Operations Law, was published and on December 19, 2022, Law no. 16/2022, the new Gaming Activities Law, which replaces Administrative Regulation no. 6/2022, or the Gaming Promoter Regulation was published. These laws set additional requirements applicable to our operations. See "Regulations." In addition, the Macau government imposed regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, entry into casinos by off-duty gaming related employees, location requirements for sites with gaming machine lounges, data privacy and other matters. Any such legislation, regulation or restriction which is being or may in the future be imposed by the Macau government may have a material adverse impact on our operations, business and financial performance. Furthermore, our inability to address any of these requirements or restrictions imposed by the Macau government could adversely affect our reputation and result in criminal or administrative penalties, in addition to any civil liability and other expenses. See "Regulations."

Also, smoking on the premises of casinos is only permitted in authorized segregated smoking lounges with no gaming activities, and such segregated smoking lounges are required to meet certain standards determined by the Macau government. Our properties currently have a number of segregated smoking lounges. We cannot assure you that the Macau government will not enact more stringent smoking control legislation. Such limitations imposed on smoking have and may deter potential gaming patrons who are smokers from visiting casinos in Macau, which could adversely affect our business, results of operations and financial condition. See "Regulations—Smoking Regulations."

In addition, pursuant to an Instruction issued by the DICJ in 2024, the 1.25% of net rolling commission cap set in the Dispatch no. 90/2022 from the Secretary of Economy and Finance also applies to incentives granted by gaming operators to patrons. Accordingly, any incentives granted to patrons, including but not limited to complimentary rooms, promotional chips, food and beverage benefits, and other perks, must be considered and fall within the commission cap. Further, incentives must be directly derived from the patron's gaming activity, and their effective value shall not exceed the commission ceiling. Breaches of the commission cap in relation to patrons are subject to the same penalties provided under the commission cap regulations for breaches involving gaming promoters. See "Regulations - Gaming Activities Regulations"

Current Macau laws and regulations concerning gaming and gaming concessions and matters such as prevention of money laundering are fairly recent or there is little precedent on the interpretation of these laws and regulations. These laws and regulations are complex and a court or an administrative or regulatory body may in the future render an interpretation of these laws and regulations or issue new or modified regulations that differ from our interpretation, which could have a material adverse effect on the operation of our properties and on our financial condition, results of operations, cash flows and prospects.

Our activities in Macau are subject to administrative review and approval by various departments of the Macau government. For example, our business activities are subject to the administrative review and approval by the DICJ, Macau Health Bureau, Macau Labor Bureau, Macau Construction Works Bureau, Macau Fire Department, Macau Finance Department and Macau Government Tourism Office. We cannot assure you that we will be able to obtain or maintain all necessary approvals, which may materially affect our business, financial condition, results of operations, cash flows and prospects. Macau law permits redress to the courts with respect to administrative actions. However, such redress is largely untested in relation to gaming regulatory issues.

The Macau government has established a maximum number of gaming tables and gaming machines that may be operated in Macau and has set a minimum average annual gross gaming revenue on gaming tables and gaming machines.

The Macau government has set a cap on gaming tables and gaming machines that may be operated in Macau at 6,000 gaming tables and 12,000 gaming machines. In addition, gaming tables and gaming machines previously allocated to a concessionaire may also be revoked if the minimum average annual gross gaming revenue of MOP7 million for gaming tables and MOP300,000 for gaming machines are not met for two consecutive years or the tables or gaming machines are not fully utilized without reason within a certain period. Current and future restrictions on gaming tables and gaming machines may have a material impact on our gaming revenues and overall business and operations.

Melco Resorts Macau benefits from an exemption from complementary tax on income from gaming operations under the Concession until December 31, 2027 and we may not be able to extend it.

Companies in Macau are subject to complementary tax of up to 12% of taxable income, as defined in relevant tax laws. We are also subject to a 35% special gaming tax on our gaming revenues as well as contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively. Such contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances. The Macau government granted to Melco Resorts Macau the benefit of a complementary tax exemption on gaming profits for the period from January 1, 2022 to December 31, 2022 by dispatch of the Chief Executive of Macau. Melco Resorts Macau continues to benefit from the Macau complementary tax exemption on gaming profits for the period from January 1, 2023 to December 31, 2027 pursuant to a Dispatch of the Chief Executive of Macau dated January 29, 2024. The non-gaming profits of Melco Resorts Macau remain subject to the Macau complementary tax. We cannot assure you that the complementary tax exemption benefits will be extended beyond their expiration dates.

For the period from January 1, 2022 to June 26, 2022, a payment of MOP4 million (equivalent to approximately US$0.5 million) was paid by Melco Resorts Macau with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributed by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant period. In March 2023, Melco Resorts Macau received an extension of the agreement with the Macau government for an amount of MOP4.2 million (equivalent to approximately US$0.5 million) as payment for the period from June 27, 2022 to December 31, 2022. In February 2024, Melco Resorts Macau entered into an agreement with the Macau government for an annual payment for the period from 2023 through 2025. Upon the payment of such amount, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. We cannot assure you that the same arrangement will be applied beyond such period or, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Risks Relating to Our Corporate Structure and Ownership

Our ultimate principal shareholder and our Parent have substantial influence over us and their interests in our business may be different from yours. We have had, and may continue to have, transactions with our ultimate principal shareholder, our Parent and their respective affiliates and such transactions may create conflicts of interest between us and our ultimate principal shareholder.

The interests of our ultimate principal shareholder and our Parent may conflict with the interests of holders of the Notes.

Melco Resorts Finance is 100% owned by the Parent. As of the date of this offering memorandum, Melco International, our ultimate principal shareholder, has 53.85% beneficial interest in Melco Resorts Finance. Our chief executive officer, Mr. Lawrence Ho, is also the chairman, chief executive officer and an executive director of each of the Parent and Melco International.

There are risks associated with the possibility that Melco International may: (i) have economic or business interests or goals that are inconsistent with ours; (ii) have operations and projects elsewhere in Asia or elsewhere in the world that compete with our businesses in Macau and in other countries and for available resources and management attention; (iii) take actions contrary to our policies or objectives; or (iv) have financial difficulties. In addition, there is no assurance that the laws and regulations relating to foreign investment in Melco International's governing jurisdictions will not be altered in such a manner as to result in a material adverse effect on our business and operating results.

In addition, Melco International has the power, among other things, to elect or appoint all of the directors to our Parent's board, including our Parent's independent directors, appoint and change our Parent's management, affect our Parent's legal and capital structure and our Parent's day-to-day operations, approve material mergers, acquisitions, dispositions and other business combinations and approve any other material transactions and financings. These actions may be taken in many cases without the approval of other shareholders and the interests of Melco International may conflict with your interests as holders of the Notes.

Our Parent has entered into various related party transactions with Melco International and its affiliates and subsidiaries. We may, from time to time, enter into additional agreements and arrangements with our Parent, Melco International or their respective affiliates or subsidiaries in connection with other projects. We may, from time to time, purchase, acquire or invest in other assets, companies or projects held or sponsored by our Parent, Melco International or their respective affiliates or subsidiaries or our Parent and Melco International may make such purchases, acquisitions or investments in assets, companies or projects that we hold. The consideration or amount of such purchase, acquisition or investment may be material or significant. While we believe the terms of agreements and arrangements we have with our Parent, Melco International or their respective affiliates or subsidiaries are commercially reasonable, the determination of such commercial terms are subject to judgment and estimates and we may have obtained different terms had we entered into such agreements or arrangements with independent third parties.

Furthermore, there is no assurance that the laws and regulations relating to foreign investment in the respective governing jurisdictions in which our Parent and Melco International, are located will not be altered in such a manner as to result in a material adverse effect on our business and operating results. In addition, as of the date of this offering memorandum, our sole director is also a director of the Parent and Melco International. Our sole director will make management decisions that affect our business, which may include entering into material transactions with affiliates and declaring dividends. See "Risks Relating to Our Business and Operations—We have various transactions and contracts with Studio City, our affiliate and a subsidiary of our Parent, under which we operate the Studio City Casino and provide non-gaming services and may enter into additional transactions and contracts with our affiliates that may affect our business, financial condition and results of operations."

The Parent and its principal shareholder currently have ownership interests in, and may further develop, other casino projects in Macau and other regions of the world, which may compete with our projects and could have material adverse consequences to us and your interests.

The Parent and its principal shareholder currently have ownership interests in, and may take action to further develop, other gaming projects located in Macau and other regions of the world, which may compete with our projects in Macau and could have adverse consequences to us and your interests. For example, the Parent controls and owns a majority interest in Studio City International Holdings Limited which, in October 2015, commenced operations of Studio City, a cinematically-themed entertainment, retail and gaming resort in Macau. The Parent also controls and owns approximately 99% of City of Dreams Manila, a casino, hotel, retail and entertainment resort in Manila which commenced operations in 2014. On July 31, 2019, the Parent announced its acquisition of 75% equity interest in ICR Cyprus Holdings Limited (together with its subsidiaries, the "Cyprus Affiliates"), the developer of the City of Dreams Mediterranean integrated destination resort project in Cyprus, from Melco International. The Parent also operates the casino and manages the Nüwa Sri Lanka hotel at City of Dreams Sri Lanka, an integrated resort in Colombo, Sri Lanka. Neither the Company nor any of its subsidiaries currently holds or is expected to hold any ownership interest in Studio City, City of Dreams Manila or City of Dreams Mediterranean.

We may face competition from these or other gaming projects undertaken by the Parent and/or its principal shareholder. In addition, any negative publicity involving the Parent's or its principal shareholder's ownership interests in other gaming properties may adversely affect our brand and, by extension, the reputation and/or operations of our property and operations in Macau. Should the Parent or its principal shareholder decide to focus more attention on other casino gaming projects or properties rather than us, for strategic reasons or otherwise, the Parent or its principal shareholder may divert resources, cash and management attention to those other projects or properties, which could adversely affect our growth, business or operations. Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. We cannot guarantee you that the Parent and its principal shareholder will make strategic and other decisions which do not adversely affect our business and the trading price of the Notes.

Changes in our share ownership, including a change of control of our shares or our subsidiaries' shares, could result in our subsidiaries' inability to draw loans or cause events of default under our subsidiaries' indebtedness, or could require our subsidiaries to prepay or make offers to repurchase certain indebtedness, as well as potentially negatively affect our ability to retain our concession in Macau.

Credit facility agreements relating to certain of our indebtedness contain change of control provisions, including in respect of ownership over our shares as well as our obligations relating to our control and/or ownership of certain of our subsidiaries and their assets. Under the terms of such credit facility agreements, the occurrence of certain change of control events, including a decline below certain thresholds in the aggregate direct or indirect shareholdings of us and/or our Parent held by Melco International and the aggregate direct or indirect shareholdings of certain of our subsidiaries held by us and/or our Parent or certain of our subsidiaries (as the case may be) may result in an event of default and/or a cancelation of committed amounts as well as a requirement to prepay the credit facilities in relation to such indebtedness in full. Other applicable change of control events under the credit facility agreements include steps being taken in connection with the liquidation or dissolution of certain of our subsidiaries.

The terms of each of the Existing Notes also contain a change of control provision whereby the occurrence of a relevant change of control triggering event, which is a change of control with respect to our Parent, the Company and/or Melco Resorts Macau and a ratings decline in respect of the relevant series of the Existing Notes or the Company, will require us to offer to repurchase the relevant series of the Existing Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amounts specified under such indebtedness to but excluding the date of repurchase, except we will not be required to offer to repurchase any Existing Notes, as the case may be, subject to certain concurrent redemptions. The terms of the Indenture governing the Notes will contain similar provisions.

A change of control event, as defined in the 2015 Credit Facilities, the 2020 Credit Facilities or the terms of the Existing Notes or the Notes, could be outside our control and could result in defaults and cross-defaults which cause the termination and acceleration of up to all of our credit facilities, the Existing Notes and/or the Notes and potential enforcement of remedies by our lenders, which would have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Any occurrence of these events could be outside our control and could result in events of default and cross-defaults which may cause the termination and acceleration of our credit facilities, the Existing Notes and/or the Notes and potential enforcement of remedies by our lenders or note holders (as the case may be), which would have a material adverse effect on our financial condition and results of operations. For example, Melco Leisure has pledged 667,360,904 ordinary shares of our Parent held by it in connection with a credit facility entered into by, among others, it and Melco International. If they are unable to comply with certain covenants under such credit facility, it could result in the relevant lenders enforcing the pledge, which could result in a change of control in our Parent that would trigger the above provisions under our credit facilities and the Existing Notes.

Such a change of control would also potentially adversely affect our ability to retain our concession in Macau. In the event we are unable to retain our concession in Macau, our business, financial condition, cash flows, results of operations and prospects would be materially and adversely affected, including as a result of the fact that, in such case, an event of default or a mandatory prepayment obligation would arise under our credit facilities and result in the cancelation of committed amounts as well as a requirement to prepay the credit facilities in relation to such indebtedness in full. Furthermore, under the terms of the Existing Notes, we would also be required to offer to repurchase the Existing Notes at a price equal to 100% of their principal amount, plus accrued and unpaid interest and, if any, additional amounts and other amounts specified under such indebtedness to the date of repurchase. We may not have sufficient funds to make such payments or be able to refinance such indebtedness or obtain additional debt to satisfy these obligations on acceptable terms, or at all. See "Risks Relating to Our Indebtedness and the Notes—We may not be able to generate sufficient cash flow to meet our debt service obligations."

Risks Relating to Our Indebtedness and the Notes

We will have a substantial amount of indebtedness, which could have important consequences for holders of the Notes and significant effects on our business and future operations.

We will have a substantial amount of debt in relation to our equity. Assuming we complete this Offering and applied the proceeds therefrom in the manner described under the heading "Use of Proceeds" we would have total indebtedness of US$4.93 billion, comprising primarily the 2015 Credit Facilities, the 2020 Credit Facilities, the Existing Notes (other than the 2026 Senior Notes) and the Notes, which would require significant interest and principal payments. Our substantial indebtedness may make it more difficult for us to satisfy our obligations with respect to the Notes, increase our vulnerability to general adverse economic and industry conditions, impair our ability to obtain additional financing in the future for working capital needs, capital expenditure, acquisitions or general corporate purposes, require us to dedicate a significant portion of our cash flow from operations to the payment of principal and interest on our debt, which would reduce the funds available to us for our operations or expansion of our existing operations, limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, place us at a competitive disadvantage as compared to our competitors, to the extent that they are not as leveraged, subject us to higher interest expense in the event of increases in interest rates to the extent a portion of our debt bears interest at variable rates, cause us to incur additional expenses by hedging interest rate exposures of our debt and exposure to hedging counterparties' failure to pay under such hedging arrangements, which would reduce the funds available for us for our operations and in the event we or one of our subsidiaries were to default, result in the loss of all or a substantial portion of our and our subsidiaries' assets, over which our lenders have taken or will take security. Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including the Notes.

In addition, under the terms of the indentures governing the Existing Notes, our 2015 Credit Facilities and 2020 Credit Facilities and the Indenture, we are permitted to incur additional indebtedness, some of which may be senior secured indebtedness, including but not limited to further drawdowns under the 2015 Revolving Credit Facility and 2020 Credit Facilities. If we incur additional indebtedness, the risks described above will be exacerbated.

We may not be able to repurchase the Notes upon a change of control triggering event or certain events relating to our gaming license that constitute a special put option triggering event.

Upon the occurrence of specified change of control events and a ratings decline, we will be required to offer to purchase all the outstanding Notes at a purchase price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest, if any, and additional amounts, if any. See "Description of Notes—Repurchase at the Option of Holders—Change of Control." In addition, upon the occurrence of specified special put option triggering events (which relate to certain events of loss, termination, rescission, revocation or modification of our gaming license), we will be required to offer to purchase all the outstanding Notes at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest, if any, and additional amounts, if any. See "Description of Notes—Repurchase at the Option of Holders—Special Put Option." The source of funds for any such repurchase in the event of a change of control or special put option triggering event would be our available cash or third party financing. If a change of control triggering event or a special put option triggering event were to occur, we cannot assure you that we will have sufficient funds to pay the purchase price of the outstanding Notes or that we will be able to obtain financing on favorable terms, if at all. In addition, our other indebtedness, including the Existing Notes, the 2015 Credit Facilities and the 2020 Credit Facilities, may trigger repayment requirements or events of default with respect to certain events or transactions that could constitute a change of control triggering event or a special put option triggering event under the Indenture. Our failure to make an offer to purchase or purchase the outstanding Notes may constitute an event of default under the Notes. The event of default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods has lapsed. If our other debt were to be accelerated, we may not have sufficient funds to purchase the Notes and repay the debt.

In addition, the definition of "change of control" for purposes of the Indenture does not necessarily afford protection for the holders of the Notes in the event of certain highly-leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings. The definition of change of control for purposes of the Indenture also includes a phrase relating to the sale of "all or substantially all" of our assets. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition under applicable law. Accordingly, our obligation to make an offer to purchase the Notes, and the ability of a holder of the Notes to require us to purchase its Notes pursuant to the offer as a result of a highly-leveraged transaction or a sale of less than all of our assets may be uncertain.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make scheduled payments due on our existing and anticipated indebtedness obligations, including our credit facilities and the Existing Notes, to refinance and to fund working capital needs, planned capital expenditures and development efforts will depend on our ability to generate cash. We will require generation of sufficient operating cash flow from our projects to service our current and future projected indebtedness. Our ability to obtain cash to service our existing and projected debt is subject to a range of economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control, including:

- our future operating performance;
- the demand for services that we provide;
- general economic conditions and economic conditions affecting mainland China, Macau or the gaming industry in particular, including market conditions such as increases in inflation and other global economic, political and social conditions;
- our ability to hire and retain employees and management at a reasonable cost;
- competition; and
- legislative and regulatory factors affecting our operations and business.

We may not be able to generate sufficient cash flow from operations to satisfy our existing and projected indebtedness obligations or our other liquidity needs, in which case we may have to seek additional borrowings or undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seek to raise additional capital on terms that may be onerous or highly dilutive, any of which could have a material adverse effect on our operations. Our ability to incur additional borrowings or refinance our indebtedness, including our credit facilities, the Existing Notes and the

Notes, will depend on the condition of the financing and capital markets, our financial condition at such time and potentially governmental approval. We cannot assure you that any additional borrowing, refinancing or restructuring would be possible or that any assets could be sold or, if sold, the timing of any sale or the amount of proceeds that would be realized from any such sale. We cannot assure you that additional financing could be obtained on acceptable terms, if at all, or would be permitted under the terms of our various debt instruments then in effect, including the indentures governing the Existing Notes, the 2015 Credit Facilities and the 2020 Credit Facilities. In addition, any failure to make scheduled payments of interest or principal on our outstanding indebtedness would likely result in a reduction of our credit rating and constitute the event of default, which would harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our failure to generate sufficient cash flow to satisfy our existing and projected indebtedness obligations or other liquidity needs, or to refinance our obligations on commercially acceptable terms or at all, could have a material adverse effect on our business, financial condition and results of operations.

The agreements governing our credit facilities and debt instruments contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions or otherwise take actions that may be in our best interests.

The agreements governing our credit facilities and debt instruments contain restrictions on our ability to engage in certain transactions and may limit our ability to respond to changing business and economic conditions, including regulatory changes, or otherwise take actions that may be in our best interests. Certain of these agreements have restrictions that include, among other things, limitations on our ability and the ability of our restricted subsidiaries or other members of our obligor group to do some or all of the following:

- pay dividends or distributions or repurchase equity;
- make loans, payments on certain indebtedness, distributions and other restricted payments or apply revenues earned in one part of our operations to fund development costs or cover operating losses in another part of our operations;
- incur additional debt, including guarantees;
- make certain investments;
- create liens on assets to secure debt;
- enter into transactions with affiliates;
- issue shares of subsidiaries;
- enter into sale-leaseback transactions;
- engage in other businesses;
- merge or consolidate with another company;
- undergo a change of control;
- transfer, sell or otherwise dispose of assets;
- issue disqualified stock;
- create dividend and other payment restrictions affecting subsidiaries;
- designate restricted and unrestricted subsidiaries; and
- vary Melco Resorts Macau's Concession Contract or Melco Resorts Macau's and certain of its subsidiaries' land concessions and certain other contracts.

Certain of our credit facilities and debt instruments also require us to satisfy various financial covenants, which include requirements for minimum interest coverage ratio and leverage ratios. For more information on financial covenants we are subject to under our credit facilities and debt instruments, see note 10 to the consolidated financial statements included elsewhere in this offering memorandum beginning on page F-44. Future indebtedness or other agreements may contain covenants more restrictive than those contained in our existing credit facilities and debt instruments. In addition, we may also rely on waivers given by lenders in respect of certain terms and covenants under the facilities from time to time. For example, on August 16, 2022, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities have consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities such as (i) to meet or exceed the interest cover ratio, (ii) not to exceed the senior leverage ratio, and (iii) not to exceed the total leverage ratio. MCO Nominee One paid a customary fee to all consenting lenders in relation to such consent. There is no assurance that we will be successful in any future attempts to obtain consents or waivers of terms and conditions under any of the facilities from any lender on terms that are acceptable to us or at all.

In addition, certain of our indebtedness is secured by mortgages, assignment of land use rights, leases or equivalents, security over shares, charges over bank accounts, security over assets and other customary security over the assets of our Macau subsidiaries. In the event of a default under such agreements governing our existing indebtedness, the holders of such secured indebtedness would first be entitled to payment from their collateral security, and only then would holders of our Macau subsidiaries' unsecured debt be entitled to payment from their remaining assets.

Our ability to comply with the terms of our outstanding credit facilities and debt instruments may be affected by general economic conditions, industry conditions and other events outside of our control. As a result, we may not be able to maintain compliance with these covenants. In addition, if our properties' operations fail to generate adequate cash flow, we may breach these covenants, causing a default under our agreements, upon which creditors could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, our credit facilities and debt instruments contain cross-acceleration or cross-default provisions, as a result of which our default under one facility or instrument may cause the acceleration of repayment of debt or result in a default under our other facilities or instruments. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we do obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

Drawdown or rollover of advances under our credit facilities involve satisfaction of extensive conditions precedent and our failure to satisfy such conditions precedent will result in our inability to utilize or roll over loan advances under such facilities. There is no assurance that we will be able to satisfy all conditions precedent under our current or future credit facilities.

Our current and future credit facilities, including the 2015 Credit Facilities and the 2020 Credit Facilities, require and will require satisfaction of extensive conditions precedent prior to the advance or rollover of loans under such facilities. If there is a breach of any terms or conditions of our credit facilities or other obligations and the breach is not cured or capable of being cured, or if we are unable to make certain representations, then such conditions precedent will not be satisfied. Our ability to satisfy such conditions precedent may also be affected by the actions of third parties and/or matters outside of our control, such as government consents and approvals and market conditions, and thus also result in our inability to satisfy any conditions precedent. We may also rely on waivers given by lenders to waive satisfaction of certain conditions precedent under the facilities from time to time. There is no assurance that we will be successful in any future attempts to obtain consents or waivers of terms and conditions under any of the facilities from any lender on terms that are acceptable to us or at all. The inability to draw down or roll over loan advances under any credit facility may result in a funding shortfall in our operations and we may not be able to fulfill our obligations as planned. Such events may also result in an event of default under the respective credit facility and may also trigger cross-defaults under our other indebtedness obligations. There can be no assurance that all conditions precedent to draw down or roll over loan advances under our credit facilities will be satisfied in a timely manner or at all. If we are unable to draw down or roll over loan advances under any current or future facility, we may have to find a new group of lenders and negotiate new financing terms or consider other financing alternatives. If required, it is possible that new financing would not be available or would have to be procured on substantially less attractive terms, which could harm the economic viability of the relevant development projects. The need to arrange such alternative financing would likely also delay or otherwise negatively impact the construction and/or operations of our future projects or existing properties, which would affect our cash flows, results of operations and financial condition.

Melco Resorts Finance is a holding company that depends on payments from its subsidiaries to provide it with funds to meet its obligation under the Notes.

Melco Resorts Finance is a holding company with no material business operations of its own or significant assets. Melco Resorts Finance's material liabilities will be the Existing Notes and the Notes. As such, Melco Resorts Finance will be dependent upon payments from its subsidiaries (including payments from Melco Resorts Macau) to make any payments due on these obligations. Any future loan agreements could limit the ability of our subsidiaries to make dividends to us. Any failure by our subsidiaries to make payments to us in amounts necessary to service our obligations under the Notes could lead to a payment default under the Indenture.

The Notes will be structurally subordinated to the liabilities and preference shares (if any) of Melco Resorts Finance's subsidiaries.

None of Melco Resorts Finance's subsidiaries will be guarantors of the Notes and the indenture does not require our existing or future subsidiaries to guarantee the Notes.

Our subsidiaries will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. Generally, claims of creditors of a non-guarantor subsidiary, including trade creditors and preference shareholders (if any), will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by holders of the Notes under the Note. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of any of Melco Resorts Finance's subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Notes will be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of Melco Resorts Finance's subsidiaries, including but not limited to the obligors under the 2015 Credit Facilities and the 2020 Credit Facilities. Furthermore, our subsidiaries may, in the future, obtain additional financing or refinancing with respect to the 2015 Credit Facilities, the 2020 Credit Facilities or otherwise, and such additional indebtedness or refinancing will be structurally senior in right of payment to the Notes.

Any inability to maintain current financing or obtain future financing could result in delays in our project development schedule and could impact our ability to comply with the terms of the Concession Contract and generate revenues from operations at our present and future projects.

If we are unable to maintain our current financing arrangements or obtain suitable financing for our operations and our current or future projects (including any acquisitions we may make), such failure could adversely impact our compliance with our Concession Contract, our existing operations, or cause delays in, or prevent completion of, the development of any current or future projects. In connection with the Concession Contract, Melco Resorts Macau committed to an overall investment of MOP11,823.7 million (equivalent to approximately US$1.46 billion) and incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003.0 million (equivalent to US$ 247.7million), in the event Macau's annual gross gaming revenue reaches MOP180.0 billion (equivalent to US$22.26 billion) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180.0 billion (equivalent to approximately US$22.26 billion) in 2023, the Incremental Investment Trigger was triggered in 2023, thereby increasing Melco Resorts Macau's committed non-gaming investment by MOP2,003.0 million (equivalent to approximately US$247.7 million), with the overall investment amount increased to MOP13,826.7 million (equivalent to approximately US$1.71 billion) to be carried out by December 2032. As of December 31, 2024, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP3,341.5 million (equivalent to approximately US$413.3 million). Any inability to obtain suitable financing, or at all, may cause us to fail to comply with the terms of our Concession Contract, the harshest penalty of which for any non-compliance that may be imposed on us is revocation of the Concession Contract. See "Risk Factors—Risks Relating to Operating in the Gaming Industry in Macau—Our business and operations in Macau are dependent upon our concession and, if we fail to comply with the complex legal and regulatory regime in Macau, our concession may be subject to revocation" and "Regulations—Gaming Licenses—The Concession Contract."

In addition, such failure may also limit our ability to operate and expand our business and may adversely impact our ability to generate revenue. Furthermore, the costs incurred by any new financing may be greater than anticipated due to unfavorable market conditions. Any such increase in funding costs may have a negative impact on our revenue and financial condition.

The limited covenants in the Indenture may not protect against developments that may impair our ability to repay the Notes or the trading price for the Notes.

The Indenture does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow, liquidity or leverage and, accordingly, does not protect holders of the Notes if we experience significant adverse changes in our financial condition or results of operations;
- limit our ability to incur indebtedness, including secured indebtedness, that is senior or equal in right of payment to the Notes;

- restrict our ability to make investments or to repurchase, or pay dividends or make other payments in respect of our shares or other securities ranking junior to the Notes; or
- limit us from entering into transactions with shareholders, including the Parent, or affiliates or selling our assets.

In the future, we may obtain additional financing or refinance any of our existing debt, including but not limited to the 2015 Credit Facilities, the 2020 Credit Facilities and the Existing Notes, which will increase our level of indebtedness (including debt which is structurally senior to the Notes). An increase in the level of our indebtedness, or other events that could adversely affect our business, financial condition, results of operations or prospects, may cause rating agencies to downgrade any credit ratings on the Notes, which could adversely affect their trading price and liquidity, and downgrade our corporate rating generally, which could increase our cost of borrowing, limit our access to the capital markets and result in more restrictive covenants in future debt agreements.

If we or our subsidiaries are unable to comply with the restrictions and covenants in our debt agreements (including those of our subsidiaries), there could be a default under the terms of those debt agreements, which could cause repayment of our debt to be accelerated.

If we or our subsidiaries are unable to comply with the restrictions and covenants in our current or future debt and other agreements (including those of our subsidiaries), such as the indentures governing the Existing Notes and the Notes, the 2015 Credit Facilities and the 2020 Credit Facilities, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate repayment of the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our debt agreements, including the indentures governing the Existing Notes and the Notes, the 2015 Credit Facilities and the 2020 Credit Facilities, contain or will contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of repayment of debt or result in a default under our other debt agreements, including the indentures governing the Existing Notes and the Notes, the 2015 Credit Facilities and the 2020 Credit Facilities. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

The terms of our credit facilities, such as the 2020 Credit Facilities, under which our subsidiaries are obligors, may restrict our current and future operations and harm our ability to complete our projects and grow our business operations to compete successfully against our competitors.

The 2020 Credit Facilities that MCO Nominee One has entered into (and the 2015 Credit Facilities and associated facility and security documents that Melco Resorts Macau has entered into) contain a number of restrictive covenants that impose significant operating and financial restrictions on MCO Nominee One and certain of our subsidiaries (the "Loan Borrowing Group"), and therefore, effectively, on us. The covenants in the 2020 Credit Facilities restrict or limit, among other things, certain of our subsidiaries' ability to:

- create security or liens;
- sell, transfer or dispose of certain key assets;
- trade, carry on any business, own any assets or incur any liabilities except for certain permitted holding company activities;
- incur any further financial indebtedness or grant any further guarantees other than certain permitted financial indebtedness or permitted guarantees; and
- enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction.

In addition, the restrictions under the 2020 Credit Facilities contain financial covenants, including requirements that we satisfy certain tests or ratios such as senior leverage, total leverage and interest cover, each as defined in the 2020 Credit Facilities.

The 2020 Credit Facilities also provide that should a change of control, as defined in the 2020 Credit Facilities, occur, the facilities will be cancelled and all amounts outstanding thereunder become immediately due and payable. The 2020 Credit Facilities also provides that the facilities will become immediately due and payable if (i) our gaming subconcession is terminated, revoked, rescinded or modified in a manner which would have material adverse effect on our financial condition, business, properties or results of operations or (ii) our land concession in relation to the Altira project and/or the City of Dreams project is terminated, revoked or rescinded (and not otherwise replaced).

These covenants may restrict our ability to operate and incur additional debt or other financing we may require, and impede our growth.

Claims of our secured creditors will have priority with respect to their security over the claims of unsecured creditors, such as the holders of the Notes, to the extent of the value of the assets securing such indebtedness.

Claims of our secured creditors will have priority with respect to the assets securing their indebtedness over the claims of holders of the Notes. As such, the Notes will be effectively subordinated to any secured indebtedness and other secured obligations of Melco Resorts Finance and its subsidiaries to the extent of the value of the assets securing such indebtedness or other obligations. As of June 30, 2025, we had secured long-term debt of HK$1.0 million (equivalent to US$0.1 million) outstanding under the 2015 Credit Facilities. The terms of the indentures governing the Existing Notes do not, and the terms of the Indenture of the Notes, will not impose any limitations on our ability to incur additional indebtedness, including additional secured indebtedness. In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of Melco Resorts Finance or any of its subsidiaries that has secured obligations, holders of secured indebtedness will have prior claims to the assets of Melco Resorts Finance or such subsidiary that constitute their collateral.

The holders of the Notes will participate ratably with all holders of the unsecured indebtedness of Melco Resorts Finance and potentially with all of its other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of Melco Resorts Finance.

In the event that any of our secured indebtedness becomes due or the creditors thereunder proceed against the operating assets that secure such indebtedness, our assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes. As a result, holders of the Notes may receive less, ratably, than holders of secured indebtedness of Melco Resorts Finance.

We may require external debt or equity financing to complete our future investment projects, which may not be available on satisfactory terms or at all.

We have in the past funded our capital investment projects through, among others, cash generated from our operations, credit facilities and the issuance of the Existing Notes. We will require additional funding in the future for our capital investment projects, which we may raise through external financing. External debt or equity financing by us may require the approval of or communication to the Macau government, and may be subject to, among others, the terms of credit facilities, the Existing Notes and the Notes. In addition, our ability to obtain debt or equity financing on acceptable terms, depends on a variety of factors that are beyond our control, including market conditions, investors' and lenders' perceptions of, and demand for, debt and equity securities of gaming companies, credit availability and interest rates. For example, changes in ratings outlooks may subject us to ratings agency downgrades, which could make it more difficult for us to obtain financing on acceptable terms. As a result, we cannot assure you that we will be able to obtain sufficient funding from external sources as required on terms satisfactory to us, or at all, to finance future capital investment projects. If we are unable to obtain such funding, our business, cash flow, financial condition, results of operations and prospects could be materially and adversely affected.

We may, in our discretion, require holders and beneficial owners of Notes to dispose of their Notes, or we may redeem the Notes, due to regulatory considerations.

The Indenture will grant us the power to redeem the Notes if the gaming authority of any jurisdiction in which Melco Resorts Finance, any of its subsidiaries or Melco International conducts, or proposes to conduct, gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or become licensed or qualified within the required time period or is found unsuitable.

Under the foregoing circumstances, pursuant to the Indenture, if such person fails to apply or become licensed or qualified or is found unsuitable, we shall have the right, at its option:

(1) to require such person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of our election or such earlier date as may be requested or prescribed by such gaming authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

(a) the lesser of:

(i) the person's cost, plus accrued and unpaid interest, if any, to the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

(ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and additional amounts, if any, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

(b) such other amount as may be required by applicable law or order of the applicable gaming authority.

Melco Resorts Finance shall not be responsible for any costs or expenses any holder of Notes may incur in connection with its application for a license, qualification or a finding of suitability. See "Description of Notes—Gaming Redemption."

The insolvency laws of the Cayman Islands, Macau and other local insolvency laws may differ from U.S. bankruptcy law or those of another jurisdiction with which holders of the Notes are familiar.

Because Melco Resorts Finance is incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to Melco Resorts Finance, even if brought in the United States, would likely involve Cayman Islands insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of United States federal bankruptcy law.

You may have difficulty enforcing judgments obtained against us.

Melco Resorts Finance is a Cayman Islands exempted company, while its subsidiaries are incorporated in either the Cayman Islands or Macau. Substantially all of our assets are located outside of the United States. In addition, all of our current operations and administrative and corporate functions are conducted in Macau. In addition, our sole director and one of our two officers are nationals and residents of countries other than the United States. A substantial portion of the assets of these persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It may also be difficult for you to enforce in Cayman Islands and Macau courts judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and our sole director and officers, most of whom are not residents in the United States and the substantial majority of whose assets are located outside of the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or Macau would recognize or enforce judgments of U.S. courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state. In addition, it is uncertain whether such Cayman Islands or Macau courts would be competent to hear original actions brought in the Cayman Islands or Macau against us or such persons predicated upon the securities laws of the United States or any state.

A trading market for the Notes may not develop or, if a market develops, it may not be sustained; the liquidity and market price of the Notes following this Offering may be volatile.

Although the Initial Purchasers have advised us that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice at their sole discretion. See "Plan of Distribution."

An active trading market for the Notes may not develop or be sustained. If an active trading market for the Notes does not develop or is not maintained, the Notes could trade at prices that may be higher or lower than the price at which the Notes have been issued. The price at which the Notes trade depends on many factors, including the following:

- prevailing interest rates and the markets for similar securities;

- our results of operations, financial condition, historical financial performance and future prospects;
- political and economic developments in and affecting Macau and other countries in which we conduct business now or in the future;
- general economic conditions locally, regionally and globally;
- changes in the credit ratings of the Notes or us; and
- the financial condition and stability of the Asian or global financial sector.

Furthermore, historically, the market for debt by Asian issuers has been subject to disruptions that have caused substantial volatility in the prices of such securities. The market for the Notes may be subject to similar volatility or disruptions, which may have an adverse effect on holders of the Notes.

Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes or our company. However, we cannot assure you that Melco Resorts Finance will be able to maintain such listing or that, if listed, a trading market will develop. Melco Resorts Finance does not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a holder's ability to dispose of the Notes.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of relevant clearing systems to exercise any rights and remedies.

The Notes will initially only be issued in global certificated form and held through DTC and its participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Interests in the Global Notes (as defined in "Description of Notes—Book-Entry, Delivery and Form") representing the Notes will trade in book-entry form only, and notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The nominee for DTC will be the sole registered holder of the Global Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes will be made to the Paying Agent who will make payments to DTC. Thereafter, these payments will be credited to accounts of participants (including Euroclear and Clearstream) that hold book-entry interests in the Global Notes and credited by such participants to indirect participants. After payment to the custodian for DTC, Melco Resorts Finance will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, Euroclear and Clearstream, and if you are not a participant in DTC, Euroclear and Clearstream on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through DTC, Euroclear and Clearstream. The procedures to be implemented through DTC, Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes. See "Description of Notes—Book-Entry, Delivery and Form."

The ratings assigned to the Notes may be lowered or withdrawn in the future.

The Notes are expected to be rated "Ba3" by Moody's Investors Service and "BB-" by S&P Global Ratings.

The ratings address Melco Resorts Finance's ability to perform its obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. There can be no assurance that the ratings will be confirmed or they will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. Melco Resorts Finance has no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes.

Certain facts and statistics are derived from publications not independently verified by us, the Initial Purchasers or our respective advisers.

Market data, industry forecast and gaming industry statistics in this offering memorandum are derived from public sources, including publicly available information and industry publications. While we have taken reasonable care to ensure that the facts and statistics presented are accurately reproduced from such sources and believe this information to be reliable, they have not been independently verified by us or the Initial Purchasers or our or their directors and advisers, and neither we, the Initial Purchasers nor our or their directors and advisers make any representation as to the accuracy or completeness of that information.

In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Due to possibly inconsistent collection methods and other problems, such statistics herein may be inaccurate. You should not unduly rely on such market data, industry forecast and gaming industry statistics.

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. If the Notes are issued with OID for U.S. federal income tax purposes, U.S. investors will generally be required to include amounts representing OID in their gross income as it accrues in advance of the receipt of cash payments attributable to such income using the constant yield method. See "Taxation—Certain U.S. Federal Income Tax Considerations—Original Issue Discount."

USE OF PROCEEDS

We estimate that the net proceeds from this Offering will be approximately US$495.0 million after deducting the Initial Purchasers' discounts and commissions and estimated offering expenses payable by us. We intend to use the proceeds from this Offering to fund the Tender Offer, pay fees and costs related to the Offering and the Tender Offer and, if any amount remains, to redeem in full any 2026 Senior Notes which remain outstanding following the completion of the Tender Offer (if we elect to redeem such remaining 2026 Senior Notes) and for general corporate purposes.

EXCHANGE RATE INFORMATION

The majority of our current revenues are denominated in H.K. dollars, while our current expenses are denominated predominantly in Patacas and H.K. dollars and in connection with a portion of our indebtedness and certain expenses, in U.S. dollars. Unless otherwise noted, all translations from H.K. dollars to U.S. dollars and from U.S. dollars to H.K. dollars in this offering memorandum (other than in the financial pages) were made at a rate of HK$7.849602 to US$1.00.

The noon buying rate on June 30, 2025 in New York City for cable transfers in H.K. dollars per U.S. dollar, provided in the H.10 weekly statistical release of the Federal Reserve Board of the United States as certified for customs purposes by the Federal Reserve Bank of New York, was HK$7.8499 to US$1.00. We make no representation that any H.K. dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or H.K. dollars, as the case may be, at any particular rate or at all.

The Pataca is pegged to the H.K. dollar at a rate of HK$1.00 = MOP1.03. All translations from Patacas to U.S. dollars in this offering memorandum (other than in the financial pages) were made at the exchange rate of MOP8.085120 to US$1.00. The Federal Reserve Bank of New York does not certify for custom purposes a noon buying rate for cable transfers in Patacas. All translations from Renminbi to U.S. dollars in this offering memorandum (other than in financial pages) were made at RMB7.171595 to US$1.00.

In this offering memorandum, U.S. dollar equivalents of HK dollar amounts of indebtedness are based on the prevailing exchange rate on the relevant transaction date, except for the indebtedness balance translations as of the balance sheet date, which are based on the prevailing exchange rate on the applicable balance sheet date.

In this offering memorandum, unless otherwise noted, all translations from H.K. dollars to U.S. dollars for the “Long-term Indebtedness and Contractual Obligations” section under the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Related Parties Transactions” are based on the prevailing exchange rate on the applicable balance sheet date.

CAPITALIZATION

The following table sets forth the cash and cash equivalents, restricted cash, indebtedness and capitalization of Melco Resorts Finance and its subsidiaries as of June 30, 2025 on an actual basis and as adjusted to give effect to the following:

- the repayment of HK$447.0 million (equivalent to US$56.9 million) and HK$100.0 million (equivalent to US$12.7 million) of principal amounts outstanding under the 2020 Credit Facilities on August 29, 2025 and September 4, 2025, respectively (such amounts excluding the accrued interests paid on the same dates);
- the issuance of US$500.0 million aggregate principal amount of the Notes offered hereby;
- the valid tender and acceptance for purchase of outstanding 2026 Senior Notes in the Tender Offer and the completion of the Tender Offer (including accrued and unpaid interest, assuming all of the outstanding 2026 Senior Notes are tendered pursuant to the Tender Offer); and
- the payment of estimated fees and costs related to this Offering and the Tender Offer.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Use of Proceeds*," and our consolidated financial statements prepared in accordance with U.S. GAAP, the related notes and other financial information contained elsewhere in this offering memorandum.

	As of June 30, 2025	
	Actual	**As Adjusted**
	(in thousands of U.S. dollars)	
Cash and cash equivalents[1][2]	573,686	487,849
Restricted cash	123,956	123,956
Total cash	697,642	611,805
Indebtedness:		
2015 Credit Facilities[3]	127	127
2020 Credit Facilities[2][3]	1,157,001	1,087,316
2026 Senior Notes, net[3]	499,205	—
2027 Senior Notes, net[3]	597,965	597,965
2028 Senior Notes, net[3]	848,373	848,373
2029 Senior Notes, net[3]	1,148,716	1,148,716
2032 Senior Notes, net[3]	744,680	744,680
The Notes[1]	—	500,000
Total indebtedness	4,996,067	4,927,177
Shareholder's Deficit:		
Ordinary shares at US$0.01 par value per share	—	—
Additional paid-in capital	1,913,792	1,913,792
Accumulated other comprehensive losses	(27,851)	(27,851)
Accumulated losses[4][5]	(2,183,024)	(2,199,971)
Total shareholder's deficit	(297,083)	(314,030)
Total capitalization	4,698,984	4,613,147

(1) Reflects the gross amount to be received by the Issuer from this Offering and the application of such amount, together with cash on hand, to fund the Tender Offer (including accrued and unpaid interest and assuming all of the outstanding 2026 Senior Notes are tendered pursuant to the Tender Offer) and to pay estimated fees and costs related to the Offering and the Tender Offer.

(2) Reflects the repayment of HK$447.0 million (equivalent to US$56.9 million) and HK$100.0 million (equivalent to US$12.7 million) of principal amounts outstanding under the 2020 Credit Facilities on August 29, 2025 and September 4, 2025, respectively (such amounts excluding the accrued interests paid on the same dates).

(3) As of June 30, 2025, the outstanding principal amounts under 2015 Credit Facilities, 2020 Credit Facilities, 2026 Senior Notes, 2027 Senior Notes, 2028 Senior Notes, 2029 Senior Notes and 2032 Senior Notes were US$0.1 million, US$1.16 billion, US$500.0 million, US$600.0 million, US$850.0 million, US$1.15 billion and US$750.0 million, respectively. The amounts presented in the above table are net of unamortized deferred financing costs and original issue premiums.

(4) Assumes the unamortized deferred financing costs of the 2026 Senior Notes of US$0.8 million is written off and recognized as expenses in the consolidated statements of operations upon the redemption in full of the outstanding 2026 Senior Notes.

(5) Assumes the estimated fees and expenses related to this Offering and the Tender Offer, which may be capitalized as deferred financing costs under U.S. GAAP, are instead recognized as expenses in the consolidated statements of operations.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected historical consolidated statements of operations data for the years ended December 31, 2024, 2023 and 2022, and the selected historical consolidated balance sheets data as of December 31, 2024, 2023 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this offering memorandum. These consolidated financial statements have been prepared and presented in accordance with U.S. GAAP.

The following summary historical consolidated statements of operations data for the six months ended June 30, 2025 and 2024 and the summary historical consolidated balance sheet data as of June 30, 2025 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this offering memorandum. Our unaudited condensed consolidated financial statements have been prepared on the same basis as our audited consolidated financial statements for the year ended December 31, 2024.

You should read this section in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and those financial statements and the notes to those statements included elsewhere in this offering memorandum. Historical results are not necessarily indicative of the results that you may expect for any future period.

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:					
Total operating revenues	2,276,234	1,980,383	3,994,215	3,190,667	971,670
Total operating costs and expenses	(2,077,097)	(1,812,500)	(3,676,122)	(3,222,868)	(1,430,845)
Operating income (loss)	199,137	167,883	318,093	(32,201)	(459,175)
Net income (loss)	48,624	8,848	599	(354,205)	(733,820)

	As of June 30,	As of December 31,		
	2025	2024	2023	2022
	(in thousands of US$)			
CONSOLIDATED BALANCE SHEETS DATA:				
Cash and cash equivalents	573,686	492,852	645,555	1,044,682
Restricted cash(1)	123,956	125,331	124,556	175,563
Total assets(2)	5,807,542	5,854,767	5,967,191	6,702,898
Total current liabilities(2)	857,470	869,158	961,880	895,114
Total debts(3)	5,224,800	5,239,544	5,361,080	5,983,786
Total liabilities(2)	6,104,625	6,133,758	6,198,176	6,590,158
Total shareholder's (deficit) equity	(297,083)	(278,991)	(230,985)	112,740

(1) Restricted cash includes the current and non-current portions.

(2) On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1.93 billion (equivalent to US$239.6 million based on the prevailing exchange rate on the transaction date), representing the right to use and operate the gaming and gaming support areas comprising the City of Dreams casino, the Altira casino and the Studio City Casino and related gaming equipment and utensils, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that Melco Resorts Macau is currently approved to operate by the Macau government. In the consolidated balance sheet as of December 31, 2023 included elsewhere in this offering memorandum, the noncurrent portion of the financial liability of the Concession is included in "Other long-term liabilities" and the current portion is included in "Accrued expenses and other current liabilities." The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

(3) Total debts include current and non-current portions of long-term debt, net, and other long-term liabilities.

The following table sets forth a summary of our consolidated statements of cash flows for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF CASH FLOWS:					
Net cash provided by (used in) operating activities	206,804	70,810	241,293	332,099	(597,384)
Net cash (used in) provided by investing activities	(95,042)	(48,693)	(128,743)	75,747	(566,507)
Net cash (used in) provided by financing activities	(25,522)	(175,094)	(269,267)	(857,627)	1,499,156
Effect of exchange rate on cash, cash equivalents and restricted cash	(6,781)	325	4,789	(353)	(1,251)
Increase (decrease) in cash, cash equivalents and restricted cash	79,459	(152,652)	(151,928)	(450,134)	334,014
Cash, cash equivalents and restricted cash at beginning of period/year	618,183	770,111	770,111	1,220,245	886,231
Cash, cash equivalents and restricted cash at end of period/year	697,642	617,459	618,183	770,111	1,220,245

Other Financial and Operational Data

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Adjusted property EBITDA(1)(3)	405,125	307,127	598,468	526,807	(60,578)
Adjusted EBITDA(2)	398,864	297,519	583,478	493,932	(88,991)

The following table sets forth the Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Adjusted property EBITDA(1)(3)					
City of Dreams	396,712	297,175	580,853	507,898	(27,736)
Altira Macau	(2,102)	(2,957)	(6,587)	(5,557)	(43,145)
Mocha and Other(4)	10,515	12,909	24,202	24,466	10,303
Total Adjusted property EBITDA	405,125	307,127	598,468	526,807	(60,578)

The following table sets forth the Free Cash Flow for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Free Cash Flow(5)	111,671	2,048	92,470	295,247	(642,358)

(1) "Adjusted property EBITDA" is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, Corporate and Other expenses, and other non-operating income and expenses.

(2) "Adjusted EBITDA" is net income/loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, and other non-operating income and expenses.

(3) The Company's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA to measure the operating performance of City of Dreams, Altira Macau and Mocha and Other and to compare the operating performance of its properties with those of its competitors.

(4) Effective from June 27, 2022, the Grand Dragon Casino, a casino on Taipa Island, Macau, which focuses on mass market table games and which was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino.

(5) "Free Cash Flow" is defined as net cash provided by (used in) operating activities minus acquisition of property and equipment and acquisition of intangible and other assets.

The following table reconciles our net income (loss) to our Adjusted EBITDA and Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Net income (loss)	48,624	8,848	599	(354,205)	(733,820)
Adjustments:					
Income tax expense (benefit)	4,852	3,447	6,924	(1,386)	1,272
Total non-operating expenses, net	145,661	155,588	310,570	323,390	273,373
Property charges and other	45,431	3,732	10,705	229,000	22,579
Share-based compensation	5,159	5,684	10,343	12,014	31,059
Depreciation and amortization	116,351	112,468	224,223	270,376	272,968
Amortization of land use rights	4,021	4,010	8,039	10,797	10,793
Amortization of gaming subconcession	—	—	—	—	32,785
Pre-opening costs	28,765	3,742	12,075	3,946	—
Adjusted EBITDA	398,864	297,519	583,478	493,932	(88,991)
Corporate and Other expenses	6,261	9,608	14,990	32,875	28,413
Adjusted property EBITDA	405,125	307,127	598,468	526,807	(60,578)

The following tables reconcile each property's operating income (loss) to its Adjusted property EBITDA for the periods/years indicated:

	Six Months Ended June 30,							
	2025				2024			
	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total
	(in thousands of US$)							
Operating income (loss)	276,317	(4,729)	(47,236)	224,352	188,316	(5,926)	10,983	193,373
Adjustments:								
Property charges and other	(11,432)	1,313	55,557	45,438	2,166	1,543	(5)	3,704
Share-based compensation	3,065	212	90	3,367	2,745	227	80	3,052
Depreciation and amortization	95,976	1,102	2,104	99,182	96,265	1,130	1,851	99,246
Amortization of land use rights	4,021	—	—	4,021	4,010	—	—	4,010
Pre-opening costs	28,765	—	—	28,765	3,673	69	—	3,742
Adjusted property EBITDA	396,712	(2,102)	10,515	405,125	297,175	(2,957)	12,909	307,127

	Year Ended December 31,											
	2024				2023				2022			
	(in thousands of US$)											
	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total	City of Dreams	Altira Macau	Mocha and Other	Total
Operating income (loss)	358,401	(12,871)	20,317	365,847	246,826	(237,333)	20,465	29,958	(305,105)	(66,677)	4,737	(367,045)
Adjustments:												
Property charges and other	7,116	3,485	(5)	10,596	20,792	208,120	76	228,988	19,126	1,200	76	20,402
Share-based compensation	5,532	438	166	6,136	7,143	397	130	7,670	20,875	1,104	360	22,339
Depreciation and amortization	189,759	2,292	3,724	195,775	221,181	20,472	3,795	245,448	229,361	18,442	5,130	252,933
Amortization of land use rights	8,039	—	—	8,039	8,010	2,787	—	10,797	8,007	2,786	—	10,793
Pre-opening costs	12,006	69	—	12,075	3,946	—	—	3,946	—	—	—	—
Adjusted property EBITDA	580,853	(6,587)	24,202	598,468	507,898	(5,557)	24,466	526,807	(27,736)	(43,145)	10,303	(60,578)

The following table reconciles our net cash provided by (used in) operating activities and Free Cash Flow for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
Net cash provided by (used in) operating activities	206,804	70,810	241,293	332,099	(597,384)
Adjustments:					
Acquisition of property and equipment	(83,677)	(59,945)	(128,010)	(32,590)	(36,233)
Acquisition of intangible and other assets	(11,456)	(8,817)	(20,813)	(4,262)	(8,741)
Free Cash Flow	111,671	2,048	92,470	295,247	(642,358)

The following table sets forth rolling chip volume for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in billions of US$)				
City of Dreams	11.54	10.52	20.06	19.42	4.38
Total rolling chip volume	11.54	10.52	20.06	19.42	4.38

The following table sets forth mass market table games drop for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in millions of US$)				
City of Dreams	3,342.6	2,938.5	5,869.4	5,018.5	1,187.4
Altira Macau	227.7	275.1	535.8	488.2	124.0
Mocha and Other	110.7	116.9	231.6	176.1	39.2
Total mass market table games drop	3,681.0	3,330.5	6,636.8	5,682.8	1,350.6

The following table sets forth rolling chip win rate and mass market table games hold percentage for the periods/years indicated:

	Six Months Ended June 30,		Year Ended December 31,		
	2025	2024	2024	2023	2022
City of Dreams					
Rolling chip win rate	3.83%	2.58%	2.74%	2.61%	3.85%
Mass market table games hold percentage	30.4%	32.0%	32.1%	30.9%	30.5%
Altira Macau					
Mass market table games hold percentage	21.8%	22.5%	22.4%	22.7%	19.6%
Mocha and Other					
Mass market table games hold percentage	16.0%	17.6%	16.8%	17.0%	20.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in connection with "Selected Consolidated Financial Information" and our consolidated financial statements, including the Notes thereto, included elsewhere in this offering memorandum. Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward looking statements. See "Forward Looking Statements" regarding these statements.

Overview

We are a developer, owner and operator of integrated resort facilities. Our subsidiary Melco Resorts Macau is one of six companies licensed, through concessions, to operate casinos in Macau.

We currently have two major casino-based operations in Macau, namely, City of Dreams and Altira Macau. We operate the Studio City Casino pursuant to the Studio City Casino Agreement. We also provide non-gaming services to Studio City pursuant to the Master Services Agreements. Also in Macau, we currently have non-casino based operations at our Mocha Clubs. In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Between September and December 2025, the Grand Dragon Casino and three of our six Mocha Clubs will progressively cease operations, as part of our development strategy and in accordance with Macau law, with the gaming tables and electronic gaming machines being reallocated to our other gaming areas in Macau.

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip patrons to gaming patrons seeking a broader entertainment experience. We currently own and operate three Forbes Travel Guide Five-Star hotels in Macau—Altira Macau, Morpheus and Nüwa — and have received 12 Forbes Travel Guide Five-Star and one Forbes Travel Guide Four-Star recognitions across our properties in 2025. We seek to attract patrons throughout Asia and, in particular, from China.

Our current operating facilities are focused on the Macau gaming market. The COVID-19 outbreaks and the related policies implemented globally, especially the travel or visa restrictions imposed by mainland China, resulted in a significant decline in inbound tourism, among other things. While travel restrictions globally have eased and travel restrictions between Macau and mainland China were significantly relaxed since 2023, the disruptions to our business caused by COVID-19 outbreaks have had an adverse effect on our operations. According to the DSEC, visitor arrivals to Macau increased by 14.9% on a year-over-year basis for the six months ended June 30, 2025 as compared to the same period in 2024 and 23.8 % on a year-over-year basis in 2024 as compared to 2023. According to the DICJ, gross gaming revenues in Macau for the six months ended June 30, 2025 rose by 4.4% as compared to that in the six months ended June 30, 2024 (which were still 20.6% lower than that in the same period of 2019) and by 23.9% on a year-over-year basis in 2024 compared to 2023.

City of Dreams

City of Dreams had an average of approximately 434 gaming tables and approximately 622 gaming machines during the six months ended June 30, 2025, compared to an average of approximately 430 gaming tables and approximately 613 gaming machines in 2024, approximately 430 gaming tables and approximately 628 gaming machines in 2023, and approximately 447 gaming tables and approximately 677 gaming machines in 2022. Morpheus offers approximately 783 rooms, suites and villas. Nüwa, which underwent renovation since early 2020 and re-opened at the end of March 2021 offers approximately 286 guest rooms, suites and villas, and the Grand Hyatt Macau hotel, offers approximately 763 guest rooms and suites. We plan to fully refurbish and rebrand The Countdown hotel to provide a unique high-end luxury hotel experience. We currently expect The Countdown hotel to reopen in the third quarter of 2026 with approximately 150 high end luxury suites with an average room size of over 1,000 square feet. In addition, City of Dreams includes approximately 41 restaurants and bars, approximately 149 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, swimming pools, spas and salons and banquet and meeting facilities. The wet stage performance theater with approximately 2,000 seats features *House of Dancing Water*, which had been temporarily closed since June 2020 and re-opened in May 2025. The Para nightclub offers approximately 2,232 square meters (equivalent to approximately 24,025 square feet) of live entertainment space. City of Dreams targets premium mass players and rolling chip patrons from regional markets across Asia.

For the six months ended June 30, 2025 and 2024, the total operating revenues generated from City of Dreams amounted to US$1.45 billion and US$1.21 billion, representing 63.9% and 60.9% of our total operating revenues, respectively.

For the years ended December 31, 2024, 2023 and 2022, the total operating revenues generated from City of Dreams amounted to US$2.43 billion, US$2.06 billion and US$0.63 billion, representing 61.0%, 64.7% and 64.9% of our total operating revenues, respectively.

Altira Macau

Altira Macau had an average of approximately 33 gaming tables and 133 gaming machines operated under the brand Mocha at Altira Macau during the six months ended June 30, 2025, compared to an average of approximately 39 gaming tables and 134 gaming machines operated under the brand Mocha at Altira Macau in 2024, approximately 44 gaming tables and 141 gaming machines operated under the brand Mocha at Altira Macau in 2023, and approximately 93 gaming tables and 146 gaming machines operated under the brand Mocha at Altira Macau in 2022. In addition, Altira Macau offers approximately 216 hotel rooms and features several fine dining and casual restaurants and recreation and leisure facilities. Starting in the third quarter of 2021, Altira Macau has strategically repositioned to cater to the premium mass and mass operations and shut down VIP rolling chip operations.

For the six months ended June 30, 2025 and 2024, the total operating revenues generated from Altira Macau amounted to US$56.7 million and US$64.8 million, representing 2.5% and 3.3% of our total operating revenues, respectively.

For the years ended December 31, 2024, 2023 and 2022, the total operating revenues generated from Altira Macau amounted to US$127.2 million, US$114.0 million and US$32.8 million, representing 3.2%, 3.6% and 3.4% of our total operating revenues, respectively.

Mocha and Other

Mocha Clubs had an average of approximately 845 gaming machines in operation (excluding approximately 133 gaming machines at Altira Macau) during the six months ended June 30, 2025, compared to an average of approximately 882 gaming machines in operation (excluding approximately 134 gaming machines at Altira Macau) in 2024, approximately 874 gaming machines in operation (excluding approximately 141 gaming machines at Altira Macau) in 2023, and approximately 935 gaming machines in operation (excluding approximately 146 gaming machines at Altira Macau) in 2022. Mocha Clubs focus primarily on general mass market patrons, including day-trip customers, outside the conventional casino setting. Grand Dragon Casino had an average of approximately 15 gaming tables during the six months ended June 30, 2025, compared to an average of approximately 16 gaming tables in 2024, approximately 17 gaming tables in 2023, and approximately 25 gaming tables in 2022.

In accordance with the Company's overall development strategy and applicable Macau law, the Grand Dragon Casino and three of our Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal will progressively cease operations between September and December 2025 and the gaming tables and electronic gaming machines will be reallocated to our other gaming areas in Macau. We have submitted the relevant applications for the continuing operations of Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond December 31, 2025, and such applications are currently under review by the Macau government.

For the six months ended June 30, 2025 and 2024, the total operating revenues generated from Mocha and Other amounted to US$58.7 million and US$63.1 million, representing 2.6% and 3.2% of our total operating revenues, respectively.

For the years ended December 31, 2024, 2023 and 2022, the total operating revenues generated from Mocha and Other amounted to US$123.3 million, US$119.0 million and US$76.4 million, representing 3.1%, 3.7% and 7.9% of our total operating revenues, respectively.

Summary of Financial Results

For the six months ended June 30, 2025, our total operating revenues were US$2.28 billion, an increase of 14.9% from US$1.98 billion for the six months ended June 30, 2024. Net income for the six months ended June 30, 2025 was US$48.6 million, as compared to US$8.8 million for the six months ended June 30, 2024. The increase was primarily attributable to improved performance in all gaming operations and non-gaming operations at City of Dreams, partially offset by impairment in goodwill of US$55.6 million in Mocha and Other recorded under property charges and other. Net income/loss from Studio City Casino gaming operations are reimbursed to/from Studio City Entertainment pursuant to the Studio City Casino Agreement. Such reimbursement is included in general and administrative expenses in the consolidated statement of operations. The revenues and costs from the provision of management services to affiliated companies are reflected in entertainment, retail and other revenues and operating expenses, respectively, in the consolidated statement of operations.

For the year ended December 31, 2024, our total operating revenues were US$3.99 billion, an increase of US$0.80 billion, or 25.2%, from US$3.19 billion for the year ended December 31, 2023. Net income for the year ended December 31, 2024 was US$0.6 million, as compared to net loss of US$354.2 million for the year ended December 31, 2023. The change was primarily attributable to better performance in all gaming operations as well as non-gaming operations at City of Dreams and Altira Macau as a result of the continued recovery in inbound tourism to Macau in 2024, partially offset by higher operating costs for the increase in business activities.

For the year ended December 31, 2023, our total operating revenues were US$3.19 billion, an increase of US$2.22 billion, or 228.4%, from US$0.97 billion for the year ended December 31, 2022. Net loss for the year ended December 31, 2023 was US$354.2 million, as compared to US$733.8 million for the year ended December 31, 2022. The change was primarily attributable to improved performance in all gaming operations and non-gaming operations at City of Dreams and Altira Macau as a result of the earlier than expected relaxation of COVID-19 related restrictions in Macau in January 2023, and no remaining amortization of gaming subconcession, partially offset by higher interest expense, and the amortization expenses on intangible assets arising from the Macau gaming concession as well as asset impairments of US$207.6 million in Altira Macau under property charges and other in 2023.

The following summarizes the results of our operations for the periods/years indicated:

	Six Months Ended June 30		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF OPERATIONS DATA:					
Total operating revenues	2,276,234	1,980,383	3,994,215	3,190,667	971,670
Total operating costs and expenses	(2,077,097)	(1,812,500)	(3,676,122)	(3,222,868)	(1,430,845)
Operating income (loss)	199,137	167,883	318,093	(32,201)	(459,175)
Net income (loss)	48,624	8,848	599	(354,205)	(733,820)

Factors Affecting Our Current and Future Results

Our results of operations are and will be affected most significantly by:

- Policies and campaigns implemented by the mainland China government, including restrictions on travel, anti-corruption campaigns, monitoring of cross-border currency movement and adoption of measures to eliminate perceived channels of illicit cross-border currency movements, restrictions on currency withdrawal, scrutiny of marketing activities in mainland China or measures taken by the mainland China government, including criminalization of certain conduct, to deter marketing of gaming activities to mainland China residents by foreign casinos, as well as any slowdown of economic growth in mainland China, may lead to a decline and limit the recovery and growth in the number of patrons visiting our properties and the spending amount of such patrons;
- Policies and legislation implemented by the Macau government, including interpretations thereof, such as those relating to travel and visa policies;
- The gaming and leisure market in Macau is continuing to develop and the competitive landscape is expected to evolve as more gaming and non-gaming facilities are developed in the regions where our properties are located. More supply of hotels or integrated resorts in the Cotai region of Macau will intensify the competition in the business that we operate;
- Greater regulatory scrutiny, including increased audits and inspections, in relation to movement of capital and anti-money laundering and other financial crime. Anti-money laundering, anti-bribery and corruption and sanctions and counter-terrorism financing laws and regulations have become increasingly complex and subject to greater regulatory scrutiny and supervision by regulators globally and may increase our compliance costs and any potential non-compliances of such laws and regulations could have an adverse effect on our reputation, financial condition, results of operations or cash flows;

- Enactment of new laws, or amendments to existing laws with more stringent requirements, in relation to personal data, including, among others, collection, use and/or transmission of personal data, and as to which there may be limited precedence on their interpretation and application, may increase operating costs and/or adversely impact our ability to market to our customers and guests. In addition, any non-compliance with such laws may result in damage of our reputation and/or subject us to lawsuits, fines and other penalties as well as restrictions on our use or transfer of data;
- Increases in cybersecurity and ransomware attacks around the world, including in the gaming and hospitality industries, and the need to continually evaluate, enhance and improve our internal process, systems and technology infrastructure to comply with the increasing cybersecurity, data privacy and data protection laws, regulations and requirements;
- Our 2015 Credit Facilities and 2020 Credit Facilities, which expose us to interest rate risk, as discussed under "—Quantitative and Qualitative Disclosures about Market Risk—Interest Rate Risk";
- The currency of our operations, our indebtedness and presentation of our consolidated financial statements, which expose us to foreign exchange rate risk, as discussed under "—Quantitative and Qualitative Disclosures about Market Risk—Foreign Exchange Risk"; and
- Our historical financial results may not be characteristic of our potential future results as we continue to expand and refine our service offerings at our properties and develop and open new properties.

Key Performance Indicators (KPIs)

We use the following KPIs to evaluate our casino operations, including table games and gaming machines:

- *Rolling chip volume*: the amount of non-negotiable chips net buy in plus the amount of cash chips converted to non-negotiable chips.
- *Rolling chip win rate*: rolling chip table games win (calculated before discounts, commissions, non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of rolling chip volume.
- *Mass market table games drop*: the amount wagered in the mass market table games operation.
- *Mass market table games hold percentage*: mass market table games win (calculated before discounts, commissions, non-discretionary incentives and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) as a percentage of mass market table games drop.
- *Table games win*: the amount of wagers won net of wagers lost on gaming tables that is retained and recorded as casino revenues. Table games win is calculated before discounts, commissions, non-discretionary incentives and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis.
- *Gaming machine handle*: the total amount wagered in gaming machines.
- *Gaming machine win rate*: gaming machine win (calculated before non-discretionary incentives (including our point-loyalty programs) and allocating casino revenues related to goods and services provided to gaming patrons on a complimentary basis) expressed as a percentage of gaming machine handle.

In the rolling chip market operations, customers purchase identifiable chips known as non-negotiable chips, or rolling chips, from the casino cage, and there is no deposit into a gaming table's drop box for rolling chips purchased from the cage. Rolling chip volume and mass market table games drop are not equivalent. Rolling chip volume is a measure of amounts of non-negotiable chips net buy in plus the amount of cash chips converted into non-negotiable chips. Mass market table games drop measures buy in. Rolling chip volume is generally substantially higher than mass market table games drop. As these volumes are the denominator used in calculating win rate or hold percentage, with the same use of gaming win as the numerator, the win rate is generally lower in the rolling chip market operations than the hold percentage in the mass market table games operations.

Our combined expected rolling chip win rate across our properties is in the range of 2.85% to 3.15%.

We use the following KPIs to evaluate our hotel operations:

- *Average daily rate*: calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms occupied, including complimentary rooms, i.e., average price of occupied rooms per day.

- *Occupancy rate*: the average percentage of available hotel rooms occupied, including complimentary rooms, during a period.
- *Revenue per available room*, or *REVPAR*: calculated by dividing total room revenues including complimentary rooms (less service charges, if any) by total rooms available, thereby representing a combination of hotel average daily room rates and occupancy.

Complimentary rooms are included in the calculation of the above room-related KPIs. The average daily rate of complimentary rooms is typically lower than the average daily rate for cash rooms. The occupancy rate and REVPAR would be lower if complimentary rooms were excluded from the calculation. As not all available rooms are occupied, average daily room rates are normally higher than revenue per available room.

Critical Accounting Estimates

Management's discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements. Our consolidated financial statements were prepared in conformity with U.S. GAAP. Certain of our accounting policies require that management applies significant judgment in defining the appropriate assumptions integral to financial estimates. On an ongoing basis, management evaluates those estimates and judgments which are made based on information obtained from our historical experience, terms of existing contracts, industry trends and outside sources that are currently available to us, and on various other assumptions that management believes to be reasonable and appropriate in the circumstances. However, by their nature, judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from our estimates. We believe that the critical accounting policies discussed below affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Property and Equipment

As of June 30, 2025 and December 31, 2024, 2023 and 2022, we had net property and equipment of US$1.96 billion, US$2.00 billion, US$2.06 billion and US$2.38 billion, representing 33.8%, 34.1%, 34.5% and 35.5% of our total assets respectively. Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment, if any. We depreciate property and equipment on a straight-line basis over their estimated useful lives. The useful lives are estimated based on factors including the nature of the assets, its relationship to other assets, our operating plans and anticipated use and other economic and legal factors that impose limits. The remaining estimated useful lives of the property and equipment are periodically reviewed. Refer to note 2(h) to the consolidated financial statements for the years ended December 31, 2024 and 2023 and note 2(i) to the consolidated financial statements for the years ended December 2023 and 2022, which are included elsewhere in this offering memorandum for further details of estimated useful lives of the property and equipment.

Impairment of Long-lived assets, Intangible assets and Goodwill

We evaluate our property and equipment and other long-lived assets for impairment whenever indicators of impairment exist. If an indicator of impairment exists, we first group our assets with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities (the "asset group"). Secondly, we estimate the undiscounted future cash flows over the remaining useful life of the primary asset within the asset group which involves significant assumptions, including future revenue growth rates and cost inflation. The future cash flows are derived based on management historical experience and market condition which are consistent with our budget and strategic plan. If the sum of undiscounted cash flows exceeds the carrying value, no impairment is indicated. If the sum of undiscounted cash flows does not exceed the carrying value, then an impairment is measured based on fair value compared to carrying value, with fair value typically based on a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management's intentions may result in future changes to the recoverability of our asset groups.

We review the carrying value of goodwill and intangible assets with indefinite useful lives for impairment at least on an annual basis or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill and intangible assets with indefinite useful lives as at June 30, 2025 and December 31, 2024, 2023 and 2022 were associated with Mocha Clubs, a reporting unit, which arose from the acquisition of

Mocha Slot Group Limited and its subsidiaries by our Company in 2006. When performing the impairment analysis for goodwill and intangible assets with indefinite lives, we will first perform a qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed.

Effective from June 9, 2025, the date which Melco announced the development of Mocha Clubs, the estimated useful lives of Mocha Clubs trademarks were changed from indefinite lives to finite lives and such carrying amount is amortized on a straight-line basis over the remaining period of the Concession.

During the six months ended June 30, 2025, as a result of three Mocha Clubs progressively ceasing operations between September and December 2025 (as disclosed in note 1 to the unaudited condensed consolidated financial statements for the six months ended June 30, 2025 and 2024 included elsewhere in this offering memorandum), the Company recognized an impairment of goodwill in relation to the Mocha and Other segment of US$55.6 million, which was included in property charges and other in the accompanying condensed consolidated statements of operations. No impairment of goodwill was recognized during the six months ended June 30, 2024 and the years ended December 31, 2024, 2023 and 2022.

To perform quantitative impairment test of goodwill, we perform an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. If the carrying value of the reporting unit exceeds its fair value, we will recognize an impairment for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit. We determine the fair value of our reporting unit based on income approach through the application of discounted cash flow method. The future cash flows of the reporting unit involve significant assumptions, including future revenue growth rates and cost inflation. The future cash flows are derived based on management historical experience and market condition which are consistent with our budget and strategic plan. For the impairment test of Mocha Clubs as a reporting unit, the rates used to discount the cash flow were 13.3%, 11.5%, 10.5%, 11.7% and 12.6% for the six months ended June 30, 2025 and 2024 and the years ended December 31, 2024, 2023 and 2022 respectively. To perform quantitative impairment test of the trademarks of Mocha Clubs, discounted cash flow approach is adopted which is based on relief-from-royalty method. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference. Future changes to our estimates and assumptions based upon changes in operating results, macro-economic factors or management's intentions may result in future changes to the fair value of the reporting unit and trademarks.

During the six months ended June 30, 2025 and 2024, the performance of Altira Macau had not improved and an impairment of long-lived assets in relation to Altira Macau of US$1.3 million and US$1.6 million, respectively, were recognized and included in property charges and other in the accompanying condensed consolidated statements of operations, which included impairment of Altira Macau's property and equipment of US$1.3 million and US$1.4 million, and the full impairment of the finite-lived intangible assets for Altira Macau of US$7 thousands and US$196 thousands, for the respective period. During the year ended December 31, 2024, the performance of Altira Macau had not improved and a further impairment of long-lived assets of US$3.3 million was recognized which included impairment of Altira Macau's property and equipment of US$3.1 million and the full impairment of the finite-lived intangible assets for Altira Macau of US$0.2 million. During the year ended December 31, 2023, with the market value of Altira Macau significantly decreased as a result of a change in its forecasted performance given the latest market conditions and lingering disruptions to the business caused by COVID-19 and our earlier cessation of arrangements with gaming promoters in Macau, we recognized an impairment of long-lived assets in relation to Altira Macau of US$207.6 million. Such amount included the impairment of Altira Macau's property and equipment of US$110.0 million, and the full impairment of the finite-lived intangible assets, land use rights and operating lease right-of-use assets for Altira Macau of US$30.4 million, US$65.2 million and US$2.0 million, respectively. During the year ended December 31, 2022, an impairment of long-lived assets of US$3.6 million represents the impairment of property and equipment which related to a significant decrease in the market value of an aircraft. The fair values of the long-lived assets of Altira Macau were estimated based on a combination of income and cost approaches and the discount rates adopted in income approach for the six months ended June 2025 and 2024 and the years ended December 31, 2024 and 2023 were 13.9%, 12.1%, 12.6% and 12.3%, respectively.

Allowances for credit losses

Financial instruments that potentially subject our Company to concentration of credit risk consist principally of casino accounts receivable. We issue credit for gaming pursuant to the gaming credit facilities entered into with customers, and previously, with gaming promoters, following a review of their creditworthiness. These receivables can be offset against commissions payable and any other payments due by us to customers, and previously to gaming promoters.

As of June 30, 2025 and December 31, 2024, 2023 and 2022, a substantial portion of our markers issued pursuant to the gaming credit facilities were due from customers residing in various countries and from licensed gaming promoters. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant circumstances in these countries could affect the collectability of receivables from customers and gaming promoters.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce our receivables to their carrying amounts, which reflects the net amount the Company expects to collect. The allowance is estimated based on our specific reviews of the age of the balances owed, the customers' financial condition, management's experience with the collection trends of the customers, current business and economic conditions, and management's expectations of future business and economic conditions.

As of June 30, 2025 and December 31, 2024, 2023 and 2022, the Company's allowances for casino credit losses were 48.5%, 48.0%, 63.9% and 84.0% of gross casino accounts receivable, respectively. As of June 30, 2025, a 100 basis-point change in the estimated allowances for credit losses as a percentage of casino receivables would change the allowances for credit losses by approximately US$2.4 million.

Income Tax

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. As of June 30, 2025 and December 31, 2024, 2023 and 2022, we recorded valuation allowances of US$141.3 million, US$128.2 million, US$127.3 million and US$120.3 million, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. Our assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, and the duration of statutory carryforward periods. To the extent that the financial results of our operations improve and it becomes more likely than not that the deferred tax assets are realizable, the valuation allowances will be reduced.

Litigation and Contingency Estimates

We are subject to certain legal proceedings which relate to matters arising out of the Company's ordinary course of business. We estimate the accruals for the claims of these legal proceedings based on all relevant facts and circumstances currently available and will recognize these claims as liabilities when it is determined such contingencies are both probable and reasonably estimable.

Results of Operations

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenues

Our total operating revenues for the six months ended June 30, 2025 were US$2.28 billion, an increase of US$0.30 billion, or 14.9%, from US$1.98 billion for the six months ended June 30, 2024. The increase in total operating revenues was primarily attributable to improved performance in all gaming operations and non-gaming operations at City of Dreams, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Net income/loss from Studio City Casino gaming operations are reimbursed to/from Studio City Entertainment pursuant to the Studio City Casino Agreement. Such reimbursement is included in general and administrative expenses.

Our total operating revenues for the six months ended June 30, 2025 consisted of US$1.97 billion of casino revenues, representing 86.4% of our total operating revenues, and US$310.5 million of non-casino revenues. Our total operating revenues for the six months ended June 30, 2024 consisted of US$1.70 billion of casino revenues, representing 85.9% of our total operating revenues, and US$279.8 million of non-casino revenues.

Casino. Casino revenues for the six months ended June 30, 2025 were US$1.97 billion, representing a US$0.27 billion, or 15.6%, increase from US$1.70 billion for the six months ended June 30, 2024, primarily due to higher revenues in all gaming operations at City of Dreams, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Pursuant to the Studio City Casino Agreement, net income/loss arisen from operating the Studio City Casino is reimbursed to/from Studio City Entertainment. Such reimbursement is included in general and administrative expenses.

City of Dreams. City of Dreams' rolling chip volume for the six months ended June 30, 2025 of US$11.54 billion represented an increase of US$1.02 billion, or 9.7%, from US$10.52 billion for the six months ended June 30, 2024 and win rate was 3.83% for the six months ended June 30, 2025, which increased from 2.58% for the six months ended June 30, 2024. Our expected range was 2.85% to 3.15%. Mass market table games drop was US$3.34 billion for the six months ended June 30, 2025, which represented an increase of US$0.40 billion, or 13.8%, from US$2.94 billion for the six months ended June 30, 2024 and hold percentage was 30.4% for the six months ended June 30, 2025, decreasing from 32.0% for the six months ended June 30, 2024. Average net win per gaming machine per day was US$507 for the six months ended June 30, 2025, an increase of US$15, or 3.1%, from US$491 for the six months ended June 30, 2024.

Altira Macau. Mass market table games drop was US$227.7 million for the six months ended June 30, 2025, representing a decrease of 17.2% from US$275.1 million for the six months ended June 30, 2024 and hold percentage was 21.8% for the six months ended June 30, 2025, decreasing from 22.5% for the six months ended June 30, 2024. Average net win per gaming machine per day was US$276 for the six months ended June 30, 2025, an increase of US$17, or 6.4%, from US$260 for the six months ended June 30, 2024.

Mocha and Other. Mass market table games drop was US$110.7 million for the six months ended June 30, 2025, a decrease from US$116.9 million for the six months ended June 30, 2024 and hold percentage was 16.0% for the six months ended June 30, 2025, decreasing from 17.6% for the six months ended June 30, 2024. Average net win per gaming machine per day for the six months ended June 30, 2025 was US$279, an increase of US$6, or 2.2%, from US$273 for the six months ended June 30, 2024.

Rooms. Room revenues (including complimentary rooms) were US$89.7 million for the six months ended June 30, 2025, representing an increase of US$4.8 million, or 5.6%, from US$84.9 million for the six months ended June 30, 2024. The increase was primarily due to increased occupancy as a result of a year-over-year increase in inbound tourism to Macau. City of Dreams' average daily rate, occupancy rate and REVPAR were US$217, 98% and US$213, respectively, for the six months ended June 30, 2025, as compared to US$207, 93% and US$194, respectively, for the six months ended June 30, 2024. Altira Macau's average daily rate, occupancy rate and REVPAR were US$132, 97% and US$128, respectively, for the six months ended June 30, 2025, as compared to US$131, 95% and US$124, respectively, for the six months ended June 30, 2024.

Food and beverage. Food and beverage revenues (including complimentary food and beverage) were US$60.1 million for the six months ended June 30, 2025, representing an increase of US$2.0 million, or 3.5%, from US$58.1 million for the six months ended June 30, 2024. The increase was primarily due to the increase in business activities as a result of a year-over-year increase in inbound tourism to Macau.

Entertainment, retail and other. Entertainment, retail and other revenues (including complimentary entertainment services) increased by US$23.9 million, or 17.5%, to US$160.6 million for the six months ended June 30, 2025 from US$136.8 million for the six months ended June 30, 2024. The increase was primarily due to the increase in management fee income resulting from the increase in business activities during the six months ended June 30, 2025, as well as the revenues from House of Daning Water, which was relaunched in early May 2025.

Operating costs and expenses

Total operating costs and expenses were US$2.08 billion for the six months ended June 30, 2025, compared to US$1.81 billion for the six months ended June 30, 2024.

Casino. Casino expenses increased by US$0.11 billion, or 9.2%, to US$1.32 billion for the six months ended June 30, 2025 from US$1.21 billion for the six months ended June 30, 2024, primarily due to an increase in gaming taxes at City of Dreams resulting from increased gaming volumes and associated higher revenues and higher payroll expenses at City of Dreams, as well as an increase in casino expenses at Studio City Casino due to its improved performance, for which Melco Resorts Macau is reimbursed pursuant to the Studio City Casino Agreement.

Rooms. Room expenses, which represent the costs of operating the hotel facilities at Altira Macau and City of Dreams, were US$31.8 million and US$25.7 million for the six months ended June 30, 2025 and 2024, respectively. The increase was primarily due to increased occupancy, which was in-line with higher room revenues for the six months ended June 30, 2025.

Food and beverage. Food and beverage expenses were US$54.0 million and US$48.1 million for the six months ended June 30, 2025 and 2024, respectively. The increase was in-line with higher food and beverage revenues for the six months ended June 30, 2025.

Entertainment, retail and other. Entertainment, retail and other expenses were US$15.5 million and US$8.8 million for the six months ended June 30, 2025 and 2024, respectively. The increase was primarily due to higher operating costs as a result of an increase in business activities during the six months ended June 30, 2025 and the re-opening of *House of Dancing Water* in early May 2025.

General and administrative. General and administrative expenses increased by US$64.4 million, or 16.1%, to US$463.9 million for the six months ended June 30, 2025 from US$399.4 million for the six months ended June 30, 2024. The increase was primarily due to the higher reimbursement of net income from Studio City Casino to Studio City Entertainment pursuant to the Studio City Casino Agreement as a result of improved performance at Studio City Casino in the six months ended June 30, 2025, increase in payroll expenses as well as higher trademark license fee expenses in the six months ended June 30, 2025.

Pre-opening costs. Pre-opening costs were US$28.8 million and US$3.7 million for the six months ended June 30, 2025 and 2024, respectively. These costs related primarily to personnel training, marketing, advertising and administrative costs in connection with new or start-up operations. Higher pre-opening costs for the six months ended June 30, 2025 were primarily due to the re-opening of *House of Dancing Water* in early May 2025.

Amortization of land use rights. Amortization expenses for the land use rights continued to be recognized on a straight-line basis and were US$4.0 million for both the six months ended June 30, 2025 and 2024.

Depreciation and amortization. Depreciation and amortization expenses increased by US$3.9 million, or 3.5%, to US$116.4 million for the six months ended June 30, 2025 from US$112.5 million for the six months ended June 30, 2024.

Property charges and other. Property charges and other for the six months ended June 30, 2025 were US$45.4 million, which primarily included impairment in goodwill related to Mocha Clubs, partially offset by net reversal of accrual for litigation claims related to junket player deposits. During the six months ended June 30, 2025, as a result of three Mocha Clubs progressively ceasing operations between September and December 2025, we recognized an impairment of goodwill in relation to the Mocha and Other segment of US$55.6 million. Property charges and other for the six months ended June 30, 2024 were US$3.7 million, which primarily included asset impairments in Altira Macau and litigation claims related to junket player deposits.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expense, other financing costs, foreign exchange gains (losses), net as well as other non-operating income, net.

Interest income was US$6.7 million for the six months ended June 30, 2025, compared to US$10.3 million for the six months ended June 30, 2024. The decrease was primarily due to lower interest rate on loans advanced to Melco.

Interest expense was US$159.4 million for the six months ended June 30, 2025, compared to US$162.3 million for the six months ended June 30, 2024. The decrease was primarily due to lower interest expense of US$17.4 million on the 2020 Credit Facilities as a result of net repayments during the year ended December 31, 2024 and lower interest expense of US$3.4 million on the 2025 Senior Notes as a result of repayment upon maturity on June 6, 2025, partially offset by higher interest expense of US$16.8 million on the 2032 Senior Notes issued in April 2024.

Other financing costs for the six months ended June 30, 2025 amounted to US$2.8 million, compared to US$3.4 million for the six months ended June 30, 2024. The decrease in other financing costs was primarily due to a decrease in loan commitment fees as a result of the drawdowns of the 2020 Credit Facilities during the six months ended June 30, 2025.

Income tax expense

Income tax expense for the six months ended June 30, 2025 amounted to US$4.9 million compared to US$3.4 million for the six months ended June 30, 2024. The income tax expense was primarily attributable to payments in lieu of Macau Complementary Tax otherwise due by Melco Resorts Macau's shareholders on dividends distributable to them by Melco Resorts Macau of US$4.0 million and income taxes under Pillar Two of US$1.0 million. The effective tax rate for the six months ended June 30, 2025 was 9.07%, as compared to 28.04% for the six months ended June 30, 2024. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, changes in valuation allowances, different tax rate of subsidiaries operating in other jurisdiction and profits generated by gaming operations being exempted from Macau Complementary Tax for the six months ended June 30, 2025 and 2024. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net income

As a result of the foregoing, we had net income of US$48.6 million for the six months ended June 30, 2025, compared to US$8.8 million for the six months ended June 30, 2024.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenues

Our total operating revenues for the year ended December 31, 2024 were US$3.99 billion, an increase of US$0.80 billion, or 25.2%, from US$3.19 billion for the year ended December 31, 2023. The increase in total operating revenues was primarily attributable to improved performance in all gaming operations and non-gaming operations at City of Dreams and Altira Macau, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Such increase mainly resulted from the continued recovery in inbound tourism to Macau in 2024. Net income/loss from Studio City Casino gaming operations are reimbursed to/from Studio City Entertainment pursuant to the Studio City Casino Agreement. Such reimbursement is included in general and administrative expenses.

Our total operating revenues for the year ended December 31, 2024 consisted of US$3.43 billion of casino revenues, representing 85.8% of our total operating revenues, and US$566.3 million of non-casino revenues. Our total operating revenues for the year ended December 31, 2023 consisted of US$2.71 billion of casino revenues, representing 85.1% of our total operating revenues, and US$476.8 million of non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2024 were US$3.43 billion, representing a US$0.71 billion, or 26.3%, increase from US$2.71 billion for the year ended December 31, 2023, primarily due to higher revenues in all gaming operations at City of Dreams and Altira Macau, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Pursuant to the Studio City Casino Agreement, net income/loss arisen from operating the Studio City Casino is reimbursed to/from Studio City Entertainment. Such reimbursement is included in general and administrative expenses.

Altira Macau. Mass market table games drop was US$535.8 million for the year ended December 31, 2024, representing an increase of 9.7% from US$488.2 million for the year ended December 31, 2023. The mass market table games hold percentage was 22.4% for the year ended December 31, 2024, decreasing from 22.7% for the year ended December 31, 2023. Average net win per gaming machine per day was US$255 for the year ended December 31, 2024, an increase of US$30, or 13.6%, from US$224 for the year ended December 31, 2023.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2024 of US$20.06 billion represented an increase of US$634.8 million, or 3.3%, from US$19.42 billion for the year ended December 31, 2023. The rolling chip win rate was 2.74% for the year ended December 31, 2024, which increased from 2.61% for the year ended December 31, 2023. Our expected range was 2.85% to 3.15%. Mass market table games drop was US$5.87 billion for the year ended December 31, 2024, which represented an increase of US$851.0 million, or 17.0%, from US$5.02 billion for the year ended December 31, 2023. The mass market table games hold percentage was 32.1% for the year ended December 31, 2024, increasing from 30.9% for the year ended December 31, 2023. Average net win per gaming machine per day was US$524 for the year ended December 31, 2024, an increase of US$60, or 12.9%, from US$464 for the year ended December 31, 2023.

Mocha and Other. Mass market table games drop was US$231.6 million for the year ended December 31, 2024, an increase from US$176.1 million for the year ended December 31, 2023. The mass market table games hold percentage was 16.8% for the year ended December 31, 2024, decreasing from 17.0% for the year ended December 31, 2023. Average net win per gaming machine per day for the year ended December 31, 2024 was US$274, a decrease of US$16, or 5.6%, from US$291 for the year ended December 31, 2023.

Rooms. Room revenues (including complimentary rooms) were US$173.8 million for the year ended December 31, 2024, representing an increase of US$18.4 million, or 11.8%, from US$155.4 million for the year ended December 31, 2023. The increase was primarily due to increased occupancy as a result of a year-over-year increase in inbound tourism to Macau. City of Dreams' average daily rate, occupancy rate and REVPAR were US$211, 93%and US$197, respectively, for the year ended December 31, 2024, as compared to US$201, 86% and US$173, respectively, for the year ended December 31, 2023. Altira Macau's average daily rate, occupancy rate and REVPAR were US$133, 95% and US$127, respectively, for the year ended December 31, 2024, as compared to US$136, 87% and US$118, respectively, for the year ended December 31, 2023.

Food and beverage. Food and beverage revenues (including complimentary food and beverage) were US$115.7 million for the year ended December 31, 2024, representing an increase of US$28.2 million, or 32.2%, from US$87.5 million for the year ended December 31, 2023. The increase was primarily due to the increase in business activities as a result of a year-over-year increase in inbound tourism to Macau.

Entertainment, retail and other. Entertainment, retail and other revenues (including complimentary entertainment services) increased by US$43.0 million, or 18.4%, to US$276.8 million for the year ended December 31, 2024 from US$233.8 million for the year ended December 31, 2023. The increase was primarily due to the increase in management fee income resulting from the increase in business activities during the year ended December 31, 2024.

Operating costs and expenses

Total operating costs and expenses were US$3.68 billion for the year ended December 31, 2024, compared to US$3.22 billion for the year ended December 31, 2023.

Casino. Casino expenses increased by US$0.50 billion, or 26.0%, to US$2.44 billion for the year ended December 31, 2024 from US$1.94 billion for the year ended December 31, 2023, primarily due to an increase in gaming taxes at City of Dreams and Altira Macau resulting from increased gaming volumes and associated higher revenues, higher marketing and promotional expenses and higher payroll expenses at City of Dreams, higher complimentaries to gaming customers, as well as an increase in casino expenses at Studio City Casino due to its improved performance, for which Melco Resorts Macau is reimbursed pursuant to the Studio City Casino Agreement.

Rooms. Room expenses, which represent the costs of operating the hotel facilities at Altira Macau and City of Dreams, were US$55.1 million and US$44.3 million for the years ended December 31, 2024 and 2023, respectively. The increase was primarily due to increased occupancy, which was in-line with higher room revenues for the year ended December 31, 2024.

Food and beverage. Food and beverage expenses were US$100.9 million and US$76.4 million for the years ended December 31, 2024 and 2023, respectively. The increase was in-line with higher food and beverage revenues for the year ended December 31, 2024.

Entertainment, retail and other. Entertainment, retail and other expenses were US$19.4 million and US$16.5 million for the years ended December 31, 2024 and 2023, respectively. The increase was primarily due to higher operating costs as a result of an increase in business activities during the year ended December 31, 2024.

General and administrative. General and administrative expenses increased by US$171.3 million, or 27.0%, to US$806.3 million for the year ended December 31, 2024 from US$635.0 million for the year ended December 31, 2023. The increase was primarily due to the higher reimbursement of net income from Studio City Casino to Studio City Entertainment pursuant to the Studio City Casino Agreement as a result of improved performance at Studio City Casino in the year ended December 31, 2024, increase in payroll expenses as well as higher trademark license fee expenses in the year ended December 31, 2024.

Pre-opening costs. Pre-opening costs were US$12.1 million and US$3.9 million for the years ended December 31, 2024 and 2023, respectively. These costs related primarily to personnel training, marketing, advertising and administrative costs in connection with new or start-up operations. Pre-opening costs for the year ended December 31, 2024 and 2023 were mainly for *House of Dancing Water*, which re-opened in May 2025.

Amortization of land use rights. Amortization expenses for the land use rights continued to be recognized on a straight-line basis and were US$8.0 million and US$10.8 million for the years ended December 31, 2024 and 2023, respectively. The lower amount during the year ended December 31, 2024 was primarily due to the impairment on the land use right of Altira Macau made in 2023 which resulted a lower amortization thereafter.

Depreciation and amortization. Depreciation and amortization expenses decreased by US$46.2 million, or 17.1%, to US$224.2 million for the year ended December 31, 2024 from US$270.4 million for the year ended December 31, 2023. The decrease was primarily due to lower depreciation and amortization expenses as a result of the fully depreciated assets in our properties during the year and the asset impairments in Altira Macau in 2023.

Property charges and other. Property charges and other for the year ended December 31, 2024 were US$10.7 million, which primarily included the litigation claims related to junket player deposits, repairs and maintenance costs incurred as a result of typhoons and remodeling, and asset impairments in Altira Macau. Property charges and other for the year ended December 31, 2023 were US$229.0 million, which primarily included asset impairments in Altira Macau, litigation claims related to junket player deposits and costs incurred as a result of departmental restructuring.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expense, other financing costs, foreign exchange losses, net as well as other non-operating income, net.

Interest income was US$20.1 million for the year ended December 31, 2024, compared to US$26.2 million for the year ended December 31, 2023. The decrease was primarily due to the lower interest rate on loans advanced to Melco.

Interest expense was US$324.4 million for the year ended December 31, 2024, compared to US$345.5 million for the year ended December 31, 2023. The decrease was primarily due to lower interest expense of US$61.5 million on the 2020 Credit Facilities as a result of net repayments during the year ended December 31, 2024 and 2023, partially offset by interest expense of US$40.3 million on the 2032 Senior Notes issued in April 2024.

Other financing costs for the year ended December 31, 2024 amounted to US$6.8 million, compared to US$4.0 million for the year ended December 31, 2023. The increase in other financing costs was primarily due to an increase in loan commitment fees as a result of the net repayments of the 2020 Credit Facilities during the year ended December 31, 2024.

Income tax expense/benefit

Income tax expense for the year ended December 31, 2024 amounted to US$6.9 million compared to income tax benefit of US$1.4 million for the year ended December 31, 2023. The income tax expense was primarily attributable to payments in lieu of Macau Complementary Tax otherwise due by Melco Resorts Macau's shareholders on dividends distributable to them by Melco Resorts Macau of US$7.0 million. The effective tax rate for the year ended December 31, 2024 was 92.04%, as compared to 0.39% for the year ended December 31, 2023. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, expired tax losses, changes in valuation allowances, different tax rate of subsidiaries operating in other jurisdiction and profits generated by gaming operations being exempted from Macau Complementary Tax for the years ended December 31, 2024 and 2023. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net income/loss

As a result of the foregoing, we had net income of US$0.6 million for the year ended December 31, 2024, compared to net loss of US$354.2 million for the year ended December 31, 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

Our total operating revenues for the year ended December 31, 2023 were US$3.19 billion, an increase of US$2.22 billion, or 228.4%, from US$0.97 billion for the year ended December 31, 2022. The increase in total operating revenues was primarily attributable to improved performance in all gaming operations and non-gaming operations at City of Dreams and Altira Macau, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Such increase mainly resulted from the earlier than expected relaxation of COVID-19 related restrictions in Macau in January 2023. Net income/loss from Studio City Casino gaming operations are reimbursed to/from Studio City Entertainment pursuant to the Studio City Casino Agreement. Such reimbursement is included in general and administrative expenses.

Our total operating revenues for the year ended December 31, 2023 consisted of US$2.71 billion of casino revenues, representing 85.1% of our total operating revenues, and US$476.8 million of non-casino revenues. Our total operating revenues for the year ended December 31, 2022 consisted of US$0.71 billion of casino revenues, representing 73.2% of our total operating revenues, and US$260.8 million of non-casino revenues.

Casino. Casino revenues for the year ended December 31, 2023 were US$2.71 billion, representing a US$2.00 billion, or 281.8%, increase from casino revenues of US$0.71 billion for the year ended December 31, 2022, primarily due to higher revenues in all gaming operations at City of Dreams and Altira Macau, as well as increased casino revenues generated from the operations of Studio City Casino by our subsidiary, Melco Resorts Macau, the gaming concessionaire. Pursuant to the Studio City Casino Agreement, net income/loss arisen from operating the Studio City Casino is reimbursed to/from Studio City Entertainment. Such reimbursement is included in general and administrative expenses.

Altira Macau. Mass market table games drop was US$488.2 million for the year ended December 31, 2023, representing an increase of 293.6% from US$124.0 million for the year ended December 31, 2022. The mass market table games hold percentage was 22.7% for the year ended December 31, 2023, increasing from 19.6% for the year ended December 31, 2022. Average net win per gaming machine per day was US$224 for the year ended December 31, 2023, an increase of US$108, or 92.6%, from US$116 for the year ended December 31, 2022.

City of Dreams. City of Dreams' rolling chip volume for the year ended December 31, 2023 of US$19.42 billion represented an increase of US$15.04 billion, or 343.5%, from US$4.38 billion for the year ended December 31, 2022. The rolling chip win rate was 2.61% for the year ended December 31, 2023, which decreased from 3.85% for the year ended December 31, 2022. Our expected range was 2.85% to 3.15%. Mass market table games drop was US$5.02 billion for the year ended December 31, 2023, which represented an increase of US$3.83 billion, or 322.6%, from US$1.19 billion for the year ended December 31, 2022. The mass market table games hold percentage was 30.9% for the year ended December 31, 2023, increasing from 30.5% for the year ended December 31, 2022. Average net win per gaming machine per day was US$464 for the year ended December 31, 2023, an increase of US$324, or 232.1%, from US$140 for the year ended December 31, 2022.

Mocha and Other. Effective from June 27, 2022, the Grand Dragon Casino, a casino on Taipa Island, Macau, which focuses on mass market table games and was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino. Mass market table games drop was US$176.1 million for the year ended December 31, 2023, an increase from US$39.2 million for the year ended December 31, 2022. The mass market table games hold percentage was 17.0% for the year ended December 31, 2023, decreasing from 20.1% for the year ended December 31, 2022. Average net win per gaming machine per day for the year ended December 31, 2023 was US$291, an increase of US$82, or 38.9%, from US$209 for the year ended December 31, 2022.

Rooms. Room revenues (including complimentary rooms) were US$155.4 million for the year ended December 31, 2023, representing an increase of US$112.6 million, or 262.9%, from room revenues (including complimentary rooms) of US$42.8 million for the year ended December 31, 2022. The increase was primarily due to increased occupancy as a result of a year-over-year increase in inbound tourism to Macau. City of Dreams' average daily rate, occupancy rate and REVPAR were US$201, 86% and US$173, respectively, for the year ended December 31, 2023, as compared to US$205, 27% and US$56, respectively, for the year ended December 31, 2022. Altira Macau's average daily rate, occupancy rate and REVPAR were US$136, 87% and US$118, respectively, for the year ended December 31, 2023, as compared to US$97, 42% and US$41, respectively, for the year ended December 31, 2022.

Food and beverage. Food and beverage revenues (including complimentary food and beverage) were US$87.5 million for the year ended December 31, 2023, representing an increase of US$56.1 million, or 178.4%, from food and beverage revenues (including complimentary food and beverage) of US$31.4 million for the year ended December 31, 2022. The increase was primarily due to the increase in business activities as a result of a year-over-year increase in inbound tourism to Macau.

Entertainment, retail and other. Entertainment, retail and other revenues (including complimentary entertainment services) increased by US$47.3 million, or 25.3%, to US$233.8 million for the year ended December 31, 2023 from US$186.5 million for the year ended December 31, 2022. The increase was primarily due to the increase in management fee income resulting from the increase in business activities during the year ended December 31, 2023.

Operating costs and expenses

Total operating costs and expenses were US$3.22 billion for the year ended December 31, 2023, compared to US$1.43 billion for the year ended December 31, 2022.

Casino. Casino expenses increased by US$1.21 billion, or 166.8%, to US$1.94 billion for the year ended December 31, 2023 from US$0.73 billion for the year ended December 31, 2022, primarily due to an increase in gaming taxes at City of Dreams and Altira Macau resulting from increased gaming volumes and associated higher revenues, higher complimentaries to gaming customers, higher marketing and promotional expenses and higher payroll expenses at City of Dreams and Altira Macau, as well as an increase in casino expenses at Studio City Casino due to its improved performance, for which Melco Resorts Macau is reimbursed pursuant to the Studio City Casino Agreement.

Rooms. Room expenses, which represent the costs of operating the hotel facilities at Altira Macau and City of Dreams, were US$44.3 million and US$26.0 million for the years ended December 31, 2023 and 2022, respectively. The increase was primarily due to increased occupancy, which was in-line with higher room revenues for the year ended December 31, 2023.

Food and beverage. Food and beverage expenses were US$76.4 million and US$43.0 million for the years ended December 31, 2023 and 2022, respectively. The increase was in-line with higher food and beverage revenues for the year ended December 31, 2023.

Entertainment, retail and other. Entertainment, retail and other expenses were US$16.5 million and US$12.6 million for the years ended December 31, 2023 and 2022, respectively. The increase was primarily due to higher operating costs as a result of an increase in business activities during the year ended December 31, 2023.

General and administrative. General and administrative expenses increased by US$350.8 million, or 123.4%, to US$635.0 million for the year ended December 31, 2023 from US$284.2 million for the year ended December 31, 2022. The increase was primarily due to the reimbursement of net income from Studio City Casino to Studio City Entertainment pursuant to the Studio City Casino Agreement as a result of improved performance at Studio City Casino in the year ended December 31, 2023, as compared to the reimbursement from Studio City Entertainment due to softer performance at Studio City Casino in the year ended December 31, 2022, as well as trademark license fee expenses of US$78.5 million in the year ended December 31, 2023.

Pre-opening costs. Pre-opening costs were US$3.9 million for the year ended December 31, 2023. These costs related primarily to personnel training, marketing, advertising and administrative costs in connection with new or start-up operations. Pre-opening costs for the year ended December 31, 2023 were mainly for *House of Dancing Water*, which re-opened in May 2025. There were no pre-opening costs for the year ended December 31, 2022.

Amortization of gaming subconcession. The gaming subconcession was fully amortized in 2022. Amortization expense for our gaming subconcession, which was recognized on a straight-line basis, was US$32.8 million for the year ended December 31, 2022.

Amortization of land use rights. Amortization expenses for the land use rights continued to be recognized on a straight-line basis and were US$10.8 million for both years ended December 31, 2023 and 2022.

Depreciation and amortization. Depreciation and amortization expenses slightly decreased by US$2.6 million, or 0.9%, to US$270.4 million for the year ended December 31, 2023 from US$273.0 million for the year ended December 31, 2022. The slight decrease was primarily due to lower depreciation expenses due to certain assets being fully depreciated, partially offset by amortization expense of US$24.0 million on the intangible asset arising from the Macau gaming concession.

Property charges and other. Property charges and other for the year ended December 31, 2023 were US$229.0 million, which primarily included asset impairments in Altira Macau, litigation claims related to junket player deposits and costs incurred as a result of departmental restructuring. In 2023, an impairment in long-lived assets of US$207.6 million was recognized to reflect the significant decrease in the market value of Altira Macau. The change in market value reflects a change in forecasted performance of Altira Macau given the latest market conditions and lingering disruptions to the business caused by COVID-19 and the earlier cessation of arrangements with gaming promoters in Macau. Property charges and other for the year ended December 31, 2022 were US$22.6 million, which primarily included the costs incurred as a result of departmental restructuring, litigation claims related to junket player deposits and asset impairments.

Non-operating expenses, net

Net non-operating expenses consist of interest income, interest expense, other financing costs, foreign exchange losses, net as well as other non-operating income, net.

Interest income was US$26.2 million for the year ended December 31, 2023, compared to US$6.3 million for the year ended December 31, 2022. The increase was primarily due to interest income on loans advanced to Melco in August 2022 and March 2023, respectively, as well as higher bank interest income.

Interest expense was US$345.5 million for the year ended December 31, 2023, compared to US$273.3 million for the year ended December 31, 2022. The increase was primarily due to higher interest expense of US$51.3 million on the 2020 Credit Facilities as a result of drawdowns in the second half of 2022, and interest expense of US$20.1 million on financial liability related to the Macau gaming concession.

Other financing costs for the year ended December 31, 2023 amounted to US$4.0 million, compared to US$6.0 million for the year ended December 31, 2022. The decrease in other financing costs was primarily due to the decrease in loan commitment fees as a result of the drawdowns from the 2020 Credit Facilities in the second half of 2022.

Income tax benefit (expense)

Income tax benefit for the year ended December 31, 2023 amounted to US$1.4 million compared to income tax expense of US$1.3 million for the year ended December 31, 2022. The income tax benefit was primarily attributable to a deferred income tax benefit of US$5.6 million and an over provision of prior year's lump sum tax payable of US$1.3 million in lieu of Macau Complementary Tax otherwise due by Melco Resorts Macau's shareholders on dividends distributable to them by Melco Resorts Macau, partially offset by a lump sum tax payable of US$5.7 million for the year ended December 31, 2023 for the current year's similar lump sum tax payable. The effective tax rate for the year ended December 31, 2023 was 0.39%, as compared to (0.17)% for the year ended December 31, 2022. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, expired tax losses, changes in valuation allowances and different tax rate of subsidiaries operating in other jurisdiction for the relevant years together with the effect of profits generated by gaming operations being exempted from Macau Complementary Tax for the year ended December 31, 2023 and the effect of tax losses that cannot be carried forward for the year ended December 31, 2022. Our management currently does not expect to realize significant income tax benefits associated with net operating loss carryforwards and other deferred tax assets generated by our Macau operations. However, to the extent that the financial results of our Macau operations improve and it becomes more likely than not that the deferred tax assets are realizable, we will be able to reduce the valuation allowance related to the net operating losses and other deferred tax assets.

Net loss

As a result of the foregoing, we had net loss of US$354.2 million for the year ended December 31, 2023, compared to net loss of US$733.8 million for the year ended December 31, 2022.

Liquidity and Capital Resources

We have relied, and intend in the future to rely, on our operating cash flow and different forms of financing to meet our funding needs and repay our indebtedness, as the case may be.

As of June 30, 2025, we held cash and cash equivalents of US$573.7 million and restricted cash of US$124.0 million (being cash collateral for concession-related guarantees issued to the Macau government and security under credit facilities). Further, HK$6.16 billion (equivalent to US$784.2 million) of the revolving credit facility under the 2020 Credit Facilities and HK$1.0 million (equivalent to US$0.1 million) of the revolving credit facility under the 2015 Credit Facilities were available for future drawdown, subject to satisfaction of certain conditions precedent.

On August 29, 2025 and September 4, 2025, MCO Nominee One repaid the outstanding principal amount of HK$547.0 million (equivalent to US$70.2 million) under the 2020 Credit Facilities, together with accrued interest, increasing the availability under the 2020 Credit Facilities to HK$6.70 billion (equivalent to US$853.9 million).

Cash Flows

The following table sets forth a summary of our cash flows for the periods/years indicated:

	Six Months Ended June 30		Year Ended December 31,		
	2025	2024	2024	2023	2022
	(in thousands of US$)				
CONSOLIDATED STATEMENTS OF CASH FLOWS:					
Net cash provided by (used in) operating activities	206,804	70,810	241,293	332,099	(597,384)
Net cash (used in) provided by investing activities	(95,042)	(48,693)	(128,743)	75,747	(566,507)
Net cash (used in) provided by financing activities	(25,522)	(175,094)	(269,267)	(857,627)	1,499,156
Effect of exchange rate on cash, cash equivalents and restricted cash	(6,781)	325	4,789	(353)	(1,251)
Increase (decrease) in cash, cash equivalents and restricted cash	79,459	(152,652)	(151,928)	(450,134)	334,014
Cash, cash equivalents and restricted cash at beginning of period/year	618,183	770,111	770,111	1,220,245	886,231
Cash, cash equivalents and restricted cash at end of period/year	697,642	617,459	618,183	770,111	1,220,245

Operating Activities

Operating cash flows are generally affected by changes in operating income and accounts receivable with VIP table games play and hotel operations conducted on a cash and credit basis and the remainder of the business including mass market table games play, gaming machine play, food and beverage, and entertainment are conducted primarily on a cash basis.

Net cash provided by operating activities was US$206.8 million for the six months ended June 30, 2025, compared to US$70.8 million for the six months ended June 30, 2024. The increase was primarily due to higher net income generated, excluding non-cash charges such as impairment of goodwill during the six months ended June 30, 2025 as described in the foregoing section, as well as decreased working capital for operations, which primarily consisted of smaller increase in net receivables from affiliated companies in the six months ended June 30, 2025.

Net cash provided by operating activities was US$241.3 million for the year ended December 31, 2024, compared to US$332.1 million for the year ended December 31, 2023. The change was primarily due to increased working capital for operations, primarily consisted of the payment of gaming taxes as well as the operating accruals as a result of the increased business volumes in 2024, partially offset by a net income generated in 2024 as compared to net loss incurred in 2023 as described in the foregoing section.

Net cash provided by operating activities was US$332.1 million for the year ended December 31, 2023, compared to net cash used in operating activities of US$597.4 million for the year ended December 31, 2022. The change was primarily due to better performance of operations as described in the foregoing section and decreased working capital for operations.

Investing Activities

Net cash used in investing activities was US$95.0 million for the six months ended June 30, 2025, compared to US$48.7 million for the six months ended June 30, 2024. The increase was primarily due to increase in payments for acquisition of property and equipment, and decrease in repayments of loans or advances by an affiliated company to us during the six months ended June 30, 2025.

Net cash used in investing activities of US$95.0 million for the six months ended June 30, 2025 mainly included payments for acquisition of property and equipment of US$83.7 million and payments for acquisition of intangible and other assets of US$11.5 million.

Net cash used in investing activities of US$48.7 million for the six months ended June 30, 2024 mainly included payments for acquisition of property and equipment of US$59.9 million and payments for acquisition of intangible and other assets of US$8.8 million, partially offset by repayment of loans or advances from an affiliated company of US$20.0 million.

Net cash used in investing activities was US$128.7 million for the year ended December 31, 2024, compared to net cash provided by investing activities of US$75.7 million for the year ended December 31, 2023. The change was primarily due to the increase in payments or acquisition of property and equipment, and decrease in net repayments of loans or advances by an affiliated company to us during the year ended December 31, 2024.

Net cash used in investing activities for the year ended December 31, 2024 mainly included payments for acquisition of property and equipment of US$128.0 million and payments for acquisition of intangible and other assets of US$20.8 million, partially offset by repayment of loans or advances from an affiliated company to us of US$20.0 million.

Net cash provided by investing activities was US$75.7 million for the year ended December 31, 2023, compared to net cash used in investing activities of US$566.5 million for the year ended December 31, 2022. The change was primarily due to the net repayments of loans or advances by an affiliated company to us during the year ended December 31, 2023, as compared to extensions of such loans or advances by us during the year ended December 31, 2022.

Net cash provided by investing activities for the year ended December 31, 2023 mainly included repayments of loans or advances by an affiliated company to us of US$270.5 million, partially offset by extensions of loans or advances by us to an affiliated company of US$158.0 million and payments for acquisition of property and equipment of US$32.6 million and payments for acquisition of intangible and other assets of US$4.3 million.

Net cash used in investing activities for the year ended December 31, 2022 mainly included funds to an affiliated company of US$521.9 million and payments for acquisition of property and equipment of US$36.2 million.

Our total payments for acquisition of property and equipment were US$83.7 million, US$59.9 million US$128.0 million, US$32.6 million and US$36.2 million for the six months ended June 30, 2025 and 2024 and for the years ended December 31, 2024, 2023 and 2022, respectively. Such capital expenditures were mainly associated with our development projects, as well as enhancement to our integrated resort offerings.

Financing Activities

Net cash used in financing activities amounted to US$25.5 million for the six months ended June 30, 2025, which primarily represented the full repayment of the 2025 Senior Notes of US$1.00 billion upon maturity, payment of dividends of US$20.0 million and payments of intangible asset liabilities of US$5.7 million, partially offset by the proceeds from the drawdown of the revolving credit facility under the 2020 Credit Facilities of US$1.00 billion.

Net cash used in financing activities amounted to US$175.1 million for the six months ended June 30, 2024, which primarily represented the repayment of the outstanding revolving credit facility under the 2020 Credit Facilities of US$893.2 million and payments of financing costs of US$26.7 million, partially offset by the proceeds from the issuance of 2032 Senior Notes of US$750.0 million.

Net cash used in financing activities amounted to US$269.3 million for year ended December 31, 2024, which primarily represented the repayment of the outstanding revolving credit facility under the 2020 Credit Facilities of US$994.2 million, payment of dividends of US$89.0 million and payments of financing costs of US$27.6 million, partially offset by the proceeds from the issuance of 2032 Senior Notes of US$750.0 million and the proceeds from the drawdown of the revolving credit facility under the 2020 Credit Facilities of US$100.3 million.

Net cash used in financing activities amounted to US$857.6 million for the year ended December 31, 2023, which primarily represented the repayments of the outstanding revolving credit facility under the 2020 Credit Facilities of US$2.10 billion, partially offset by the proceeds from the drawdown of the revolving credit facility under the 2020 Credit Facilities of US$1.25 billion.

Net cash provided by financing activities amounted to US$1.50 billion for the year ended December 31, 2022, which primarily represented the proceeds from the drawdown of the revolving credit facility under the 2020 Credit Facilities of US$1.50 billion.

Indebtedness

The following table presents a summary of our gross indebtedness as of June 30, 2025:

	As of June 30, 2025
	(in thousands of US$)
2026 Senior Notes[1]	500,000
2027 Senior Notes	600,000
2028 Senior Notes	850,000
2029 Senior Notes	1,150,000
2032 Senior Notes	750,000
2015 Credit Facilities	127
2020 Credit Facilities	1,157,001
	5,007,128

(1) We intend to use the proceeds from this Offering to fund the Tender Offer, pay fees and costs related to the Offering and the Tender Offer and, if any amount remains, to redeem in full any 2026 Senior Notes which remain outstanding following the completion of the Tender Offer (if we elect to redeem such remaining 2026 Senior Notes) and for general corporate purposes. US$500.0 million in aggregate principal amount of the 2026 Senior Notes remain outstanding as of the date of this offering memorandum.

Major changes in our indebtedness subsequent to June 30, 2025 are summarized below.

On August 29, 2025 and September 4, 2025, we repaid a total outstanding principal amount of HK$547.0 million (equivalent to US$70.2 million) under the 2020 Credit Facilities, together with accrued interest, increasing the availability under the 2020 Credit Facilities to HK$6.70 billion (equivalent to US$853.9 million).

For further details of the above indebtedness, see "Description of Other Material Indebtedness" as well as note 10 to our audited consolidated financial statements for the years ended December 31, 2024 and 2023 and note 8 to our unaudited condensed consolidated financial statements for the six months ended June 30, 2025 and 2024 included elsewhere in this offering memorandum, which includes information regarding the type of debt facilities used, the extent to which borrowings are at fixed rates and still available to us, the maturity profile of such debt facilities, 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. See "—Long-term Indebtedness and Contractual Obligations" for details of the maturity profile of debt and "—Quantitative and Qualitative Disclosures about Market Risk" for further understanding of our hedging of interest rate risk and foreign exchange risk exposure.

Other Financing and Liquidity Matters

We may obtain financing in the form of, among other things, equity or debt, including additional bank loans or high yield, mezzanine or other debt, or rely on our operating cash flow to fund the maintenance, enhancement and development of our projects. We expect to have significant capital expenditures in the future as we continue to maintain, enhance and develop our properties.

We have relied, and intend in the future to rely, on our operating cash flow and different forms of financing to meet our funding needs and repay our indebtedness, as the case may be.

The timing of any future debt and equity financing activities will be dependent on our funding needs, our development and construction schedule, the availability of funds on terms acceptable to us and prevailing market conditions. We may carry out activities from time to time to strengthen our financial position and ability to better fund our business operations and expansion plans. Such activities may include refinancing, existing debt, monetizing assets, sale-and-leaseback transactions or other similar activities. Any such activities will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and the amounts involved may be material.

Our material cash requirements arise from the development and continuous enhancement of our properties and the payment of interest expenses and repayment of principal relating to our indebtedness.

Any other future developments may be subject to further financing and a number of other factors, many of which are beyond our control.

As of June 30, 2025, we had capital commitments mainly for the acquisition of property and equipment for City of Dreams totaling US$38.9 million. In addition, we have committed investment in connection with the Concession Contract and contingent liabilities arising in the ordinary course of business. For further details for our commitments and contingencies, see note 15 to the unaudited condensed consolidated financial statements for the six months ended June 30, 2025 and 2024 included elsewhere in this offering memorandum. We are committed to prudent balance sheet management. We believe that continued EBITDA growth can lead to a healthy recovery of free cash flow and a natural deleveraging of our business. As we have completed the construction of our major development projects, we intend to focus our capital expenditure on the maintenance and enhancement of our existing properties and do not expect a material increase in capital expenditure in the near term.

Long-term Indebtedness and Contractual Obligations

Our total long-term indebtedness and other contractual obligations as of December 31, 2024 are summarized below. For details and summary of terms of such indebtedness, see "Description of Other Material Indebtedness."

	Payments Due by Period				
	Less than 1 year	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
	(in millions of US$)				
Long-term debt obligations:					
2029 Senior Notes	$ —	$ —	$1,150.0	$ —	$1,150.0
2025 Senior Notes	1,000.0	—	—	—	1,000.0
2028 Senior Notes	—	—	850.0	—	850.0
2032 Senior Notes	—	—	—	750.0	750.0
2027 Senior Notes	—	600.0	—	—	600.0
2026 Senior Notes(1)	—	500.0	—	—	500.0
2020 Credit Facilities	—	158.3	—	—	158.3
2015 Credit Facilities	—	0.1	—	—	0.1
Fixed interest payments	249.0	396.4	260.7	131.4	1,037.5
Variable interest payments	8.6	11.4	—	—	20.0
Operating leases	7.6	7.7	4.3	24.7	44.3
Construction costs and property and equipment retention payables	1.7	—	—	—	1.7
Other contractual commitments:					
Property and equipment acquisition commitments	39.8	—	—	—	39.8
Gaming concession premium(2)	18.2	36.1	36.1	54.3	144.7
Reversion Assets payments(3)	7.7	48.2	48.2	72.4	176.5
Total contractual obligations(4)	$1,332.6	$1,758.2	$2,349.3	$1,032.8	$6,472.9

(1) We intend to use the proceeds from this Offering to fund the Tender Offer, pay fees and costs related to the Offering and the Tender Offer and, if any amount remains, to redeem in full any 2026 Senior Notes which remain outstanding following the completion of the Tender Offer (if we elect to redeem such remaining 2026 Senior Notes) and for general corporate purposes. US$500.0 million in aggregate principal amount of the 2026 Senior Notes remain outstanding as of the date of this offering memorandum.

(2) Represents annual premium with a fixed portion and a variable portion based on the number and type of gaming tables and machines that Melco Resorts Macau is currently approved to operate by the Macau government for our gaming concession in Macau. The gaming tax for our gaming concession in Macau as disclosed in note 19(b) to the consolidated financial statements for the year ended December 31, 2024 included elsewhere in this offering memorandum are not included in this table as the amount is variable in nature.
(3) The gaming and gaming support areas of the Altira casino, the City of Dreams casino and the Studio City Casino with an area of 17,128.8 square meters, 31,227.3 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively referred to as the "Reversion Assets") are currently owned by the Macau government. Effective January 1, 2023, the Macau government has transferred the Reversion Assets to us for usage in our operations during the duration of the Concession Contract for a fee of MOP750.00 (equivalent to US$94) per square meter for years 1 to 3 of the Concession Contract, subject to consumer price index increase in years 2 and 3 of the concession. The fee will increase to MOP2,500.00 (equivalent to US$313) per square meter for years 4 to 10 of the concession, subject to consumer price index increase in years 5 to 10 of the concession.
(4) In addition to the amounts included in the table above, in connection with the Concession Contract, Melco Resorts Macau committed to an overall investment of MOP11,823.7 million (equivalent to US$1.48 billion) and incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003.0 million (equivalent to US$250.5 million), in the event Macau's annual gross gaming revenue reaches MOP180.0 billion (equivalent to US$22.51 billion). As Macau's annual gross gaming revenue exceeded MOP180.0 billion (equivalent to US$22.51 billion) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003.0 million (equivalent to US$250.5 million) to MOP12.01 billion (equivalent to US$1.50 billion), with the overall investment amount increased to MOP13,826.7 million (equivalent to US$1.73 billion) to be carried out by December 2032. As of December 31, 2024, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP3,341.5 million (equivalent to US$417.9 million).

Other than the repayment of the 2025 Senior Notes at its maturity date and the changes in our indebtedness described below, there were no material changes outside the ordinary course of business in contractual obligations during the six months ended June 30, 2025.

On February 25, 2025, pursuant to the 2024 Amendment and Restatement under the 2020 Credit Facilities, an incremental facility of HK$387.5 million (equivalent to US$49.8 million) was established to increase the available commitments under the 2020 Credit Facilities from HK$14.85 billion (equivalent to US$1.91 billion) to HK$15.24 billion (equivalent to US$1.96 billion), subject to satisfaction of certain conditions precedent.

On May 7, 2025 and June 3, 2025, we drew down HK$195.0 million (equivalent to US$24.9 million) and HK$7,658.0 million (equivalent to US$975.6 million), respectively, in aggregate principal amount of HK$7,853.0 million (equivalent to US$1.00 billion) under the 2020 Credit Facilities. The proceeds from such drawdowns, together with cash on hand, were used to fully repay the outstanding principal amount of US$1.00 billion of the 2025 Senior Notes, together with accrued and unpaid interest, at maturity on June 6, 2025.

In June 2025, we entered into interest rate swap arrangements to manage interest rate risk on the loans drawn under the 2020 Credit Facilities. As at June 30, 2025, the aggregate notional amount of the outstanding interest rate swaps amounted to HK$5.88 billion (equivalent to US$749.1 million).

Other than the repayment of a total outstanding principal amount of HK$547.0 million (equivalent to US$70.2 million) under the 2020 Credit Facilities, together with accrued interest, on August 29, 2025 and September 4, 2025, there has been no material changes outside the ordinary course of business in contractual obligations subsequent to June 30, 2025 and to the date of this offering memorandum.

Off-Balance Sheet Arrangements

Except as disclosed in note 10 and note 19(b) to the consolidated financial statements for the years ended December 31, 2024 and 2023 and note 8 and 15(b) to the unaudited condensed consolidated financial statements included elsewhere in this offering memorandum, as of June 30, 2025, we have not entered into any material financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements.

Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

Distribution of Profits

Subsidiaries of Melco Resorts Finance that are incorporated in 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 is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries. During the six months ended June 30, 2025, the shareholders of one of the subsidiaries of Melco Resorts Finance incorporated in Macau approved an appropriation of US$23.5 million, representing approximately 10% of the profit of that subsidiary for the year 2024, to be set aside and transferred to the legal reserve. As of June 30, 2025 and December 31, 2024, the aggregate balance of the legal reserves amounted to US$60.3 million and US$36.7 million, respectively.

During the six months ended June 30, 2025, the sole director of our company declared dividends of US$16,667.82 per share totaling US$20.0 million and recorded such amount as distribution against retained earnings.

During the year ended December 31, 2024, the sole director of our company declared dividends of US$74,043.26 per share totaling US$89.0 million, and recorded such amount as distribution against retained earnings.

During the years ended December 31, 2023 and 2022, the sole director of our company did not declare any dividend on ordinary shares.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates.

Interest Rate Risk

Our exposure to interest rate risk is associated with our indebtedness bearing interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings and we may supplement by hedging activities in a manner we deem prudent. We cannot be sure that these risk management strategies have had the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

As of June 30, 2025, we were subject to fluctuations in HIBOR as a result of our 2015 Credit Facilities and 2020 Credit Facilities. As of June 30, 2025, we had four floating-for-fixed interest rate swap arrangements with total nominal amount of HK$5.88 billion (equivalent to US$749.1 million) to manage interest rate risk on its loan under the 2020 Credit Facilities.

As of June 30, 2025, approximately 77% of our total gross indebtedness was based on fixed rates. Based on our June 30, 2025 indebtedness and interest rate swap level, an assumed 100 basis point change in HIBOR would cause our annual interest cost to change by approximately US$4.1 million.

To the extent that we effect hedging in respect of our credit facilities, the counterparties to such hedging will also benefit from the security and guarantees we provide to the lenders under such credit facilities, which could increase our aggregate secured indebtedness. We do not intend to engage in transactions in derivatives or other financial instruments for trading or speculative purposes and we expect the provisions of our existing and any future credit facilities to restrict or prohibit the use of derivatives and financial instruments for purposes other than hedging.

Foreign Exchange Risk

Our exposure to foreign exchange rate risk is associated with the currency of our operations and our indebtedness and as a result of the presentation of our consolidated financial statements in U.S. dollars. The majority of our revenues are denominated in H.K. dollars, given the H.K. dollar is the predominant currency used in Macau and is often used interchangeably with the Pataca in Macau, while our expenses are denominated predominantly in Patacas and H.K. dollars. In addition, a significant portion of our indebtedness, as a result of the 2026 Senior Notes, 2027 Senior Notes, 2028 Senior Notes, 2029 Senior Notes and 2032 Senior Notes and certain expenses, have been and are denominated in U.S. dollars, and the costs associated with servicing and repaying such debt will be denominated in U.S. dollars.

The value of the H.K. dollar and Pataca against the U.S. dollar may fluctuate and may be affected by, among other things, changes in political and economic conditions. While the H.K. dollar is pegged to the U.S. dollar within a narrow range and the Pataca is in turn pegged to the H.K. dollar, and the exchange rates between these currencies has remained relatively stable over the past several years, we cannot assure you that the current peg or linkages between the U.S. dollar, H.K. dollar and Pataca will not be de-pegged, de-linked or otherwise modified and subject to fluctuations. Any significant fluctuations in exchange rates between the H.K. dollar or Pataca to the U.S. dollar may have a material adverse effect on our revenues and financial condition.

We accept foreign currencies from our customers and as of June 30, 2025, in addition to H.K. dollars and Patacas, we also hold other foreign currencies. However, any foreign exchange risk exposure associated with those currencies is minimal.

We have not engaged in hedging transactions with respect to foreign exchange exposure of our revenues and expenses in our day-to-day operations during the six months ended June 30, 2025. Instead, we maintain a certain amount of our operating funds in the same currencies in which we have obligations, thereby reducing our exposure to currency fluctuations. However, we occasionally enter into foreign exchange transactions as part of financing transactions and capital expenditure programs.

Major currencies in which our cash and bank balances (including restricted cash) are held as of June 30, 2025 were the H.K. dollar, the Pataca and the U.S. dollar. Based on the cash and bank balances as of June 30, 2025, an assumed 1% change in the exchange rates between currencies other than the U.S. dollar against the U.S. dollar would cause a maximum foreign transaction gain or loss of approximately US$6.9 million for the six months ended June 30, 2025.

Based on the balances of indebtedness denominated in currencies other than U.S. dollars as of June 30, 2025, an assumed 1% change in the exchange rates between currencies other than the U.S. dollar against the U.S. dollar would cause a foreign transaction gain or loss of approximately US$11.6 million for the six months ended June 30, 2025.

Overview

We are a developer, owner and operator of integrated resort facilities. Our subsidiary Melco Resorts Macau is one of six companies licensed, through concessions, to operate casinos in Macau.

We currently have two major casino-based operations in Macau, namely, City of Dreams and Altira Macau. We operate the Studio City Casino pursuant to the Studio City Casino Agreement. We also provide non-gaming services to Studio City pursuant to the Master Services Agreements. Also in Macau, we currently have non-casino based operations at our Mocha Clubs. In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Between September and December 2025, the Grand Dragon Casino and three of our six Mocha Clubs will progressively cease operations, as part of our development strategy and in accordance with Macau law, with the gaming tables and electronic gaming machines being reallocated to our other gaming areas in Macau.

Our current and future operations are designed to cater to a broad spectrum of gaming patrons, from high-stakes rolling chip patrons to gaming patrons seeking a broader entertainment experience. We currently own and operate three Forbes Travel Guide Five-Star hotels in Macau—Altira Macau, Morpheus and Nüwa—and have received 12 Forbes Travel Guide Five-Star and one Forbes Travel Guide Four-Star recognitions across our properties in 2025. We seek to attract patrons throughout Asia and, in particular, from China.

We and/or our Parent have earned multiple international accolades recognizing our excellence in operations, corporate social responsibility and contributions towards sustainability. These awards include:

- Recognized as an "Industry Mover" within the Casinos & Gaming industry in the S&P Global Sustainability Yearbook 2025;
- "Best Responsible Gaming Program" at the Asia Gaming Awards for the third consecutive year in 2025;
- "Sustainable Asia Award" at the Asian Excellence Awards by *Corporate Governance Asia* magazine for the second consecutive year in 2025;
- "Best CSR Initiative" for the second consecutive year in 2025, and "Best Overall CSR Program" at the IAG Academy IR Awards in 2023 and 2024;
- "Best Workplace" at the IAG Academy IR Awards in 2025;
- "2024 BEST Award" by The Association for Talent Development ("ATD");
- "Outstanding Contribution in Corporate Social Responsibility" at the Asia Gaming Awards 2023;
- "Corporate Social Responsibility of the Year" at the Global Gaming Awards Asia Pacific for the second consecutive year in 2023;
- "2023 Excellence in Practice Award" by ATD in the "Career Development" category for the Company's "Foundation Accelerated Program";
- "Best Environmental Responsibility" at the Asian Excellence Awards by Corporate Governance Asia magazine for the 11th consecutive year in 2023;
- Being named among the Top 10 most sustainable hospitality companies in the 3rd Greater China Hotel Business Sustainability Index launched by CUHK Business School's Centre for Business Sustainability in 2023;
- "Sustainability Award" at the International Gaming Awards in 2022; and
- The Company's training program "Morpheus Moments – Whatever It Takes, Whenever, However" was granted the "2022 Excellence in Practice Award" by ATD in the "Customer Service Training" category.

Our Major Existing Operations

City of Dreams

City of Dreams is an integrated resort in Cotai, Macau, which opened in June 2009. City of Dreams is a premium-focused property, targeting high-end customers and rolling chip patrons from regional markets across

Asia. City of Dreams had an average of approximately 434 gaming tables and approximately 622 gaming machines during the six months ended June 30, 2025, compared to an average of approximately 430 gaming tables and approximately 613 gaming machines in 2024, approximately 430 gaming tables and approximately 628 gaming machines in 2023, and approximately 447 gaming tables and approximately 677 gaming machines in 2022.

The resort brings together a collection of brands to create an experience that appeals to a broad spectrum of visitors from around Asia. Morpheus offers approximately 783 rooms, suites and villas, Nüwa offers approximately 286 guest rooms, suites and villas, and the Grand Hyatt Macau hotel within City of Dreams, offers approximately 763 guest rooms and suites. The Countdown is currently undergoing renovations as part of its rebranding to provide a unique high end luxury hotel experience and is expected to reopen in the third quarter of 2026 with approximately 150 high end luxury suites with an average room size of over 1,000 sq. ft. In addition, City of Dreams includes approximately 41 restaurants and bars, approximately 149 retail outlets, a wet stage performance theater, recreation and leisure facilities, including health and fitness clubs, swimming pools, spas and salons and banquet and meeting facilities. The Para nightclub offers approximately 2,232 square meters (equivalent to approximately 24,025 square feet) of live entertainment space. SOHO, a lifestyle entertainment and dining precinct located on the second floor of City of Dreams, offers customers a wide selection of food and beverage and other non-gaming offerings. The wet stage performance theater with approximately 2,000 seats features *House of Dancing Water,* which had been temporarily closed since June 2020 and re-opened in May 2025.

City of Dreams has garnered numerous awards in recognition of its high level of customer service and diverse range of entertainment experiences. Below are some of these accolades:

- City of Dreams was honored as one of the top 10 winners in the "Best Integrated Resorts" category at the T+L Luxury Awards Asia Pacific 2025 for the third consecutive year;
- Morpheus and its spa were recognized by Forbes Travel Guide with Five-Star recognition for the sixth consecutive year in 2025. Other accolades garnered by Morpheus include:
  - "Best Design" in the Hotel Category at the Tatler Best 2025 Hong Kong and Macau; and
  - Being listed among the World's Most Beautiful Hotels by the Prix Versailles in 2023;
- Nüwa was recognized as a Forbes Travel Guide Five-Star hotel for the 13th consecutive year in 2025, while its spa was awarded Forbes Travel Guide Five-Star recognition for the 12th consecutive year;
- The Cantonese culinary masterpiece Jade Dragon was awarded Forbes Travel Guide Five-Star recognition for the 12th consecutive year in 2025. It received Three Diamonds in the Black Pearl Restaurant Guide 2025 for the sixth consecutive year and maintained its Three MICHELIN Star rating for the seventh consecutive year in the MICHELIN Guide Hong Kong Macau 2025. It was named Macau's "Restaurant of the Year" and listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau, and it was recognized by Tatler Best as one of Asia's top 100 finest restaurants and was named one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. Additionally, it garnered the Diamond award at the Trip.Best Gourmet Awards 2024 and was named a three-star restaurant by the Golden Phoenix Tree China Restaurant Guide 2024;
- The ultimate French culinary experience provided by Alain Ducasse at Morpheus enabled it to receive Forbes Travel Guide Five-Star recognition for the sixth year in 2025. It was honored with One Diamond in the Black Pearl Restaurant Guide 2025 for the second consecutive year and attained Two MICHELIN Stars in the MICHELIN Guide Hong Kong Macau 2025 for the seventh year running. It won the "Best Service" accolade in the Restaurant & Bar Category and listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau, and was selected as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. Additionally, it garnered the Diamond award at the Trip. Best Gourmet Awards 2024;
- Yi at Morpheus was honored with Forbes Travel Guide Five-Star recognition for the sixth year in 2025. It received One Diamond in the Black Pearl Restaurant Guide 2025 for the sixth consecutive year and was recommended by MICHELIN Guide Hong Kong Macau 2025. It was listed among "Tatler Best 20 Restaurants in Macau" at the Tatler Best 2025 Hong Kong and Macau and was recognized as one of the top 20 restaurants in Macau in the Tatler Dining Awards 2024. It also garnered the Platinum award at the Trip.Best Gourmet Awards 2024; and
- Sushi Kinetsu, specializing in Japanese cuisine, was awarded One Diamond from the Black Pearl Restaurant Guide 2025 and One MICHELIN Star in the MICHELIN Guide Hong Kong Macau 2025,

both for the second consecutive year. It also garnered the Diamond award at the Trip.Best Gourmet Awards 2024.

The Dancing Water Theater, a wet stage performance theater with approximately 2,000 seats, features the internationally acclaimed and award-winning water-based extravaganza, *House of Dancing Water*. *House of Dancing Water* is the live entertainment centerpiece of the overall leisure and entertainment offering at City of Dreams and highlights City of Dreams as an innovative entertainment-focused destination, strengthening the overall diversity of Macau as a multi-day stay market and one of Asia's premier leisure and entertainment destinations. *House of Dancing Water* incorporates costumes, sets and audio-visual special effects and showcases an international cast of performance artists. *House of Dancing Water* had been temporarily closed since June 2020 and re-opened in May 2025.

In recognition of its innovation and spectacular experience, *House of Dancing Water* was named the "Best IR Resort Attraction" at the IAG Academy IR Awards in 2025

Altira Macau

Since the third quarter of 2021, Altira Macau was strategically repositioned to cater to the premium mass and mass operations and ceased VIP rolling chip operations. Prior to that, Altira Macau was designed to provide a casino and hotel experience that catered to Asian rolling chip customers. Altira Macau had an average of approximately 33 gaming tables and 133 gaming machines operated under the brand Mocha at Altira Macau during the six months ended June 30, 2025, compared to an average of approximately 39 gaming tables and 134 gaming machines operated under the brand Mocha at Altira Macau in 2024, approximately 44 gaming tables and 141 gaming machines operated under the brand Mocha at Altira Macau in 2023, and approximately 93 gaming tables and 146 gaming machines operated under the brand Mocha at Altira Macau in 2022. Altira Macau has a multi-floor layout comprising various gaming areas. Our multi-floor layout allows us the flexibility to reconfigure Altira Macau's gaming areas to meet the changing demands of our patrons and target specific customer segments.

We consider Altira hotel, located within the 38-story Altira Macau, to be one of the leading hotels in Macau as evidenced by its long-standing Forbes Travel Guide Five-Star recognition. The top floor of the Altira hotel serves as the hotel lobby and reception area, providing guests with views of the surrounding area. The Altira hotel comprises approximately 216 guest rooms, including suites and villas, as of June 30, 2025. A number of restaurants and dining facilities are available at Altira Macau, including a leading Italian restaurant, Aurora, several Chinese and international restaurants and a bar/karaoke. Altira hotel also offers several non-gaming amenities, including a spa, health club, outdoor garden podium and sky terrace lounge.

Altira Macau offers a luxurious hotel experience with its internationally acclaimed accommodation and guest services. Below are some of the awards Altira Macau has received:

- Forbes Travel Guide Five-Star recognition in lodging and spa categories by Forbes Travel Guide for 16 consecutive years in 2025;
- Altira and Altira Spa were selected as top 10 winners in the "Hotel Pools" and "Hotel Spas" categories for the second and third consecutive years, respectively, of the T+L Luxury Awards Asia Pacific 2025;
- Its Japanese tempura specialist Tenmasa received Forbes Travel Guide Five-Star recognition for the 11th consecutive year in 2025;
- Its Cantonese restaurant Ying was honored with the Forbes Travel Guide Five-Star recognition for the sixth consecutive year in 2025 was awarded One MICHELIN Star in the MICHELIN Guide Hong Kong Macau 2025 for the ninth consecutive year; and
- Its Italian restaurant Aurora earned Forbes Travel Guide Five-Star recognition for the 11th year in 2025.

With the changes in the VIP operations in Macau, we are reviewing Altira's position and strategy.

Mocha Clubs and Other

Mocha Clubs comprise our non-casino based operations of electronic gaming machines in Macau. Mocha Clubs had an average of approximately 845 gaming machines in operation (excluding approximately 133 gaming machines at Altira Macau) during the six months ended June 30, 2025, compared to an average of approximately

882 gaming machines in operation (excluding approximately 134 gaming machines at Altira Macau) in 2024, approximately 874 gaming machines in operation (excluding approximately 141 gaming machines at Altira Macau) in 2023, and approximately 935 gaming machines in operation (excluding approximately 146 gaming machines at Altira Macau) in 2022. According to the DICJ, there were a total of 12,000 gaming machines in the Macau market as of June 30, 2025. Mocha Clubs focus on general mass market patrons, including day trip customers, outside the conventional casino setting. We operate Mocha Clubs at leased or sub-leased premises or under right-to-use agreements.

The Mocha Club gaming facilities offer both electronic gaming machines, including stand-alone machines, stand-alone progressive jackpot machines and linked progressive jackpot machines with a variety of games, and electronic table games which feature fully-automated multi-player machines with roulette, baccarat and sic-bo, a traditional Chinese dice game.

In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Grand Dragon Casino had an average of approximately 15 gaming tables during the six months ended June 30, 2025, compared to an average of approximately 16 gaming tables in 2024, approximately 17 gaming tables in 2023, and approximately 25 gaming tables in 2022.

In accordance with the Company's overall development strategy and applicable Macau law, the Grand Dragon Casino and three of our Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal will progressively cease operations between September and December 2025 and the gaming tables and electronic gaming machines will be reallocated to our other gaming areas in Macau. We have submitted the relevant applications for the continuing operations of Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond December 31, 2025, and such applications are currently under review by the Macau government.

Studio City

We operate the Studio City Casino pursuant to the Studio City Casino Agreement. We also provide non-gaming services to Studio City pursuant to the Master Services Agreements. Studio City features a 5,000-seat live performance arena, MICE space, as well as an additional indoor/outdoor water park. It offers 4,000 square meters of indoor event space, approximately 38,500 square meters of complementary retail space and 1,820 square meters of ballroom space.

Our Pipeline Projects

We continually seek new opportunities for additional gaming or related businesses in Macau. In defining and setting the timing, form and structure for any future project, we focus on evaluating alternative available financing, market conditions and market demand. In order to pursue these opportunities, we have incurred and will continue to incur capital expenditures at our properties and for our projects.

Our Land and Premises

We operate our gaming business in Macau at the properties leased from the Macau government in accordance with the terms and conditions of our gaming concession, or, with respect to the Mocha Clubs and Grand Dragon Casino, in third party-owned properties. In addition, our properties leased from the Macau government are subject to the terms and conditions of land concession contracts.

City of Dreams

City of Dreams is located in Cotai, Macau, with a land area of 113,325 square meters (equivalent to approximately 1.2 million square feet). In August 2008, the Macau government granted the land on which City of Dreams is located to COD Resorts and Melco Resorts Macau for a period of 25 years, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. Total land premium required for the land is in the amount of approximately MOP1,286.6 million (equivalent to approximately US$159.1 million), which was paid in full in January 2016. As of June 30, 2025, the total gross floor area at City of Dreams was 641,431.70 square meters (equivalent to approximately 6.9 million square feet), of which approximately 31,227.3 square meters, or 4.87%, comprised gaming and gaming support area and was owned by the Macau SAR. Effective January 1, 2023, the Macau government has transferred this area to us for usage in our operations during the duration of the Concession Contract for a fee of MOP750.00 (equivalent to approximately US$93) per square meter for years 1 to 3 of the Concession Contract, subject to consumer price index increase in years 2 and 3 of the concession. The fee will increase to MOP2,500.00 (equivalent to approximately US$309) per square meter for years 4 to 10 of the concession, subject to consumer price index increase in years 5 to 10 of the concession.

Under the current terms of the land concession, the annual land use fees payable to the Macau government range from approximately MOP3.4 million (equivalent to approximately US$0.4 million) during development up to approximately MOP9.9 million (equivalent to approximately US$1.2 million) after completion of development. The land use fee amounts may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

Certain gaming and gaming support equipment utilized by the City of Dreams casino on or before December 31, 2022 is owned by the Macau SAR and has been transferred to us and held for use at City of Dreams during the duration of the Concession Contract, including the main gaming equipment to support our table games and gaming machine operations, cage equipment, security and surveillance equipment, casino fittings and equipment. We own the remaining gaming and gaming support equipment utilized by the City of Dreams casino and equipment utilized in the hotels at City of Dreams.

Altira Macau

Altira Macau is located in Taipa, Macau with a land area of approximately 5,230 square meters (equivalent to approximately 56,295 square feet). In March 2006, the Macau government granted the land on which Altira is built to Altira Resorts for 25 years, renewable for further consecutive periods of ten years, subject to applicable legislation in Macau. The land grant was amended in December 2013. As of December 31, 2024, the total gross floor area of Altira Macau was approximately 104,583.39 square meters (equivalent to approximately 1.1 million square feet), of which approximately 17,128.8 square meters or 16.38% comprised the gaming and gaming support area and was owned by the Macau SAR Effective from January 1, 2023, the Macau government has transferred this area to us for usage in our operations during the duration of the Concession Contract for the same fee set for the usage of the City of Dreams casino. Total land premium required is in the amount of MOP169.3 million (equivalent to approximately US$21 million) which was paid in full in 2013. According to the current terms of the land concession, the annual land use fees payable to the Macau government are approximately MOP1.5 million (equivalent to approximately US$0.2 million). This amount may be adjusted every five years as agreed between the Macau government and the land concessionaire using the applicable rates in effect at the time of the rent adjustment.

Certain gaming and gaming support equipment utilized by Altira Macau in the casino on or before December 31, 2022 is owned by the Macau SAR and has been transferred to us for usage in our operations during the duration of the Concession Contract and held for use at Altira Macau, including the main gaming equipment to support our table games and gaming machine operations, cage equipment, security and surveillance equipment and casino fittings and equipment. We own the remaining gaming and gaming support equipment utilized by the Altira casino and equipment utilized at the Altira hotel.

Mocha Clubs

Mocha Clubs operate at premises with a total floor area of approximately 68,800 square feet at the following locations in Macau as of June 30, 2025:

Mocha Club	Opening Month	Location	Total Floor Area
			(In square feet)
Royal	September 2003	G/F and 1/F of Hotel Royal	13,600
Grand Dragon	January 2005	G/F, 1/F and 2/F of Grand Dragon Hotel	12,700
Sintra	November 2005	G/F and 1/F of Hotel Sintra	7,800
Golden Dragon	January 2012	G/F, 1/F and 2/F of Hotel Golden Dragon	15,700
Inner Harbor	December 2013	Rua Nova do Comércio, n.os 2-12, Macau	7,300
Kuong Fat	June 2014	Rua de Pequim, n.º174, Centro Comercial Kuong Fat Cave A-H, Macau	11,700
Total			**68,800**

Premises are being operated under leases, subleases or right to use agreements that expire at various dates through December 2032, which are renewable upon reaching agreements with the owners.

The leasehold improvements to Mocha Club premises and the onsite equipment utilized at the Mocha Clubs are owned and held for use to support the gaming machine operations. In addition, the gaming machines at Altira are operated under the Mocha Club brand.

In addition to the Mocha Clubs, we operate the Grand Dragon Casino, which focuses on mass market table games. Grand Dragon Casino premises, including the fit-out and gaming-related equipment, are located on the ground floor and level one within Grand Dragon Hotel in Macau and occupied a floor area of approximately 12,700 square feet as of June 30, 2025. The gaming equipment operated at the Grand Dragon Casino on or before December 31, 2022 is owned by the Macau SAR and has been transferred to us for usage in our operations during the duration of the Concession Contract. We own the remaining gaming and gaming support equipment at the Grand Dragon Casino.

Other Premises

Apart from the aforesaid property sites, we maintain various offices and storage locations in Macau. We lease all of our office and storage premises.

Advertising and Marketing

We seek to attract customers to our properties and to grow our customer base over time by undertaking several forms of advertising, sales and marketing activities and plans. We utilize local and regional media to publicize and promote our brands, projects and operations across a wide range of online and offline channels. We have built public relations and marketing and branding teams that cultivate media relationships, promote our brands and explore media opportunities in various markets. We use a variety of media platforms that include social media, digital, print, television, online, outdoor, on collaterals and direct mail pieces. A resorts marketing team has been established that directly liaises with current and potential customers within Asian and other countries to grow and retain high-end customers. We organize various targeted and seasonal promotions and special events, concerts and other forms of entertainment, and operate loyalty programs with our patrons to increase spending and repeat visitation. We employ a tiered loyalty program at our properties to ensure that each customer segment is specifically recognized and incentivized. Dedicated customer hosting programs provide personalized service to our most valuable customers. In addition, we utilize sophisticated analytical programs and capabilities to analyze the behavior and spending patterns of our patrons. We believe these tools help deepen our understanding of our customers to optimize yields and make continued improvements to our properties. As our advertising and marketing activities occur in various jurisdictions, we aim to ensure we comply with all applicable laws in relation to our advertising and marketing activities.

Customers

We seek to cater to a broad range of customers through our diverse gaming and non-gaming facilities and amenities across our operating properties.

Non-Gaming Patrons

City of Dreams offers visitors to Macau an array of multi-dimensional entertainment amenities, four hotels (including The Countdown which is currently under renovation), as well as a selection of restaurants, bars and retail outlets. Since the third quarter of 2021, Altira Macau has strategically repositioned to cater to the premium mass and mass. Mocha Clubs are targeted to deliver a relaxed, café-style non-casino based electronic gaming experience.

Gaming Patrons

Our gaming patrons include table game rolling chip patrons, table game mass market patrons and gaming machine players. We also offer rooms, food & beverage, and complementary products to mass patrons.

Mass market patrons are non-rolling chip patrons who come to our properties for a variety of reasons, including our high-quality hotel brands, our broad dining options and a variety of other non-gaming attractions and activities.

Rolling chip patrons at our casinos are patrons who participate in our in-house rolling chip programs or, in some cases, in the rolling chip programs of gaming promoters. Our rolling chip patrons or premium direct players play mostly in our dedicated gaming areas and can earn a variety of gaming-related rebates, such as cash, rooms, food and beverage and other complimentary products or services.

Gaming Promoters

A portion of our rolling chip play in Macau is brought to us by gaming promoters, also known as junket operators. Gaming promoters in Macau are independent third-party corporate entities, all of which are officially required to be licensed by the Secretary of Economy and Finance of Macau.

We have procedures to screen prospective gaming promoters prior to their engagement and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. We only engage licensed gaming promoters.

In Macau, each gaming promoter can only conduct gaming promotion activity with one concessionaire, and only for a commission which is calculated on a monthly basis by reference to the monthly rolling chip volume. In accordance with Macau law, a commission cap of 1.25% of net rolling has been in effect. Such commission cap was confirmed by the Macau government in 2022. Any advantages or liberalities offered or provided including complimentary allowances for food and beverage, hotel accommodation and transportation, in Macau or abroad, directly or indirectly, to the gaming promoter, shall be considered and calculated as commission and be within such commission cap.

We conduct, and expect to continue to conduct, our table gaming activities at our casinos on a credit basis as well as a cash basis. The credit we extend is typically unsecured.

Market and Competition

We believe that the gaming market in Macau is and will continue to be intensely competitive. Our competitors in Macau include all the current concession holders in Macau, and many of the largest gaming, hospitality, leisure and property development companies in the world. Some of these current and future competitors are larger than us and have significantly longer track records in the operation of major hotel casino resort properties. See "Industry" for further details.

Macau Gaming Market

During the six months ended June 30, 2025 and in 2024, 2023 and 2022, Macau generated approximately US$14.7 billion, US$28.0 billion, US$22.6 billion and US$5.2 billion of gross gaming revenue, respectively, according to the DICJ. Macau is currently the only market in China, and one of only several in Asia, to offer legalized casino gaming.

We believe COVID-19 outbreaks and the related policies implemented globally, especially the travel or visa restrictions imposed by mainland China, resulted in a significant decline in inbound tourism, among other things. While travel restrictions globally have eased and travel restrictions between Macau and mainland China have been significantly relaxed in 2023, the disruptions to our business caused by COVID-19 outbreaks have had an adverse effect on our operations. For the six months ended June 30, 2025 and 2024, our operating revenues generated amounted to US$2.28 billion and US$1.98 billion, respectively. For the years ended December 31, 2024, 2023 and 2022, our operating revenues generated amounted to US$3.99 billion, US$3.19 billion and US$0.97 billion, respectively.

Macau continues to be impacted by a range of external factors, including uneven growth in the mainland China economy and government policies that may adversely affect the Macau gaming market. For example, the mainland China government has taken measures to deter marketing of gaming activities to mainland China residents by offshore casinos and to reduce capital outflow. Such measures include reducing the amount that mainland China-issued ATM cardholders can withdraw in each withdrawal, setting a limit for annual withdrawals and the launch of facial recognition and identity card checks with respect to certain ATM users.

The mass market table games segment accounted for 70.2% of market-wide gross gaming revenues in 2024, compared to 69.4% of market-wide gross gaming revenues in 2023 and 68.5% in 2022, according to the DICJ. With our strategic focus on the premium mass market in the Cotai region, we believe we are well positioned to cater to this increasingly important, and more profitable, segment of the market. The gross gaming revenues of our City of Dreams and Altira (which both primarily target premium mass markets) for the three months period ended March 31, 2023, June 30, 2023, September 30, 2023 and December 31, 2023, March 31, 2024, June 30, 2024, September 30, 2024 and December 31, 2024 and March 31, 2025, and June 30, 2025 was US$422 million, US$615 million, US$591 million, US$656 million, US$662 million, US$674 million, US$645 million, US$701 million, US$764 million, and US$807 million, respectively. Moreover, we believe the long-term growth in gaming and non-gaming revenues in Macau are supported by, among other things, the continuing emergence of a wealthier demographic in mainland China, a robust regulatory framework and significant new infrastructure developments in Macau and mainland China, as well as by the anticipated new supply of gaming and non-gaming facilities in Macau, which is predominantly focused on the Cotai region. According to the DSEC, visitation to Macau totaled more than 19.2 million in the first half in 2025, an increase of 14.9% compared to the same period in 2024, 34.9 million in 2024, an increase of 23.8% compared to 2023 but below the 39.4 million visitors in 2019. Visitors from mainland China represented 70.1% of all visitors to Macau in 2024, compared to 67.5% in 2023, and visitors from Hong Kong and Taiwan represented 20.6% and 2.4%, of all visitors to Macau in 2024, respectively.

In terms of competition, gaming in Macau is administered through concessions awarded by the Macau government to six different concessionaires: Melco Resorts Macau; SJM, in which family members of Mr. Lawrence Ho, our chairman and chief executive officer, have shareholding interests; Wynn Resorts (Macau) S.A ("Wynn Macau"), a subsidiary of Wynn Resorts Ltd.; Galaxy Casino, S.A. ("Galaxy"); MGM Grand Paradise, S.A ("MGM Grand Paradise"), which was originally formed as a joint venture by MGM-Mirage and Ms. Pansy Ho, sister of Mr. Lawrence Ho; and Venetian Macau Limited ("VML"), a subsidiary of Sands China Ltd and Las Vegas Sands Corporation.

SJM currently operates multiple casinos throughout Macau. SJM (through its predecessor, Tourism and Entertainment Company of Macau Limited) commenced its gaming operations in Macau in 1962. In July 2021, SJM opened Grand Lisboa Palace, in Cotai. SJM opened The Karl Lagerfeld and Palazzo Versace Macau, respectively, in June and November 2023.

Wynn Macau opened the Wynn Macau in September 2006 on the Macau peninsula and an extension called Encore in 2010. In August 2016, Wynn Macau opened Wynn Palace, in Cotai.

Galaxy currently operates multiple casinos in Macau, including StarWorld, a hotel and casino resort in Macau's central business and tourism district. The Galaxy Macau Resort opened in Cotai in May 2011 and the opening of Phase 2 of the Galaxy Macau Resort took place in May 2015. Galaxy progressively opened Phase 3 of the Galaxy Macau Resort from the second quarter 2023, while Phase 4 had its soft opening in August 2025, and is expected to be fully completed in 2027.

VML operates Sands Macao on the Macau peninsula, The Venetian Macao, the Plaza Casino at The Four Seasons Hotel Macao and the Parisian Macao. VML also operated Sands Cotai Central in Cotai in the past, which has been rebranded and redeveloped as The Londoner Macao, which opened in February 2021.

MGM Grand Paradise opened its MGM Macau facilities in December 2007, which are located next to Wynn Macau on the Macau peninsula, and its MGM Cotai resort in February 2018.

In addition to facing competition from existing operations of these concessionaires, we will face increased competition when any of them constructs new, or renovates pre-existing, hotels and casinos in Macau or enters into leasing, services or other arrangements with hotel owners, developers or other parties for the operation of casinos and gaming activities in new or renovated properties.

The existing concessions do not place any limits on the number of gaming facilities that may be operated. The Macau government does, however, limit the aggregate number of gaming tables and gaming machines in Macau and the opening of a new facility is subject to Macau government approval. The current cap of gaming tables and gaming machines are 6,000 and 12,000 respectively.

Law no. 7/2022 which amends the Macau Gaming Operations Law (Law no. 16/2001) came into force in June 2022. Principal changes under the amended Macau Gaming Operations Law include, among others, the following:

- the number of gaming concessions that may be awarded by the Macau government is up to six;
- the term of the concessions may be up to ten years, subject to extension(s) of up to three years in total;
- the registered share capital of each concessionaire shall be at least MOP5.0 billion (equivalent to approximately US$618.4 million);
- the managing director of each concessionaire must be a Macau permanent resident and hold at least 15% of the concessionaire's registered share capital;

- significant transactions should be notified by concessionaires to the Macau government in advance;
- an administrative sanctions regime is established;
- national security is one of the main objectives of the Macau gaming legal framework and a concession may be terminated without compensation in case it is considered a threat to national security;
- a per gaming table and per gaming machine special premium is due should gross gaming revenue fall below the gross gaming revenue threshold set by the Macau government;
- the Macau government sets the maximum number of gaming tables and gaming machines allocated to each concessionaire and the allocation of such gaming tables and gaming machines to a specific casino is subject to the approval of the Macau government;
- the Macau government may reduce the number of gaming tables or gaming machines in certain circumstances;
- the amount of gaming chips of each concessionaire in circulation is subject to Macau government approval; and
- the concessionaires are jointly and severally liable for administrative fines and civil liability arising from the exercise in their casinos of the authorized gaming promotion activity by gaming promoters, their directors and key employees, as well as their collaborators. Such joint and several liability may be excluded when it is proved that the concessionaire has responsibly fulfilled its supervision duty.

See "Regulations—Gaming Operation Regulations" for a discussion of the amendments made to the gaming law in Macau.

Other Regional Markets

We may also face competition from casinos and gaming resorts located in other Asian destinations together with cruise ships. Casinos and integrated gaming resorts are becoming increasingly popular in Asia, giving rise to more opportunities for industry participants and increasing regional competition. There are two major gaming facilities in Singapore located on Sentosa and at Marina Bay and an international gaming resort in Malaysia located approximately a one-hour drive from Kuala Lumpur. South Korea has allowed gaming for some time but these offerings are available primarily to foreign visitors. There are also casinos in Vietnam, Cambodia and Sri Lanka, although they are relatively small compared to those in Macau, and major gaming facilities in Australia located in Melbourne, Perth, Sydney and the Gold Coast.

There is also strong competition from the Philippine market from hotels and resorts owned by both Philippine nationals and foreigners, including many of the largest gaming, hospitality, leisure and resort companies in the world, such as Travellers International Hotel Group, Inc., Bloomberry Resorts Corporation and Tiger Resorts Leisure and Entertainment Inc. as well as the Philippine Amusement and Gaming Corporation, an entity owned and controlled by the government of the Philippines, which operates certain gaming facilities across the Philippines. There are four major gaming facilities in metro Manila, including City of Dreams Manila, with a fifth gaming facility scheduled to open in late 2025.

In Japan, a proposed project in Osaka was awarded to MGM Resorts International and its joint venture partner Orix Corporation which is currently scheduled to open in 2030. In addition, several other Asian countries are considering or are in the process of legalizing gambling and establishing casino-based entertainment complexes.

Seasonality

Macau, our principal market of operation, experiences many peaks and seasonal effects. The "Golden Week" and "Chinese New Year" holidays are in general the key periods where business and visitation increase considerably in Macau. While we may experience fluctuations in revenues and cash flows from month to month, we do not believe that our business is materially impacted by seasonality.

Employees

We had 16,036, 15,997, 14,595 and 12,044 employees as of June 30, 2025, December 31, 2024, 2023 and 2022, respectively. The following table sets forth the number of employees categorized by the areas of operations and as a percentage of our workforce as of June 30, 2025 and December 31, 2024, 2023 and 2022.

	As of June 30,		As of December 31,					
	2025		2024		2023		2022	
	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
Mocha Clubs and Other[1]	574	3.6%	548	3.4%	577	4.0%	550	4.6%
Altira Macau	836	5.2%	968	6.1%	959	6.6%	1,052	8.7%
City of Dreams	8,355	52.1%	8,241	51.5%	7,411	50.8%	6,529	54.2%
Corporate and centralized services	403	2.5%	392	2.5%	363	2.5%	343	2.8%
Studio City	5,868	36.6%	5,848	36.6%	5,285	36.2%	3,570	29.6%
Total	**16,036**	**100.0%**	**15,997**	**100.0%**	**14,595**	**100.0%**	**12,044**	**100.0%**

(1) For the purposes of this table, figures include employees at Grand Dragon Casino.

None of our employees are members of any labor union and we are not party to any collective bargaining or similar agreement with our employees.

We have implemented a number of employee attraction and retention initiatives over recent years for the benefit of our employees and their families. These initiatives include, among others, a unique in-house learning academy (which provides curriculum across multi-functional tracks such as technical training—gaming and non-gaming, sales and marketing, legal, finance, human resources, computer application, language, service, leadership and lifestyle), a foundation acceleration program designed to enhance our employees' understanding of business perspectives beyond their own jobs, an on-site high school diploma program and Diploma in Casino Management and Advanced Diploma in Gaming Management (a collaboration with the University of Macau), the Diploma in Hospitality Management (a collaboration with the Institute for Tourism Studies), scholarship awards to encourage the concept of life-long learning, as well as ample internal promotion and transfer opportunities. In September 2015, we launched the Melco You-niversity program with the Edinburgh Napier University, an overseas institution based in the United Kingdom, to bring a bachelor degree program in-house.

Intellectual Property

We have the right to use certain trademarks that are owned or licensed by a subsidiary of our Parent, including "Melco," "Altira," "Mocha Club," "City of Dreams," "Nüwa," "The Countdown," "Morpheus," "*House of Dancing Water*" and "Melco Resorts & Entertainment" in Macau and/or other jurisdictions.

Legal and Administrative Proceedings

We are currently a party to certain legal and administrative proceedings, investigations and claims, which relate to matters arising out of the ordinary course of our business. Based on the current status of such proceedings and the information currently available, our management does not believe that the outcome of such proceedings will have a material adverse effect on our business, financial condition or results of operations.

INDUSTRY

Certain information and statistics set out in this section and elsewhere in this offering memorandum relating to the economies of Macau and China and the industry in which we operate are derived from government agencies, including DSEC, DICJ and the National Bureau of Statistics of China, and various public database sources, such as the International Monetary Fund. None of the reports cited in this offering memorandum was commissioned by us, the Initial Purchasers, any of our or their respective directors, officers, agents, employees, advisors or representatives or any other person or party involved in this Offering.

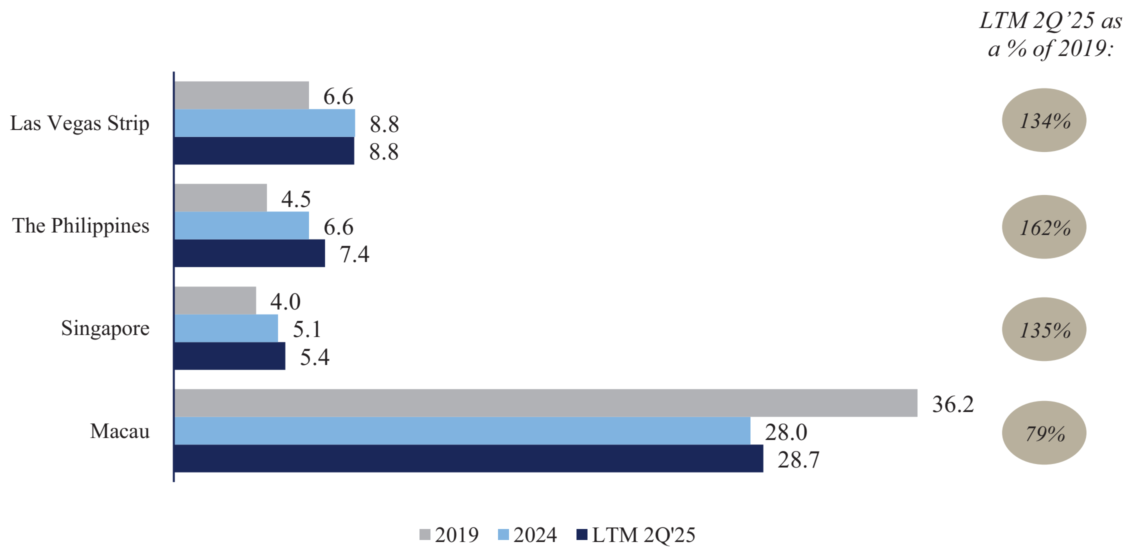
We believe that the sources of the information and statistics are appropriate sources for such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. We have no reason to believe that such information and statistics is false or misleading or that any fact has been omitted that would render such information or statistics false or misleading. No independent verification has been carried out on such information or statistics by us, the Initial Purchasers, any of our or their respective directors, officers, agents, employees, advisors or representatives or any other person or party involved in this Offering, and no representation is given as to the accuracy of such information or statistics.

Historical information presented herein is not necessarily indicative of future performance. In addition, this information contains "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. In light of the continued impact of COVID-19 outbreaks on our business, our industry and the global economy; risks associated with the newly adopted gaming law in Macau and its implementation by the Macau government; capital and credit market volatility; as well as other factors affecting the industry, investors are advised to read this section together with the information provided in "Risk Factors."

Macau Gaming Market Overview

Macau has been the largest gaming destination in terms of gross gaming revenues ("GGR"), outside of COVID-19, since 2006. Macau's GGR amounted to US$36.2 billion in 2019, which was approximately 5.5 times that of the Las Vegas Strip and approximately 9.0 times that of Singapore during the same period. As of the last twelve months ended June 30, 2025, Macau's gross gaming revenue was 28.7 billion, which was approximately 3.3 times that of the Las Vegas Strip and approximately 5.3 times that of Singapore in the same period.

GGR Comparison vs Select Other Gaming Markets (US$bn)



The gross gaming revenues of the above selected markets are sourced from the latest available data as of June 30, 2025 from the sources as set out below. Macau gross gaming revenues represent only the gross revenues from Games of Fortune and excludes Greyhound Racing, Horse Racing, mainland China Lottery, Instant Lottery, and Sports Lottery. The Singapore figure is the sum gaming revenues from Marina Bay Sands Singapore and gaming revenues from Genting Singapore. The Philippines gross gaming revenue is gross gaming revenue as reported by The Philippine Amusement and Gaming Corporation. Las Vegas Strip revenues is total win amount for the Las Vegas Strip as defined by Nevada Gaming Board.

The translations of Singapore Dollars into U.S. Dollars have been made at the noon buying rate on June 30, 2025, in The City of New York for cable transfers as certified for customs purposes by the Federal Reserve Bank of New York set forth in the H.10 statistical release of the U.S. Federal Reserve Board, which were SG$1.2758 to US$1.00. The translation of Patacas into U.S. Dollars on June 30, 2025, was MOP8.085120 to US$1.00 based on the Pataca. The translation of Philippine peso to U.S. dollars based on the volume weighted average exchange rate quoted through the Bangko Sentral ng Pilipinas (BSP), which was PHP56.5899 to US$1.00 on June 30, 2025. The H.K. dollar translation on June 30, 2025 of HK$7.8496 to US$1.00.

Source: DICJ, American Gaming Association, Las Vegas Sands company filings, Genting Singapore company filings, The Philippine Amusement and Gaming Corporation

COVID-19 had an unprecedented impact on the global gaming market and Macau gross gaming revenues after its outbreak in December 2019. Macau casino closures began in February 2020 along with other travel and quarantine restrictions. Like Macau, the Las Vegas Strip and the Philippines casinos closed in March 2020, while Singapore casinos closed in April 2020 due to COVID-19 restrictions. Casinos in Las Vegas bounced back first, opening in phases before opening without restrictions in June 2021. The Philippines and Singapore reopened its borders to all fully vaccinated travelers in April 2022, while cross border travel between mainland China and Macau resumed without restriction in February 2023. Despite being one of the last gaming markets to fully re-open following the COVID-19 pandemic, the Macau gaming market, over the last twelve months as of June 30, 2025, was approximately 3.3 times larger than the Las Vegas Strip.

Macau is well positioned and strategically important in the overall gaming market across the Asia Pacific region. The success of Macau as a gaming and entertainment destination has been recognized to have led to the legalization, regulation and proliferation of gaming across the Asia Pacific region. The industry supports local economies within the broader pan-Asian region through enhanced tourism, job creation, tax revenues and the influx of domestic and foreign capital and other resources. The expansion of the gaming industry has also spurred investment and employment activities in related non-gaming industries, including retail, dining, entertainment, conference and convention sectors. The driving factors of the gaming industry's growth and success in Macau include gaming's particular appeal in Asian culture, the gaming supply per capita, access to an enormous proximate population base, a fast urbanization rate and the emergence of an affluent, middle-class population with a proclivity towards leisure and entertainment.

Geography of Macau

Macau is a Special Administrative Region of the People's Republic of China located on the Pearl River Delta and remains the only place in China for the increasingly affluent mainland China population to engage in gaming related activities. It is located adjacent to the southern coastline of Guangdong Province, one of China's wealthiest and most urbanized provinces. It is an hour away via high-speed ferry from Hong Kong, an international tourism hub in the region and home to Greater China's only approved casino gaming region. Macau attracts a majority of visitors originating from Guangdong Province, which had a population of approximately 128 million as of December 31, 2024 according to the National Bureau of Statistics of China. Other origin markets consist of mainland China, Hong Kong, Taiwan, Japan, South Korea, Thailand, Vietnam, Malaysia, Singapore, Indonesia, India and the Philippines. Each of these markets are within approximately five hours by flight from Macau and together, excluding Guangdong Province, had a total population of approximately 3.5 billion in 2024, according to the International Monetary Fund and the National Bureau of Statistics of China.

The majority of the visitation to Macau is from mainland China and Hong Kong, accounting for 72% and 19%, respectively, of visitation for the first seven months of 2025. For the seven months ended July 31, 2025, visitation from China and Hong Kong was 20.6 million, representing approximately a 15% increase compared to the same period in 2024. According to the DSEC, mainland China visitation to Macau for July 2025 year-to-date increased by 19% compared to the same period in 2024 and reached 97% of the same period 2019. Year-to-date for the seven months ended July 2025, mainland China visitation under the Individual Visit Scheme ("IVS") increased by 24% compared to the same period in 2024 and reached 109% of the same period in 2019.

The visitation mix from China has improved since 2010, with a higher share of overnight versus same day visitation as well as higher Individual Visit Schemes ("IVS") / Non package tour visitation. 2016 marked the first year in a decade with overnight visitation exceeding same day visitation, supported by increasing hotel capacity.

Same day visitation outweighed overnight visitation for the eight consecutive quarters ended September 30, 2020, which we believe is partially attributable to the enhanced accessibility to and from Macau and Cotai related to recently completed transportation and infrastructure projects. Same day and overnight visitation mix have consistently moved with trends in visitation and were particularly impacted by travel restrictions imposed by COVID-19. With the easing of travel and quarantine restrictions, including the resumption of the IVS program in September 2020, same day visitation steadily grew from 45.6% in the fourth quarter of 2020 to 63.7% in the first quarter of 2022. The resumption of eVisa issuance on November 1, 2022, resulted in overnight visitation growing to 50.3% of total visitation in the quarter ended September 30, 2023. Since then, same day visitation has exceeded overnight visitation every quarter with same day and overnight visitation accounting for 58.0% and 42.0%, respectively, for the seven months ended July 2025.

Trends and Development of the Macau Gaming Market

The Macau government initiated a bidding process to grant three new gaming concessions in late 2001 with the goal of improving the size, scope and quality of Macau's casinos and reinforcing its position as a gaming center. In 2002, SJM was awarded the first gaming concession, followed by Wynn Resorts Macau and Galaxy. A subsequent process allowed each concessionaire to grant one sub concession, and as a result, there are now six companies licensed to operate casinos in Macau. Galaxy, SJM, and Wynn Resorts Macau entered into sub concession contracts with Venetian Macau, MGM Grand Paradise and Melco Resorts Macau, respectively. The increase in the number of full-service casino resorts has not only contributed to a more than six-fold increase in gross gaming revenues from 2005 through 2019 but has also helped broaden Macau's appeal to a larger audience by delivering a diverse range of non-gaming entertainment offerings, which were previously limited. The developers and operators of integrated resorts, which can attract new, premium-focused customers through premier gaming experiences and high-end retail, entertainment and leisure offerings, are expected to be the prime beneficiaries and are expected to experience significant growth during the evolution of the Macau gaming market.

On December 16, 2022, Melco announced that Melco Resorts Macau was formally awarded a gaming concession and entered into the Concession Contract. The gaming concession was granted by the Macau SAR to Melco Resorts Macau as the concessionaire. The term of the Concession Contract commenced on January 1, 2023, and ends on December 31, 2032. Under the Concession Contract, Melco Resorts Macau is authorized to operate the Altira casino, the City of Dreams casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. In accordance with the Company's overall development strategy and applicable Macau law, the Grand Dragon Casino and three of our Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal will progressively cease operations between September and December 2025 and the gaming tables and electronic gaming machines will be reallocated to our other gaming areas in Macau. We have submitted the relevant applications for the continuing operations of Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond December 31, 2025, and such applications are currently under review by the Macau government.

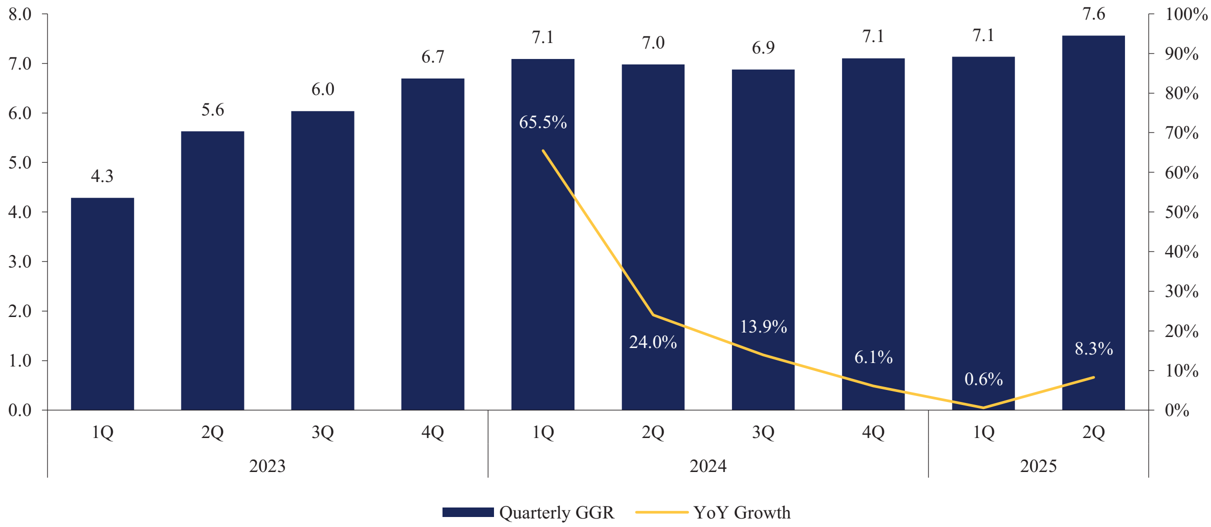
The Macau gaming market is geographically segregated into two main regions, the Macau Peninsula and Cotai. The Macau Peninsula spreads across 9.3 square kilometers and is geographically connected to Zhuhai, China. The casino operations in Macau are primarily concentrated on the Macau Peninsula along the belt between the Macau-Hong Kong Ferry Terminal and the Governador Nobre de Carvalho Bridge. Cotai is a 6.0 square kilometers area of reclaimed land between the islands of Taipa and Coloane, connected to Zhuhai through the Lotus Bridge. Taipa is directly connected to the Macau Peninsula by three bridges.

With the Macau government's support and growing popularity of gaming, the number of casinos and hotels in Macau has increased and developments in Cotai have grown to critical mass. Cotai has emerged as one of the prime locations of growth and development in Macau because of its integrated resort offerings that appeal to both VIP rolling chip players and mass market players.

The entry of international gaming operators, supported by favorable regional economic trends, has led to strong growth in the overall gaming market. We expect the Macau product offerings to continue to develop because of capital investments in new hotels at existing integrated resorts, expansion of existing resorts such as Studio City, development of existing non-gaming attractions and enhancements in infrastructure.

From March 2020 to December 2020, Macau gross gaming revenues experienced an 85.5% decline compared to the same ten months from March 2019 to December 2019 due to imposed restrictions from COVID-19. Following the gradual removal of restrictions in 2023, Macau gross gaming revenues experienced a 23.9% increase in the year ended December 31, 2024, from the same period in 2023. From January 1, 2025, to August 31, 2025, Macau gross gaming revenues increased by 7.2% compared to the same period in 2024. The eight months ended August 31, 2025, exhibited some of the highest Macau gross gaming revenues since the removal of COVID-19 restrictions with the month of August 31, 2025, exhibiting the highest monthly GGR since January 2020.

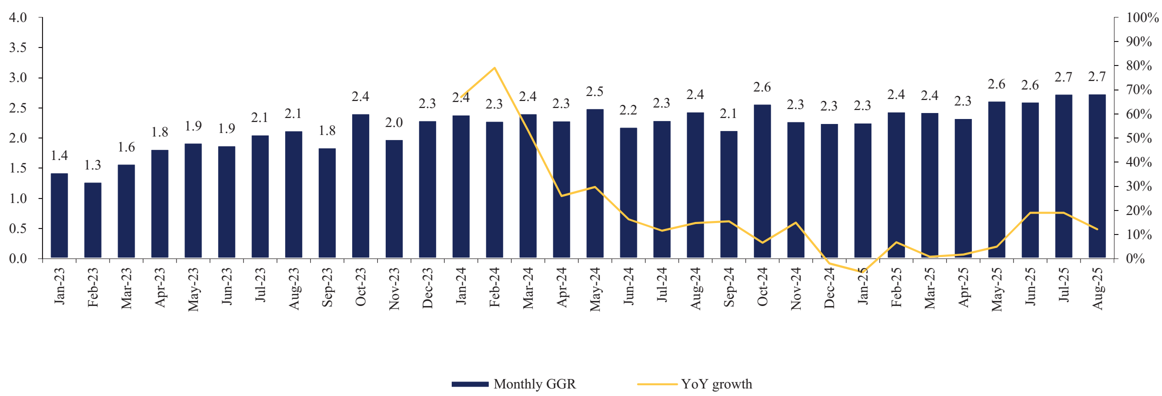
Macau Quarterly Gross Gaming Revenues Trend (US$ bn, year-on-year growth)



Note: Quarterly year over year growth for 2023 is excluded given Macau casinos were impacted COVID-19 related restrictions in 2022.

Source: DICJ

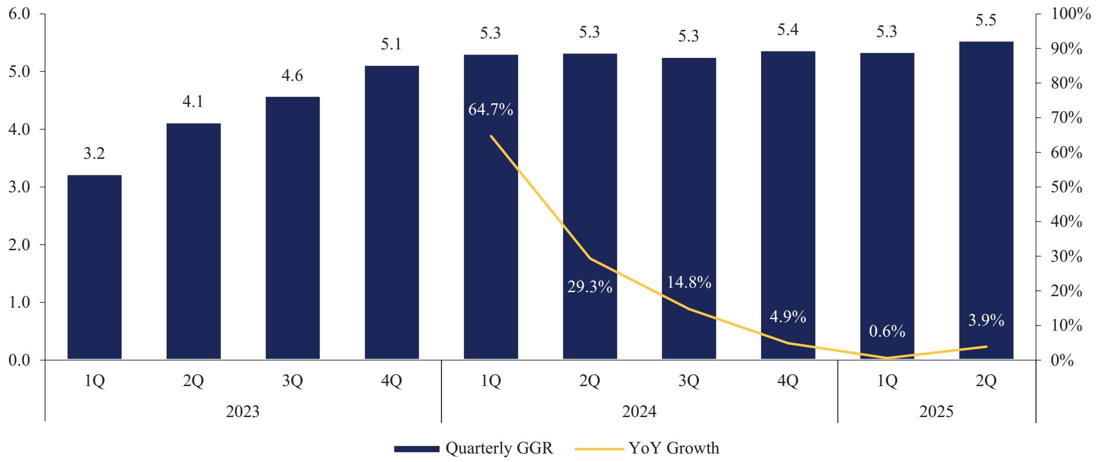
Macau Monthly Gross Gaming Revenues Trend (US$ bn, year-on-year growth)



Note: Monthly year over year growth for 2023 is excluded given Macau casinos were impacted COVID-19 related restrictions in 2022.

Source: DICJ

Macau Quarterly Mass Gross Gaming Revenues Trend (US$ bn, year-on-year growth)



Note: Quarterly year over year growth for 2023 is excluded given Macau casinos were impacted COVID-19 related restrictions in 2022.

Source: DICJ

The Macau gaming market consists of two primary segments: the mass market and the VIP rolling chip segments.

Mass Market Segment

The mass market segment consists of both mass market table games and gaming machines for primarily cash stakes. The mass market players are further classified into mainstream mass market players and premium mass market players. The premium mass market offers gaming players a variety of premium amenities within selected gaming areas that are not generally available to mainstream mass market players. Premium mass players may receive various forms of complimentary services, including transportation, accommodation and food and beverage services from casino operators. The mass market segment is generally considered to be a higher-margin and more profitable gaming segment relative to the VIP rolling chip segment, the margins of which are typically impacted by gaming promoter commissions and higher player concessions. Mass market gaming revenues have grown significantly in recent years. According to the DICJ, for the year ended December 31, 2024, mass gaming revenues grew 24.8% compared to same period in 2023, and mass gaming revenues were 9.4% above the same period in 2019. Mass market table and gaming machine operations revenues accounted for approximately 70.2% and 5.7%, respectively, of total gross gaming revenues in Macau for the year ended December 31, 2024, compared to 48.6% and 5.2%, respectively, for the year ended December 31, 2019. The mass market has shown advanced signs of recovery in the first half of 2025 and has outperformed visitation and overall GGR, with mass market GGR for the quarter ended June 30, 2025 reaching 84.4% of the same period in 2019.

VIP Rolling Chip Segment

VIP rolling chip players in Macau typically play mostly in dedicated VIP rolling chip areas for higher stakes. VIP rolling chip players are sourced either by gaming promoters or through direct relationships between the gaming operators and the players. We are currently permitted to engage with 8 gaming promoters. Gaming promoters in Macau are independent corporate third parties, all of which are required to be licensed by the Secretary of Economy and Finance of Macau. We have procedures to screen prospective gaming promoters prior to their engagement and conduct periodic checks that are designed to ensure that the gaming promoters with whom we associate meet suitability standards. See "Business—Advertising and Marketing—Gaming Promoters" for further details on our relationships with gaming promoters.

- Gaming promoters are typically paid a commission by the concessionaire based on rolling chip volume, of which a significant proportion is paid to the player in the form of a rebate. In addition, like premium mass players, VIP rolling chip players typically receive various forms of complimentary services, including transportation, accommodation and food and beverage services from the gaming promoters and concessionaires. These complimentary services also affect the margins associated with the VIP rolling chip segment of the business.

- Premium direct players are brought in through direct relationships between players and concessionaires. Due to savings from commissions paid to gaming promoters, gaming revenues generated from direct VIP rolling chip players may have higher margins compared to those generated from VIP rolling chip players sourced through gaming promoters.
- In 2024, approximate gross win per table per day for the VIP rolling chip operations of Wynn Macau, Wynn Palace, MGM Macau, MGM Cotai, City of Dreams, and Studio City were US$16,084, US$21,495, US$12,638, US$20,447, US$19,734, and US$16,987, respectively, according to publicly available information. In the third quarter of 2021, Altira Macau strategically closed its VIP rolling chip operations to focus on the mass market.

The following table shows certain information about Macau's gaming market and gross gaming revenues by segment from 2015 to LTM June 30, 2025. It is anticipated that the diversified range in gaming segments in the Macau gaming market will continue to be the key driver of growth in the near future.

(All revenues in US$ billions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	LTM 2Q'25
Total gross gaming revenues	28.6	27.6	32.9	37.5	36.2	7.5	10.7	5.2	22.6	28.0	28.7
VIP rolling chip gross gaming revenues	15.8	14.7	18.6	20.5	16.7	3.3	3.5	1.3	5.6	6.8	7.2
Mass market gross gaming revenues(1)	12.7	12.9	14.2	16.9	19.4	4.2	7.2	4.0	17.1	21.3	21.5
—Mass market table gross revenues	11.3	11.5	12.6	15.1	17.6	3.8	6.6	3.6	15.7	19.7	19.9
—Gaming machine gaming revenues	1.5	1.4	1.6	1.9	1.9	0.4	0.6	0.4	1.4	1.6	1.6
Number of gaming tables(2)	5,957	6,287	6,419	6,588	6,739	6,080	6,198	5,605	6,000	6,000	6,000
Number of gaming machines(2)	14,578	13,826	15,622	16,059	17,009	8,854	11,758	10,775	12,000	12,000	12,000

Note: Mass market table gross gaming revenues, gaming machine gaming revenues and VIP rolling chip gross gaming revenues are calculated from original source data from DICJ. Mass market gross gaming revenues are gross gaming revenues excluding VIP Baccarat. FX exchange rate as of 06/30/2025.

(1) Includes mass market table gross revenues and gaming machine gaming revenues.

(2) As of December 31 for 2015 to June 30, 2025.

Source: DICJ

Key Drivers for the Macau Gaming Market

We believe the development of the Macau gaming market has been driven by and will continue to be driven by a combination of factors, including:

- Close proximity to approximately 3.7 billion people in nearby regions in Asia and expansion of mainland China out-bound tourism to Macau;
- Continuing economic development and emergence of a wealthier demographic in China;
- Increased diversification in non-gaming offerings further enhancing visitation and game play;
- Further improvement of transportation and infrastructure driving visitation; and
- China's continued focus on development and integration of the Greater Bay Area.

Details of these market drivers and initiatives are set out as follows:

Close Proximity to Approximately 3.7 Billion People in Nearby Regions in Asia and Expansion of Mainland China Out-bound Tourism to Macau

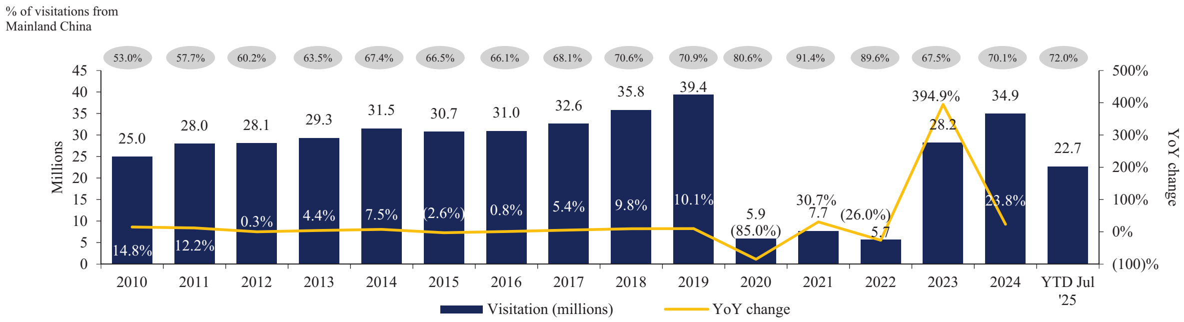
Macau shares a border with China's populous and wealthy Guangdong Province and is approximately one hour from Hong Kong via high speed ferry. Approximately 3.7 billion people live within a five hour flight of Macau. The relatively easy access from major population centers in Asia facilitates Macau's development as a popular gaming destination in the region. Demand for non-gaming services, including retail, leisure and entertainment services is also supported by the growth of personal disposable income and the growth of the middle class in China.

The following table shows the population of, and visitation to Macau from, countries and regions within a five hour flight of Macau in 2024. According to the DSEC, Macau had 34.9 million visitors in 2024. Visitation from mainland China accounted for approximately 70.1% of the visitation to Macau in 2024. For the seven months ended July 31, 2025, visitation to Macau from mainland China accounted for approximately 72.0% of total visitation. During the twelve months ended July 31, 2025, visitation from mainland China accounted for 71.6% of total visitation to Macau.

	2024 Visitation to Macau (millions) (A)	2024 Population (millions) (B)	Visitation as a % of Population (A÷B)
China	24.5	1,408.3	1.7%
Hong Kong	7.2	7.5	95.3%
Taiwan	0.8	23.4	3.6%
South Korea	0.5	51.8	1.0%
Japan	0.1	123.9	0.1%
Malaysia	0.2	33.5	0.5%
Singapore	0.1	6.0	2.0%
The Philippines	0.5	113.2	0.4%
Thailand	0.1	70.3	0.2%
Indonesia	0.2	281.6	0.1%
Vietnam	<0.1	101.3	<0.1%
India	<0.1	1,441.7	<0.1%

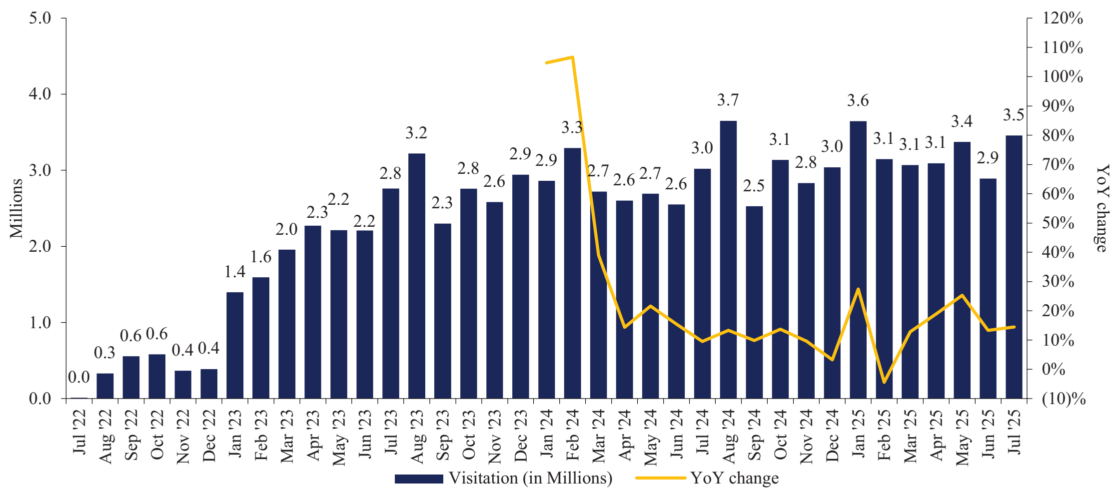
Source: Year ended December 31, 2024 visitation figures from DSEC; 2024 China population figure as compiled by National Bureau of Statistics of China and the rest of the 2024 population figures from International Monetary Fund World Economic Outlook Database, April 2025.

Macau overall visitation growth



Source: DSEC

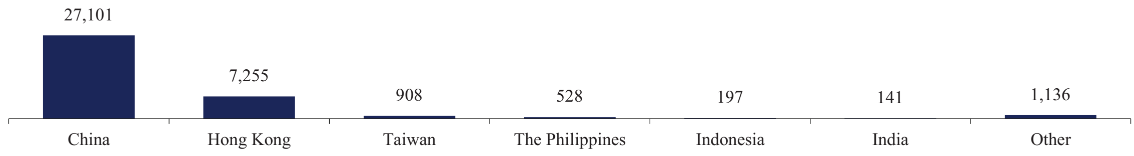
Macau overall monthly visitation growth



Note: Monthly year over year growth for 2023 is excluded given Macau casinos were impacted COVID-19 related restrictions in 2022.

Source: DSEC

Visitations to Macau for the twelve months ended July 31, 2025 (thousands)

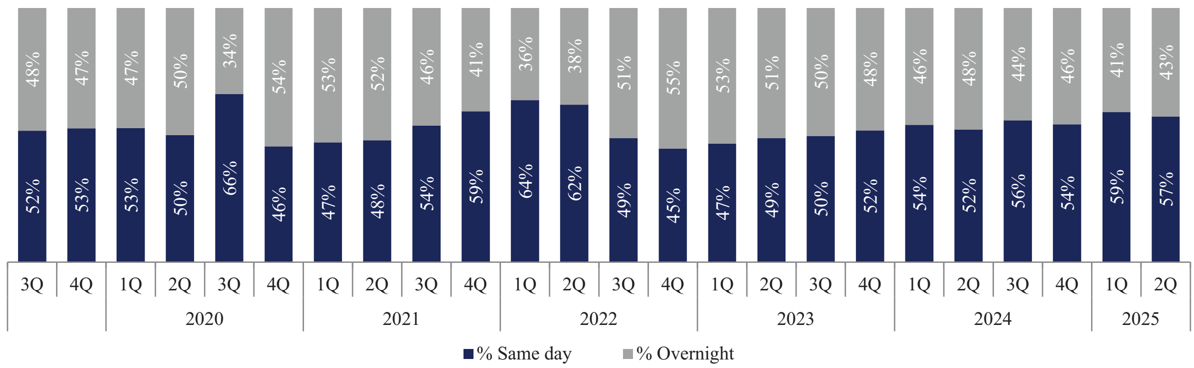


(1) Other includes Japan, Malaysia, South Korea, Thailand, Singapore and Vietnam.

Source: DSEC

Since the third quarter of 2023, same-day visitation has exceeded overnight visitation. Visitation continues to steadily increase, with visitation for the year ended December 31, 2024, reaching 88.6% of the same period in 2019. Visitation in 2023 and 2024 showed strong recovery with 28.2 million and 34.9 million visitors, respectively.

Quarterly overnight vs. same-day visitation trend in Macau



Source: DSEC

Visitation growth from mainland China has been supported by the implementation of the IVS. Following its implementation in 2003, mainland China citizens from selected large urban centers and economically developed regions were able to obtain permits to travel to Macau on their own without having to be part of a tour. According to the Hong Kong Tourism Commission as of September 8, 2025, the IVS covers 59 cities and estimated 505 million mainland China citizens. However, it is estimated that 2.5% of the eligible citizens, or approximately 12.3 million, were IVS travelers in year ended December 31, 2024, according to DSEC statistics, indicating room for continued growth.

The mainland China government has indicated its intention to maintain tourism development by opening the IVS to more mainland China citizens to visit Macau. In the year ended December 31, 2024, mainland China IVS visitors accounted for 50.1% of total visitation from China, according to DSEC statistics. The year ended December 31, 2019, the full year prior to COVID-19, saw IVS visitors account for 46.8% of total visitation from China. Non-package tour visitors are generally considered more valuable to gaming operators due to higher spending propensity as compared with package tour visitors. Following the expansion of the IVS on March 6, 2024 to Xi’an and Qingdao, on May 11, 2024 the IVS was expanded to 59 cities from 51 cities to include Taiyuan, Hohhot, Harbin, Lhasa, Lanzhou, Xining, Yinchuan, and Urumqi. The March 2024 and May 2024 additions are the second and third times since 2007 the mainland China government has added new cities to the IVS program. At the same time, China’s National Immigration Administration introduced online renewable multiple-entry visa for travelers from certain cities coming to Macau, without having to visit a Public Security office.

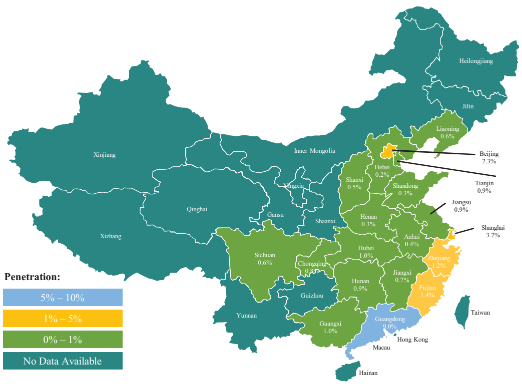
Other than the expansion of IVS, other policy changes to improve visitation processing for those coming from mainland China and Hong Kong have contributed to visitations of Macau. Since January 1, 2025, mainland China residents in Zhuhai are able to apply for one-trip-per-week visa to Macau, and stay in Macau for no more than seven days each trip, while residents in Hengqin are eligible to apply for multi-entry permits to Macau, enabling unrestricted visits for up to seven days per stay within a one-year validity period.

The majority of visitation from mainland China are from nearby areas. For the year ended December 31, 2019, Guangdong province accounted for approximately 45.9% of mainland China visitation to Macau. For the year ended December 31, 2024, Guangdong province accounted for approximately 53.5% of mainland China visitation to Macau.

With continued economic development and favorable visa policies, further penetration of tourism by mainland China residents is expected to increase growth opportunities for the Macau gaming market.

Macau Visitation by Province

Visitation Penetration by Province



Mainland Chinese Visitation to Macau

Province	2019 Total Visitors (mm)	LTM Jul '25 Total Visitors (mm) (A)	% of 2019	Total Population (mm) (B)	GDP per Capita (US$)	Est. Penetration (A/B)
Guangdong	12.8	15.3	119%	128	15,453	12.0%
Shanghai	0.7	0.8	116%	25	30,321	3.4%
Beijing	0.4	0.6	145%	22	31,837	2.6%
Fujian	0.9	0.6	67%	42	19,209	1.5%
Zhejiang	0.8	0.9	112%	67	18,842	1.3%
Guangxi	0.9	0.6	70%	50	7,969	1.2%
Hubei	0.9	0.6	64%	58	14,344	1.0%
Tianjin	0.1	0.1	104%	14	18,426	1.0%
Hunan	1.1	0.6	55%	65	11,351	1.0%
Jiangsu	0.8	0.8	103%	85	22,407	0.9%
Jilin	0.2	0.2	90%	23	8,643	0.8%
Chongqing	0.3	0.2	86%	32	14,072	0.8%
Jiangxi	0.5	0.3	66%	45	10,593	0.7%
Liaoning	0.3	0.3	100%	42	10,945	0.7%
Heilongjiang	0.3	0.2	68%	30	7,585	0.6%
Sichuan	0.6	0.5	94%	84	10,786	0.6%
Shanxi	0.2	0.2	106%	34	10,316	0.6%
Shaanxi	0.2	0.2	105%	40	12,536	0.6%
Anhui	0.3	0.3	92%	61	11,529	0.4%
Inner Mongolia	0.1	0.1	98%	24	15,365	0.4%
Shandong	0.3	0.3	124%	101	13,635	0.3%
Henan	0.5	0.3	60%	98	9,062	0.3%
Hebei	0.2	0.2	94%	74	8,982	0.3%
Other PRC	4.5	2.7	60%	165	9,838	1.7%
Total	**27.9**	**27.1**	**97%**	**1,408**	**13,358**	**1.9%**

Note: Visitation from China to Macau for which no province could be identified are designated under the Province category of "Other PRC." Calculations assume each visitor going to Macau from mainland China is unique. Visitation figures shown exclude visitation from Hong Kong SAR.

(1) Penetration rates are calculated by taking the number of visitors in Last twelve months July 2025 as a percentage of the provincial population.

Source: 2019, and Last twelve months July 2025 visitation figures from DSEC; 2024 population figures and GDP from National Bureau of Statistics of China.

Continuing Economic Development and Emergence of a Wealthier Demographic in China

It is anticipated that Macau will continue to directly benefit from China's expanding economy. According to the National Bureau of Statistics of China, China's GDP grew at a CAGR of 8.7% from 2010 to 2024. Long-term economic growth in China is expected to help sustain and fuel the development of Macau, which is the mass entertainment and leisure hub in the Pearl River Delta region.

The promotion of domestic demand is critical in sustaining long-term economic growth in China. The impact of the global recession on China's economic growth has provided an impetus for China's shift to increase domestic consumption to reduce dependence on exports and foreign investments. To strengthen domestic spending and consumption, the mainland China government is accelerating urbanization and promoting better education and jobs. In 2024, approximately 67.0% of China's 1.41 billion population lived in urban areas, according to the National Bureau of Statistics of China. Rapid urbanization has historically spurred greater consumption and shifted the composition of retail spending in China from a heavy weighting towards food to a more balanced consumption model.

The following table sets out the growth of retail sales in China from 2014 to 2024, and the growth in per capita disposable income of urban households in China from 2014 to 2024:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2024 CAGR
Retail sales in China (US$ billions)	3,618	3,996	4,404	4,843	5,268	5,689	5,466	6,147	6,132	6,574	6,740	6.4%

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2014-2024 CAGR
Urban household per Capita disposable income (US$)	4,022	4,350	4,687	5,075	5,473	5,906	6,112	6,611	6,872	7,226	7,556	6.5%

Source: National Bureau of Statistics of China

The shift in China's consumption patterns towards more discretionary spending is expected to continue as incomes continue to increase. Given the higher propensity for gaming in this demographic, increasing spending patterns are expected to further support growth in Macau's gaming market.

Increased Diversification in Non-gaming Offerings Further Enhancing Visitation and Game Play

Macau also provides non-gaming amenities in the form of retail, hotel, conference and entertainment amenities, which are supported by the Macau government's infrastructure initiatives.

Although non-gaming revenues currently represent a small portion of total operating revenues in the Macau gaming market, the development of non-gaming attractions positions Macau as a comprehensive entertainment destination. As casino operators utilize their expertise to incorporate retail, food and beverage outlets and entertainment into their properties to offer an integrated resort experience, visitation to Macau, duration of stay and spending of visitors (excluding gaming expense and donations) have all increased. As a result of the new 10-year concessions awarded in January 2023, all 6 concessionaires are required to meet minimum capital expenditure and operating expense spend on non-gaming elements. The continued development and roll-out of non-gaming programming across food and beverage, entertainment, retail, and sports creates a more well-rounded and diversified gaming market that appeals to mass customers.

Retail

In the past five years, casino operators have expanded retail space on the Macau Peninsula and in Cotai for upscale shopping. According to statistics released by the DSEC, retail sales in Macau grew at a CAGR of 10.8% from 2010 to 2019, before declining by 41.4% in 2020 as the outbreak of COVID-19 caused widespread business disruptions. Retail sales have demonstrated a strong recovery and have grown at a CAGR of 12.3% from 2020 to 2024. Retail plays an important role in attracting mainland China customers to the region to purchase premium brands without paying a luxury goods tax that may be levied if the purchases were made in mainland China. During the fourth quarter 2024, mainland China visitors spent an average of US$141 per person on retail shopping according to the DSEC. The upcoming supply of retail space offered by entertainment resorts is expected to help further propel visitation and business to the casinos in Macau.

Entertainment

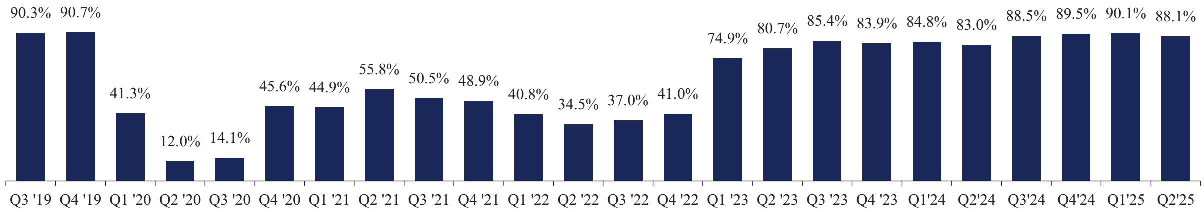
Macau's integrated gaming resorts support the development of entertainment offerings to emulate Las Vegas' breadth of attractions. Resorts have increased programming to offer a variety of leisure and entertainment attractions to help draw in a more diverse array of visitors. Across the market, operators have launched entertainment programming with some examples including *House of Dancing Water* at City of Dreams, MGM Museum at MGM Macau, Galaxy Arena, and Studio City attractions.

Lodging

As of July 31, 2025, according to figures released by the DSEC, Macau had approximately 45,193 hotel rooms. By comparison, the Las Vegas Strip had approximately 150,220 hotel rooms as of June 30, 2025, according to figures released by the Las Vegas Convention and Visitors Authority. It is anticipated that the introduction of additional high-quality hotels, in combination with increasing retail, entertainment facilities and MICE space, will continue to enhance Macau's reputation as a world-class tourism and business destination contributing to increases in both visitation and the average length of stay. Macau now has the largest number of Forbes 5 star rated hotels globally at 24 (London 20, Las Vegas 4), with increasing supply helping drive growth in visitation. Average hotel occupancy reached to 91.0% as of July 31, 2025, compared to 89.1% during the same period of 2024 but remains slightly below pre-COVID average hotel occupancy levels observed in 2018 and 2019. The following table shows the timing and approximate supply of major new hotel room additions.

Property	Opening	Hotel Rooms
Galaxy (Phase 3)	2023 (Open)	~1,150
Studio City (W and Epic)	2023 (Open)	895
Londoner Grand	2025 (Open)	2,405
Galaxy Capella	2025 (Open)	95
Countdown Hotel (City of Dreams)	3Q 2026 (Expected)	150
Galaxy (Phase 4)	2027 (Expected)	~1,600

Average Macau Hotel Occupancy



Source: DSEC

We believe there is significant long-term growth potential for Macau's non-gaming segment given the ongoing development of world class facilities and Macau's proximity to the growing MICE market in China. Macau visitors currently spend only a fraction of what their U.S. counterparts spend on non-casino activities. According to the DSEC, there were 1,536 MICE events held in various venues in Macau over the year ended December 31, 2019, with an average duration of 1.6 days, attracting approximately 2.0 million participants and attendees, significantly lower than its Las Vegas counterparts which, according to Las Vegas Convention and Visitors Authority, has nearly 24,000 events each year which attracted 6.6 million attendees during 2019. According to the DSEC, there were 1,524 MICE events held in Macau over the year ended December 31, 2024, with an average duration of 1.1 days, attracting approximately 1.3 million participants and attendees, an approximate 33.8% decrease as compared to 2019. On the other hand, events held in Las Vegas attracted 6.0 million attendees in 2024, reflecting a 9.8% decrease in attendees, as compared to 2019. Zhuhai and Guangdong authorities indicated in the plenary sessions held for the official launch of the national 14th Five-Year Plan (2021-2025), economic cooperation and transport links with Macau are to be further developed in the next five years. We believe these initiatives support an increase in MICE events and visitation in Macau over the long term as Macau continues to grow in importance to regional and mainland China economic activity.

Further Improvement of Transportation and Infrastructure Driving Visitation

Macau is accessible by land, air and sea. During the year ended December 31, 2024, approximately 79.5% of visitation arrived in Macau via the Zhuhai border gate, Qingmao Checkpoint, Lotus Checkpoint and Checkpoint of Trans-border Industrial Park and Hong Kong-Zhuhai-Macau Bridge, approximately 11.7% arrived via ferry from Hong Kong and nearby cities in China and approximately 8.8% arrived via the Macau International Airport and heliport. The Lotus Bridge continued to see increased usage in 2024. Specifically, in-bound visitation into Cotai has been increasing as a percentage of total visitation over the last few years. Overall Macau inbound visitation increased by 23.8% for the year ended December 31, 2024 compared to the year ended December 31, 2023 and the Lotus Bridge realized its highest annual visitation volume of 4.1 million visitation through the checkpoint, exceeding its previous peak in 2023 by 31.8%.

	2016	2017	2018	2019	2020	2021	2022	2023	2024
In-bound visitation through Lotus Bridge, Cotai(1)	7.3%	7.7%	8.0%	7.5%	11.3%	13.4%	15.6%	11.1%	11.8%
In-bound visitation through Cotai(2)	28.7%	29.4%	29.0%	24.1%	22.1%	21.4%	21.4%	26.3%	27.5%
In-bound visitation not through Cotai	71.3%	70.6%	71.0%	75.9%	77.9%	78.6%	78.6%	73.7%	72.5%

(1) Refers to visitation through the Lotus Checkpoint.

(2) Includes visitation through the Taipa Ferry Terminal, Macau International Airport, Lotus Checkpoint and Checkpoint of Trans-border Industrial Park for the period 2013 due to a lack of further breakdown between Lotus Checkpoint and Checkpoint of Trans-border Industrial Park. Includes visitation through the Taipa Ferry Terminal, Macau International Airport, and Lotus Checkpoint for 2014 and onwards.

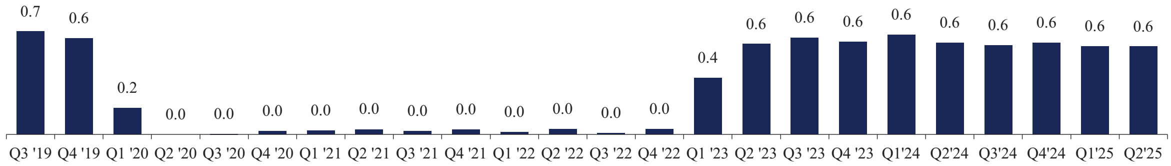
Source: DSEC

Several airlines have typically flown directly to Macau International Airport, operating direct routes to Macau from China and countries such as South Korea, Japan, Thailand, Malaysia, Singapore and the Philippines.

A number of infrastructure projects to facilitate travel have been recently completed or are in various stages of planning or development, most of which are expected to contribute to growth in visitation and an increase in gaming patrons:

Taipa Ferry Terminal. The Pac On Ferry Terminal, a MOP3.8 billion project, opened on June 1, 2017, with a capacity to accommodate 30 million passengers annually. The five-floor terminal is approximately 200,000 square meters, quadruple the size of the previous temporary Taipa ferry terminal. The terminal is able to accommodate three ferry operators across its 16 berths. Visitor arrivals via the Taipa Ferry Terminal increased to approximately 2.4 million in 2024 compared to approximately 2.2 million in 2023. Arrivals year-to-date through June 30, 2025, have decreased by 8% year over year to 1.1 million compared to 1.2 million in the same period in 2024.

Quarterly Visitor Arrivals at the Taipa Ferry Terminal (millions)



Source: DSEC

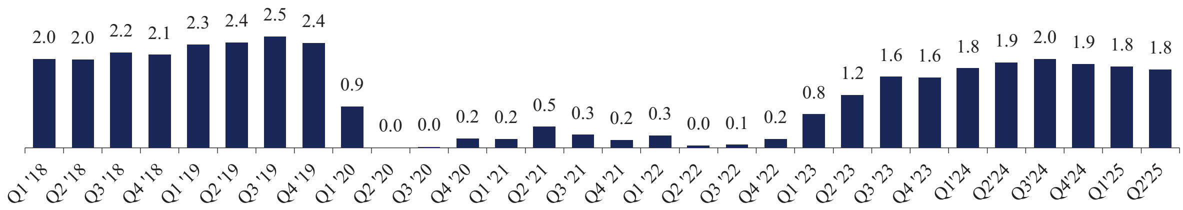
Hong Kong-Zhuhai-Macau Bridge. The bridge linking the three areas includes a bridge with total length of approximately 55 kilometers, boundary crossing facilities, access roads and associated works. In January 2007, the local governments of Hong Kong, Zhuhai and Macau established the Hong Kong-Zhuhai-Macau Bridge Task Force to implement the project, and the main project was completed in February 2018. It opened to traffic on October 23, 2018 and contributes to a significant reduction in travel time from Hong Kong as well as throughout China to Macau. Visitation to Macau via the Hong Kong Zhuhai Macau Bridge reached 8.8 million in 2024, representing a 63% increase above 2019 levels.

Lotus Flower Checkpoint on Hengqin Island. As per Notice no. 39/2019 of the Macau Chief Executive published in the Macau Official Gazette on November 18, 2019 and October 26, 2019, the Standing Committee of the National People's Congress of the People's Republic of China approved a proposal to transfer jurisdiction of the Lotus Flower checkpoint (the "Lotus Flower Checkpoint") on Hengqin Island to the Macau Special Administrative Region, aiming to further promote the development of the Greater Bay Area and strengthen Macau's infrastructure links with the mainland China, in addition to making the cross-border flow of passengers and goods more convenient. Law no. 1/2020 which came into effect on March 18, 2020 set that the jurisdiction of the Macau Special Administrative Region will be extended gradually to the Lotus Flower Checkpoint on Hengqin Island. On the same date, the Lotus Flower Checkpoint on Hengqin Island was inaugurated with certain areas under the jurisdiction of the Macau Special Administrative Region as per notice no. 7/2020 of the Macau Chief Executive. Visitation to Macau via the Lotus Bridge reached 4.1 million in 2024, representing a 39% increase above 2019 levels.

Gongbei-Zhuhai Airport Railroad Transit and Guangzhou-Zhuhai Intercity Mass Rapid Transit. The Gongbei-Zhuhai Airport railroad transit project commenced in 2014 and Phase 1, connecting Gongbei and Hengqin Island, was completed in 2020. Phase 1 of the project is the extension rail of the Guangzhou-Zhuhai Intercity Mass Rapid Transit, which includes direct connection facilities to the Macau Light Rapid Transit Line and links the Pearl River Delta and mainland China with Macau. Phase 2 of the project, which connects Hengqin Island to Zhuhai Airport, opened in February 2024. The total length is expected to be approximately 39 kilometers and the top speed is expected to reach 160 kilometers per hour. When the project is completed and in operation, it is anticipated that it will only take half an hour to go from Gongbei to Zhuhai Airport, approximately half an hour less than the time currently needed.

Airport Capacity Upgrade. The north extension of the passenger terminal building of the Macau International Airport, with a total area of 14,000 square meters, was opened in February 2018, and is expected to enable the airport to receive up to 7.8 million passengers per year. The south extension project which was completed in 2022 has increased the airport's receiving capacity by 10 million passengers per year. Currently, the airport is undergoing an expansion and land reclamation project which broke ground in April 2025. The project is expected to expand the airport area to about 325 hectares and increase annual passenger capacity from 10 million to 13 million. The airport represented approximately 8.8% of the 2024 incoming visitation traffic to Macau and represented 7.6% of incoming visitation to Macau for the six months ended June 30, 2025. Passenger volume in 2024 grew 48.3% from 2023 to 7.6 million representing 79.5% of 2019 volume.

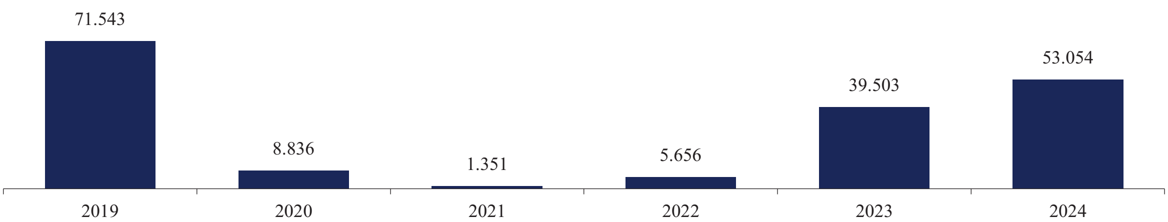
Quarterly Macau International Airport Passenger Volume (millions)



Source: Macau International Airport Co.

Hong Kong International Airport. Hong Kong International Airport ("HKIA") serves as an important infrastructure point helping to connect visitors to Macau. The airport has a total area of approximately 752,000 square meters with approximately 120 operating airlines. The Hong Kong International Airport provides multi-modal transportation to the Greater Bay Area including ferries that serve 10 ports in the Greater Bay Area and Macau in 30-90 minutes. Hong Kong International Airport recently added a third runway in late 2024 and is embarking on expansion to its Terminal 2 in late 2025. In 2019, HKIA served total passenger volume of 71.5 million. The impacts of COVID-19 caused a significant decline from 2020-2022, however 2023 realized a significant positive increase to 39.5 million passengers, or 55.2% of 2019 levels and 2024 similarly saw an increase to 53.1 million passengers or 74.2% of 2019 levels.

Yearly Hong Kong International Airport Passenger Volume (millions)



Source: Hong Kong International Airport

Macau Light Rapid Transit Line. The Macau Light Rapid Transit Line commenced operations in December 2019 and currently comprises three lines, the Taipa Line, the Seac Pai Van Line and the Henquin Line with a total of 16 stations and services Taipa, Cotai and Macau peninsula with stations at major checkpoints such as the Macau International Airport, Taipa Ferry Terminal, Lotus Checkpoint, Barra (Macau). The Hengqin line which opened in December 2024 connects the Lotus station (Macau) with Hengqin (Zhuhai). Currently construction of the East Line is underway, and is slated to open in 2029, which will run to Portas do Cerco.

4th Macau – Taipa Bridge. With growing traffic and increased congestion, the local Macau government continues to invest in infrastructure, and built a fourth bridge to facilitate improved transportation between the Macau peninsula and Cotai. The bridge was completed in October 2024 and features eight lanes to help divert traffic from the other bridges, especially in peak tourism season.

Qingmao Border Checkpoint at Ilha Verde. The Qingmao border checkpoint (the "Qingmao Checkpoint") is the first pedestrians only border crossing between Macau and Zhuhai. The checkpoint involves an "Integral Border Inspection" with the installation of 50 automatic passages both for entry and exit, and two manual control passages per entry and exit, which reduces the need for staff compared to other border posts. According to the Public Works Department, the project aims to relieve the border pressure at the Gongbei Border, as well as improve the water quality of the Canal dos Patos through the interception of wastewater and a new penstock system. The project completed in September 2021. According to the city of Zhuhai, total passenger volume of Qingmao Checkpoint exceeded 5.0 million through March 5, 2022, only five months after it began operation in November 2021, ranking second nationally in cross-border passenger flow with passengers able to pass customs clearance in 20 seconds with the implementation of the "Joint Inspection & One-Time Release" system. In the year ended December 31, 2024, 1.4 million people passed through this checkpoint, a 13.5% increase over the year ended December 31, 2023.

Chimelong International Ocean Resort. The Chimelong International Ocean Resort opened in January 2014 and according to the Hengqin government website, is expected to generate 50 million visits per year after completion of all phases. In December 2015, the Zhuhai municipal government and Chimelong Group signed a new investment agreement with a total investment of RMB50 billion. As part of the second phase of the development, construction of the main structure of the Chimelong Marine Science Park was completed in 2022 with the ability to accommodate 50,000 guests per day.

University of Macau. The University of Macau built a MOP9.8 billion campus on Hengqin Island, with an aim to promote exchange and cooperation with other universities in Macau and the rest of China in the research and development of new technologies. The 1.09 square kilometer campus opened in 2014 and a campus expansion on Hengqin Island is currently underway.

Continued developments on Hengqin Island are expected to increase entry into Macau via the Lotus Bridge and facilitate Macau's growth as a tourism hub in Asia through increased visitor traffic and extended length of stays.

In recent years, the rapid development of the high-speed rail network in mainland China has made Macau an easier destination to reach from inner cities in mainland China. Currently, the high-speed rail connects Macau with cities in central China, northern China, as well as various coastal cities. According to Mass Transit Railway, with the completion of the high-speed rail routes, it is expected to take approximately nine hours from Beijing to Hong Kong by train.

Favorable Government Policies to Attract International Visitors.

The Macau government aims to improve international visitation and has reserved MOP295.0 million in 2025 for varying initiatives. Travel incentives being pursued include air ticket discounts, free bus or ferry tickets from Hong Kong International Airport, and discounts for restaurants and hotels. Macau aims to welcome 3 million international visitors in 2025 to match pre-pandemic levels.

China's Continued Focus on Development and Integration of the Greater Bay Area

Macau is part of the Greater Bay Area which comprises the two Special Administrative Regions of Hong Kong and Macau, and the nine municipalities of Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing in Guangdong province. With the Greater Bay Area's significance in China's innovation driven development and commitment to reform, China has announced its aim to further deepen cooperation and integration to promote coordinated regional economic development. The 14th Five Year Plan (2021 2025) reiterated the significance of the Greater Bay Area's continued integration. High quality developments that strengthen regional connectivity are to be accelerated, including the construction of the Guangdong Macau Cross Border Financial Cooperation Demonstration Zone and the further development of Hengqin as a Guangdong Macau cooperation zone. Macau's economy is anticipated to continually benefit from the increased infrastructural connectivity as political focus remains on the accelerated development of the Greater Bay Area.

On July 1, 2017, the National Development and Reform Commission and the governments of Guangdong, Hong Kong and Macau signed the Framework Agreement on Deepening Guangdong Hong Kong Macau Cooperation in the Development of the Greater Bay Area in Hong Kong. The framework sets out the goals and principles of cooperation and establishes the key cooperation areas in the development of the Greater Bay Area.

On February 18, 2019, the Outline Development Plan for the Greater Bay Area was promulgated with the mainland China government's announced focus on the following seven areas:

- Developing an international innovation and technology hub;
- Expediting infrastructural connectivity;
- Building a globally competitive modern industrial system;
- Taking forward ecological conservation;
- Developing a quality living circle for living, working and traveling;
- Strengthen cooperation and jointly participating in the Belt and Road Initiative; and
- Jointly developing Guangdong Hong Kong Macao cooperation platforms.

The development of the Greater Bay Area is believed to demonstrate China's continued focus on developing Macau into a world class tourism and leisure center and a commerce and trade cooperation service platform between China and Lusophone countries, as well as a base for exchange and cooperation.

REGULATIONS

Gaming Operation Regulations

The ownership and operation of casino gaming facilities in Macau are subject to the general civil and commercial laws and specific gaming laws, in particular, Law no. 16/2001, as amended in June 2022 pursuant Law no. 7/2022, or the Macau Gaming Operations Law. Macau's gaming operations are also subject to the grant of a concession by, and regulatory control of, the Macau government. See "—Gaming Licenses" below for more details.

The DICJ is the supervisory authority and regulator of the gaming industry in Macau. The core functions of the DICJ are:

- to collaborate in the definition of gaming policies;
- to supervise and monitor the activities of the concessionaires;
- to investigate and monitor the continuing suitability and financial capacity requirements of concessionaires and gaming promoters;
- to issue licenses to gaming promoters;
- to license and certify gaming equipment; and
- to issue directives and recommend practices with respect to the ordinary operation of casinos.

Below are the main features of the Macau Gaming Operations Law, including amended provisions, as supplemented by Administrative Regulation no. 26/2001 (as amended in July 2022 pursuant to Administrative Regulation no. 28/2022), that are currently applicable to our business.

- If we breach the Macau Gaming Operations Law, Melco Resorts Macau's Concession Contract could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, we, and the persons involved, could be subject to substantial fines for each separate breach of Macau Gaming Operations Law or of the Concession Contract at the discretion of the Macau government. Further, if we terminate or suspend the operation of all or a part of our gaming operations without permission for reasons not due to *force majeure*, or in the event of serious disruptions or deficiencies in our organization and operation or in the general condition of our facilities and equipment which may affect the normal operation of our gaming business, the Macau government would be entitled to replace Melco Resorts Macau during such disruption and to ensure the continued operation of the gaming business. Under such circumstances, we would bear the expenses required for maintaining the normal operation of the gaming business.
- The Macau government also has the power to supervise concessionaires in order to assure financial stability and capability. See "—Gaming Licenses—The Concession Contract."
- Any person who fails or refuses to apply for a finding of suitability after being ordered to do so by the Macau government may be found unsuitable. Any shareholder of a concessionaire holding shares equal to or in excess of 5% of such concessionaire's share capital who is found unsuitable will be required to dispose of such shares by a certain time (the transfer itself being subject to the Macau government's authorization). If a disposal has not taken place by the time so designated, such shares must be acquired by the concessionaire. Melco Resorts Macau may be subject to administrative sanctions if, after it receives notice that a person is unsuitable to be a shareholder or to have any other relationship with it, Melco Resorts Macau:
  - pays that person any dividend or interest upon its shares;
  - allows that person to exercise, directly or indirectly, any voting right conferred through shares held by that person;
  - pays remuneration in any form to that person for services rendered or otherwise; or
  - fails to pursue all lawful efforts to require that unsuitable person to relinquish his or her shares.
- The Macau government also requires prior approval for the creation of a lien over shares or gaming equipment and utensils of a concession holder.
- The Macau government must give its prior approval to changes in control through a merger, consolidation, shares acquisition, or any act or conduct by any person whereby such person obtains

control. Entities seeking to acquire control of a concessionaire must satisfy the Macau government with regards to a variety of stringent standards prior to assuming control. The Macau government may also require controlling shareholders, directors and key employees, to be investigated for suitability as part of the approval process of the transaction.

- The maximum number of gaming concessions is six.
- The term of a gaming concession is set in the concession contract and cannot exceed 10 years but the Chief Executive of Macau may exceptionally authorize, based on justified reasons, one or more extensions of the term of the concession up to the total period of three years.
- The concessionaires' general contractual compliance is subject to review by the DICJ every three years. In the event that the results of the review reveal non-compliance or lack of proactiveness in complying with the concession contracts, concessionaires should improve compliance within the deadline determined by the Secretary for Economy and Finance.
- The concessionaires registered share capital shall not be less than MOP5 billion (equivalent to approximately US$618.4 million) and during the term of the concession their net assets shall not be less than such amount. The concessionaires must mandatorily notify the Chief Executive of Macau prior to executing large financial initiatives, which are defined as those with a value greater than MOP2.5 billion (equivalent to approximately US$309.2 million) regarding the internal movement of funds and MOP500 million (equivalent to approximately US$61.8 million) regarding salaries, remunerations, benefits of employees, and any other financial decisions.
- The main objectives of the gaming law are, amongst others, safeguarding of national and Macau security, adequate diversification and sustainable development of the Macau economy, assurance that the development and operation of games of chance in casinos are in line with Macau's policies and mechanisms in respect of combating the illegal flow of cross-border capital and preventing money laundering, and the scale, operation and practice of games of chance in casinos are subject to legal restrictions. A concession may be terminated if it poses a threat to national security or that of Macau.
- The operation of games of chance in casinos is limited to the locations and premises authorized by the Chief Executive of Macau with such authorization having to take into account, amongst others, Macau urban planning, its impact on the social community and the opinion of the Specialized Committee for the Games of Chance Sector.
- The concessionaires undertake to operate games of chance in self owned premises or premises leased or otherwise granted a right to use by the Macau government. Premises owned by a concessionaire will revert to the Macau government without compensation upon the concession expiration or earlier termination. The concessionaires may continue to operate games of chance in casinos in properties that are not owned by them for a period of three years from January 1, 2023 under authorization of the Chief Executive of Macau. After the end of such three-year transition period the concessionaires may only continue to operate games of chance in properties that are not owned by them by engaging a managing company, such engagement to be subject to the Chief Executive of Macau's approval. If such locations are closed pursuant to the law or the concession contracts, new operation of games of chance in casino will not be permitted in such locations. The Macau government owns City of Dreams, Altira and Studio City Casinos gaming and gaming support areas, and the Macau government has transferred these areas to us for usage in our operations during the duration of the concession for a fee of MOP750 (equivalent to US$93) per square meter for years 1 to 3 of the Concession Contract, subject to consumer price index increase in years 2 and 3 of the concession. The fee will increase to MOP2,500.00 (equivalent to US$309) per square meter for years 4 to 10 of the concession, subject to consumer price index increase in years 5 to 10 of the concession. The concessionaires shall assume certain corporate social responsibilities, including support for the development of local small and medium-sized enterprises; support the diversification of local industries, guaranteeing labor rights and interests, namely those concerning the guarantee of labor credits, on-the-job training and professional advancement of local employees, as well as a pension scheme designed to protect employees; hiring disabled or rehabilitated individuals; support for public interest activities; support for activities of an educational, scientific and technological, environmental protection, cultural and sporting nature, among others.
- The concessionaires and the shareholders holding 5% or more of their registered share capital shall not hold directly any capital of another concessionaire for the operation of games of chance in casinos in Macau, and shall not hold indirectly 5% or more of its registered share capital.

- Management companies are entities that have management powers over all or some casinos from one concessionaire and are subject to suitability reviews at DICJ's discretion. The execution of a contract between a concessionaire and a managing company pursuant to which the company assumes or may assume management powers relating to the concessionaire is prohibited and any such contract will be deemed null and void. Notwithstanding, the Chief Executive of Macau may authorize and approve the engagement of a management company by a concessionaire provided that under such engagement, a concessionaire may only pay to the managing company management fees, with casino revenue sharing or payment of commissions not being permitted by any means. Members of the corporate bodies of a management company may not be members of a corporate body of a concessionaire or gaming promoter.
- The concessionaires must have a managing-director who is a Macau permanent resident and holds at least 15% of the registered share capital of the concessionaire.
- The concessionaires are subject to the payment of an annual premium, established in the concession contracts, which varies depending on the number of casinos that each concessionaire is authorized to operate, the number of authorized gaming tables and gaming machines, the type of games of chance operated, the location of the casinos, and other relevant criteria set by the Macau government.
- If the average gross gaming revenue of the gaming tables or gaming machines does not reach a set minimum limit, the concessionaire must pay a special premium, in an amount equal to the difference between the amount of the special tax on gaming, calculated according to the average gross gaming revenue, and such minimum limit. The average gross revenue is calculated according to the maximum number of gaming tables and gaming machines authorized for the concessionaire in the year to which it relates, with the exception of the number of gaming tables and gaming machines authorized to operate provisionally during the period designated for such purpose. The annual minimum limit of the gross gaming revenue of each gaming table and each gaming machine, as well as the period designated for the provisional operation of gaming tables and gaming machines, are determined by dispatch from the Chief Executive of Macau. The annual minimum limit of the gross gaming revenue must be set out in view of the past gross gaming revenue of Macau and the current situation of the economic development of Macau, and may be adjusted exceptionally in case of extraordinary, unpredictable or force majeure incidents, and is currently in the amount of MOP7 million (equivalent to approximately US$865,788) annual gross gaming revenue for gaming tables and MOP300,000 (equivalent to approximately US$37,105) annual gross gaming revenue for gaming machines.
- With respect to the gaming promotion activities, the concessionaires must inform the DICJ of any facts that may affect the solvency of gaming promoters, including the fact that they have been named as defendants in civil proceedings or have entered into loan or financing agreements that exceed their solvency, within a period of five days counted from the date of occurrence of the respective facts or the concessionaires' knowledge thereof; inform the DICJ of facts that indicate the practice, by gaming promoters, of crimes and administrative offenses provided for in the law, within five days from the date of the concessionaires' knowledge thereof, without prejudice to duties provided in other laws; supervise the activity of the gaming promoters, including their fulfillment of the duties provided in gaming laws and regulations; and adopt appropriate measures to prevent gaming promoters from conducting illegal activities in the casinos of the concessionaires.
- Each gaming promoter can only conduct gaming promotion activities with one concessionaire and may only receive commission, not being a gaming promoter permitted to share with the concessionaires, in any form whatsoever, the casino revenue.
- The concessionaires are jointly and severally liable for administrative fines and civil liability arising from the exercise in their casinos of the authorized gaming promotion activity by gaming promoters, their directors and key employees, as well as their collaborators. Such joint and several liability may be excluded when it is proved that the concessionaire has responsibly fulfilled its supervision duty.
- The maximum number of gaming tables and gaming machines that may be operated by the concessionaires is determined by dispatch from the Chief Executive of Macau and the number of gaming tables and gaming machines to be installed, added or reduced in each casino by the concessionaires is subject to authorization of the Secretary for Economy and Finance. The Secretary for Economy and Finance may reduce the number of gaming tables or gaming machines if the gross gaming revenue from gaming tables or gaming machines fails, for two consecutive years, to reach the minimum limit of the annual gross revenue determined by dispatch from the Chief Executive of Macau or if the authorized gaming tables or gaming machines are not fully utilized without just cause, by the

concessionaires, within the deadline set out by the Secretary for Economy and Finance. Currently the maximum number of gaming tables that may be operated in Macau is 6,000 and the maximum number of gaming machines is 12,000 and Melco Resorts Macau has been authorized to operate 750 gaming tables and 2,100 gaming machines.

- The circulation of chips is subject to authorization from the Secretary for Economy and Finance, which may establish the maximum limit of the total amount of chips in circulation.
- The concessionaires can only disseminate information or activities related to gaming in the zones for games of chance of the casinos, under the applicable laws and regulations.
- The concessionaires and the companies of which they are dominant shareholders cannot be admitted to listing on stock exchanges.
- An administrative sanctions regime is established with fines ranging from MOP100,000 (equivalent to approximately US$12,368) and MOP5,000,000 (equivalent to approximately US$618,420) and, depending on the seriousness of the offense, damages, fault, benefits obtained, economic situation and previous conduct, a supplemental penalty of total or partial closure of gaming areas for periods ranging from one month to one year.
- In the event of dissolution of a current concessionaire for failing to obtain a new concession in the next tender, the shareholders of the concessionaire holding 5% or more of the concessionaire's share capital as of the date of termination of the concession contract or the date of termination of the concession are jointly and severally liable for the concessionaire's outstanding chips.

Non-compliance with these obligations could lead to the revocation of Melco Resorts Macau's Concession Contract and could materially and adversely affect our gaming operations. The Macau government has also enacted other gaming legislation, rules and policies. Further, it imposed policies, regulations and restrictions that affect the minimum age required for entrance into casinos in Macau, location requirements for sites with gaming machine lounges, supply and requirements of gaming machines, equipment and systems, instructions on promoting responsible gaming, restrictions on the reallocation of gaming tables between properties and other matters. In addition, the Macau government may consider enacting new regulations that may adversely affect our gaming operations. Our inability to address the requirements or restrictions imposed by the Macau government under such legislation or rules could adversely affect our gaming operations.

Gaming Activities Regulations

Macau Law no. 16/2022 regulates, among other things, the exercise of the gaming promotion activity. Such activity is subject to a gaming promoter license. Licenses are subject to annual renewal and a list of licensed gaming promoters is published in the DICJ's website and is subject to regular updates. The issuance, renewal and cancelation of gaming promoter licenses are the responsibility of the Secretary for Economy and Finance, who also determines the maximum annual number of gaming promoters which each concessionaire may engage as published on the DICJ's website.

The granting or renewal of a gaming promoter license may be requested by a commercial company that fulfills certain cumulative requirements, such as having its registered office in Macau, being a limited liability company by shares with the activity of gaming promotion as its exclusive business purpose, having a registered capital of not less than MOP10 million (equivalent to approximately US$1.2 million) fully paid up in cash, and net assets of not less than such amount during the license period, having as shareholders individuals only, having 50% or more of its registered capital being held by permanent residents of Macau who are at least 21 years of age, having agreed with one concessionaire the provision of gaming promotion services to the same, having provided a security deposit, not having any debts or fines imposed for breach of legal provisions relating to gaming under tax enforcement proceedings, having adequate financial capacity, not having the company and its shareholders, directors and key employees previously being declared insolvent or bankrupt, nor being responsible for debts arising from the insolvency or bankruptcy of third parties, and the company and its shareholders, directors and key employees being deemed suitable.

Each gaming promoter can only conduct the gaming promotion activity with one concessionaire, and only for a commission. Gaming promoters are prohibited from resorting to the support of entities that are not their directors, employees or collaborators, in the exercise of the gaming promotion activity; from sharing, by any means, the revenues from the casinos with the concessionaire; from making, through the sharing of revenues from the casinos, the payment of commissions to any entity with which it cooperates; from cooperating with those who are prohibited from carrying out the activity of gaming promotion or of collaborator; and from depositing, by themselves or through third parties, chips or funds from third parties. The DICJ and the Macau Financial Services Bureau monitor each gaming promoter and its staff and collaborators. In October 2015, the DICJ issued specific accounting related instructions applicable to gaming promoters and their operations. Any failure by the gaming promoters to comply with such instructions may impact their license and ability to operate in Macau.

In addition, concessionaires are jointly and severally liable for administrative fines and civil liability arising from the exercise in their casinos of the authorized gaming promotion activity by gaming promoters, their directors and key employees, as well as their collaborators. Such joint and several liability may be excluded when it is proved that the concessionaire has responsibly fulfilled its supervision duty. Law no. 16/2022 also clarified that under Macau Administrative Regulation no. 6/2002, concessionaires may only be jointly and severally liable for the acceptance, in their casinos, of the deposit of funds or chips from third parties, by gaming promoters, their directors and their collaborators, as well as by the employees of the gaming promoters who exercise duties in the casinos, if such funds or chips were used in games of chance in their casino or were earned in these games. When assessing whether the funds or chips deposited were used in games of chance in casino or were earned in these games, the law provides that it shall be taken into account, in particular, the concessionaire's records.

Furthermore, gaming promoters, including their shareholders, directors, and key employees, are subject to verification of suitability based on criteria such as reputation, tendency to take on excessive risks in view of how they usually conduct business or the nature of their professional activities, their economic and financial situation, existence of well-founded suspicions on the legality of the origin of the funds to be used in the gaming promotion activity or regarding the true identity of the holder of such funds, existence of improper transactions with criminal groups, and indictment or conviction for crime punishable by imprisonment of three years or more.

In addition to the licensing and suitability assessment process performed by the DICJ, all of our gaming promoters (if any) undergo thorough internal vetting procedures. We conduct background checks and also conduct periodic reviews of the activities of each gaming promoter (if any), its employees and its collaborators for possible non-compliance with Macau legal and regulatory requirements. Such reviews generally include investigations into compliance with applicable anti-money laundering laws and regulations as well as tax withholding requirements.

Concessionaires are required to report periodically on commissions paid to their gaming promoters. A 5% tax must be withheld on commissions paid by a concessionaire to its gaming promoters. Under Law no. 16/2022 and in accordance with the Secretary for Economy and Finance Dispatch no. 90/2022, a commission cap of 1.25% of net rolling has been in effect. Such commission cap was confirmed by the Macau government in 2022. Any advantages or liberalities offered or provided, in Macau or abroad, directly or indirectly, to the gaming promoter by the concessionaire, a company in which the concession holds participation, or others with which the concessionaire is in a group relationship, shall be considered and calculated as commission and be within such commission cap. The commission cap regulations impose fines, ranging from MOP2,000,000 (equivalent to approximately US$247,368) up to MOP5,000,000 (equivalent to approximately US$618,420) on concessionaires that do not comply with the cap and other fines, ranging from MOP600,000 (equivalent to approximately US$74,210) up to MOP1,500,000 (equivalent to approximately US$185,526) on concessionaires that do not comply with their reporting obligations regarding commission payments. If breached by the concessionaire, the legislation on commission caps has a sanction enabling the relevant government authority to determine the closure, in whole or in part, of the areas for games of chance, for a period of one month to one year, and/or to make public a government decision imposing a fine on a concessionaire, by publishing such decision on the DICJ website and in two Macau newspapers (in Chinese and Portuguese, respectively). We believe we have implemented the necessary internal control systems to ensure compliance with the commission cap and reporting obligations in accordance with applicable rules and regulations.

Pursuant to Instruction no. 4/2024 issued by the DICJ which came into effect on July 11, 2024, the 1.25% of net rolling commission cap set in the Dispatch no. 90/2022 from the Secretary of Economy and Finance also applies to incentives granted by gaming operators to patrons. Accordingly, any incentives granted to patrons, including but not limited to complimentary rooms, promotional chips, food and beverage benefits, and other perks, must be considered and fall within the commission cap. Further, incentives must be directly derived from the patron's gaming activity, and their effective value shall not exceed the commission ceiling. Breaches of the commission cap in relation to patrons are subject to the same penalties provided under the commission cap regulations for breaches involving gaming promoters.

The exercise of the activity of collaborators and managing companies is also governed under Macau Law no. 16/2022. Collaborators, managing companies, as well as managing companies' shareholders holding an amount equal to or greater than 5% of their registered capital, directors, and key employees are subject to suitability assessment process performed by the DICJ.

The issuance and renewal of the authorization of collaborator are the responsibility of the DICJ and may be requested by those who fulfill certain requirements, including having completed 21 years of age, being deemed suitable, having agreed to collaborate with, at least, one gaming promoter, and having provided a security deposit. The maximum annual total number of collaborators is set out by the DICJ and published on its website. Collaborators shall not perform operations of credit concession for gaming or betting in casino, on behalf of any person, and shall be prohibited from depositing, by itself or through third parties, chips or funds from third parties.

A concessionaire that intends to engage a managing company to provide casino management services must obtain authorization from the Chief Executive of Macau and submit the draft management agreement for approval. The business purpose of the managing company is limited to the management of the concessionaires' casinos. A managing company can only enter into a managing agreement with one concessionaire, and can only receive management fees from the concessionaire, with casino revenue sharing or payment of commissions not being permitted. Managing companies are prohibited from managing the financial activities of casinos, including in matters of accounting or settlement of chips and gaming funds, as well as from depositing, by themselves or through third parties, chips or funds from third parties.

Macau Law no. 16/2022 further established the crime of unlawful deposit and the crime of disobedience. The crime of unlawful deposit is applicable to concessionaires, gaming promoters or managing companies, their directors or representatives, or persons under their authority, in the exercise of their duties, or collaborators, in the exercise of their activity, who deposit funds from third parties not intended for gaming, and is punishable by imprisonment from 2 to 5 years in case of individuals, or fines up to MOP18.0 million (equivalent to approximately US$2.2 million) or judicial dissolution in case of legal persons. The crime of disobedience is applicable to whoever refuses to fulfill the access and presence of the DICJ and Macau Financial Services Bureau supervisory personnel in the areas subject to supervision until the conclusion of the supervisory action, or the presentation or provision of the documents, data and assets required under the terms of the law by the supervisory personnel, or to whoever does not comply with the measure of preventive suspension of activity, with individuals being subject to imprisonment from 1 to 2 years and legal persons being punishable by fines up to MOP9.0 million (equivalent to approximately US$1.1 million) or judicial dissolution. In addition to such penalties, certain accessory penalties may be applied, including closure of gaming areas, prohibition of the exercise of the activity of gaming promotion, collaborator or management of casinos, for a period of 1 month to 2 years, interdiction on applying for a gaming promoter license or collaborator authorization for a period of 1 to 2 years, judicial injunction or publication of the decision in two Macau newspapers (in Chinese and Portuguese, respectively) and through public notice.

Gaming Credit Regulations

Macau Law no. 7/2024, which came into effect on August 1, 2024, and replaced the previous Gaming Credit Regulation (Macau Law no.5/2004), regulates the granting of credit for gaming activities in Macau. This law defines gaming credit granting as the transfer of casino gaming chips by concessionaires to patrons without immediate payment. Only gaming concessionaires can grant gaming credit, and they cannot delegate this activity to other entities. In particular, the new law restricts the role of gaming promoters to acting solely as agents of concessionaires in credit granting activities, eliminating their previous ability to extend credit independently. However, concessionaires can enter into representation contracts with gaming promoters allowing them to perform legal acts related to credit granting on behalf of and in the interest of the concessionaire. The law also mandates that concessionaires implement a credit risk management system, conduct credit assessments of patrons, and ensure compliance with these duties by gaming promoters. Members of concessionaires' corporate bodies and employees must perform their duties with integrity and in accordance with laws and professional conduct rules. Confidentiality regarding credit activities and relationships must be maintained, except under specific circumstances. The DICJ oversees compliance, and concessionaires must cooperate with inspections and provide necessary documents and information. Administrative penalties for violations include fines, suspension of credit granting activities, and public disclosure of sanctions. The law also allows the DICJ to process personal data necessary for enforcing the law and grants DICJ personnel public authority powers to request assistance from police and administrative authorities during inspections.

Illegal Gambling Crimes Regulations

Macau Law no. 20/2024, which came into effect on October 29, 2024, establishes the legal framework for combating illegal gaming crimes and replaced the previous Illegal Gaming Law (Law no. 8/96/M). This law clarifies that illegal gaming crimes include side betting activities and increased the penalties applicable to illegal gaming crimes, with imprisonment of up to eight years and fines calculated in days, with each day corresponding to an amount between MOP250 (equivalent to approximately US$31) and MOP15,000 (equivalent to approximately US$1,855). It prohibits the operation, promotion, and organization of online gaming in Macau, even if the servers or IT equipment are located outside Macau. The law also introduces several measures to enhance investigations, such as the use of undercover agents and the protection of informants' identities.

In addition to natural persons, legal entities are also subject to this law and may face penalties including judicial dissolution or daily fines ranging from MOP250 (equivalent to approximately US$31) to MOP15,000 (equivalent to approximately US$1,855) for a period of 100 to 1,200 days (i.e., up to MOP18,000,000 (equivalent to approximately US$2.2 million)). Representatives of legal entities may be jointly and severally responsible for paying such fines.

Other sanctions include prohibition from attending certain establishments, prohibition or suspension from exercising certain professions or activities, deportation or prohibition from entering Macau for non-residents, and prohibition from entering casinos.

The law addresses gaming related crimes such as illegal granting of credit for gaming, fraudulent gaming, falsification of gaming chips, the operation of illegal currency exchange for gaming purposes, or the illegal operation of *mah-jong* games. It grants the DICJ the authority to oversee compliance and apply penalties, including the ability to request assistance from police and administrative authorities.

Access to Casinos and Gaming Areas Regulations

Under Law no. 10/2012, as amended pursuant to Law no. 17/2018, the minimum age required for entrance into casinos in Macau is 21 years of age. The director of the DICJ may authorize employees under 21 years of age to temporarily enter casinos or gaming areas, after considering their special technical qualifications. In addition, off-duty gaming related employees of concessionaires and gaming promoters may not, starting from December 2019, access any casinos or gaming areas, except during the Chinese New Year festive season or under specific circumstances.

Smoking Regulations

Under the Smoking Prevention and Tobacco Control Law, as amended pursuant to Law no. 9/2017, smoking on casino premises is only permitted in authorized segregated smoking lounges with no gaming activities and such smoking lounges are required to meet certain standards determined by the Macau government.

Anti-Money Laundering and Terrorism Financing Regulations

In conjunction with current gaming laws and regulations, we are required to comply with the laws and regulations relating to anti-money laundering activities in Macau. Law no. 2/2006 (as amended pursuant to Law no. 3/2017), the Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 in effect from May 13, 2016 (as amended pursuant to DICJ Instruction no. 1/2019), govern our compliance requirements with respect to identifying, reporting and preventing anti-money laundering and terrorism financing crimes at our casinos in Macau. Under these laws and regulations, we are required to:

- implement internal procedures and rules governing the prevention of anti-money laundering and terrorism financing crimes which are subject to prior approval from DICJ;
- identify and evaluate the money laundering and terrorism financing risk inherent to gaming activities;
- identify any customer who is in a stable business relationship with Melco Resorts Macau, who is a politically exposed person or any customer or transaction where there is a sign of money laundering or financing of terrorism or which involves significant sums of money in the context of the transaction, even if any sign of money laundering is absent;
- refuse to deal with any of our customers who fail to provide any information requested by us;

- keep records on the identification of a customer for a period of five years;
- establish a regime for electronic transfers;
- keep individual records of all transactions related to gaming which involve credit securities;
- keep records of all electronic transactions for amounts equal to or exceeding MOP8,000 (equivalent to approximately US$989) in cases of occasional transactions and MOP120,000 (equivalent to approximately US$14,842) in cases of transactions that arose in the context of a continuous business relationship;
- notify the Macau Finance Information Bureau if there is any sign of money laundering or financing of terrorism;
- adopt as compliance function and appoint compliance officers; and
- cooperate with the Macau government by providing all required information and documentation requested in relation to anti-money laundering activities.

Under Article 2 of Administrative Regulation no. 7/2006 (as amended pursuant to Administrative Regulation no. 17/2017) and the DICJ Instruction no. 1/2016 (as amended pursuant to DICJ Instruction no. 1/2019), we are required to track and report transactions and granting of credit that are of MOP500,000 (equivalent to approximately US$61,842) or above. Pursuant to the legal requirements above, if the customer provides all required information, after submitting the reports, we may continue to deal with those customers that were reported to the DICJ and, in case of suspicious transactions, to the Macau Finance Information Bureau.

We employ internal controls and procedures designed to help ensure that our gaming and other operations are conducted in a professional manner and in compliance with internal control requirements issued by the DICJ set forth in its instruction on anti-money laundering, the applicable laws and regulations in Macau, as well as the requirements set forth in the Concession Contract.

We have developed a comprehensive anti-money laundering policy and related procedures covering our anti-money laundering responsibilities, which have been approved by the DICJ, and has training programs in place to ensure that all relevant employees understand such anti-money laundering policy and procedures. We also use an integrated IT system to track and automatically generate significant cash transaction reports and, as permitted by the DICJ and the Macau Finance Information Bureau, submit those reports electronically.

Responsible Gambling Regulations

On October 18, 2019, the DICJ issued Instruction no. 4/2019, which came into effect on December 27, 2019, setting out measures for the implementation of responsible gambling principles, which was amended by Instruction no. 3/2024 issued by the DICJ, which came into effect on May 28, 2024. Under this instruction, concessionaires are required to implement certain measures to promote responsible gambling, including making information available on the risks of gambling, responsible gambling and odds, both inside and outside the casinos and gaming areas and through electronic means; creation of information and counseling kiosks and a hotline; adequate regulation of lighting inside casinos and gaming areas; self-exclusion and exclusion at third party request procedures, off-duty gaming related employees entry restriction procedures, physical entry requirements, preventive measures for restricted access by persons under 21 years of age; public exhibition of time; creation and training of teams and a coordinator responsible for promoting responsible gambling.

Law no. 16/2001, as amended in June 2022 pursuant to Law no. 7/2022, or the Macau Gaming Operations Law, also sets out responsible gambling obligations, including the obligation of the concessionaires to prepare a plan for the promotion of responsible gaming, as well as to adopt measures that allow the public, including tourists, to have sufficient information to assume a responsible, moderate and controlled posture towards gaming. These measures include providing players with information about responsible gambling behaviors, as well as about gaming dependency and addiction issues, including the information on responsible gambling; adequate measures to ensure the prohibition of entry into casinos of those to whom access is prohibited; information on the dissemination of the measure of interdiction of entry in casino upon request, as well as the means of submitting such request; creation of a specialized gaming group to provide adequate assistance and counseling services to those in need; and training and recycling actions on responsible gambling aimed at employees, as well as counseling services. Furthermore, the concessionaires must annually submit to the DICJ a report on the execution of the plan for the promotion of responsible gambling of such year, as well as a plan for the promotion of responsible gaming for the subsequent year.

Control of Cross-border Transportation of Cash Regulations

On June 12, 2017, Law no. 6/2017 with respect to the control of cross-border transportation of cash and other negotiable instruments to the bearer, was enacted. Such law came into effect on November 1, 2017. In accordance with such law, all individuals entering Macau with an amount in cash or negotiable instrument to the bearer equal to or higher than the amount determined by the order of the Chief Executive of Macau at MOP120,000 (equivalent to approximately US$14,842) will be required to declare such amount to the customs authorities. The customs authorities may also request an individual exiting Macau to declare if such individual is carrying an amount in cash or negotiable instruments to the bearer equal to or higher to such amount. Individuals that fail to duly complete the required declaration may be subject to a fine (ranging from 1% to 5% of the amount that exceeds the amount determined by the order of the Chief Executive of Macau for declaration purposes, such fine being at least MOP1,000 (equivalent to approximately US$124) and not exceeding MOP500,000 (equivalent to approximately US$61,842). In the event the relevant customs authorities find that the cash or negotiable instrument to the bearer carried by an individual while entering or exiting Macau may be associated with or result from any criminal activity, such incident shall be notified to the relevant criminal authorities and the relevant amounts shall be seized pending investigation. See "Risk Factors—Risks Relating to Operating in the Gaming Industry in Macau—Our gaming operations in Macau could be adversely affected by restrictions on the export of the Renminbi and any unfavorable fluctuations in the currency exchange rates of the Renminbi."

Prevention and Suppression of Corruption in External Trade Regulations

In addition to the general criminal laws regarding corrupt practices in the public and private sector that are in force in Macau, on January 1, 2015, Law no. 10/2014, criminalizing corruption acts in external trade and providing for a system for prevention and suppression of such criminal acts came into effect in Macau. Our internal policies, address this issue.

Asset Freezing Enforcement Regulations

On August 29, 2016, Law no. 6/2016 with respect to the framework for the enforcement of asset freezing orders, which comprised of United Nations Security Council sanctions resolutions for the fight against terrorism and proliferation of weapons of mass destruction, was enacted. Under this law, the Chief Executive of Macau is the competent authority to enforce freezing orders and the Asset Freeze Coordination Commission must assist the Chief Executive in all technical aspects of such enforcement. Among other entities, concessionaires are subject to certain obligations and duties regarding the freezing of assets ordered by the United Nations Security Council sanctions resolutions, including reporting and cooperation obligations.

Foreign Exchange Regulations

Concessionaires in Macau may be authorized to open foreign exchange counters at their casinos and gaming areas subject to compliance with the Foreign Exchange Agencies Constitution and Operation Law (Decree-Law no. 38/97/M), the Exchange Rate Regime (Decree-Law no. 39/97/M) and the specific requirements determined by the Monetary Authority of Macau. The transaction permitted to be performed in such counters is limited to buying and selling bank bills and coins in foreign currency, and to buying travelers checks.

Intellectual Property Rights Regulations

Our subsidiaries incorporated in Macau are subject to local intellectual property regulations. Intellectual property protection in Macau is supervised by the Intellectual Property Department of the Economic and Technological Development Bureau of the Macau government.

The applicable regime in Macau with regard to intellectual property rights is defined by two main laws. The Industrial Property Code (Decree-Law no. 97/99/M, as amended pursuant to Law no. 11/2001), covers (i) inventions meeting the patentability requirements; (ii) semiconductor topography products; (iii) trademarks; (iv) designations of origin and geographical indications; and (v) awards. The Regime of Copyright and Related Rights (Decree-Law no. 43/99/M, as amended by Law no. 5/2012), protects intellectual works and creations in the literary, scientific and artistic fields, by copyright and related rights. See "Risk Factors—Risks Relating to Our Business and Operations—A failure to establish and protect our intellectual property rights could have an adverse effect on our business, financial condition and results of operations."

Personal Information Regulations

Processing of personal information by our subsidiaries in Macau is subject to compliance with the Personal Data Protection Act (Law no. 8/2005), and, in the case of Melco Resorts Macau, any instructions issued by DICJ from time to time. The Personal Data Protection Bureau, or DSPDP, is the regulatory authority in Macau specially in charge of supervising and enforcing the Personal Data Protection Act. The DSPDP, which is an official public department operating under the authority of the Chief Executive of Macau was established under the Administrative Regulation no. 42/2023, and, with effect from February 1, 2024, replaced the Office for Personal Data Protection, which was the previous regulatory authority for personal data protection matters, Breaches are subject to civil liability, administrative and criminal sanctions.

The legal framework and the instructions issued by DICJ require that certain procedures must be adopted before collecting, processing and/or transferring personal information, including obtaining consent from the data subject and/or notifying or requesting authorization from the DSPDP and/or DICJ, as applicable, prior to processing personal information.

Cybersecurity Regulations

Law no. 13/2019, the Cybersecurity Law came into effect on December 21, 2019 and is intended to protect networks, systems and data of public and private operators of critical infra-structures, among which operators of games of chance in casino are included.

The cybersecurity system is composed of a Cybersecurity Commission, a Cybersecurity Alert and Response Incident Centre (“CARIC”) and cybersecurity supervisory entities.

Among other duties, private infrastructure operators are required to appoint a suitable and experienced person to be responsible for handling its cybersecurity and to be permanently reachable by CARIC, create a cybersecurity department, implement adequate internal cybersecurity procedures, conduct evaluations of its networks’ security and risks, submit annual reports to their supervisory entity and inform CARIC and the respective supervisory entity of any cybersecurity incidents.

Additional regulations have been enacted to further determine and detail how the above-mentioned obligations are to be fulfilled.

Labor Quotas Regulations

All businesses in Macau must apply to the Labor Affairs Bureau for labor quotas to import non-resident unskilled workers from mainland China and other regions or countries. Non-resident skilled workers are also subject to the issuance of a work permit by the Macau government, which is given individually on a case-by-case basis. Businesses are free to employ Macau residents in any position, as by definition all Macau residents have the right to work in Macau. We have, through our subsidiaries, two main groups of labor quotas in Macau, one to import non-skilled workers from mainland China and the other to import non-skilled workers from all other countries. Melco Resorts Macau is not currently allowed to hire non-Macau resident dealers and supervisors under the Macau government’s policy.

Pursuant to Macau social security laws, Macau employers must register their employees under a mandatory social security fund and make social security contributions for each of its resident employees and pay a special duty for each of its non-resident employees on a quarterly basis. Employers must also buy insurance to cover employment accidents and occupational illnesses for all employees.

Minimum Salary Regulations

On April 27, 2020, Law no. 5/2020, with respect to minimum salary, was enacted. Such law came into effect on November 1, 2020. In accordance with such law, as amended pursuant to Law no. 19/2023, effective from January 1, 2024, the monthly minimum salary in Macau is MOP7,072 (equivalent to approximately US$875) per month (excluding overtime, night and shift allowances and regular bonus related payments). The minimum salary requirement applies to all workers in Macau, except domestic helpers and special needs workers.

Land Regulations

Land in Macau is legally divided into plots. In most cases, private interests in real property located in Macau are obtained through long-term leases from the Macau government.

Our subsidiaries have entered into land concession contracts for the land on which our Altira Macau and City of Dreams properties are located. Each contract has a term of 25 years and is renewable for further consecutive periods of ten years and imposes, among other conditions, a development period, a land premium payment, a nominal annual government land use fee, which may be adjusted every five years, and a guarantee deposit upon acceptance of the land lease terms, which are subject to adjustments from time to time in line with the amounts paid as annual land use fees.

The land is initially granted on a provisional basis and registered as such with the Macau Real Property Registry and only upon completion of the development is the land concession converted into definitive status and so registered with the Macau Real Property Registry.

Restrictions on Distribution of Profits Regulations

Subsidiaries incorporated in Macau are required to set aside a minimum between 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 between 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve is not available for distribution to the shareholders of the subsidiaries. The appropriation of legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries. Melco Resorts Macau must notify the Chief Executive of Macau five business days in advance of any decision related to dividend distribution in an amount greater than MOP500 million (equivalent to approximately US$61.8 million).

As of June 30, 2025, the aggregate balance of the legal reserves of all of our Macau subsidiaries amounted to US$60.3 million.

Macau Tax Code

The new Macau Tax Code, approved by Law no. 24/2024, will have the majority of its provisions take effect on January 1, 2026. This legislation aims to modernize and consolidate Macau's tax regulations, covering various aspects such as legal relationships, administrative procedures, judicial proceedings, and enforcement related to tax matters. Two key changes include the introduction of transfer pricing rules and a shift from a worldwide tax basis to a territorial basis. However, this shift excludes dividends, interest, royalties, and gains from disposal of properties earned outside Macau by multinational entities that qualify as tax residents in Macau which still fall within the scope of the complementary tax. The new Macau Tax Code also includes mechanisms for double taxation relief and promotes the use of electronic tax platforms to streamline administrative processes.

Gaming Licenses

The Concession Regime

The Macau government conducted an international tender process for gaming concessions in Macau in 2022, and granted six gaming concessions to SJM, MGM Grand, Galaxy, VML, Wynn Macau and Melco Resorts Macau, respectively. Subconcessions are prohibited. Though there are no restrictions on the number of casinos or gaming areas that may be operated under each concession, Macau government approval is required for the commencement of operations of any casino or gaming area. Prior to the tendering process in 2022, the subconcessionaires that entered into subconcession contracts with Wynn Macau, SJM and Galaxy were Melco Resorts Macau, MGM Grand Paradise and VML, respectively. Our subsidiary, Melco Resorts Macau, executed the Subconcession Contract with Wynn Macau on September 8, 2006, which was extended until December 31, 2022 pursuant to the execution of an Amendment Agreement to the Subconcession Contract dated June 23, 2022, with Wynn Macau continuing to develop and run hotel operations and casino projects independent of ours. Upon the completion of the tender process for new concessions, Melco Resorts Macau was granted with a new gaming concession by the Macau government for a period of 10 years, effective from January 1, 2023 until December 31, 2032, and entered into the respective Concession Contract on December 16, 2022.

A summary of the key terms of the Concession Contract is as follows.

All concessionaires must pay a special gaming tax of 35% of gross gaming revenues, defined as all gaming revenues derived from casino or gaming areas, plus an annual gaming premium of:

- MOP30.0 million (equivalent to approximately US$3.7 million) per annum fixed premium;
- MOP300,000 (equivalent to approximately US$37,105) per annum per VIP gaming table;

- MOP150,000 (equivalent to approximately US$18,553) per annum per mass market gaming table; and
- MOP1,000 (equivalent to approximately US$124) per annum per electric or mechanical gaming

subject to a minimum annual payment of an amount required for the operation of 500 gaming tables and 1,000 electronic gaming machines.

A special premium may be due by Melco Resorts Macau in the event the average gross gaming revenue of Melco Resorts Macau's gaming tables does not reach the annual minimum of MOP7.0 million (equivalent to approximately US$865,788) and the average gross gaming revenue of the gaming machines does not reach the annual minimum of MOP300,000 (equivalent to approximately US$37,105). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by Melco Resorts Macau and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and gaming machines.

The Concession Contract

The Concession Contract in Macau provides for the terms and conditions of the concession granted to Melco Resorts Macau with expiration on December 31, 2032. Melco Resorts Macau, pursuant to a legal restriction applicable to all concessionaires, does not have the right to grant a subconcession or transfer the operation to third parties.

On December 16, 2022, Melco Resorts Macau was granted the right to operate games of chance in casinos in Macau under a new gaming concession effective from January 1, 2023 until the expiration of the concession on December 31, 2032.

A summary of the key terms of the Concession Contract is as follows.

Gaming and Non-Gaming Investment Obligations. The Concession Contract requires us to make a minimum investment in Macau of MOP11,823.7 million (equivalent to US$1.46 billion). 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. Of the total investment amount referred to above, MOP10,008.0 million (equivalent to US$1.24 billion) will be applied to non-gaming related projects, with the balance applied to gaming related projects. Melco Resorts Macau has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003.0 million (equivalent to US$247.7 million), in the event Macau's annual gross gaming revenue reaches MOP180.0 billion (equivalent to US$22.26 billion), which occurred in 2023.

The minimum investment amount is without prejudice to the activation of the mechanism for top-up investment, including investment projects related to gaming and non-gaming in areas such as international visitors, conventions and exhibitions, entertainment shows, sports events, culture and art, health and well-being, thematic entertainment, city of gastronomy, community tourism, maritime tourism, and others. If, after the completion of the execution of the investment plan under the Concession Contract, the total amount of expenses made by the concessionaire, directly or, with approval from the Macau government, indirectly, is lower than the global amount and the amount committed at the time of activation of the Incremental Investment Trigger, the concessionaire undertakes to use the remaining amount on projects correlated to its activity to be designated by the concessionaire and accepted by the Macau government and/or on projects that are designated by the Macau government with significant public benefit to Macau.

During the implementation of the investment plan under the Concession Contract, the Macau government may request the concessionaire to provide any document or to amend the implementation of projects contained in the investment plans to ensure compliance with current technical norms or rules and the required quality standard. However, the Macau government shall not impose any amendment that may result in an increase of the global investment amount and the amount committed at the time of activation of the Incremental Investment Trigger.

The execution of the investment plan under the Concession Contract is subject to the supervision of the Macau government, with the concessionaire being required to submit to the Macau government's approval on an annual basis the proposal for the execution of specific projects that it intends to execute in the subsequent year, which shall contain, at least, the content of such projects, the amount of the investment, and the deadline for execution. Furthermore, the concessionaire must submit to the Macau government on an annual basis a report on the execution, in the previous year, of the investment plan under the Concession Contract and of the approved proposal for the execution of the specific investment projects, which must contain, at least, an update on the execution of the specific investment projects, the invested amount, the deadline and the results of its execution. The concessionaire must also submit any other additional information as requested by the Macau government.

Payments. Concession premiums and taxes, computed in various ways depending upon the type of gaming or activity involved, are payable to the Macau government. The method for computing these fees and taxes may be changed from time to time by the Macau government. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly or annually and are based upon either a percentage of the gross revenues or the number and type of gaming devices operated. In addition to special gaming taxes of 35% of gross gaming revenues, we are also required to contribute to the Macau government an annual amount equivalent to 2% of the gross gaming revenues to a public fund that has as purposes the promotion, development or study of cultural, social, economic, educational, scientific, academic and philanthropic actions. Furthermore, we are also obligated to contribute to Macau an amount equivalent to 3% of the gross gaming revenues for urban development, tourism promotion and the social security of Macau. We are required to collect and pay, through withholding, statutory taxes on commissions or other remunerations paid to gaming promoters.

Termination Rights. The Macau government has the right to unilaterally terminate Melco Resorts Macau's concession in the event of non-compliance by us with our basic obligations under the concession and applicable Macau laws. Upon termination, all of our casino premises and gaming equipment, would revert or be transferred to the Macau government automatically without compensation to us and we would cease to generate any revenues from these operations. In many of these instances, the Concession Contract does not provide a specific cure period within which any such events may be cured and, instead, we may be dependent on consultations and negotiations with the Macau government to give us an opportunity to remedy any such default. Melco Resorts Macau is not granted with explicit rights of veto, or of prior consultation. The Macau government may be able to unilaterally rescind the Concession Contract upon the following termination events:

- the operation of gaming without permission or operation of business which does not fall within the business scope of the concession;
- abandonment of approved business or suspension of operations of our gaming business in Macau without reasonable grounds;
- transfer of all or part of Melco Resorts Macau's operation in Macau in violation of the relevant laws and administrative regulations governing the operation of games of chance in casino in Macau and without Macau government approval;
- failure to pay taxes, premiums, levies or other amounts payable to the Macau government;
- refusal or failure to resume operations following the temporary assumption of operations by the Macau government;
- repeated opposition to the supervision and inspection by the Macau government and failure to comply with decisions and recommendations of the Macau government, especially those of the DICJ, applicable to us;
- failure to provide or supplement the guarantee deposit or the guarantees specified in the concession within the prescribed period;
- bankruptcy or insolvency of Melco Resorts Macau;
- fraudulent activity harming public interest;
- serious and repeated violation of the applicable rules for carrying out games of chance in casino or damage to the fairness of games of chance in casino;
- systematic non-compliance with the Macau Gaming Operations Law's or Concession Contract's obligations; or
- non-compliance with the investment amount and the respective criteria provided for in the Concession Contract, within the deadline set out by the Secretary for Economy and Finance.

In addition, the Macau government may, from the eighth year of the Concession, redeem the Concession by notice to Melco Resorts Macau at least one year in advance. Pursuant to such redemption, the Macau government would assume all rights and obligations of Melco Resorts Macau resulting from business legally and validly conducted by Melco Resorts Macau before the date of the redemption notice and Melco Resorts Macau would have a right to obtain reasonable and fair compensation under applicable Macau law.

Ownership and Capitalization. Set out below are the key terms in relation to ownership and capitalization under the Concession Contract:

- the registered share capital and net asset value of Melco Resorts Macau cannot be less than MOP5.0 billion (equivalent to approximately US$618.4 million) and, to guarantee its performance of certain of its legal and contractual obligations, including labor obligations, Melco Resorts Macau must maintain a guarantee issued by a Macau SAR bank in favor of the Macau SAR in the amount of MOP1.0 billion (equivalent to approximately US$123.7 million) until 180 days after the earlier of the expiration or termination of the Concession;
- the managing director of Melco Resorts Macau must be a permanent resident of the Macau SAR and must hold at least 15% of the registered share capital of Melco Resorts Macau;
- any person who directly acquires voting rights in Melco Resorts Macau will be subject to authorization from the Macau government;
- Melco Resorts Macau will be required to take the necessary measures to ensure that any person who directly or indirectly acquires more than 5% of the shares in Melco Resorts Macau would be subject to authorization from the Macau government, except when such acquisition is wholly made through the shares of publicly-listed companies tradable at a stock exchange;
- any person who directly or indirectly acquires more than 5% of the shares in Melco Resorts Macau will be required to report the acquisition to the Macau government (except when such acquisition is wholly made through shares tradable on a stock exchange as a publicly-listed company);
- the Macau government's prior approval would be required for any recapitalization plan of Melco Resorts Macau; and
- the Chief Executive of Macau could require the increase of Melco Resorts Macau's share capital, if deemed necessary.

Others. In addition, the Concession Contract contains various general covenants and obligations and other provisions, including special duties of cooperation, special duties of information, and execution of our investment obligations.

Transfers of property and credit rights of Melco Resorts Macau exceeding MOP100.0 million (equivalent to approximately US$12.4 million) and loan agreements or similar arrangements executed by Melco Resorts Macau as borrower or creditor equal to or exceeding that amount are each subject to approval by the Macau SAR government, except for those loan agreements related to credit granted for gaming purposes. The issue of debt securities by Melco Resorts Macau is also subject to approval by the Macau government and the Concession prohibits Melco Resorts Macau from being listed on a stock exchange. The Concession requires that prior notice be given to the Macau government of financial decisions relating to the internal movement of funds of Melco Resorts Macau exceeding 50% of its registered capital, financial decisions relating to salaries, remuneration or benefits of employees, among others, exceeding 10% of its registered capital and other financial decisions exceeding 10% of its registered capital.

The Concession Contract provides for Melco Resorts Macau's right to use the casino premises and related land for the purpose of operating games of chance under the Concession Contract during the term of the Concession Contract. On the termination or expiry of the Concession Contract, the casino premises operated by the concessionaire and the gaming equipment would automatically revert or be transferred to the Macau SAR without compensation.

Tax

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we and our subsidiaries incorporated in the Cayman Islands are not subject to Cayman Islands income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

Our subsidiaries incorporated in Macau are subject to Macau complementary tax of up to 12% on profits earned in or derived from their activities conducted in Macau. Melco Resorts Macau applied for and was granted the benefit of a corporate tax holiday on Macau complementary tax (but not gaming tax) from 2017 through 2021. Melco Resorts Macau was further granted such benefit for the period from January 1, 2022 to December 31, 2022. Melco Resorts Macau continues to benefit from the Macau Complementary Tax exemption on gaming profits for the period from January 1, 2023 to December 31, 2027 pursuant to Dispatch no. 19/2024 of the Macau Chief Executive dated January 29, 2024. The non-gaming profits of Melco Resorts Macau remain subject to the Macau Complementary Tax. We remain subject to Macau complementary tax on our non-gaming profits.

For the five-year period from 2017 through 2021, an annual payment of MOP18.9 million (equivalent to US$2.3 million) was paid by Melco Resorts Macau, with respect to tax due for dividend distributions to the shareholders of Melco Resorts Macau from gaming profits, whether such dividends are actually distributions by Melco Resorts Macau or not, or whether Melco Resorts Macau has distributable profits in the relevant year. For the period from January 1, 2022 to June 26, 2022, a payment of MOP4.0 million (equivalent to US$0.5 million) was paid by Melco Resorts Macau. In March 2023, Melco Resorts Macau received an extension of the agreement with the Macau government for an amount of MOP4.2 million (equivalent to US$0.5 million) as payment for the period from June 27, 2022 to December 31, 2022. In February 2024, Melco Resorts Macau entered into an agreement with the Macau government for an annual payment for the period from 2023 through 2025 and an estimated amount of MOP45.5 million (equivalent to US$5.6 million) was provided for such arrangement. Upon the payment of such payment amounts, the shareholders of Melco Resorts Macau will not be liable to pay any other tax in Macau for dividend distributions received from gaming profits. However, we cannot assure you that the same arrangement will be applied beyond such period or, in the event a similar arrangement is adopted, whether we will be required to pay a higher annual sum.

Melco Resorts Macau is subject to Macau gaming tax based on gross gaming revenue in Macau. These gaming taxes are an assessment on Melco Resorts Macau’s gaming revenue and are recorded as casino expense.

The Macau government granted to Altira Resorts in 2007, and COD Resorts, in 2011 and 2013, the declaration of utility purposes benefit in respect of Altira Macau, The Countdown, Nüwa and Grand Hyatt Macau hotel, pursuant to which they are entitled to a property tax holiday, for a period of 12 years, on any immovable property that they own or is operated by them. Under such declaration of utility purposes benefit, they will also be allowed to double the maximum rates applicable regarding depreciation and reintegration for the purposes of assessing the Macau complementary tax. The transfer of the declaration of utility purpose to COD Resorts and Altira Resorts was requested on November 8, 2017 and was duly approved by the Macau government.

Our subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax of 16.5% on any profits arising in or derived from Hong Kong. One of our subsidiaries incorporated in Hong Kong is also subject to Macau complementary tax on profits earned in or derived from its activities conducted in Macau and another one is subject to corporate tax on profits in a number of other Asian jurisdictions through its activities conducted in these jurisdictions.

MANAGEMENT

Director and Executive Officers

The following table sets forth information regarding our sole director and executive officers as of the date of this offering memorandum.

Name	Age	Position/Title
Clarence Yuk Man Chung	62	Director
Lawrence Yau Lung Ho	48	Chief Executive Officer
Geoffrey Stuart Davis	57	Chief Financial Officer

Director

Mr. Clarence Yuk Man Chung is our sole director. Mr. Chung is a director of the Parent and he was appointed to his current role in November 2006. Mr. Chung has also been an executive director of Melco International since May 2006, which he joined in December 2003. In addition, Mr. Chung has been the chairman and president of Melco Resorts and Entertainment (Philippines) Corporation ("MRP") since December 2012, a director of SCI (NYSE: MSC) since October 2018 and has also been appointed as a director of certain of Melco International's subsidiaries and the Parent's subsidiaries incorporated in various jurisdictions. Before joining Melco International, Mr. Chung had been 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" for multiple years by Inside Asian Gaming magazine. Mr. Chung is a member of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales and 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.

Executive Officers

Mr. Lawrence Yau Lung Ho is our chief executive officer.

He was appointed as the Parent's director on December 20, 2004 and served as its co-chairman and chief executive officer between December 2004 and April 2016 before being re-designated as chairman and chief executive officer in May 2016. Mr. Ho became the managing director of Melco International in 2001 and has been its chairman and chief executive officer since March 2006. In addition, Mr. Ho has been a director of SCI since July 2011. Mr. Ho has also been appointed as the chairman and director of Maple Peak Investments Inc., a company listed on the TSX Venture Exchange in Canada, since July 2016.

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 organizations 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 the Macau Research Association for Macau Gaming Law; honorary president of the Association of Property Agents and Real Estate Developers of Macau; honorary president of the Association of Youth Practitioners in Macao Integrated Tourism and Leisure Enterprises 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 SAR 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 honored with the "Outstanding Individual Award" at the Industry Community Awards in 2020. Mr. Ho has been honored 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 14th year in 2025.

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. Geoffrey Stuart Davis is our chief financial officer. Mr. Davis is also the executive vice president and chief financial officer of the Parent and he was appointed to this role in April 2011. Prior to that, he served as the Parent's deputy chief financial officer from August 2010 to March 2011 and the Parent's senior vice president, corporate finance since 2007, when he joined the Parent. In addition, Mr. Davis has been the chief financial officer of Melco International since December 2017 and an executive director of Melco International since June 2025, the chief financial officer and a director of SCI since June 2019 and October 2018, respectively, and is also a director of a number of the Parent's subsidiaries. Prior to joining the Parent, 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.

PRINCIPAL SHAREHOLDERS

The following table sets forth the beneficial ownership of our ordinary shares, which are held directly by the Parent, as of the date of this offering memorandum by all persons who are known to us to be the beneficial owners of 5% or more of our share capital.

	Ordinary shares beneficially owned	
	Number	**%**
The Parent(1),(2),(3)	1,202	100%

(1) Melco Leisure and Entertainment Group Limited, a direct wholly-owned subsidiary of Melco International, is a beneficial owner of 687,360,906 ordinary shares of the Parent (representing approximately 53.85% of the Parent's share capital). Our chief executive officer, Mr. Lawrence Ho is the chairman, chief executive officer and an executive director of each of the Parent and Melco International. We believe that Mr. Ho is interested in an aggregate of 1,396,272,409 ordinary shares of Melco International, representing approximately 61.37% of Melco International's total issued shares, including his personal interest, interests of the companies which are owned or controlled by the persons and/or trusts associated with him, interest of his spouse and interests of trusts in which he is one of the beneficiaries and is taken to have interest under the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong). As of September 9, 2025, 667,360,904 of the ordinary shares owned of record by Melco Leisure have been pledged in connection with a US$1.0 billion, 5-year credit facility entered into in June 2021 (as amended, supplemented and/or restated from time to time) by, among others, Melco International and Melco Leisure.

(2) ARGA Investment Management, LP reports shared voting power and shared dispositive power with respect to 86,275,437 ordinary shares of the Parent (representing approximately 6.76% of the Parent's share capital)represented by ADSs with Avula Rama Krishna. The addresses of ARGA Investment Management, LP and Avula Rama Krishna are 1010 Washington Blvd., 6th Fl., Stamford, CT 06901333, and c/o ARGA Investment Management, LP, 1010 Washington Blvd., 6th Fl., Stamford, CT 06901, respectively. Information regarding beneficial ownership is based on the information contained in the Schedule 13G filed by ARGA Investment Management, LP and Avula Rama Krishna with the SEC on February 9, 2023.

(3) EuroPacific Growth Fund is a beneficial owner of 81,804,750 ordinary shares of the Parent (representing approximately 6.15% of the Parent's share capital) represented by ADSs. Information regarding beneficial ownership is reported as of December 31, 2018 and is based on the information contained in the Schedule 13G filed by EuroPacific Growth Fund with the SEC on February 14, 2019. According to information reported therein, the 81,804,750 ordinary shares may also be reflected in a filing made by Capital Research Global Investors, Capital International Investors, and/or Capital World Investors. The address of EuroPacific Growth Fund is 333 South Hope Street Los Angeles, California 90071.

RELATED PARTY TRANSACTIONS

Studio City Casino Agreement

On May 11, 2007, Melco Resorts Macau and Studio City Entertainment, a subsidiary of the Parent, entered into a services and right to use agreement (as amended on June 15, 2012 and June 23, 2022, together with the reimbursement agreement of the same date and other agreements or arrangements entered into from time to time regarding the operation of Studio City Casino) pursuant to which Melco Resorts Macau operated Studio City Casino. The Studio City Casino Agreement sets forth the terms and conditions for the operation of Studio City Casino by Melco Resorts Macau and the obligations of Studio City Entertainment in respect thereof.

Under the Studio City Casino Agreement, Melco Resorts Macau manages the day to day operations at the Studio City Casino, provides the necessary security and develops and implements all systems and controls necessary for Studio City Casino. Melco Resorts Macau also recruits all casino staff, including dealers, cashiers, security and surveillance personnel and managers. Melco Resorts Macau will deduct gaming taxes and costs incurred in connection with its ongoing operation of Studio City Casino. Such costs include the costs for utilization of any gaming tables for operation of the Studio City Casino above 26.4% of Melco Resorts Macau's overall gaming tables allocated to Melco Resorts Macau by the Macau government. As Melco Resorts Macau was allocated 750 gaming tables by the Macau government, pursuant to the Studio City Casino Agreement, Melco Resorts Macau is permitted to deduct costs for the utilization of gaming tables for operation at the Studio City Casino which exceed 198 gaming tables, provided such costs have been approved by SCI's related party transactions policy. In addition, these costs include the costs for utilization of electronic gaming machines for operation at Studio City Casino above 552 electronic gaming machines, which was the number of electronic gaming machines initially allocated by Melco Resorts Macau to Studio City Casino as a result of the Macau government's allocation of 2,100 electronic gaming machines to Melco Resorts Macau under the Concession, provided such costs have also been approved by SCI's related party transactions policy. Studio City Entertainment receives the residual gross gaming revenues and recognizes these amounts as revenue from the Studio City Casino Agreement. The Studio City Casino Agreement obligates Melco Resorts Macau to manage the day to day operations of the Studio City Casino in a manner intended to appeal to gaming patrons at a standard of quality of service set by Melco Resorts Macau in line with the overall development and operational strategy determined by SCI; however, the Studio City Casino Agreement does not require Melco Resorts Macau to operate a minimum number of gaming tables or gaming machines at the Studio City Casino or any specified mix of gaming tables and gaming machines, and the number of gaming tables and/or gaming machines may be reduced or increased by Melco Resorts Macau as it may determine pursuant to the terms and conditions of the Studio City Casino Agreement. For example, the Studio City Casino ceased VIP rolling chip operations in late October 2024.

The Studio City Casino Agreement is subject to customary events of default, including failure of Studio City Entertainment to make any payment required by the agreement or any action by Studio City Entertainment which causes or is likely to cause Melco Resorts Macau to be in breach of its concession. The parties may terminate the Studio City Casino Agreement in the event of a default under the Studio City Casino Agreement or, among others, as a result of regulatory review, except that as long as Studio City Entertainment is directly or indirectly under the control of Melco, Melco Resorts Macau may not terminate the Studio City Casino Agreement.

Pursuant to requests made under the Studio City Casino Agreement from time to time, Melco Resorts Macau currently allocates 61 mass gaming tables and 50 electronic gaming machines for operation at Studio City Casino, which such allocation may also be terminated upon 30 days' written notice by either Studio City Entertainment or Melco Resorts Macau.

Management and Shared Services Agreements

On December 21, 2015, SCI and certain of its subsidiaries entered into the Master Services Agreements with certain Melco Affiliates, which sets out the terms and conditions that apply to certain services to be provided under individual work agreements by the Melco Affiliates to certain subsidiaries of SCI and vice versa. The Master Services Agreements and the related arrangements for work agreements have been extended to December 31, 2032.

Advances to Affiliated Companies

As of June 30, 2025 and December 31, 2024, 2023 and 2022, the outstanding balances of advances to affiliated companies, Melco and its subsidiaries, were US$1.42 billion, US$1.43 billion, US$1.42 billion and US$1.42 billion, respectively, which were unsecured and non-interest bearing. As of June 30, 2025 and December 31, 2024, 2023 and 2022, no part of the amounts will be repayable within the next twelve months from the balance sheet date and, accordingly, the amounts were shown as non-current assets in the consolidated balance sheets.

Loans to an Affiliated Company

As of June 30, 2025 and December 31, 2024, 2023 and 2022, the outstanding balances of loans to an affiliated company, Melco, on revolving basis under the intercompany loan agreements as stated below, were US$218.0 million, US$220.4 million, US$219.1 million and US$330.0 million, respectively. Melco has the unconditional right to elect to refinance any maturing amount of the loan advances by way of a rollover loan.

Pursuant to an agreement dated May 18, 2022, as amended on February 27, 2023, entered into between the Company and Melco, with effect from April 6, 2022, the Company agreed to make loan advances to Melco in an amount of up to US$250.0 million on a revolving basis until (and including) April 5, 2027, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) (“Loan Receivable 1”).

Pursuant to an agreement dated February 27, 2023 entered into between the Company and Melco, with effect from August 25, 2022, the Company agreed to make loan advances to Melco in an amount of up to US$160.0 million on a revolving basis until (and including) August 24, 2027, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) (“Loan Receivable 2”). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 2 pursuant to the Confirmation Letter as described below.

Pursuant to an agreement dated April 27, 2023 entered into between the Company and Melco, with effect from March 9, 2023, the Company agreed to make loan advances to Melco in an amount of up to US$158.0 million on a revolving basis until (and including) March 8, 2028, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) (“Loan Receivable 3”). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 3 pursuant to the Confirmation Letter as described below.

Pursuant to a confirmation letter dated August 1, 2023 entered into between the Company and Melco (the “Confirmation Letter”), with effect from May 1, 2023, both parties agreed to convert the settlement currency of Loan Receivable 2 and Loan Receivable 3 with outstanding US$ loan principal amounts of US$160.0 million and US$158.0 million, respectively, from an aggregate of US$318.0 million at an agreed exchange rate to an outstanding HK$ loan principal amount of HK$2.50 billion (equivalent to US$318.0 million). Pursuant to the Confirmation Letter, both parties also agreed to amend the interest rate under the Loan Receivable 2 and Loan Receivable 3 from a rate not higher than 12 month Term SOFR plus 5% per annum to the aggregate of (i) Term SOFR plus an applicable credit adjustment spread and an applicable margin for loan advances denominated in US$; and (ii) HIBOR plus an applicable margin for loan advances denominated in HK$.

As of June 30, 2025 and December 31, 2024 and 2023, there was no outstanding balance under the Loan Receivable 1. As of December 31, 2022, the outstanding balances under Loan Receivable 1 of US$170 million were unsecured and interest-free. As of June 30, 2025, the outstanding balances under the Loan Receivable 2 and the Loan Receivable 3 in aggregate principal amount of HK$1.71 billion (equivalent to US$218.0 million) were unsecured and interest bearing at 1.89% per annum. As of December 31, 2024, the outstanding balances under the Loan Receivable 2 and the Loan Receivable 3 of HK$1.71 billion (equivalent to US$220.4 million) were unsecured and interest bearing at 5.36% per annum. As of December 31, 2023, the outstanding balances under the Loan Receivable 2 and the Loan Receivable 3 in aggregate principal amount of HK$1.71 billion (equivalent to US$219.1 million) were unsecured and interest bearing at 7.53% per annum. As of December 31, 2022, the outstanding balances under the Loan Receivable 2 and the Loan Receivable 3 in aggregate principal amount of US$160 million were unsecured and interest bearing at 5.63% per annum.

As of June 30, 2025 and December 31, 2024, 2023 and 2022, no part of the amounts will be repayable within the next twelve months from the balance sheet date and accordingly, the amounts were shown as non-current assets in the consolidated balance sheets.

For discussion of other significant related party transactions we entered into during the six months ended June 30, 2025 and the years ended December 31, 2024, 2023 and 2022, see note 16 to our unaudited condensed consolidated financial statements for the six months ended June 30, 2025 and 2024, and note 20 to our audited consolidated financial statements for the years ended December 31, 2024 and 2023, and note 21 to our audited consolidated financial statements for the years ended December 31, 2023 and 2022, which included elsewhere in this offering memorandum.

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

2015 Credit Facilities

Overview

On June 29, 2015, our subsidiary Melco Resorts Macau, as borrower, amended and restated a prior senior secured credit facilities agreement to a HK$13.65 billion (equivalent to US$1.75 billion) senior secured credit facilities agreement, being the 2015 Credit Facilities. The 2015 Credit Facilities comprise a H.K. dollar term loan facility of HK$3.90 billion (equivalent to US$500.0 million) with a term of 6 years (the "2015 Term Loan Facility") and a multicurrency revolving credit facility of HK$9.75 billion (equivalent to US$1.25 billion) with a term of 5 years (the "2015 Revolving Credit Facility").

On May 6, 2020, MCO Nominee One drew down HK$2.73 billion (equivalent to US$352.2 million) under the 2020 Credit Facilities and, on May 7, 2020, we used a portion of the proceeds from such drawdown to repay all outstanding loan amounts under the 2015 Credit Facilities, together with accrued interest and associated costs. Other than HK$1.0 million (equivalent to US$0.1 million) which remained outstanding as of June 30, 2025 under the 2015 Term Loan Facility, all other commitments under the 2015 Term Loan Facility were canceled. In addition, a part of the revolving credit facility commitments under the 2015 Revolving Credit Facility were canceled. Post cancellation, the available revolving credit facility commitments under the 2015 Revolving Credit Facility were HK$1.0 million (equivalent to US$0.1 million).

Compliance with certain provisions of the 2015 Credit Facilities were waived pursuant to a waiver letter from Bank of China Limited, Macau Branch (in its capacity as the sole lender under the 2015 Credit Facilities) ("BOC Macau") to Melco Resorts Macau dated April 29, 2020 (the "BOC Waiver Letter"). The BOC Waiver Letter became effective on May 7, 2020.

Maturity Date

The final maturity date of the 2015 Credit Facilities was: (i) June 29, 2021 in respect of the 2015 Term Loan Facility; and (ii) June 29, 2020 in respect of the 2015 Revolving Credit Facility, or if earlier, the date of repayment, prepayment or cancellation in full of the 2015 Credit Facilities. Pursuant to the terms of the BOC Waiver Letter (as defined above), the maturity date of the 2015 Credit Facilities was extended to June 24, 2022, and further extended to December 31, 2022, June 24, 2024 and June 24, 2026 (the "Extended Termination Date"), pursuant to extension request letters dated April 6, 2022, December 14, 2022 and June 6, 2024, respectively.

Drawdowns/Repayment

As of June 30, 2025, the outstanding principal balances under the 2015 Term Loan Facility and the 2015 Revolving Credit Facility were HK$1.0 million (equivalent to US$0.1 million) and nil, respectively. The 2015 Revolving Credit Facility of HK$1.0 million (equivalent to US$0.1 million) remains available for future drawdown as of June 30, 2025.

No further drawdowns may be made under the 2015 Term Loan Facility. The available revolving credit facility commitments under the 2015 Revolving Credit Facility are available on a fully revolving basis up to the date that is one month prior to the Extended Termination Date.

The principal amount of the 2015 Term Loan Facility, and all interest accruing thereon, is repayable in full on the Extended Termination Date. Each loan made under the 2015 Revolving Credit Facility 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.

Interest and Fees

Pursuant to the BOC Waiver Letter, borrowings under the 2015 Credit Facilities bear interest at HIBOR plus a margin of 1% per annum. Melco Resorts Macau is obligated to pay a commitment fee on the undrawn amount of the 2015 Revolving Credit Facility.

Security

The indebtedness under the 2015 Credit Facilities is guaranteed by MCO Nominee One, a subsidiary of Melco Resorts Finance, and certain of its subsidiaries (other than the borrower) as defined under the 2015 Credit

Facilities (the “2015 Borrowing Group”). Security for the 2015 Credit Facilities includes: a first priority interest in substantially all assets of the 2015 Borrowing Group, the issued share capital and equity interests and certain bank accounts, buildings, fixtures and equipment of the 2015 Borrowing Group and certain other excluded assets and customary security.

Covenants

The 2015 Credit Facilities contained covenants customary for such financings, including, but not limited to, the limitations on (except as permitted under the 2015 Credit Facilities) (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) making certain investments; (iv) paying dividends and other restricted payments; (v) creating any subsidiaries; and (vi) selling assets. The financial covenants under the 2015 Credit Facilities included a leverage ratio, total leverage ratio and interest cover ratio. Pursuant to the terms of the BOC Waiver Letter, BOC Macau agreed, among other things, to relax the borrower’s obligations under the 2015 Credit Facilities by way of a waiver of (i) the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions, and (ii) the requirement to make substantially all of the representations, subject to certain conditions and terms.

Events of Default

The event of default regime under the 2015 Credit Facilities comprises events of default that are customary for a facility of this nature including, among others, subject to certain grace periods and exceptions: (i) the failure to make any payment when due; (ii) the breach of financial covenants; (iii) a cross default triggered by any other event of default in the facility agreements or other documents forming the indebtedness of the borrower and/or guarantors and/or members of the Borrowing Group; the breach of the credit facility documents; (iv) certain events occurring which may give rise to a termination or rescission of Melco Resorts Macau’s concession contract and land concessions; (vi) insolvency or bankruptcy events; and (vii) misrepresentations on the part of the borrower and guarantors in statements made in the loan documents delivered to the lenders.

Pursuant to the terms of the BOC Waiver Letter, BOC Macau agreed, among other things, to waive certain current and/or future defaults and events of default that may arise under the terms of the 2015 Credit Facilities, subject to certain conditions and terms.

2020 Credit Facilities

Overview

On April 29, 2020, our subsidiary MCO Nominee One, as borrower, entered into a senior revolving credit facilities agreement for a HK$14.85 billion multicurrency revolving credit facility (equivalent to US$1.92 billion) with an initial term of 5 years. On February 25, 2025, an incremental facility of HK$387.5 million (equivalent to US$49.8 million) was established to increase the available commitments under the 2020 Credit Facilities to HK$15.24 billion (equivalent to US$1.96 billion).

Maturity Date

The original final maturity date of the 2020 Credit Facilities was April 29, 2025, or if earlier, the date of repayment, prepayment or cancellation in full of the 2020 Credit Facilities. On April 8, 2024, the maturity date was extended by two years to April 29, 2027.

Drawdowns/Repayment

As of June 30, 2025, the outstanding principal balance under the 2020 Credit Facilities was HK$9.08 billion (equivalent to US$1.16 billion), and the available unused borrowing capacity under the 2020 Credit Facilities was HK$6.16 billion (equivalent to US$784.2 million).

On August 29, 2025 and September 4, 2025, HK$547.0 million (equivalent to US$70.2 million) of the loan principal outstanding under the 2020 Credit Facilities was repaid, together with accrued interest, increasing the availability under the 2020 Credit Facilities to HK$6.70 billion (equivalent to US$853.9 million).

Drawdowns on the 2020 Credit Facilities are available on a fully revolving basis up to the date that is one month prior to the 2020 Credit Facilities’ final maturity date.

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. MCO Nominee One may make voluntary prepayments in respect of the 2020 Credit Facilities in a minimum amount of HK$10.0 million (equivalent to US$1.3 million), plus the amount of any applicable break costs. MCO Nominee One is also subject to mandatory prepayment requirements in respect of various amounts as specified in the 2020 Credit Facilities. In the event of a change of control, MCO Nominee One may be required, at the election of any lender under the 2020 Credit Facilities, to repay such lender in full. Under the terms of the 2020 Credit Facilities, change of control events include a decline below certain thresholds in the aggregate direct or indirect shareholdings of Melco Resorts Macau or the Company by the Parent or/and Melco International and liquidation or dissolution of the Company. In the event Melco Resorts Macau's concession contract or land concessions are terminated or otherwise expire on its terms, MCO Nominee One may be required, at the election of any lender under the 2020 Credit Facilities, to repay such lender in full.

Interest and Fees

Borrowings under the 2020 Credit Facilities bears interest at HIBOR if denominated in H.K. dollars, or Term SOFR together with an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum if denominated in U.S. dollars, plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries ("2020 Borrowing Group"). Prior to June 29, 2023, borrowings under the 2020 Credit Facilities denominated in U.S. dollars bore interest at LIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. MCO Nominee One may select an interest period for borrowings under the 2020 Credit Facilities of one, two, three or six months or any other agreed period. MCO Nominee One is obligated to pay a commitment fee quarterly in arrears from April 29, 2020 on the undrawn amount of the 2020 Credit Facilities until the end of the applicable availability period.

Security

The indebtedness under the 2020 Credit Facilities is guaranteed by Melco Resorts Macau and MCO Investments Limited ("MCO Investments" and together with Melco Resorts Macau, the "Subsidiary Guarantors"). The 2020 Credit Facilities are unsecured.

Covenants

The 2020 Credit Facilities contain covenants customary for such financings, including, but not limited to, the limitations on (except as permitted under the 2020 Credit Facilities) (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 MCO Investments and its subsidiaries.

On November 5, 2021, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to a waiver extension of the same financial condition covenants contained in the facility agreement under the 2020 Credit Facilities (as described above) for the relevant periods ended or ending on the following applicable test dates: (a) March 31, 2022; (b) June 30, 2022; (c) September 30, 2022; and (d) December 31, 2022.

On August 16, 2022, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to a waiver extension of the same financial condition covenants contained in the facility agreement under the 2020 Credit Facilities (as described above) for the relevant periods ended or ending on the following applicable test dates: (a) March 31, 2023; (b) June 30, 2023; (c) September 30, 2023; (d) December 31, 2023; and (e) March 31, 2024.

Events of Default

The event of default regime under the 2020 Credit Facilities comprises events of default that are customary for a facility of this nature including, among others, subject to certain grace periods and exceptions:

- the failure to make any payment when due;

- the breach of financial covenants;
- a cross default triggered by any other event of default in the facility agreements or other documents forming the indebtedness of MCO Nominee One or any other member of the 2020 Borrowing Group;
- the breach of the credit facility documents;
- insolvency or bankruptcy events; and
- misrepresentations on the part of MCO Nominee One or a Subsidiary Guarantor in statements made in the loan documents delivered to the lenders for the 2020 Credit Facilities.

2026 Senior Notes

Overview

On April 26, 2019, Melco Resorts Finance issued the 2026 Senior Notes, comprising US$500.0 million in aggregate principal amount of 5.250% senior notes due 2026, at an issue price of 100% of the principal amount.

Interest

The 2026 Senior Notes bear interest at a rate of 5.250% per annum, payable semi-annually in arrears on April 26 and October 26 of each year.

Ranking and Priority

The 2026 Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries.

Maturity and Redemption

The 2026 Senior Notes mature on April 26, 2026 and Melco Resorts Finance has the option to redeem all or a portion of the 2026 Senior Notes at any time prior to April 26, 2022, at the applicable "make-whole" redemption price as described in the 2026 Senior Notes indenture. On or after April 26, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2026 Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2026 Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to April 26, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the 2026 Senior Notes indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2026 Senior Notes at fixed redemption prices. In certain events that relate to the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the 2026 Senior Notes indenture, each holder of the 2026 Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2026 Senior Notes at a fixed redemption price.

Covenants

The 2026 Senior Notes indenture contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets.

Events of Default

The 2026 Senior Notes indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2026 Senior Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the 2026 Senior Notes indenture, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under the 2026 Senior Notes indenture, the trustee under the 2026 Senior Notes indenture or the holders of at least 25% of the then outstanding 2026 Senior Notes may declare the principal of the 2026 Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

2027 Senior Notes

Overview

On July 17, 2019, Melco Resorts Finance issued the 2027 Senior Notes, comprising US$600.0 million in aggregate principal amount of 5.625% senior notes due 2027, at an issue price of 100% of the principal amount.

Interest

The 2027 Senior Notes bear interest at a rate of 5.625% per annum, payable semi-annually in arrears on January 17 and July 17 of each year beginning on January 17, 2020.

Ranking and Priority

The 2027 Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries.

Maturity and Redemption

The 2027 Senior Notes mature on July 17, 2027 and Melco Resorts Finance has the option to redeem all or a portion of the 2027 Senior Notes at any time prior to July 17, 2022, at the applicable "make-whole" redemption price as described in the 2027 Senior Notes indenture. On or after July 17, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2027 Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2027 Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 17, 2022. Further, under certain circumstances and subject to certain exceptions as more fully described in the 2027 Senior Notes indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2027 Senior Notes at fixed redemption prices. In certain events that relate to the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the 2027 Senior Notes indenture, each holder of the 2027 Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2027 Senior Notes at a fixed redemption price.

Covenants

The 2027 Senior Notes indenture contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets.

Events of Default

The 2027 Senior Notes indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2027 Senior Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the 2027 Senior Notes indenture, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under the 2027 Senior Notes indenture, the trustee under the 2027 Senior Notes indenture or the holders of at least 25% of the then outstanding 2027 Senior Notes may declare the principal of the 2027 Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

2028 Senior Notes

Overview

On July 21, 2020, Melco Resorts Finance issued the First 2028 Senior Notes, comprising US$500.0 million in aggregate principal amount of 5.750% senior notes due 2028, at an issue price of 100% of the principal amount, and, on August 11, 2020, the Company issued the Additional 2028 Senior Notes, comprising US$350.0 million in aggregate principal amount of 5.750% senior notes due 2025, at an issue price of 101% of the principal amount.

Interest

The 2028 Senior Notes bear interest at a rate of 5.750% per annum, payable semi-annually in arrears on January 21 and July 21 of each year.

Ranking and Priority

The 2028 Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries.

Maturity and Redemption

The 2028 Senior Notes mature on July 21, 2028 and Melco Resorts Finance has the option to redeem all or a portion of the 2028 Senior Notes at any time prior to July 21, 2023, at the applicable "make-whole" redemption price as described in the 2028 Senior Notes indenture. On or after July 21, 2023, Melco Resorts Finance has the option to redeem all or a portion of the 2028 Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2028 Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to July 21, 2023. Further, under certain circumstances and subject to certain exceptions as more fully described in the 2028 Senior Notes indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2028 Senior Notes at fixed redemption prices. In certain events that relate to the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the 2028 Senior Notes indenture, each holder of the 2028 Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2028 Senior Notes at a fixed redemption price.

Covenants

The 2028 Senior Notes indenture contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets.

Events of Default

The 2028 Senior Notes indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2028 Senior Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the 2028 Senior Notes indenture, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under the 2028 Senior Notes indenture, the trustee under the 2028 Senior Notes indenture or the holders of at least 25% of the then outstanding 2028 Senior Notes may declare the principal of the 2028 Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

2029 Senior Notes

Overview

On December 4, 2019, Melco Resorts Finance issued the First 2029 Senior Notes, comprising US$900.0 million in aggregate principal amount of 5.375% senior notes due 2029, at an issue price of 100% of the principal amount, and, on January 21, 2021, Melco Resorts Finance issued the Additional 2029 Senior Notes, comprising US$250.0 million in aggregate principal amount of 5.375% senior notes due 2029, at an issue price of 103.25% of the principal amount.

Interest

The 2029 Senior Notes bear interest at a rate of 5.375% per annum, payable semi-annually in arrears on June 4 and December 4 of each year beginning on June 4, 2020.

Ranking and Priority

The 2029 Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries.

Maturity and Redemption

The 2029 Senior Notes mature on December 4, 2029 and Melco Resorts Finance has the option to redeem all or a portion of the 2029 Senior Notes at any time prior to December 4, 2024, at the applicable "make-whole" redemption price as described in the 2029 Senior Notes indenture. On or after December 4, 2024, Melco Resorts Finance has the option to redeem all or a portion of the 2029 Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2029 Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to December 4, 2024. Further, under certain circumstances and subject to certain exceptions as more fully described in the 2029 Senior Notes indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2029 Senior Notes at fixed redemption prices. In certain events that relate to the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the 2029 Senior Notes indenture, each holder of the 2029 Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2029 Senior Notes at a fixed redemption price.

Covenants

The 2029 Senior Notes indenture contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets.

Events of Default

The 2029 Senior Notes indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2029 Senior Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the 2029 Senior Notes indenture, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under the 2029 Senior Notes indenture, the trustee under the 2029 Senior Notes indenture or the holders of at least 25% of the then outstanding 2029 Senior Notes may declare the principal of the 2029 Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

2032 Senior Notes

Overview

On April 17, 2024, Melco Resorts Finance issued the 2032 Senior Notes, comprising US$750.0 million in aggregate principal amount of 7.625% senior notes due 2032, at an issue price of 100% of the principal amount.

Interest

The 2032 Senior Notes bear interest at a rate of 7.625% per annum, payable semi-annually in arrears on April 17 and October 17 of each year beginning on October 17, 2024.

Ranking and Priority

The 2032 Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance and rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and all of the indebtedness of Melco Resorts Finance's subsidiaries.

Maturity and Redemption

The 2032 Senior Notes mature on April 17, 2032 and Melco Resorts Finance has the option to redeem all or a portion of the 2032 Senior Notes at any time prior to April 17, 2027, at the applicable "make-whole" redemption price as described in the 2032 Senior Notes indenture. On or after April 17, 2027, Melco Resorts Finance has the option to redeem all or a portion of the 2032 Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2032 Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to April 17, 2027. Further, under certain circumstances and subject to certain exceptions as more fully described in the 2032 Senior Notes indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2032 Senior Notes at fixed redemption prices. In certain events that relate to the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the 2032 Senior Notes indenture, each holder of the 2032 Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2032 Senior Notes at a fixed redemption price.

Covenants

The 2032 Senior Notes indenture contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets.

Events of Default

The 2032 Senior Notes indenture contains certain customary events of default, including default in the payment of principal, or of any premium, on the 2032 Senior Notes, when such payments become due; default in payment of interest which continues for 30 days; breaches of covenants; defaults under other indebtedness; insolvency; termination or rescission of any gaming license required for our gaming business and other events of default specified in the 2032 Senior Notes indenture, in each case subject to thresholds and/or other qualifications specified therein. If an event of default occurs and is continuing under the 2032 Senior Notes indenture, the trustee under the 2032 Senior Notes indenture or the holders of at least 25% of the then outstanding 2032 Senior Notes may declare the principal of the 2032 Senior Notes plus any accrued and unpaid interest and premium (if any) to be immediately due and payable.

Other Financing

We may obtain financing or refinancing in the form of, among other things, equity or debt, including additional bank loans or high yield, mezzanine or other debt, or rely on our operating cash flow to fund the development of our projects and other matters. The amounts may be material.

DESCRIPTION OF NOTES

You can find the definitions of certain terms used in this description under the subheading "—Certain Definitions." In this description, the term the "Company" refers only to Melco Resorts Finance Limited and not to any of its Subsidiaries.

The Company will issue the Notes under an indenture dated as of the date of consummation of this offering between itself and Deutsche Bank Trust Company Americas as Trustee (the "*Indenture*"), in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of Notes will not be entitled to any registration rights. See "Notice to Investors" and "Transfer Restrictions."

The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. We urge you to read the Indenture because it, and not this description, define your rights as holders of the Notes. Copies of the Indenture are available as set forth below under "—Additional Information." Certain defined terms used in this description but not defined below under "—Certain Definitions" have the meanings assigned to them in the Indenture.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

The Indenture will not be qualified under, will not incorporate or include any of, by reference or otherwise, or be subject to, the provisions of the U.S. Trust Indenture Act of 1939, as amended.

Brief Description of the Notes

The Notes:

- will be general obligations of the Company;
- will be *pari passu* in right of payment to all existing and future senior Indebtedness of the Company;
- will be senior in right of payment to any existing and future subordinated Indebtedness of the Company; and
- will be effectively subordinated to all of the Company's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to all of the indebtedness of the Company's Subsidiaries.

None of the Company's Subsidiaries will guarantee the Notes. In the event of a bankruptcy, liquidation or reorganization of any of the Company's Subsidiaries, the Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company.

Assuming the Company had completed this offering of Notes and applied the proceeds therefrom as described under the section entitled "Use of Proceeds," as of June 30, 2025, the Company and its consolidated subsidiaries would have had total indebtedness of US$4.93 billion, comprising primarily the amounts outstanding under the 2015 Credit Facilities, the 2020 Credit Facilities, the 2027 Senior Notes, the 2028 Senior Notes, the 2029 Senior Notes, the 2032 Senior Notes and the Notes.

Principal, Maturity and Interest

The Company will issue US$500,000,000 in aggregate principal amount of Notes in this offering. The Company may issue additional Notes (the "*Additional Notes*") under the Indenture from time to time after this offering. Any issuance of Additional Notes is subject to all of the covenants in the Indenture. The Notes and any Additional Notes subsequently issued under the Indenture will be treated as a single class for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase; *provided* that, if any issuance of Additional Notes is not fungible with the Notes for U.S. federal income tax purposes, such Additional Notes shall have a different CUSIP number than any previously issued Notes but shall otherwise be treated as a single class with all other Notes issued under the Indenture. The Company will issue the Notes in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The Notes will mature on September 24, 2033.

Interest on the Notes will accrue at the rate of 6.500% per annum and will be payable semi-annually in arrears on March 24 and September 24, commencing on March 24, 2026. Interest on overdue principal and interest will accrue at a rate that is 1% higher than the then applicable interest rate on the Notes. The Company will make each interest payment to the holders of record on the immediately preceding March 9 and September 9, respectively.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Additional Amounts

All payments by or on behalf of the Company of principal of, and premium (if any) and interest on the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("*Taxes*") imposed or levied by the Cayman Islands, Macau, any jurisdiction in which the Company is resident for tax purposes or any jurisdiction from or through which payments are made by or on behalf of the Company (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "*Relevant Jurisdiction*"), unless such withholding or deduction is required by law. In such event, the Company will make such withholding or deduction, make payment of the amount so withheld or deducted to the appropriate Governmental Authority as required by applicable law and will pay such additional amounts ("*Additional Amounts*") as will result in receipt by the holder of such amounts as would have been received by such holder had no such withholding or deduction been required; *provided* that no Additional Amounts will be payable with respect to any Note:

(1) for or on account of:

(a) any Taxes that would not have been imposed but for:

(i) the existence of any present or former connection between the holder or beneficial owner of such Note, as the case may be, and the Relevant Jurisdiction, including without limitation, such holder or beneficial owner being or having been a citizen or resident of such Relevant Jurisdiction, being or having been treated as a resident of such Relevant Jurisdiction, being or having been present or engaged in a trade or business in such Relevant Jurisdiction or having or having had a permanent establishment in such Relevant Jurisdiction, other than merely holding such Note or the receipt of payments thereunder;

(ii) the presentation of such Note (where presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium (if any) or interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(iii) the failure of the holder or beneficial owner of such Note to comply with a timely request of the Company (or other applicable withholding agent) addressed to such holder or beneficial owner to provide information concerning such holder's or beneficial owner's nationality, residence, identity or connection with the Relevant Jurisdiction; or

(iv) the presentation of such Note (where presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(b) any estate, inheritance, gift, sale, transfer, excise, personal property, net income or similar Tax;

(c) any Tax arising pursuant to Sections 1471—1474 of the U.S. Internal Revenue Code of 1986, as amended, and any successor or amended version that is substantively comparable and not materially more onerous to comply with, any official interpretations thereof, current or future regulations or agreements entered pursuant thereto, any U.S. or non-U.S. law enacted in connection with an intergovernmental agreement related thereto, or any rules, regulations, or administrative guidance of any kind relating to any of the foregoing;

(d) any Taxes that are payable other than (i) by withholding or deduction from payments of principal of, or premium (if any) or interest on the Note, or (ii) by direct payment by the Company in respect of claims made against the Company; or

(e) any combination of Taxes referred to in the preceding clauses (a), (b), (c) and (d); or

(2) with respect to any payment of the principal of, or premium (if any) or interest on, such Note to or for the account of a fiduciary, partnership or other fiscally transparent entity or any other person (other than the sole beneficial owner of such payment) to the extent that a beneficiary or settlor with respect to that fiduciary, or a partner or member of that partnership or fiscally transparent entity or a beneficial owner with respect to such other person, as the case may be, who would not have been entitled to such Additional Amounts had such beneficiary, settlor, partner, member or beneficial owner held directly the Note with respect to which such payment was made.

In addition to the foregoing, the Company will also pay and indemnify the holder of a Note for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties and interest) which are levied by any Relevant Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture or any other document or instrument referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes. The Company will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any taxes so deducted or withheld from each Relevant Jurisdiction imposing such taxes, in such form as provided in the ordinary course by the Relevant Jurisdiction and as is reasonably available to the Company, and will provide such certified copies to the Trustee and the Paying Agent (as defined below). Such copies shall be made available to the holders upon request and will be made available at the offices of the Paying Agent. The Company will attach to each certified copy a certificate stating (x) that the amount of withholding taxes evidenced by the certified copy was paid in connection with payments in respect of the principal amount of Notes then outstanding and (y) the amount of such withholding taxes paid per US$1,000 principal amount of the Notes.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note, such mention will be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Methods of Receiving Payments on the Notes

If a holder of Notes has given wire transfer instructions to the Company, the Company will pay all principal, interest and premium, if any, on that holder's Notes in accordance with those instructions and shall so notify the Trustee and the Paying Agent thereof. All other payments on the Notes will be made at the office or agency of the Paying Agent within the City and State of New York unless the Company elects to make interest payments by check mailed to holders of the Notes, at their address set forth in the register of holders.

Paying Agent and Registrar for the Notes

Deutsche Bank Trust Company Americas will initially act as paying agent (the "*Paying Agent*") and Deutsche Bank Trust Company Americas will initially act as registrar and transfer agent (the "*Registrar*" and the "*Transfer Agent,*" respectively). The Company may change the Paying Agent. Transfer Agent or Registrar with prior notice to the Trustee but without prior notice to the holders of the Notes, and the Company or any of its Subsidiaries may act as Paying Agent, Transfer Agent or Registrar.

Transfer and Exchange

A holder may transfer or exchange the Notes in accordance with the provisions of the Indenture. The Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of the Notes. Holders will be required to pay all taxes due on transfer. The Company will not be required to transfer or exchange any Note selected for redemption. Also, the Company will not be required to transfer or exchange any Note for a period of 15 days before a selection of Notes to be redeemed.

If and for so long as the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for Certificated Notes, the Company will appoint and maintain a paying agent in Singapore where the Certificated Notes may be presented or surrendered for payment or redemption. In the event that a Global Note is exchanged for Certificated Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificated Notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST, for so long as the Notes are listed on the SGX-ST.

Optional Redemption

At any time prior to September 24, 2028 the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture at a redemption price of 106.500% of the principal amount, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes originally issued under the Indenture (excluding Notes held by the Company and its Subsidiaries) remains outstanding immediately after the occurrence of such redemption; and

(2) the redemption occurs within 45 days of the date of the closing of such Equity Offering.

Any redemption notice given in respect of the redemption referred to in the preceding paragraph may be given prior to completion of the related Equity Offering, and any such redemption or notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent, including the completion of the related Equity Offering.

At any time prior to September 24, 2028, the Company may also redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of redemption (the "*Redemption Date*"), subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant interest payment date. Any such redemption and notice may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent.

Except pursuant to the preceding paragraphs and "—Gaming Redemption" and "—Redemption for Taxation Reasons", the Notes will not be redeemable at the Company's option prior to September 24, 2028.

On or after September 24, 2028, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, and Additional Amounts, if any, on the Notes redeemed, to but excluding the applicable redemption date, if redeemed during the twelve-month period beginning on September 24 of the years indicated below, subject to the rights of holders of Notes on the relevant record date to receive interest on the relevant interest payment date:

Year	Percentage
2028	103.250%
2029	101.625%
2030 and thereafter	100.000%

Any such redemption may, at the discretion of the Company, be subject to the satisfaction of one or more conditions precedent. If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company's discretion, the redemption date may be delayed until such time *(provided, however,* that any delayed redemption date shall not be more than 60 days after the date the relevant notice of redemption was sent) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date or by the redemption date as so delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company's obligations with respect to such redemption may be performed by another Person.

Unless the Company defaults in the payment of the redemption price or fails to satisfy the conditions precedent to the redemption and thereby terminates the redemption, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

Gaming Redemption

Each holder, by accepting a Note, shall be deemed to have agreed that if the Gaming Authority of any jurisdiction in which the Company, any of its Subsidiaries or the Sponsor conducts or proposes to conduct gaming requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or a finding of suitability within the required time period. If such Person fails to apply or become licensed or qualified or is found unsuitable, the Company shall have the right, at its option:

(1) to require such Person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of the Company's election or such earlier date as may be requested or prescribed by such Gaming Authority; or

(2) to redeem such Notes, which redemption may be less than 30 days following the notice of redemption if so requested or prescribed by the applicable gaming authority, at a redemption price equal to:

   (a) the lesser of:

      (i) the person's cost, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; and

      (ii) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the earlier of the redemption date or the date of the finding of unsuitability or failure to comply; or

   (b) such other amount as may be required by applicable law or order of the applicable Gaming Authority.

The Company shall notify the Trustee in writing of any such redemption as soon as practicable. Neither the Company nor the Trustee shall be responsible for any costs or expenses any holder of Notes may incur in connection with the Company's application for a license, qualification or a finding of suitability.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the holders (which notice will be irrevocable), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed by the Company for redemption (the "*Tax Redemption Date*") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) or treaties of a Relevant Jurisdiction affecting taxation; or

(2) any change in, or amendment to, an official position regarding the application or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective on or after the date of the Indenture with respect to any payment due or to become due under the Notes or the Indenture, the Company is, or on the next interest payment date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the Company taking reasonable measures available to it; *provided* that for the avoidance of doubt changing the jurisdiction of the Company is not a reasonable measure for the purposes of this section; *provided, further,* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company will deliver to the Trustee:

(1) an Officer's Certificate stating that such change or amendment referred to in the prior paragraph has occurred, and describing the facts related thereto and stating that such requirement cannot be avoided by the Company taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant of recognized international standing stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee will accept and shall be entitled to rely on such Officer's Certificate and Opinion of Counsel as sufficient evidence of the satisfaction of the conditions precedent described above, in which event it will be conclusive and binding on the holders.

Any Notes that are redeemed pursuant to this provision will be canceled.

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee, the Paying Agent or the Registrar (as applicable) will select Notes for redemption on a pro rata basis unless otherwise required by law or applicable clearing system or stock exchange requirements. The Depository Trust Company's ("DTC") current procedures dictate that selection of Notes for redemption will be by lot. None of the Trustee, the Paying Agent or the Registrar will be liable for any selections made by it under this paragraph.

No Notes of US$200,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture or less than 30 days prior to a redemption date as provided under "—Gaming Redemption."

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancelation of the original Note; *provided* that the unredeemed portion has a minimum denomination of US$200,000. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Repurchase at the Option of Holders

Change of Control

Upon the occurrence of a Change of Control Triggering Event, each holder will have the right to require the Company to repurchase all or any part of such holder's Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under "—Optional Redemption" or "—Redemption for Taxation Reasons."

Within 20 days following any Change of Control Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under "—Optional Redemption," the Company shall mail a notice (a "*Change of Control Offer*") to each holder of the Notes with a copy to the Trustee stating:

(1) that a Change of Control Triggering Event has occurred and that such holder has the right to require the Company to repurchase such holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date);

(2) the circumstances and relevant facts and financial information regarding such Change of Control;

(3) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(4) the instructions determined by the Company, consistent with this covenant, that a holder must follow in order to have its Notes purchased.

Notes repurchased by the Company pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon such Change of Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

On the date of repurchase pursuant to a Change of Control Offer (the "*Change of Control Payment Date*"), the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Change of Control Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given in accordance with the terms of the Indenture, as described above under the caption "—Optional Redemption" or "—Redemption for Taxation Reasons," pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

The agreements governing other Indebtedness of the Company and its Subsidiaries contain, and future agreements of the Company and its Subsidiaries may contain, prohibitions of certain events, including events that would constitute a Change of Control Triggering Event and including repurchases of or other prepayments in respect of the Notes. The exercise by the holders of Notes of their right to require the Company to repurchase the Notes upon a Change of Control Triggering Event may cause a default under these other agreements, even if the Change of Control Triggering Event itself does not. In the event a Change of Control Triggering Event occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its senior lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain a consent or repay those borrowings, the Company will remain prohibited from purchasing Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Company's ability to pay cash to the holders of Notes upon a repurchase may be limited by the Company's then existing financial resources. See "Risk Factors—Risks Relating to Our Indebtedness and the Notes—We may not be able to repurchase the Notes upon a change of control triggering event or certain events relating to our gaming license that constitute a special put option triggering event."

Special Put Option

Upon a Special Put Option Triggering Event, each holder of the Notes will have the right to require the Company to repurchase all or any part of such holder's Notes pursuant to a Special Put Option Offer (as defined below) on the terms set forth in the Indenture. In the Special Put Option Offer, the Company will offer to purchase the Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), except to the extent the Company has previously or concurrently elected to redeem the Notes in full as described under "—Optional Redemption" or "—Redemption for Taxation Reasons."

Within ten days following the occurrence of a Special Put Option Triggering Event, except to the extent that the Company has exercised its right to redeem the Notes in full by delivery of a notice of redemption as described under "—Optional Redemption," the Company shall mail a notice (a "*Special Put Option Offer*") to each holder of the Notes with a copy to the Trustee and the Paying Agent stating:

(1) that a Special Put Option Triggering Event has occurred and that such holder has the right to require the Company to repurchase such holder's Notes at a repurchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (subject to the right of holders of record on a record date to receive interest on the relevant interest payment date);

(2) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(3) the instructions determined by the Company, consistent with this covenant, that a holder must follow in order to have its Notes repurchased.

Notes repurchased by the Company pursuant to a Special Put Option Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Company. Notes purchased by a third party pursuant to the preceding paragraph will have the status of Notes issued and outstanding.

On the date of repurchase pursuant to a Special Put Option Offer, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Special Put Option Offer;

(2) deposit with the Paying Agent an amount equal to the repurchase price, plus accrued and unpaid interest, if any, and Additional Amounts, if any, to but excluding the date of repurchase (the "*Special Put Option Payment*"), in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee, the Notes properly accepted together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The Paying Agent will promptly mail to each holder of Notes properly tendered the Special Put Option Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any.

The provisions described above that require the Company to make a Special Put Option Offer following a Special Put Option Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Special Put Option Triggering Event, the Indenture does not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a termination, rescission or expiration of any gaming license held by the Company and its Subsidiaries.

The Company will not be required to make a Special Put Option Offer upon a Special Put Option Triggering Event if (1) a third party makes the Special Put Option Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Special Put Option Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Special Put Option Offer, or (2) notice of redemption has been given in accordance with the terms of the Indenture, as described above under the caption "—Optional Redemption" or "—Redemption for Taxation Reasons," pursuant to which the Company has exercised its right to redeem the Notes in full, unless and until there is a default in payment of the applicable redemption price.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this provision. To the extent that the provisions of any securities laws or regulations conflict with provisions of this provision, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

The agreements governing other Indebtedness of the Company and its Subsidiaries contain, and future agreements of the Company and its Subsidiaries may contain, prohibitions of certain events, including events that would constitute a Special Put Option Triggering Event and including repurchases of or other prepayments in respect of the Notes. The exercise by the holders of Notes of their right to require the Company to repurchase the Notes upon a Special Put Option Triggering Event may cause a default under these other agreements, even if the Special Put Option Triggering Event itself does not. In the event a Special Put Option Event occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its senior lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain a consent or repay those borrowings, the Company will remain prohibited from purchasing Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other Indebtedness. Finally, the Company's ability to pay cash to the holders of Notes upon a repurchase may be limited by the Company's then existing financial resources. See "Risk Factors—Risks Relating to Our Indebtedness and the Notes—We may not be able to repurchase the Notes upon a change of control triggering event or certain events relating to our gaming license that constitute a special put option triggering event."

Certain Covenants

Merger, Consolidation or Sale of Assets

The Company will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company survives); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole, in one or more related transactions, to another Person unless:

(1) either:

  (a) if the transaction or series of transactions is a consolidation of the Company with or a merger of the Company with or into any other Person, the Company shall be the surviving corporation of such merger or consolidation; or

  (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made shall be a corporation organized and existing under the laws of the British Virgin Islands, Cayman Islands, Hong Kong, Macau, Singapore, United States, any state of the United States or the District of Columbia, and such Person shall expressly assume all the Obligations of the Company under the Notes and the Indenture pursuant to supplemental indentures or other documents or agreements reasonably satisfactory to the Trustee; and

(2) immediately after such transaction, no Default or Event of Default exists.

Reports

The Company will furnish to the Trustee and the holders of Notes or, at the written request and the expense of the Company, cause the Trustee to furnish to the holders of Notes and make available to potential investors:

(1) within 120 days after the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2025, annual reports of the Company containing: (a) information with a level of detail that is substantially comparable to the sections in the offering memorandum relating to the offering of the Notes entitled "Selected Consolidated Financial Information", "Business", "Management", "Related Party Transactions" and "Description of Other Material Indebtedness"; (b) the Company's audited consolidated (i) balance sheet as of the end of the two most recent fiscal years and (ii) statement of operations and statement of cash flow for the two most recent fiscal years, in each case prepared in accordance with GAAP and including complete footnotes to such financial statements and the report of the independent auditors on the financial statements; (c) an operating and financial review of the two most recent fiscal years for the Company and its Subsidiaries, including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and any

material changes between such two fiscal years and (ii) any material developments in the business of the Company and its Subsidiaries; and (d) pro forma statement of operations and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year, unless pro forma information has been provided in a previous report pursuant to paragraph (2)(c) below;

(2) within 60 days after the end of each of the first three fiscal quarters in each fiscal year of the Company beginning with the quarter ending September 30, 2025, quarterly reports containing: (a) the Company's unaudited condensed consolidated (i) balance sheet as of the end of such quarter and (ii) statement of operations and cash flow for the quarterly and year to date periods ending on the most recent balance sheet date, and the comparable prior year periods, in each case prepared in accordance with GAAP; (b) an operating and financial review of such periods for the Company and its Subsidiaries including a discussion of (i) the financial condition and results of operations of the Company on a consolidated basis and material changes between the current period and the period of the prior year and (ii) any material developments in the business of the Company and its Subsidiaries and (c) pro forma statement of operations and balance sheet information of the Company, together with explanatory footnotes, for any Change of Control or material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal quarter; *provided* that the Company may provide any such pro forma information relating to a material acquisition within 75 days following such quarterly report in the form of a report provided pursuant to clause (3) below; and

(3) promptly from time to time after the occurrence of any of the events listed in (a) to (d) of this clause (3), information with respect to (a) any change in the independent accountants of the Company or any of its Significant Subsidiaries, (b) any material acquisition or disposition, (c) any material event that the Company or any of its Subsidiaries announces publicly and (d) any information that the Company is required to make publicly available under the requirements of the SGX-ST or such other exchanges on which the securities of the Company or its Subsidiaries are then listed.

The Company may satisfy the requirement to furnish reports or information as described in (1), (2) and (3) above by furnishing, or making available, such required report or information on the website of the United States Securities and Exchange Commission ("SEC") or SGX-ST; *provided* that the Trustee shall have no responsibility whatsoever to determine whether such report or information has been furnished or made available on such website.

In addition, the Company agrees that, for so long as any Notes remain outstanding, it will furnish to the holders of Notes and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such reports, information and documents shall not constitute notice of any information contained therein, including the Company's compliance with any of the covenants hereunder (as to which the Trustee is entitled to rely exclusively on the Officer's Certificate).

Events of Default and Remedies

Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest on the Notes;

(2) default in the payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Company to comply with its obligations under the provisions described under the captions "—Repurchase at the Option of Holders—Change of Control," "—Repurchase at the Option of Holders—Special Put Option," or "—Certain Covenants—Merger, Consolidation or Sale of Assets";

(4) failure by the Company for 60 days after notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the Indenture;

(5) default under any mortgage, indenture or instrument (other than the Senior Credit Agreement and the Senior Revolving Facility Agreement) under which there may be issued or by which there may be

secured or evidenced any Indebtedness for money borrowed by the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its Subsidiaries), whether such Indebtedness (or guarantee) now exists, or is created after the date of the Indenture, if such default results in the acceleration of such Indebtedness prior to its express maturity and in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness the maturity of which has been so accelerated, aggregates US$50.0 million or more, if such acceleration is not annulled within 30 days after written notice as provided in the Indenture;

(6) default under the Senior Credit Agreement or the Senior Revolving Facility Agreement that results in the acceleration thereof prior to the final maturity thereof;

(7) failure by the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, to pay final judgments entered by a court or courts of competent jurisdiction (other than any judgment as to which a reputable third party insurer has accepted full responsibility and coverage) aggregating in excess of US$50.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; and

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any of its Subsidiaries that is a Significant Subsidiary or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company, any Subsidiary of the Company that is a Significant Subsidiary or any group of Subsidiaries of the Company that, taken together, would constitute a Significant Subsidiary, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power; *provided* that the Trustee is indemnified and/or secured to its satisfaction. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, interest or premium, if any, on the Notes and the Trustee shall not be liable to such holders for such withholding.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of Notes unless such holders have offered to the Trustee indemnity and/or security to its satisfaction against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest on the Notes when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes unless:

(1) such holder has previously given the Trustee notice that an Event of Default is continuing;

(2) holders of at least 25% in aggregate principal amount of the then outstanding Notes have requested the Trustee to pursue the remedy;

(3) such holders have offered the Trustee security and/or indemnity satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity to its satisfaction; and

(5) holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

The holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may, on behalf of the holders of all of the Notes, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or premium on, or the principal of, the Notes; *provided, however,* that holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration.

The Company is required to deliver to the Trustee (i) annually and (ii) at any other time upon the written request from the Trustee, a statement regarding compliance with the Indenture. Within five business days of becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

The Trustee shall not be deemed to have knowledge of a Default or Event of Default unless a Responsible Officer of the Trustee receives written notice thereof, stating it is a notice of default and referencing the applicable section of the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company, as such, will have any liability for any Obligations of the Company under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such Obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws of the United States of America.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an Officer's Certificate, elect to have all of its Obligations discharged with respect to the outstanding Notes ("*Legal Defeasance*") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, or interest or premium on, such Notes when such payments are due from the trust referred to below;

(2) the Company's Obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, the Paying Agent, the Registrar and the Transfer Agent, and the Company's Obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have the Obligations of the Company released with respect to certain covenants (including its obligation to make Change of Control Offers) that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, rehabilitation and insolvency events) described under "—Events of Default and Remedies" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee, in trust, (or such other entity as may be designated by the Trustee for this purpose) for the benefit of the holders of the Notes, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, or interest and premium, if any, on, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) in the case of Legal Defeasance, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel will confirm that, the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Company must deliver to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company is a party or by which the Company is bound;

(5) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(6) the Company must deliver to the Trustee an Officer's Certificate stating that the deposit was not made by the Company with the intent of preferring the holders of Notes over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding any creditors of the Company or others; and

(7) the Company must deliver to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture or the Notes may be amended or supplemented with the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding (including Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of at least a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of holders of 90% of the aggregate principal amount then outstanding of Notes (including Additional Notes) affected, an amendment, supplement or waiver may not (with respect to any Notes (including any Additional Notes) held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of, premium, if any, or change the fixed maturity of any Note or alter or waive any provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—Repurchase at the Option of Holders—Change of Control");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest or premium, if any, on, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders—Change of Control"); or

(8) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Company and the Trustee may amend or supplement the Indenture or the Notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided* that such uncertificated Notes are in registered form for U.S. federal income tax purposes;

(3) to provide for the assumption of the Company's Obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Company's assets;

(4) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder;

(5) to conform the text of the Indenture or the Notes to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture or the Notes; or

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date of the Indenture.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

  (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancelation; or

  (b) all Notes that have not been delivered to the Trustee for cancelation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust (or such other entity as may be designated by the Trustee for this purpose) solely for the benefit of the holders, cash in U.S. dollars, non-callable U.S. Government Obligations, or a combination of cash in U.S. dollars and non-callable U.S. Government Obligations, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Trustee for cancelation for principal, premium, if any, and accrued interest to but excluding the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company is a party or by which the Company is bound;

(3) the Company has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officer's Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Concerning the Trustee

If the Trustee becomes a creditor of the Company, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; however, if it acquires actual knowledge that it has any conflicting interest, it must eliminate such conflict within 90 days or resign.

The holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

The Company will indemnify the Trustee for certain costs, liabilities and expenses incurred without gross negligence, willful misconduct or fraud on the Trustee's part, arising out of or in connection with its duties in its capacity as the Trustee.

Governing Law

The Indenture and the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Additional Information

Anyone who receives this offering memorandum may obtain a copy of the Indenture without charge by writing to Melco Resorts Finance Limited, 37th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, attention: Company Secretary.

Book-Entry, Delivery and Form

The Notes are being offered and sold to qualified institutional buyers in reliance on Rule 144A (the "*Rule 144A Notes*"). The Notes also may be offered and sold in offshore transactions in reliance on Regulation S ("*Regulation S Notes*"). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the "*Rule 144A Global Notes*"). Regulation S Notes initially will be represented by one or more Notes in registered, global form without interest coupons (collectively, the "*Regulation S Global Notes*" and, together with the Rule 144A Global Notes, the "*Global Notes*"). The Global Notes will be deposited upon issuance with Deutsche Bank Trust Company Americas as custodian for The Depository Trust Company ("*DTC*"), in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below. Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the "*Distribution Compliance Period*"), beneficial interests in the Regulation S Global Notes may be held only through Euroclear Bank SA/NV ("*Euroclear*") and Clearstream Banking S.A. ("*Clearstream*") (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See "—Exchanges between Regulation S Notes and Rule 144A Notes."

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive Notes in registered certificated form ("*Certificated Notes*") except in the limited circumstances described below. See "—Exchange of Global Notes for Certificated Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Notice to Investors." Regulation S Notes will also bear the legend as described under "Notice to Investors." In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

None of the Trustee, the Paying Agent, the Registrar or the Transfer Agent, nor their respective agents will have any responsibility or be liable for any aspect of the records relating to Book-Entry Interests.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Company does not take responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised the Company that DTC is a limited-purpose trust company created to hold securities for its participating organizations (collectively, the "*Participants*") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "*Indirect Participants*"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised the Company that, pursuant to procedures established by it:

(1) upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and

(2) ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain Persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such Persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a Person having beneficial interests in a Global Note to pledge such interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Company and the Trustee will treat the Persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Trustee nor any agent of the Company or the Trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

(2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Company that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee, the Paying Agent, the Registrar, the Transfer Agent or the Company. None of the Company, the Trustee, the Paying Agent, the Registrar or the Transfer Agent will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Company, the Trustee, the Paying Agent, the Registrar and the Transfer Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Notice to Investors," transfers between the Participants will be effected in accordance with DTC's procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depositaries; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised the Company that it will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. None of the Company, the Trustee and any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for Certificated Notes if:

(1) DTC (a) notifies the Company that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Company fails to appoint a successor depositary;

(2) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Certificated Notes; or

(3) there has occurred and is continuing a Default or Event of Default with respect to the Notes.

If there is an Event of Default under the Notes, DTC reserves the right to exchange the Global Notes for legended Notes in certificated form, and to distribute such Notes to its Participants. In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Trustee by or on behalf of DTC in accordance with the Indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Notice to Investors," unless that legend is not required by applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Notice to Investors."

Exchanges Between Regulation S Notes and Rule 144A Notes

Prior to the expiration of the Distribution Compliance Period, beneficial interests in the Regulation S Global Note may be exchanged for beneficial interests in the Rule 144A Global Note only if:

(1) such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and

(2) the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a Person:

   (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A;

   (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and

   (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a Person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between the Regulation S Global Notes and the Rule 144A Global Notes will be effected by DTC by means of an instruction originated by the Trustee through the DTC's Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Distribution Compliance Period.

Same Day Settlement and Payment

The Company will make payments in respect of the Notes represented by the Global Notes (including principal, premium, if any, interest, if any) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. The Company will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The Notes represented by the Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such Notes will, therefore, be required by DTC to be settled in immediately available funds. The Company expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a Business Day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Company that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day for Euroclear or Clearstream following DTC's settlement date.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "*control,*" as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "*controlling*," "*controlled by*" and "*under common control with*" have correlative meanings.

"*Applicable Premium*" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; or

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at September 24, 2028 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption") plus (ii) all required interest payments due on the Note through September 24, 2028 (excluding accrued but unpaid interest to but excluding the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note.

For the avoidance of doubt, the calculation of the Applicable Premium shall not be a duty or obligation of the Trustee, the Paying Agent, the Registrar or the Transfer Agent.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "*Beneficially Owns*" and "*Beneficially Owned*" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Business Day*" means any day other than a Legal Holiday.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d) of the Exchange Act) (other than a Sponsor or a Related Party of a Sponsor);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

(3) either (i) the Sponsor ceases collectively to beneficially own, directly or indirectly, at least 30% of the outstanding Capital Stock of the Parent (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests), or (ii) the Parent ceases to beneficially own, directly or indirectly, at least 51% of the outstanding Capital Stock of Melco Resorts Macau (including any and all agreements, warrants, rights or options to acquire any Capital Stock) (measured in each case, by both voting power and size of equity interests); or

(4) the first day on which Parent ceases to own, directly or indirectly, 100% of the outstanding Equity Interests of the Company.

"*Change of Control Offer*" has the meaning assigned to that term in the Indenture.

"*Change of Control Triggering Event*" means the occurrence of a Change of Control and a Ratings Decline.

"*Corporate Trust Office of the Trustee*" will be at the address of the Trustee specified in the Indenture or such other address as to which the Trustee may give notice to the Company.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means any public sale or private issuance of Capital Stock (other than Disqualified Stock) of (1) the Company or (2) a direct or indirect parent of the Company to the extent the net proceeds from such issuance are contributed in cash to the common equity capital of the Company (in each case other than pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"*GAAP*" means United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"*Gaming Authorities*" means, in any jurisdiction in which the Company or any of its Subsidiaries or any Sponsor manages or conducts any casino, gaming business or activities, the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Company or any of its Subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"*Gaming Laws*" means all applicable constitutions, treaties, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities of Melco Resorts Macau (or any other operator of the casino including the Sponsor or any of its Affiliates) or the Company or any of its Subsidiaries or the Sponsor in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"*Gaming License*" means the license, concession, subconcession or other authorization from any Government Authority which authorizes, permits, concedes or allows the Company or any of its Subsidiaries, at the relevant time, to own or manage casino or gaming areas or operate casino games of fortune and chance.

"*Governmental Authority*" means the government of the Macau SAR or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Incur*" means, with respect to any Indebtedness, Capital Stock or other Obligation of any Person, to create, issue, assume, guarantee, incur (by conversion, exchange, or otherwise) or otherwise become liable in respect of such Indebtedness, Capital Stock or other Obligation or the recording, as required pursuant to GAAP or otherwise, of any such Indebtedness or other Obligation on the balance sheet of such Person. Indebtedness or Capital Stock otherwise Incurred by a Person before it becomes a Subsidiary of the Company shall be deemed to be incurred at the time at which such Person becomes a Subsidiary of the Company. The accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends on preferred stock in the form of additional shares of preferred stock shall not be considered an Incurrence of Indebtedness.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) representing finance lease obligations;

(5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or

(6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, "Indebtedness" will not include Shareholder Subordinated Debt (other than for purposes of the definition of "Shareholder Subordinated Debt"). In addition "Indebtedness" will not include:

(a) any capital commitments, deposits or advances from customers or any contingent obligations to refund payments (including deposits) to customers (or any guarantee thereof); or

(b) obligations of the Company or any of its Subsidiaries to pay the deferred and unpaid purchase price of property or services due to suppliers of equipment or other assets (including parts thereof) not more than one year after such property is acquired or such services are completed and the amount of unpaid purchase price retained by the Company or any of its Subsidiaries in the ordinary course of business in connection with an acquisition of equipment or other assets (including parts thereof) pending full operation or contingent on certain conditions during a warranty period of such equipment or assets in accordance with the terms of the acquisition;

provided that, in each case, such Indebtedness is not reflected as borrowings on the consolidated balance sheet of the Company (contingent obligations and commitments referred to in a footnote to the consolidated financial statements and not otherwise reflected as borrowings on the consolidated balance sheet will not be deemed to be reflected on such consolidated balance sheet); or

(c) any lease of property which would be considered an operating lease under GAAP and any guarantee given by the Company or any of its Subsidiaries in the ordinary course of business solely in connection with, or in respect of, the obligations of the Company and its Subsidiaries under any operating lease.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

(a) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(b) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(c) the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

"*Investment Grade*" means a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch), a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's), and the equivalent ratings of any other "nationally recognized statistical rating organization" that is registered as such pursuant to Section 15E of the Exchange Act and Rule 17g thereunder selected by the Company as having been substituted as a Rating Agency for S&P, Fitch or Moody's, as the case may be.

"*Issue Date*" means the date on which the Notes (other than any Additional Notes) are originally issued.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in the Cayman Islands, the City of New York, Hong Kong, Macau or at a place of payment are authorized by law, regulation or executive order to remain closed. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Melco Resorts Macau*" means Melco Resorts (Macau) Limited.

"*Moody's*" means Moody's Investors Service, Inc.

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"*Officer*" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, Treasurer or Secretary of the Company, or any Director of the Board of the Company or any Person acting in that capacity.

"*Officer's Certificate*" means a certificate signed on behalf of the Company by an Officer of the Company which meets the requirements set forth in the Indenture.

"*Opinion of Counsel*" means a written opinion from legal counsel who is acceptable to the Trustee.

"*Parent*" means Melco Resorts & Entertainment Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Rating Agencies*" means any of (i) S&P, (ii) Moody's, (iii) Fitch or (iv) if any or all of them shall not make a rating of the Notes publicly available, any other "nationally recognized statistical rating organization" that is registered as such pursuant to Section 15E of the Exchange Act and Rule 17g thereunder selected by the Company as a replacement agency.

"*Rating Category*" means: (1) with respect to S&P, any of the following categories: "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Aaa," "Aa," "A," "Baa," "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); (3) with respect to Fitch, any of the following categories "AAA," "AA," "A," "BBB," "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); and (4) the equivalent of any such category of S&P, Moody's or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P and Fitch; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB," as well as from "B+" to "B-," will constitute a decrease of one gradation).

"*Rating Date*" means that date which is 90 days prior to the earlier of (x) a Change of Control and (y) a public notice of the occurrence of a Change of Control or of the intention by the Company or any other Person or Persons to effect a Change of Control.

"*Ratings Decline*" means the occurrence on, or within six months after, the date, or public notice of the occurrence of any of the events set forth in clauses (1) to (4) of the definition of Change of Control or the announcement by the Company or any other Person or Persons of the intention by the Company or such other Person or Persons to effect a Change of Control (which period will be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) of any of the events listed below:

(1) in the event either the Notes or the Company is rated by two Rating Agencies on the Rating Date as Investment Grade, such rating of the Notes or the Company by either such Rating Agency shall be below Investment Grade;

(2) in the event either the Notes or the Company is rated by one, and only one, of the Rating Agencies on the Rating Date as Investment Grade, such rating of the Notes or the Company by such Rating Agency shall be below Investment Grade; or

(3) in the event either the Notes or the Company is rated below Investment Grade by any two Rating Agencies on the Rating Date, such rating of the Notes or the Company by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories);

provided that for a decline that occurs during the review period subsequent to the initial occurrence, public notice or notice of intention, such decline will only qualify as a Ratings Decline if (i) such Rating Agencies' published report refers to the Change of Control as a factor, or one of the factors in the downgrade, and (ii) such Rating Agencies have not previously affirmed their ratings following the initial occurrence, public notice or notice of intention.

"*Related Party*" means:

(1) any controlling stockholder, 80% (or more) owned Subsidiary, or immediate family member (in the case of an individual) of the Sponsor; or

(2) any trust, corporation, partnership, limited liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding an 80% or more controlling interest of which consist of the Sponsor and/or such other Persons referred to in the immediately preceding clause (1).

"*Responsible Officer*" when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor of the Trustee) who shall have direct responsibility for the administration of the Indenture and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"*S&P*" means Standard & Poor's Ratings Group.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Senior Credit Agreement*" means the HK$13.65 billion (equivalent to US$1.75 billion) senior secured credit facilities agreement dated June 19, 2015, entered into by Melco Resorts Macau, as borrower, comprising (i) a Hong Kong dollar term loan facility of HK$3.90 billion (equivalent to US$500.0 million) with a term of six years and (ii) a HK$9.75 billion (equivalent to US$1.25 billion) revolving credit facility, and following the repayment of all outstanding loan amounts, together with accrued interest and associated costs on May 7, 2020, other than the HK$1.0 million (equivalent to US$0.1 million) which remains outstanding under the term loan facility, and the HK$1.0 million (equivalent to US$0.1 million) revolving credit facility commitment which remains available under the revolving credit facility, with a maturity date extended to June 24, 2026, all other commitments under the Senior Credit Agreement were canceled, and as may be further amended, modified or extended from time to time in compliance with the terms of the Indenture, and any refinancing thereof.

"*Senior Revolving Facility Agreement*" means the senior revolving credit facility entered into pursuant to a facility agreement dated April 29, 2020, between, among others, MCO Nominee One Limited as borrower and Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch and Morgan Stanley Senior Funding, Inc., as joint global coordinators, in total amount of HK$14.85 billion (equivalent to US$1.92 billion), as amended and restated pursuant to amendment and restatement agreements dated June 29, 2023 and April 8, 2024 including an extension of the maturity date to April 29, 2027, and an increase of the overall commitments by HK$387.5 million (equivalent to US$49.8 million) to HK$15.24 billion (equivalent to US$1.96 billion) pursuant to the establishment of an incremental facility in February 2025, and any incremental facilities thereunder, as such agreement may be further amended, modified or extended from time to time in compliance with the terms of the Indenture, and any refinancing thereof.

"*SGX-ST*" means the Singapore Exchange Securities Trading Limited or its successor.

"*Shareholder Subordinated Debt*" means, collectively, any debt provided to the Company by any direct or indirect parent holding company of the Company (or the Sponsor), in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided* that such Subordinated Shareholder Debt:

(1) does not (including upon the happening of any event) mature or require any amortization or other payment of principal prior to the first anniversary of the maturity of the Notes (other than through conversion or exchange of any such security or instrument for Equity Interests of the Company (other than Disqualified Stock) or for any other security or instrument meeting the requirements of the definition);

(2) does not (including upon the happening of any event) require the payment of cash interest prior to the first anniversary of the maturity of the Notes;

(3) does not (including upon the happening of any event) provide for the acceleration of its maturity nor confer on its shareholders any right (including upon the happening of any event) to declare a default or event of default or take any enforcement action, in each case, prior to the first anniversary of the maturity of the Notes;

(4) is not secured by a Lien on any assets of the Company or any of its Subsidiaries and is not guaranteed by any Subsidiary of the Company;

(5) is subordinated in right of payment to the prior payment in full in cash of the Notes in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Company;

(6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Notes or compliance by the Company with its Obligations under the Notes and the Indenture; and

(7) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder, in whole or in part, prior to the date on which the Notes mature other than into or for Capital Stock (other than Disqualified Stock) of the Company.

"*Significant Subsidiary*" means any Subsidiary that contributed at least (i) 10% of the total consolidated net income of the Company and its Subsidiaries for the most recently completed fiscal year, or (ii) 10% of the total consolidated assets of the Company and its Subsidiaries as of the end of the most recently completed fiscal year.

"*Special Put Option Triggering Event*" means:

(1) any event after which none of the Company or any Subsidiary of the Company has such licenses, concessions, subconcessions or other permits or authorizations as are necessary for the Company and its Subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its Subsidiaries are entitled to at the Issue Date, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole; or

(2) the termination, rescission, revocation or modification of any Gaming License which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its Subsidiaries, taken as a whole.

"*Sponsor*" means Melco International Development Limited.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the date of the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Treasury Rate*" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to September 24, 2028; provided, however, that if the period from the redemption date to September 24, 2028, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*U.S. Government Obligations*" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

TAXATION

Certain Macau Tax Considerations

It is not expected that the Notes will be subject to tax in Macau.

Certain Cayman Islands Tax Considerations

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

There is at present, no direct taxation in the Cayman Islands and payments of interest and principal on the Notes and gains derived from the disposal of the Notes will be received free of all Cayman Islands taxes and no withholding for Cayman Islands taxation purposes will be required on the payment of interest and principal or premium to any holder of the Notes, as the case may be,

Melco Resorts Finance has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands as to tax concessions under the Tax Concessions Act (as amended). In accordance with the provision of section 6 of The Tax Concessions Act (as amended), the Governor in Cabinet undertakes with Melco Resorts Finance:

- That no law which is hereafter enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to Melco Resorts Finance or its operations.
- In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable, on or in respect of the shares, debentures or other obligations of Melco Resorts Finance, or by way of the withholding, in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Act (as amended).
- These concessions shall be for a period of 20 years from June 20, 2006, being the date of the undertaking. Prior to the expiry of the existing tax concessions undertaking, Melco Resorts Finance will apply for, and expects to receive, a new undertaking from the Governor in Cabinet of the Cayman Islands in substantially similar form to the existing undertaking.

Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax considerations of the purchase, ownership and disposition of the Notes pursuant to this Offering but does not purport to be a complete analysis of all potential tax effects. The summary is limited to considerations relevant to U.S. Holders (defined below) (except for the discussion of FATCA (as defined under "—Foreign Account Tax Compliance Act") which applies to all holders of Notes). The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state or local tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service ("IRS") in effect as of the date of this Offering. These authorities may change or be subject to differing interpretations. Any such change may be applied retroactively in a manner that could adversely affect a U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of the Notes or that any such position would not be sustained.

This discussion is limited to U.S. Holders who hold the Notes as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion is limited to persons purchasing the Notes for cash at original issuance at their "issue price" (the first price at which a substantial portion of the Notes is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). This discussion does not address the tax consequences to U.S. Holders that acquire Notes and also dispose of 2026 Senior Notes in a substantially contemporaneous tender offer or redemption thereof and assumes that a substantial amount of the

Notes will be sold for cash to persons other than such U.S. Holders. This discussion does not address all U.S. federal income tax consequences relevant to a U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income or any alternative minimum tax. In addition, it does not address consequences relevant to U.S. Holders subject to particular rules, including, without limitation:

- U.S. expatriates and certain former citizens or long-term residents of the United States;
- U.S. Holders (as defined below) whose functional currency is not the dollar;
- persons holding the Notes as part of a hedge, wash sale, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- S corporations, partnerships, or other entities or arrangements treated as partnerships for U.S. federal income tax purposes;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an "applicable financial statement" (as defined in the Code);
- tax-exempt organizations or governmental organizations; and
- persons deemed to sell the Notes under the constructive sale provisions of the Code.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of a Note who is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more United States persons (within the meaning of Section 7701(a)(30) of the Code), or (2) has made a valid election under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding the Notes and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS TAX OR LEGAL ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Characterization of the Notes

In certain circumstances (see "Description of Notes—Optional Redemption" and "Description of Notes—Repurchase at the Option of Holders—Change of Control") we may be obligated to redeem the Notes prior to maturity or to pay amounts on the Notes that are in excess of stated interest or principal on the Notes. These potential payments may implicate the provisions of Treasury Regulations relating to "contingent payment debt instruments," but we do not intend to treat the possibility of such contingent payments on the Notes as subjecting the Notes to the contingent payment debt instrument rules. Our determination that the Notes are not subject to the contingent payment debt instrument rules is binding on a U.S. Holder, unless such holder discloses its contrary position in the matter required by applicable Treasury Regulations. It is possible that the IRS may take a different position, in which case, if such position is sustained, a U.S. Holder might be required to accrue ordinary interest income at a higher rate than the stated interest rate and to treat as ordinary income rather than capital gain any gain realized on the taxable disposition of the Notes. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments. U.S. Holders are encouraged to consult their own tax advisors regarding the possible application of the contingent payment debt instrument rules to the Notes.

Payments of Stated Interest

Stated interest on the Notes (including any Additional Amounts paid in respect of withholding taxes and without reduction for any amounts withheld) generally will be taxable to a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. Holder's method of tax accounting for U.S. federal income tax purposes.

Original Issue Discount

The Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. In such event, U.S. Holders of such Notes generally will be required to include such OID in gross income (as ordinary income) for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of their regular method of accounting for U.S. federal income tax purposes. As a result, U.S. Holders generally will include any OID in income in advance of the receipt of cash attributable to such income.

The Notes will be treated as issued with OID if the stated principal amount of the Notes exceeds their issue price (as defined above) by an amount equal to or greater than a statutorily defined de minimis amount (generally, 0.0025 multiplied by the stated principal amount and the number of complete years to maturity from the issue date).

In the event that the Notes are issued with OID, the amount of OID with respect to a Note includible in income by a U.S. Holder is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion thereof in which such U.S. Holder holds such Note. A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The accrual period of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is the excess of (i) the product of the Note's "adjusted issue price" at the beginning of such accrual period and its "yield to maturity," determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of stated interest allocable to such accrual period. The adjusted issue price of a Note at the start of any accrual period generally is equal to its issue price (as defined above), increased by the accrued OID for each prior accrual period. The yield to maturity of a Note is the discount rate that, when used in computing the present value of all principal and interest payments to be made under the Note, produces an amount equal to the issue price of the Note.

The rules governing OID instruments are complex and prospective purchasers should consult their tax advisors concerning the application of such rules to the Notes.

Foreign Tax Credit

Interest income (as well as OID, if any) on the Notes generally will constitute income from sources outside the United States and generally will be categorized for U.S. foreign tax credit purposes as "passive category income." Any non-U.S. withholding tax paid by or on behalf of a U.S. Holder at the rate applicable to such holder may be eligible for foreign tax credits (or deduction in lieu of such credits) for U.S. federal income tax purposes, subject to applicable limitations (including holding period and at-risk rules). The rules relating to U.S. foreign tax credits are very complex, and each U.S. Holder should consult its tax advisor regarding the application of such rules.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition

A U.S. Holder will generally recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Note. The amount of such gain or loss will generally equal the difference between the amount received for the Note in cash or other property valued at fair market value (less amounts attributable to any accrued but unpaid interest, which will be taxable as interest to the extent not previously included in income) and the U.S. Holder's adjusted basis in the Note. A U.S. Holder's adjusted basis in a Note generally will be equal to the amount the U.S. Holder paid for the Note increased by any OID previously accrued by such U.S. Holder with respect to such Note. Any gain or loss will be treated as U.S. source capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by certain non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to limitations.

Information Reporting and Backup Withholding

A U.S. Holder may be subject to information reporting and backup withholding when such holder receives payments on a Note (including the accrual of OID, if any) or receives proceeds from the sale, exchange, redemption, retirement or other disposition of a Note. A U.S. Holder will be subject to backup withholding if such U.S. Holder is not otherwise exempt and:

- fails to furnish its taxpayer identification number ("TIN"), which, for an individual, is ordinarily his or her social security number;
- furnishes an incorrect TIN;
- is notified by the IRS that it has failed properly to report payments of interest or dividends; or
- in certain circumstances, fails to certify, under penalties of perjury, that it has furnished a correct TIN and that the IRS has not notified the holder that it is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS. Certain U.S. Holders are exempt from backup withholding, including corporations. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

Foreign Asset Reporting

Certain U.S. Holders who hold an interest in "specified foreign financial assets" (as defined in Section 6038D of the Code) are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in certain accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they had an interest in the Notes. U.S. holders are urged to consult their tax advisors regarding information reporting requirements relating to their ownership and disposition of the Notes and the significant penalties for non-compliance.

Foreign Account Tax Compliance Act

Pursuant to Sections 1471 through 1474 of the Code (provisions commonly known as "FATCA") and subject to the proposed regulations discussed below, a "foreign financial institution" may be required to withhold U.S. tax on certain passthru payments to the extent such payments are treated as attributable to certain U.S. source payments. Obligations issued on or prior to the date that is six months after the date on which applicable final Treasury Regulations defining foreign passthru payments are filed generally would be "grandfathered" from FATCA unless "materially modified" (for U.S. federal income tax purposes) after such date. Such final regulations have not been published yet. Accordingly, if we are treated as a foreign financial institution, FATCA would apply to payments on the Notes only if there is a material modification of the Notes for U.S. federal income tax purposes after expiration of the grandfathering period. Under proposed regulations, any withholding on foreign passthru payments on Notes that are not otherwise grandfathered would apply to foreign passthru payments made on or after the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments. Taxpayers generally may rely on these proposed regulations until final regulations are issued. Certain non-U.S. governments have entered into agreements with the U.S. to implement FATCA in a manner that alters the rules described herein. Holders should consult their tax advisors on how these rules may apply to their investment in the Notes. In the event any withholding under FATCA is required with respect to any payments on the Notes, there will be no additional amounts payable to compensate for the withheld amount.

PLAN OF DISTRIBUTION

The Issuer and the Initial Purchasers have entered into a purchase agreement dated September 16, 2025 (the "Purchase Agreement"), with respect to the Notes.

Subject to the terms and conditions set forth in the Purchase Agreement, the Issuer has agreed to sell to the Initial Purchasers, and each of the Initial Purchasers has agreed to purchase from the Issuer, the principal amounts of the Notes indicated in the following table:

Initial Purchaser	Principal Amount of Notes (US$)
Deutsche Bank AG, Singapore Branch	162,500,000
Morgan Stanley & Co. LLC	150,000,000
UBS AG Hong Kong Branch[1]	112,500,000
Bank of China Limited, Macau Branch	25,000,000
Bank of Communications Co., Ltd. Macau Branch	25,000,000
Industrial and Commercial Bank of China (Macau) Limited	25,000,000
Total:	500,000,000

The Issuer has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

You should be aware that the laws and practices of certain countries require investors to pay stamp taxes and other charges in connection with purchases of the Notes.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the Purchase Agreement, such as the receipt by the Initial Purchasers of officer's certificates and legal opinions. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part. It is possible that affiliates of the Issuer may subscribe for a portion of the Notes in this Offering.

Notes Are Not Being Registered

The Notes have not been and will not be registered under the Securities Act or any state securities laws. The Initial Purchasers propose to offer the Notes for resale in transactions not requiring registration under the Securities Act or applicable state securities laws, including sales pursuant to Rule 144A and Regulation S. The Initial Purchasers will not offer or sell the Notes:

- within the United States, except to persons they reasonably believe to be QIBs (as defined in Rule 144A); or
- except pursuant to offers and sales outside of the United States to certain non-U.S. persons within the meaning of, and in accordance with, Regulation S under the Securities Act.

The Notes sold pursuant to Regulation S may not be offered or resold in the United States or to U.S. persons (as defined in Regulation S), except under an exemption from the registration requirements of the Securities Act or under a registration statement declared effective under the Securities Act. Each purchaser of the Notes will be deemed to have made acknowledgments, representations and agreements as described under "Transfer Restrictions."

New Issue of the Notes

The Notes are new issues of securities with no established trading market. In addition, the Notes are subject to certain restrictions on resale and transfer as described under "Transfer Restrictions." Approval in-principle has been received for the listing and quotation of the Notes on the Official List of the SGX-ST. Approval in-principle for the listing and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the

[1] UBS AG is incorporated in Switzerland with limited liability.

Notes or our company. However, we cannot assure you that such listing will be maintained; although we will be required under the indenture governing the Notes to use our commercially reasonable efforts to list and maintain the listing and quotation of the Notes on the SGX-ST or another comparable exchange. We have been advised by the Initial Purchasers that they presently intend to make a market in the Notes after completion of this Offering. However, the Initial Purchasers are under no obligation to do so and may discontinue any market-making activities at any time in their sole discretion without any notice. We cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

Settlement

The Issuer expects to make delivery of the Notes against payment in same-day funds on or about September 24, 2025, which is the sixth business day after the date of this offering memorandum (such settlement being referred to as "T+6"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on the date of pricing or the next five succeeding business days will be required, by virtue of the fact that the Notes initially will settle T+6, to specify alternative settlement arrangements to prevent a failed settlement.

No Sales of Similar Securities

The Issuer agree, pursuant to the Purchase Agreement, not to sell, offer to sell, contract to sell, grant any option to purchase, issue any instrument convertible into or exchangeable for, or otherwise transfer or dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition in the future of) any debt securities of the Issuer with terms substantially similar (including having equal rank) to the Notes for a period of 90 days after the date of the Purchase Agreement, without first obtaining the prior consent of Deutsche Bank AG, Singapore Branch, Morgan Stanley & Co. LLC and UBS AG Hong Kong Branch.

Price Stabilization and Short Positions

In connection with the Offering, Deutsche Bank AG, Singapore Branch (the "Stabilization Manager") may engage in transactions that stabilize the market price of the Notes. Such transactions consist of bids or purchases to peg, fix or maintain the price of the Notes. If the Stabilization Manager creates a short position in the Notes in connection with the Offering by selling more Notes than are listed on the cover page of this offering memorandum, the Stabilization Manager may reduce that short position by purchasing the Notes in the open market. Purchases of a security to stabilize the price or to reduce a short position may cause the price of the security to be higher than it might be in the absence of such purchases.

Neither we nor the Stabilization Manager make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor the Stabilization Manager make any representation that the Stabilization Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued in its sole discretion without notice.

Selling Restrictions

General

The Initial Purchasers have undertaken to us that it will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes this offering memorandum (in preliminary, proof or final form) or any other offering material related to the Notes.

No action has been taken or will be taken in any jurisdiction by us or the Initial Purchasers that would permit a public offering of the Notes, or the possession, circulation or distribution of this offering memorandum or any other material relating to the Notes or this Offering, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date (the "distribution compliance period") within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells the Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons substantially to the following effect:

"The Notes covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered and sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act. Each purchaser of the Notes will be deemed to have made the acknowledgements, representations and agreements as described under "Transfer Restrictions."

The Purchase Agreement provides that the Initial Purchasers may directly or through its U.S. broker dealer affiliate arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

To the extent the Initial Purchasers intend to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, it will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, as well as with applicable laws of the various states.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Prohibition of Sales to UK Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering memorandum to any retail investor in the United Kingdom. For these purposes:

(a) the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565 as it forms part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA") and as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 ("MiFID EU Exit Regulations"); or

   (ii) a customer within the meaning of Directive (EU) 2016/97 and its implementing legislation (as amended) as it forms part of UK law by virtue of the EUWA and as amended by the Insurance Distribution (Amendment) (EU Exit) Regulations (SI 2019/663), where that customer would not qualify as a professional client as defined in point (8) of Article 2 of Regulation (EU) No 600/2014 as it forms part of UK law by virtue of the EUWA and as amended by the MiFID EU Exit Regulations; or

   (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 (as amended) as it forms part of UK law by virtue of the EUWA (including any statutory instruments made pursuant to the EUWA) (the "UK Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended) as it forms part of UK law by virtue of the EUWA (including any statutory instruments made pursuant to the EUWA) (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Each Initial Purchaser has also represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended) ("FSMA")) in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Subsidiary Guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

In the United Kingdom, this offering memorandum is directed only at non-retail investors (where "non-retail investors" means persons who are not retail investors as defined above) who are also (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("2005 Order") and (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the 2005 Order. In the United Kingdom, any investment or investment activity to which this offering memorandum relates is only available to and will only be engaged in with such persons and persons within the United Kingdom who receive this communication (other than persons falling within (i) and (ii) above) should not rely on or act upon this offering memorandum or any of its contents.

Prohibition of Sales to EEA Retail Investors

Each Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this offering memorandum to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Hong Kong

Each Initial Purchaser has represented, warranted and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) (the "SFO") of Hong Kong and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with the Company, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Company or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this offering memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Initial Purchaser(s) (if any) to categorize it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order;

Underlying investor information in relation to omnibus order should be sent to: asiasyn.omnibus@list.db.com, omnibus_debt@morganstanley.com and sh-asia-ccs-dcm-filing@ubs.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuers, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this Offering. The Initial Purchasers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchasers with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Initial Purchasers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf) (the "SSI List"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of June 3, 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of November 12, 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies;" or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Belarus, Cuba, Iran, North Korea, Russia, Syria, Venezuela (in relation to its government only) and the non-government-controlled areas of Ukraine being the Crimea, Donetsk, Luhansk, Kherson and Zaporizhzhia regions. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Japan

Each Initial Purchaser has represented and agreed that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the "FIEA") and may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

Each Initial Purchaser has acknowledged that this offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each of the Initial Purchasers has represented, warranted and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Notification under Section 309B(1)(c) of the SFA: The Company has determined that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "Corporations Act")) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). Each Initial Purchaser has represented and agreed that it:

(a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this offering memorandum or any other offering material or advertisement relating to any Notes in Australia.

Any offer in Australia of the Notes under this document or otherwise may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Notes in Australia without disclosure to investors under Part 613.2 of the Australian Corporations Act.

Any offer for on-sale of the Notes (or any shares issued on conversion of the Notes) that is received in Australia within 12 months after their issue by the Issuer are likely to need prospectus disclosure to investors under Part 613.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring Notes (or any shares issued on conversion of Notes) should observe such Australian on-sale restrictions.

The Issuer is not licensed in Australia to provide financial product advice in relation to the Notes. Any advice contained in this document is general advice only. This document has been prepared without taking account of any investor's objectives, financial situation or needs, and before making an investment decision on the basis of this document, investors should consider the appropriateness of the information in this document, having regard to their own objectives, financial situation and needs. No cooling off period applies to an acquisition of the Notes.

Macau

The Notes may not be offered, sold or delivered to members of the public in Macau.

British Virgin Islands

The Notes may not be offered or sold in the British Virgin Islands.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Initial Purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

Cayman Islands

This offering memorandum does not constitute an offer or invitation to the public in the Cayman Islands to purchase the Notes.

Other Relationships

The Initial Purchasers and certain of its affiliates have engaged in, and may in the future engage in, advisory and investment banking services and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. Furthermore, certain affiliates of certain Initial Purchasers also acted as joint bookrunners with respect to the offering of the Existing Notes, certain affiliates of certain Initial Purchasers act as coordinating lead arrangers, lenders and/or agent under the 2020 Credit Facilities, certain affiliates of certain Initial Purchasers also act as coordinating lead arrangers, lenders and/or agent and global coordinators, joint lead managers under the 2015 Credit Facilities. An affiliate of Deutsche Bank AG, Singapore Branch is acting as the trustee with respect to the Existing Notes and will act as the trustee with respect to the Notes.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction, and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the securities laws of any other jurisdiction. Accordingly, the Notes offered hereby are being offered and sold only to (i) "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance on an exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act; or (ii) to persons other than U.S. persons (as defined in Rule 902 under the Securities Act) ("Foreign Purchasers") in offshore transactions in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the later of the commencement of this Offering and the closing date of this Offering an offer or sale of the Notes within the United States by a dealer (whether or not participating in this Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

By purchasing the Notes, you will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) You are not an "affiliate" (as defined in Rule 144A under the Securities Act) of the Issuer, you are not acting on behalf of the Issuer and you (A)(i) are a qualified institutional buyer, (ii) are aware that the sale to you is being made in reliance on Rule 144A, and (iii) are acquiring the Notes for your own account or for the account of a qualified institutional buyer or (B) are not a U.S. person (and are not purchasing the Notes for the account or benefit of a U.S. person) and are purchasing the Notes in an offshore transaction pursuant to Regulation S.

(2) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date (the "Resale Restriction Termination Date") that is one year (in the case of the Rule 144A Note) or 40 days (in the case of the Regulation S Note) after the later of the date of the original issue and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer or any Subsidiary thereof, (ii) pursuant to a registration statement that has been declared effective under the Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the Securities Act, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the Securities Act, (iv) pursuant to offers and sales that occur outside the United States in compliance with Regulation S under the Securities Act or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer (I) pursuant to clause (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and (II) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(3) You acknowledge that none of the Issuer, the Initial Purchasers or any person representing the Issuer or the Initial Purchasers has made any representation to you with respect to the Issuer or the offer or sale of any of the Notes, other than by the Group with respect to the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Notes. You acknowledge that neither the Initial Purchasers nor any persons representing the Initial Purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to the indenture governing the Notes, the Notes and such financial and other information concerning the Issuer as you deemed necessary in connection with your decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer and the Initial Purchasers.

(4) You understand that the Notes will bear a legend substantially to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER FOR THE BENEFIT OF MELCO RESORTS FINANCE AND ANY OF ITS SUCCESSORS IN INTEREST (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION, (2) AGREES THAT IT WILL NOT PRIOR TO THE DATE WHICH IS [IN THE CASE OF RULE 144A NOTES: ONE YEAR] [IN THE CASE OF REGULATION S NOTES: 40 DAYS] (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY [RULE 144A] [REGULATION S] UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE DATE OF ORIGINAL ISSUE AND THE LAST DATE ON WHICH MELCO RESORTS FINANCE OR ANY AFFILIATE OF MELCO RESORTS FINANCE WAS THE OWNER OF THE NOTES (OR ANY PREDECESSOR THERETO) (THE "RESALE RESTRICTION TERMINATION DATE") RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR A BENEFICIAL INTEREST IN THIS NOTE EXCEPT (A) TO MELCO RESORTS FINANCE OR ANY SUBSIDIARY THEREOF, (B) TO A PERSON THAT THE SELLER, AND ANY PERSON ACTING ON ITS BEHALF, REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION COMPLYING WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND IN EACH OF SUCH CASES IN COMPLIANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. PROVIDED THAT MELCO RESORTS FINANCE, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (C) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR PURSUANT TO CLAUSE (D) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO MELCO RESORTS FINANCE, THE TRUSTEE AND THE REGISTRAR IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES," AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT;

(5) If you purchase the Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(6) You acknowledge that the Registrar will not be required to accept for registration of transfer any Notes acquired by you, except upon presentation of evidence satisfactory to the Issuer and the Registrar that the restrictions set forth herein have been complied with.

(7) You acknowledge that:

(a) the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgments, representations and agreements set forth herein and you agree that, if any of your acknowledgments, representations or agreements herein cease to be accurate and complete, you will notify the Issuer and the Initial Purchasers promptly in writing; and

(b) if you are acquiring any Notes as a fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make, and make, the foregoing acknowledgments, representations and agreements.

(8) You agree that you will give to each person to whom you transfer these Notes notice of any restrictions on the transfer of the Notes.

(9) If you are a person other than a Foreign Purchaser, you understand and agree that the Notes initially offered to qualified institutional buyers in reliance on Rule 144A will be represented by a Rule 144A Global Note, and that before any interest in the Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who is not a qualified institutional buyer, the transferee will be required to provide the trustee with a written certification (the form of which certification can be obtained from the trustee as to compliance with the transfer restriction referred to above).

(10) If you are a Foreign Purchaser in a sale that occurs outside the United States within the meaning of Regulation S under the Securities Act, you acknowledge that until the expiration of the "distribution compliance period" (as defined below), you shall not make any offer or sale of these Notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act. The "distribution compliance period" means the 40 day period following the issue date for the Notes.

(11) The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth hereunder and under "Plan of Distribution."

LEGAL MATTERS

We are being represented by Latham & Watkins LLP with respect to legal matters of U.S. federal and New York law. Certain legal matters with respect to legal matters of U.S. federal and New York law in connection with this Offering will be passed upon for the Initial Purchasers by White & Case. Certain legal matters as to Cayman Islands law will be passed upon for us by Walkers (Singapore) Limited Liability Partnership. Certain legal matters as to Macau law will be passed upon for us by Manuela António—Lawyers and Notaries. Certain legal matters as to Macau law will be passed upon for the Initial Purchasers by Henrique Saldanha—Advogados & Notários.

INDEPENDENT AUDITORS

The consolidated financial statements of Melco Resorts Finance Limited as of December 31, 2024 and for the year then ended, included in the offering memorandum, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein.

The offices of Deloitte & Touche LLP are located at 6 Shenton Way, OUE Downtown 2, #33-00, Singapore 068809.

The consolidated financial statements of Melco Resorts Finance Limited as of December 31, 2023 and 2022 and for the years then ended, included in the offering memorandum, have been audited by Ernst & Young LLP, independent auditors, as stated in their report included herein.

The offices of Ernst & Young LLP are located at One Raffles Quay North Tower, Level 18, Singapore 048583.

MELCO RESORTS FINANCE LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MELCO RESORTS FINANCE LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share and per share data)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 573,686	$ 492,852
Accounts receivable, net of allowances for credit losses of $114,723 and $122,284	123,510	136,329
Receivables from affiliated companies	861,573	841,193
Inventories	16,801	18,111
Prepaid expenses and other current assets	45,124	40,035
Total current assets	1,620,694	1,528,520
Property and equipment, net	1,964,264	1,998,992
Intangible assets, net	162,727	176,635
Goodwill	25,632	82,090
Long-term prepayments, deposits and other assets, net of allowances for credit losses of nil and $2,391	61,929	68,076
Receivables from affiliated companies, non-current	1,635,408	1,651,440
Restricted cash	123,956	125,331
Operating lease right-of-use assets	21,834	26,426
Land use rights, net	191,098	197,257
Total assets	$ 5,807,542	$ 5,854,767
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current liabilities:		
Accounts payable	$ 11,865	$ 19,548
Accrued expenses and other current liabilities	780,094	778,594
Income tax payable, current	3,972	7,084
Operating lease liabilities, current	5,694	7,360
Payables to affiliated companies	55,845	56,572
Total current liabilities	857,470	869,158
Long-term debt, net	4,996,067	4,994,075
Other long-term liabilities	228,733	245,469
Income tax payable, non-current	969	—
Deferred tax liabilities, net	2,835	2,927
Operating lease liabilities, non-current	18,551	22,129
Total liabilities	6,104,625	6,133,758
Commitments and contingencies (Note 15)		
Shareholder's deficit:		
Ordinary shares, par value $0.01; 5,000,000 shares authorized; 1,202 shares issued and outstanding	—	—
Additional paid-in capital	1,913,792	1,908,318
Accumulated other comprehensive (losses) income	(27,851)	24,304
Accumulated losses	(2,183,024)	(2,211,613)
Total shareholder's deficit	(297,083)	(278,991)
Total liabilities and shareholder's deficit	$ 5,807,542	$ 5,854,767

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

MELCO RESORTS FINANCE LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2025	**2024**
Operating revenues:		
Casino	$ 1,965,745	$ 1,700,564
Rooms	89,726	84,947
Food and beverage	60,119	58,104
Entertainment, retail and other	160,644	136,768
Total operating revenues	2,276,234	1,980,383
Operating costs and expenses:		
Casino	(1,317,303)	(1,206,473)
Rooms	(31,847)	(25,724)
Food and beverage	(53,993)	(48,127)
Entertainment, retail and other	(15,516)	(8,783)
General and administrative	(463,870)	(399,441)
Pre-opening costs	(28,765)	(3,742)
Amortization of land use rights	(4,021)	(4,010)
Depreciation and amortization	(116,351)	(112,468)
Property charges and other	(45,431)	(3,732)
Total operating costs and expenses	(2,077,097)	(1,812,500)
Operating income	199,137	167,883
Non-operating income (expenses):		
Interest income	6,723	10,346
Interest expense	(159,362)	(162,306)
Other financing costs	(2,825)	(3,392)
Foreign exchange gains (losses), net	5,647	(1,251)
Other income, net	4,156	1,015
Total non-operating expenses, net	(145,661)	(155,588)
Income before income tax	53,476	12,295
Income tax expense	(4,852)	(3,447)
Net income	$ 48,624	$ 8,848

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

MELCO RESORTS FINANCE LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED) (In thousands)

	Six Months Ended June 30,	
	2025	2024
Net income	$ 48,624	$ 8,848
Other comprehensive (loss) income:		
Foreign currency translation adjustments	(49,199)	3,112
Change in fair value of interest rate swaps, net	(2,956)	—
Other comprehensive (loss) income	(52,155)	3,112
Total comprehensive (loss) income	$ (3,531)	$ 11,960

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

MELCO RESORTS FINANCE LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDER'S DEFICIT (UNAUDITED)
(In thousands, except share and per share data)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive (Losses) Income	Accumulated Losses	Total Shareholder's Deficit
	Shares	Amount				
Balance as at January 1, 2024	1,202	$ —	$1,897,463	$ (5,236)	$(2,123,212)	$ (230,985)
Net income	—	—	—	—	8,848	8,848
Foreign currency translation adjustments	—	—	—	3,112	—	3,112
Share-based compensation	—	—	5,962	—	—	5,962
Balance as at June 30, 2024	1,202	$ —	$1,903,425	$ (2,124)	$(2,114,364)	$ (213,063)
Balance as at January 1, 2025	1,202	$ —	$1,908,318	$ 24,304	$(2,211,613)	$ (278,991)
Net income	—	—	—	—	48,624	48,624
Foreign currency translation adjustments	—	—	—	(49,199)	—	(49,199)
Change in fair value of interest rate swaps, net	—	—	—	(2,956)	—	(2,956)
Share-based compensation	—	—	5,474	—	—	5,474
Dividends declared	—	—	—	—	(20,035)	(20,035)
Balance as at June 30, 2025	1,202	$ —	$1,913,792	$ (27,851)	$(2,183,024)	$ (297,083)

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

MELCO RESORTS FINANCE LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2025	**2024**
Cash flows from operating activities:		
Net cash provided by operating activities	$ 206,804	$ 70,810
Cash flows from investing activities:		
Acquisition of property and equipment	(83,677)	(59,945)
Acquisition of intangible and other assets	(11,456)	(8,817)
Proceeds from sale of property and equipment	91	69
Proceeds from loans or advances repayment from an affiliated company	—	20,000
Net cash used in investing activities	(95,042)	(48,693)
Cash flows from financing activities:		
Repayments of long-term debt	(1,000,000)	(893,223)
Dividends paid	(20,035)	—
Payments of intangible asset liabilities	(5,697)	(5,213)
Payments of financing costs	(250)	(26,658)
Proceeds from long-term debt	1,000,460	750,000
Net cash used in financing activities	(25,522)	(175,094)
Effect of exchange rate on cash, cash equivalents and restricted cash	(6,781)	325
Increase (decrease) in cash, cash equivalents and restricted cash	79,459	(152,652)
Cash, cash equivalents and restricted cash at beginning of period	618,183	770,111
Cash, cash equivalents and restricted cash at end of period	$ 697,642	$ 617,459
Supplemental cash flow disclosures:		
Cash paid for interest	$ (154,160)	$ (146,026)
Cash paid for income taxes, net of refund	$ (7,017)	$ (5,649)
Cash paid for amounts included in the measurement of lease liabilities—operating cash flows from operating leases	$ (4,266)	$ (4,399)
Non-cash disclosures:		
Change in accrued expenses and other current liabilities related to acquisition of property and equipment	$ 17,275	$ 14,151

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

1. ORGANIZATION AND BUSINESS

Melco Resorts Finance Limited ("MRF") is incorporated in the Cayman Islands. MRF together with its subsidiaries (collectively referred to as the "Company") is a developer, owner and operator of integrated resort facilities in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Company operates its gaming business in Macau through its subsidiary, Melco Resorts (Macau) Limited ("MRM"), a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on January 1, 2023 and ends on December 31, 2032 (the "Concession").

The Company currently operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively, Studio City Casino, a casino at Studio City, a cinematically-themed integrated resort in Cotai, Macau developed by affiliated companies of the Company. In accordance with the Company's overall development strategy and Macau gaming law, the Grand Dragon Casino, a casino located in Taipa, Macau, and three of the Mocha Clubs, which comprise non-casino based operations of electronic gaming machines in Macau, will progressively cease operations between September and December 2025 and the gaming tables and electronic gaming machines will be reallocated to the Company's other gaming areas in Macau. The Company has submitted relevant applications for the continuing operations of the remaining three Mocha Clubs, namely Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond December 31, 2025, and such applications are currently under review by the Macau government.

Melco Resorts & Entertainment Limited ("Melco"), MRF's sole shareholder and a company incorporated in the Cayman Islands with its American depositary shares are listed on the Nasdaq Global Select Market in the United States of America (the "U.S."). Melco International Development Limited ("Melco International" or "Ultimate Parent"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

As of June 30, 2025, the Company had cash and cash equivalents of U.S. dollar ("$" or "US$") 573,686 and available unused borrowing capacity of $784,307, subject to the satisfaction of certain conditions precedent.

The Company believes it is able to support continuing operations and capital expenditures for at least twelve months after the date of these condensed consolidated financial statements are issued. Accordingly, the accompanying condensed consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles for interim financial reporting. The results of operations for the six months ended June 30, 2025 are not necessarily indicative of expected results for any other interim period or the full fiscal year ending December 31, 2025. The financial information as of December 31, 2024 presented in these condensed consolidated financial statements is derived from the Company's consolidated financial statements as of December 31, 2024.

The accompanying condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024. In the opinion of management, the accompanying condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial results of such periods.

The accompanying condensed consolidated financial statements include the accounts of MRF and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Except for the accounting for interest rate swaps as disclosed in Note 2(g), the accompanying condensed consolidated financial statements have been prepared using the same accounting policies as used in the preparation of the Company's consolidated financial statements for the year ended December 31, 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(b) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of casino accounts receivable. The Company issues credit for gaming pursuant to the gaming credit facilities entered into with customers, and previously, with gaming promoters, following a review of their creditworthiness. These receivables can be offset against commissions payable and any other payments due by the Company to customers, and previously to gaming promoters. As of June 30, 2025 and December 31, 2024, a substantial portion of the Company's markers issued pursuant to the gaming credit facilities were due from customers residing in various countries and from licensed gaming promoters. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant circumstances in these countries could affect the collectability of receivables from customers and gaming promoters.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce the Company's receivables to their carrying amounts and reflects the net amount the Company expects to collect. The allowance for credit losses is estimated based on specific reviews of the age of the balances owed, the customers' financial condition, management's experience with the collection trends of customers, current business and economic conditions, and management's expectations of future business and economic conditions.

As of June 30, 2025 and December 31, 2024, the credit risks associated with certain casino accounts receivable are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related accounts receivable. Management believes that as of June 30, 2025 and December 31, 2024, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(c) Goodwill and Intangible Assets

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their estimated useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are stated at cost, net of accumulated amortization, and accumulated impairment, if any. The Company's finite-lived intangible assets consist of the Concession, internal-use software and Mocha Clubs trademarks (as discussed below). Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. Effective from June 9, 2025, the date which Melco announced the development of Mocha Clubs as disclosed in Note 1, the estimated useful lives of Mocha Clubs trademarks were changed from indefinite lives to finite lives and such carrying amount is amortized on a straight-line basis over the remaining period of the Concession. The change in estimated useful lives of Mocha Clubs trademarks had no material impact to net income for the six months ended June 30, 2025.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(c) **Goodwill and Intangible Assets**—continued

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair value of the reporting unit is determined using income valuation approaches through the application of the discounted cash flow method. Estimating fair value of the reporting unit involves significant assumptions, including future revenue growth rates, future market conditions, gross margin, discount rate and terminal growth rate. If the carrying value of the reporting unit exceeds its fair value, an impairment is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

During the six months ended June 30, 2025, as a result of three Mocha Clubs progressively ceasing operations between September and December 2025 as disclosed in Note 1, the Company recognized an impairment of goodwill in relation to the Mocha and Other segment of $55,557, which was included in property charges and other in the accompanying condensed consolidated statements of operations. The fair value of the reporting unit of Mocha and Other was estimated by using level 3 inputs based on income approach and the discount rate adopted in the income approach for the six months ended June 30, 2025 was 13.3%. No impairment on goodwill and intangible assets with indefinite lives was recognized during the six months ended June 30, 2024.

As a part of the impairment of long-lived assets recognized during the six months ended June 30, 2025 and 2024 as described in Note 2(d), the finite-lived intangible asset for Altira Macau as of June 30, 2025 and 2024 were fully impaired.

(d) **Impairment of Long-lived Assets (Other Than Goodwill)**

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates, future market conditions and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs.

During the six months ended June 30, 2025 and 2024, the performance of Altira Macau had not improved and an impairment of long-lived assets in relation to Altira Macau of $1,321 and $1,557, respectively, were recognized and included in property charges and other in the accompanying condensed consolidated statements of operations, which included impairment of Altira Macau's property and equipment of $1,314 and $1,361, and the full impairment of the finite-lived intangible assets for Altira Macau of $7 and $196, for the respective period.

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(e) Revenue Recognition

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company 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 recognized as revenues within one year of being purchased, earned or deposited and are recorded as accrued expenses and other current liabilities in the accompanying condensed consolidated balance sheets. 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.

The following table summarizes the activities related to contract and contract-related liabilities:

	Outstanding Gaming Chips		Loyalty Program Liabilities		Advance Deposits and Ticket Sales	
	2025	2024	2025	2024	2025	2024
Balance at January 1	$ 71,223	$ 72,030	$ 35,442	$ 31,723	$ 232,709	$ 231,968
Balance at June 30	69,190	46,650	28,656	35,577	226,362	231,729
(Decrease) increase	$ (2,033)	$ (25,380)	$ (6,786)	$ 3,854	$ (6,347)	$ (239)

(f) Gaming Taxes

The Company is subject to taxes based on gross gaming revenue and other metrics in Macau. These gaming taxes totaled $927,509 and $823,566 for the six months ended June 30, 2025 and 2024, respectively, are recognized as casino expense in the accompanying condensed consolidated statements of operations.

(g) Accounting for Derivative Instruments and Hedging Activities

The Company uses derivative financial instruments such as floating-for-fixed interest rate swap arrangements to manage its risks associated with interest rate fluctuations in accordance with lenders' requirements under the MN1 Revolving Facility. All derivative instruments are recognized in the condensed consolidated financial statements at fair value at the balance sheet date. Any changes in fair value are recorded in the condensed consolidated statements of operations or comprehensive (loss) income, depending on whether the derivative is designated and qualifies for hedge accounting, the type of hedge transaction and the effectiveness of the hedge. The estimated fair values of interest rate swaps are based on a discounted cash flow model that projects future cash flows and discounts those future cash flows to a present value using market-based observable inputs such as interest rate yields.

Further information on the Company's interest rate swap arrangements is included in Note 7.

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(h) Comprehensive (Loss) Income and Accumulated Other Comprehensive (Losses) Income

Comprehensive (loss) income includes net income, foreign currency translation adjustments and change in fair value of interest rate swaps, net and is reported in the accompanying condensed consolidated statements of comprehensive (loss) income and condensed consolidated statements of shareholder's deficit.

As of June 30, 2025 and December 31, 2024, the Company's accumulated other comprehensive (losses) income consisted of the following components:

	June 30, 2025	December 31, 2024
Foreign currency translation adjustments	$(24,895)	$24,304
Change in fair value of interest rate swaps, net[1]	(2,956)	—
Accumulated other comprehensive (losses) income	$(27,851)	$24,304

(1) During the six months ended June 30, 2025, fair value loss on interest rate swaps designed as cash flow hedges of $1,004 was reclassified from accumulated other comprehensive (losses) income in the accompanying condensed consolidated balance sheets into interest expenses in the accompanying condensed consolidated statements of operations.

(i) Recent Changes in Accounting Standards

Recent Accounting Pronouncement Not Yet Adopted

In July 2025, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2025-05, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". ASU 2025-05 provides a practical expedient related to the estimation of expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Accounting Standards Codification 606, including those assets acquired in a business combination. The practical expedient permits an entity to assume that the current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025, including interim reporting periods within those annual reporting periods. Early adoption is permitted, and the Company is currently assessing the impact of adoption.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash consisted of the following:

	June 30, 2025	December 31, 2024
Cash	$ 518,528	$ 472,485
Cash equivalents	55,158	20,367
Total cash and cash equivalents	573,686	492,852
Non-current portion of restricted cash[1]	123,956	125,331
Total cash, cash equivalents and restricted cash	$ 697,642	$ 618,183

(1) As of June 30, 2025 and December 31, 2024, the non-current portion of restricted cash included bank time deposits of $123,956 and $125,331, respectively.

On December 9, 2022, as required under the Concession, MRM provided a bank guarantee in favor of the Macau government of Macau Patacas ("MOP") 1,000,000 (equivalent to $124,319) to secure the fulfillment of performance of certain of its legal and contractual obligations, including labor obligations. As stipulated in the bank guarantee contract, the amount of MOP1,000,000 (equivalent to $124,319), or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As of June 30, 2025 and December 31, 2024, Hong Kong dollars ("HK$") 970,874 (equivalent to MOP1,000,000) held in the cash collateral bank account was translated to $123,684 and $125,056, respectively, and included in the non-current portion of restricted cash in the accompanying condensed consolidated balance sheets.

(In thousands, except share and per share data)

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	June 30, 2025	December 31, 2024
Casino	$ 236,463	$ 259,866
Hotel	1,325	1,029
Other	445	109
Sub-total	238,233	261,004
Less: allowances for credit losses[1]	(114,723)	(124,675)
	123,510	136,329
Non-current portion	—	—
Current portion	$ 123,510	$ 136,329

(1) As of June 30, 2025 and December 31, 2024, the allowances for credit losses of nil and $2,391 as a reduction of the long-term casino accounts receivable, are recorded and included in long-term prepayments, deposits and other assets in the accompanying condensed consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 48.5% and 48.0% of gross casino accounts receivable as of June 30, 2025 and December 31, 2024, respectively. No allowances for credit losses from its hotel and other receivables are recorded as of June 30, 2025 and December 31, 2024.

Movement in the allowances for credit losses are as follows:

	Six Months Ended June 30,	
	2025	2024
Balance at beginning of year	$ 124,675	$ 148,604
Provision (reversal of) for credit losses	4,707	(2,298)
Write-offs, net of recoveries	(13,370)	(13,588)
Effect of exchange rate	(1,289)	32
Balance at end of period	$ 114,723	$ 132,750

5. PROPERTY AND EQUIPMENT, NET

	June 30, 2025	December 31, 2024
Cost	$ 5,211,906	$ 5,204,209
Less: accumulated depreciation and amortization	(3,247,642)	(3,205,217)
Property and equipment, net	$ 1,964,264	$ 1,998,992

The depreciation and amortization expenses of property and equipment recognized for the six months ended June 30, 2025 and 2024 were $102,901 and $100,297, respectively.

6. GOODWILL AND INTANGIBLE ASSETS, NET

(a) **Goodwill**

Goodwill arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006 and is reported under the Mocha and Other segment. The changes in carrying amounts of goodwill represented the impairment of $55,557 as disclosed in Note 2(c) and exchange differences arising from foreign currency translations at the balance sheet date.

(In thousands, except share and per share data)

6. GOODWILL AND INTANGIBLE ASSETS, NET—continued

(b) **Intangible Assets, Net**

Intangible assets, net consisted of the following:

	June 30, 2025	December 31, 2024
Finite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,183	$ 4,229
Less: accumulated amortization	(32)	—
	4,151	4,229
Concession	209,627	211,929
Less: accumulated amortization	(54,977)	(45,076)
	154,650	166,853
Internal-use software	19,548	18,767
Less: accumulated amortization	(15,622)	(13,214)
	3,926	5,553
Total intangible assets, net	$ 162,727	$ 176,635

The amortization expenses of finite-lived intangible assets recognized for the six months ended June 30, 2025 and 2024 were $13,062 and $12,171, respectively.

7. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	June 30, 2025	December 31, 2024
Advance deposits and ticket sales	$ 226,362	$ 232,709
Gaming tax accruals	166,261	145,684
Operating expense and other accruals and liabilities	100,518	107,484
Outstanding gaming chips	69,190	71,223
Interest expense payables	62,006	63,170
Staff cost accruals	57,970	72,353
Intangible asset liabilities(1)	39,434	24,954
Loyalty program liabilities	28,656	35,442
Property and equipment payables	27,410	25,575
Interest rate swap liabilities(2)	2,287	—
Accrued expenses and other current liabilities	$ 780,094	$ 778,594

(1) As of June 30, 2025 and December 31, 2024, the non-current portion of the intangible asset liabilities of $180,983 and $206,820, respectively, are included in other long-term liabilities in the accompanying condensed consolidated balance sheets.

(2) In June 2025, MCO Nominee One Limited ("MN1"), a subsidiary of MRF, entered into four floating-for-fixed interest rate swap arrangements to manage interest rate risk on its loans drawn under the MN1 Revolving Facility. Two of the interest rate swap arrangements will expire in July 2026, while the remaining two expire in April 2027. Under the interest rate swap arrangements, MN1 pays fixed interest rates ranging from 2.59% to 2.685% per annum on the notional amounts and receives variable interest which is based on the applicable Hong Kong Interbank Offered Rate ("HIBOR"). As of June 30, 2025, the aggregate notional amount of the outstanding interest rate swaps amounted to HK$5,880,000 (equivalent to $749,083).

These interest rate swaps are expected to remain highly effective in fixing the interest rate and qualify for cash flow hedge accounting. Therefore, there is no impact on the condensed consolidated statements of operations from changes in the fair value of the hedging instruments. Instead, the fair values of the instruments are recorded as assets or liabilities on the condensed consolidated balance sheets, with an offsetting adjustment to the accumulated other comprehensive (losses) income until the hedged interest expenses are recognized in the condensed consolidated statements of operations.

As of June 30, 2025, the fair values of interest rate swaps were recorded as interest rate swap liabilities, of which $2,287 were included in accrued expenses and other current liabilities and $666 were included in other long-term liabilities in the accompanying condensed balance sheets. The Company estimates that over the next twelve months, $2,287 of the net unrealized losses on the interest rate swaps will be reclassified from accumulated other comprehensive (losses) income into interest expenses.

(In thousands, except share and per share data)

8. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	June 30, 2025	December 31, 2024
MRF 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of nil and $1,732, respectively)	$ —	$ 998,268
MRF 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $795 and $1,256, respectively)	499,205	498,744
MRF 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $2,035 and $2,488, respectively)	597,965	597,512
MRF 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $1,627 and $1,865, respectively)	848,373	848,135
MRF 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $1,284 and $1,407, respectively)	1,148,716	1,148,593
MRF 7.625% Senior Notes, due 2032 (net of unamortized deferred financing costs of $5,320 and $5,611, respectively)	744,680	744,389
MRM Credit Facilities, due 2026		
MRM Term Loan	127	129
MN1 Revolving Facility, due 2027(1)	1,157,001	158,305
Long-term debt, net	$ 4,996,067	$ 4,994,075

(1) As of June 30, 2025 and December 31, 2024, the unamortized deferred financing costs related to the MN1 Revolving Facility of $21,560 and $27,135, respectively, are included in long-term prepayments, deposits and other assets in the accompanying condensed consolidated balance sheets.

MRF Senior Notes

On June 6, 2025, the Company fully repaid an aggregate principal amount of $1,000,000 under the 2025 MRF Senior Notes on the maturity date with drawdowns from the MN1 Revolving Facility as disclosed below.

The net carrying amount of the 2026 MRF Senior Notes is classified as non-current portion of long-term debt as of June 30, 2025 given the repayment of such obligations is not expected to be funded by the Company's working capital within one year and the Company has both the intent and ability, such as through the use of the MN1 Revolving Facility, to refinance these obligations on a long-term basis.

MRM Credit Facilities

As of June 30, 2025, the outstanding principal amount of the MRM Term Loan and the MRM Revolving Facility was HK$1,000 (equivalent to $127) and nil, respectively, and the available unused borrowing capacity under the MRM Revolving Facility was HK$1,000 (equivalent to $127) and the outstanding principal amount was included in the non-current portion of long-term debt as of June 30, 2025 given the Company has intent and ability to refinance this short-term obligation on a long-term basis.

MN1 Revolving Facility

On February 25, 2025, pursuant to the terms under the MN1 Revolving Facility, an incremental facility of HK$387,500 (equivalent to $49,834) was established to increase the available commitments under the MN1 Revolving Facility from HK$14,850,000 (equivalent to $1,909,769) to HK$15,237,500 (equivalent to $1,959,603), subject to the satisfaction of certain conditions precedent.

8. LONG-TERM DEBT, NET—continued

MN1 Revolving Facility—continued

During the six months ended June 30, 2025, the Company drew down a total of HK$7,853,000 (equivalent to $1,000,460) under the MN1 Revolving Facility to primarily fund the repayment of the 2025 MRF Senior Notes as disclosed above.

In June 2025, the Company entered into four interest rate swap arrangements to hedge the interest rate exposure on loans under the MN1 Revolving Facility carried at variable interest rate. The Company's outstanding interest rate swap arrangements as of June 30, 2025 are disclosed in Note 7.

As of June 30, 2025, the outstanding principal amount of the MN1 Revolving Facility was HK$9,082,000 (equivalent to $1,157,001), and the available unused borrowing capacity under the MN1 Revolving Facility was HK$6,155,500 (equivalent to $784,180), subject to the satisfaction of certain conditions precedent.

During the six months ended June 30, 2025, other than the above, there was no significant change to the long-term debt as disclosed in the Company's consolidated financial statements as of December 31, 2024.

9. LEASES

Lessor Arrangements

During the six months ended June 30, 2025 and 2024, the Company earned minimum operating lease income of $15,853 and $19,768, and contingent operating lease income of $2,538 and $1,873, respectively.

10. FAIR VALUE MEASUREMENTS

The Company's financial assets and liabilities recorded at fair value have been categorized based upon the fair value in accordance with the accounting standards. The carrying values of cash equivalents, bank time deposits included in restricted cash, long-term deposits, long-term receivables and other long-term liabilities approximated fair values and were classified as level 2 in the fair value hierarchy.

The fair value of the reporting unit of Mocha and Other as of June 30, 2025 as described in Note 2(c) was estimated by using level 3 inputs based on income approach.

The estimated fair values of long-term debt as of June 30, 2025 and December 31, 2024, were approximately $4,919,243 and $4,831,128, respectively, as compared to their carrying values, excluding unamortized deferred financing costs and original issue premiums, of $5,007,128 and $5,008,434, respectively. Fair values for the senior notes were estimated based on recent trades, if available, and indicative pricing from market information and were classified as level 2 in the fair value hierarchy. Fair values for the credit facilities approximated their carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of June 30, 2025, the fair value of interest rate swaps approximated the amounts the Company would pay if these contracts were settled at the respective valuation dates. Fair value is estimated based on a discounted cash flow model that projects future cash flows and discounts those future cash flows to a present value using market-based observable inputs such as interest rate yields. Since significant observable inputs are used in the valuation model, the fair values of the interest rate swaps were classified as level 2 in the fair value hierarchy.

As of June 30, 2025 and December 31, 2024, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying condensed consolidated financial statements.

(In thousands, except share and per share data)

11. CAPITAL STRUCTURE

As of June 30, 2025 and December 31, 2024, MRF had authorized shares of 5,000,000 at par value of $0.01 per share and with 1,202 ordinary shares issued at par value of $0.01 per share.

12. INCOME TAXES

The income tax expense consisted of:

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Income tax expense—current:		
Payments in lieu of Macau Complementary Tax on dividends	$ 3,951	$ 3,503
Income taxes under Pillar Two	969	—
Sub-total	4,920	3,503
(Over) under provision of income taxes in prior year:		
Payments in lieu of Macau Complementary Tax on dividends	(7)	(14)
Hong Kong Profits Tax	(1)	14
Sub-total	(8)	—
Income tax benefit—deferred:		
Macau Complementary Tax	(60)	(56)
Total income tax expense	$ 4,852	$ 3,447

Macau Complementary Tax and Hong Kong Profits Tax have been provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the six months ended June 30, 2025 and 2024, if applicable.

Certain jurisdictions in which the Ultimate Parent operates have enacted or substantively enacted Global Anti-Base Erosion Model Rules (“Pillar Two”) that became effective on January 1, 2024. The Company and its Ultimate Parent is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Company’s potential exposure to Pillar Two income taxes, which is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities of the Ultimate Parent. Based on the assessment, top-up tax has been accrued in the current interim period related to one of the jurisdictions where the Ultimate Parent operates, where the annual effective income tax rate calculated under the Pillar Two rules is estimated to be below the 15% minimum rate. For other jurisdictions where the Ultimate Parent operates, the Pillar Two transitional safe harbor relief will apply or the effective tax rate is above 15% for the six months ended June 30, 2025. The Company has recognized a current income tax expense of $969 related to the Pillar Two rules for the six months ended June 30, 2025.

The effective tax rates for the six months ended June 30, 2025 and 2024 were 9.07% and 28.04%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company’s operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, changes in valuation allowances, different tax rate of subsidiaries operating in other jurisdiction and profits generated by gaming operations being exempted from Macau Complementary Tax for the six months ended June 30, 2025 and 2024.

As of June 30, 2025 and December 31, 2024, valuation allowances of $141,260 and $128,154, respectively, were provided, as management believes it is more likely than not that these deferred tax assets will not be realized.

As of June 30, 2025, other than the above, there was no significant change to the tax exposures as disclosed in the Company’s consolidated financial statements as of December 31, 2024.

13. DISTRIBUTION OF PROFITS

Subsidiaries of MRF incorporated in 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 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 shareholders of the relevant subsidiaries. During the six months ended June 30, 2025, the shareholders of one of the subsidiaries of MRF incorporated in Macau approved an appropriation of $23,523, representing approximately 10% of the profit of that subsidiary for the year 2024, to be set aside and transferred to the legal reserve. As of June 30, 2025 and December 31, 2024, the aggregate balance of the legal reserves amounted to $60,296 and $36,773, respectively.

14. DIVIDENDS

During the six months ended June 30, 2025, the Sole Director of MRF declared dividends of $16,667.82 per share totaling $20,035 and recorded such amount as distribution against retained earnings.

During the six months ended June 30, 2024, the Sole Director of MRF did not declare any dividends on the ordinary shares.

15. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of June 30, 2025, the Company had capital commitments mainly for the acquisitions of property and equipment for City of Dreams totaling $38,929.

(b) Other Commitments

As of June 30, 2025, there was no significant change to other commitments as disclosed in the Company's consolidated financial statements as of December 31, 2024.

(c) Pledged Assets

As of June 30, 2025, there was no significant change to the pledged assets as disclosed in the Company's consolidated financial statements as of December 31, 2024.

(d) Litigation

As of June 30, 2025, the Company was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impacts on the Company's condensed consolidated financial statements as a whole.

(In thousands, except share and per share data)

16. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2025 and 2024, the Company entered into the following significant related party transactions:

Related companies	Nature of transactions	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Transactions with affiliated companies			
Melco International and its subsidiaries	**Revenues and income (services provided by the Company):**		
	Management fee and other service fee income(1)	$ 126,121	$ 105,951
	Loan interest income	4,777	6,883
	Costs and expenses (services provided to the Company):		
	Payments under the Studio City Casino Agreement(2)	159,703	128,967
	Management fee expenses(3)	102,817	89,884
	Trademark license fees(4)	52,947	45,683
	Purchase of goods and services(5)	86,972	92,053
	Transportation service fee expenses	7,229	5,733
	Purchase of assets:		
	Purchase of property and equipment	6,072	2,048

(1) Services provided by the Company to Melco and its subsidiaries primarily include, but not limited to, certain shared administrative services, staff costs recharged mainly for staff who are solely dedicated to Studio City to carry out their non-gaming activities.

(2) Pursuant to the Studio City Casino Agreement, MRM deducts gaming taxes and the costs incurred in connection with the operations of the Studio City Casino from Studio City Casino's gross gaming revenues, and recognizes the residual amount as an expense captioned as payments under the Studio City Casino Agreement with an affiliated company.

(3) These management fee expenses included recharges of share-based compensation expenses.

(4) The amount represents the fees to use certain licensed marks granted by a subsidiary of Melco, as licensor, to the Company in the territories as defined in the trademark license agreement with a term of 10 years commenced on September 13, 2022 and the trademark license fees are payable at a percentage of the aggregate gross revenues of City of Dreams, Altira Macau and Mocha as agreed from time to time between both parties.

(5) These costs primarily represented the standalone selling prices of the complimentary services (including rooms, food and beverage and entertainment services) provided by subsidiaries of Melco to the Company's casino customers and gaming promoters.

Other Related Party Transactions

As of June 30, 2025 and December 31, 2024, certain funds were received from Studio City Entertainment Limited ("SCE") for the future economic benefits of Studio City Casino Agreement for the operation of Studio City Casino. Such funds received are shown as other long-term liabilities in the accompanying condensed consolidated balance sheets and will be amortized over the future economic benefits of the Studio City Casino Agreement for the operation of the Studio City Casino in subsequent periods as other income in the accompanying condensed consolidated statements of operations. During the six months ended June 30, 2025 and 2024, the Company received funds of $13,662 and $9,562, respectively, from SCE for the above arrangement.

(In thousands, except share and per share data)

16. RELATED PARTY TRANSACTIONS—continued

(a) Receivables from Affiliated Companies

The outstanding balances as of June 30, 2025 and December 31, 2024 are receivables from Melco International and its subsidiaries and joint venture mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies, and are unsecured, non-interest bearing and repayable on demand.

(b) Payables to Affiliated Companies

The outstanding balances as of June 30, 2025 and December 31, 2024 are payables to Melco International's subsidiaries mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company, and are unsecured, non-interest bearing and repayable on demand.

(c) Receivables from Affiliated Companies, Non-current

	June 30, 2025	December 31, 2024
Advances to affiliated companies (Note (i))	$ 1,417,408	$ 1,431,022
Loans to an affiliated company (Note (ii))	218,000	220,418
	$ 1,635,408	$ 1,651,440

(i) The outstanding balances as of June 30, 2025 and December 31, 2024 are advances to Melco and its subsidiaries, and are unsecured and non-interest bearing. No part of the amounts will be repayable within the next twelve months from the balance sheet date and accordingly, the amounts were shown as non-current assets in the accompanying condensed consolidated balance sheets.

(ii) The outstanding balances as of June 30, 2025 and December 31, 2024 are loans to Melco on revolving basis under the intercompany loan agreements, and Melco has the unconditional right to elect to refinance any maturing amount of the loan advances by way of a rollover loan.

As of June 30, 2025, the outstanding balances under the intercompany loan agreements in aggregate principal amount of HK$1,711,213 (equivalent to $218,000), are unsecured and interest bearing at 1.89% per annum (based on HIBOR plus an applicable margin for loan advances denominated in HK$). Management believes no part of the amounts will be repayable within the next twelve months from the balance sheet date and accordingly, the amounts were shown as non-current assets in the accompanying condensed consolidated balance sheets.

17. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business. The Company views each of its operating properties as a reportable segment. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of each of its reportable segment which includes City of Dreams, Altira Macau and Mocha and Other. Studio City Casino, which is operated by the Company under the Studio City Casino Agreement, does not meet the criteria of a reportable segment and is included in the Corporate and Other category. As of June 30, 2025 and December 31, 2024, the Company operated in one geographical area, Macau, where it derives its revenues and its long-lived assets are located.

(In thousands, except share and per share data)

17. SEGMENT INFORMATION—continued

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets

	June 30, 2025	December 31, 2024
Macau:		
City of Dreams	$ 2,704,760	$ 2,709,193
Altira Macau	42,253	49,470
Mocha and Other	72,025	135,386
Corporate and Other	2,988,504	2,960,718
Total consolidated assets	$ 5,807,542	$ 5,854,767

Capital Expenditures

	Six Months Ended June 30,	
	2025	2024
Macau:		
City of Dreams	$ 71,694	$ 29,071
Altira Macau	3,256	3,035
Mocha and Other	2,581	4,086
Corporate and Other	14,939	11,029
Total capital expenditures	$ 92,470	$ 47,221

MRF's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA for each segment as the measure of segment profit or loss to allocate resources to each segment and to compare the operating performance of the Company's properties with those of its competitors as a way to assess performance. Adjusted property EBITDA is net income before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, Corporate and Other expenses, and other non-operating income and expenses.

(In thousands, except share and per share data)

17. SEGMENT INFORMATION—continued

The following tables present the results of operations for each of the Company's reportable segments and reconciliation to net income for the six months ended June 30, 2025 and 2024.

Six Months Ended June 30, 2025

	City of Dreams	Altira Macau	Mocha and Other	Total
Segment operating revenues:				
Casino	$ 1,206,649	$ 46,792	$ 55,912	$ 1,309,353
Rooms	83,840	5,886	—	89,726
Food and beverage	53,626	3,907	2,586	60,119
Entertainment, retail and other	110,033	103	159	110,295
Total segment operating revenues(1)	1,454,148	56,688	58,657	$ 1,569,493
Segment expenses:				
Gaming taxes(2)	(602,567)	(22,526)	(24,141)	
Employee benefits expenses(3)	(255,730)	(21,341)	(12,542)	
Other segment items(4)	(199,139)	(14,923)	(11,459)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ 396,712	$ (2,102)	$ 10,515	$ 405,125
Other operating expenses:				
Pre-opening costs				(28,765)
Amortization of land use rights				(4,021)
Depreciation and amortization				(116,351)
Share-based compensation				(5,159)
Property charges and other				(45,431)
Corporate and Other expenses				(6,261)
Operating income				199,137
Non-operating income (expenses):				
Interest income				6,723
Interest expense				(159,362)
Other financing costs				(2,825)
Foreign exchange gains, net				5,647
Other income, net				4,156
Total non-operating expenses, net				(145,661)
Income before income tax				53,476
Income tax expense				(4,852)
Net income				$ 48,624

(In thousands, except share and per share data)

17. SEGMENT INFORMATION—continued

Six Months Ended June 30, 2024

	City of Dreams	Altira Macau	Mocha and Other	Total
Segment operating revenues:				
Casino	$ 980,532	$ 54,842	$ 60,716	$ 1,096,090
Rooms	79,168	5,779	—	84,947
Food and beverage	51,790	4,065	2,249	58,104
Entertainment, retail and other	94,083	73	93	94,249
Total segment operating revenues(1)	1,205,573	64,759	63,058	$ 1,333,390
Segment expenses:				
Gaming taxes(2)	(506,860)	(27,286)	(26,197)	
Employee benefits expenses(3)	(217,261)	(21,980)	(12,006)	
Other segment items(4)	(184,277)	(18,450)	(11,946)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ 297,175	$ (2,957)	$ 12,909	$ 307,127
Other operating expenses:				
Pre-opening costs				(3,742)
Amortization of land use rights				(4,010)
Depreciation and amortization				(112,468)
Share-based compensation				(5,684)
Property charges and other				(3,732)
Corporate and Other expenses				(9,608)
Operating income				167,883
Non-operating income (expenses):				
Interest income				10,346
Interest expense				(162,306)
Other financing costs				(3,392)
Foreign exchange losses, net				(1,251)
Other income, net				1,015
Total non-operating expenses, net				(155,588)
Income before income tax				12,295
Income tax expense				(3,447)
Net income				$ 8,848

(1) Revenues from the Corporate and Other category includes the revenues of Studio City Casino, with the residual amount of Studio City Casino's gross gaming revenues after deducting gaming taxes and the costs incurred in connection with its operation is recognized as payments under the Studio City Casino Agreement during the six months ended June 30, 2025 and 2024, which do not meet the criteria of a reportable segment and therefore are not included in the total for the reportable segment operating revenues. A reconciliation of segment operating revenues to total consolidated operating revenues is as follows:

Reconciliation of total operating revenues

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Segment operating revenues:		
City of Dreams	$ 1,454,148	$ 1,205,573
Altira Macau	56,688	64,759
Mocha and Other	58,657	63,058
Total segment operating revenues	1,569,493	1,333,390
Revenues from Corporate and Other	706,741	646,993
Total consolidated operating revenues	$ 2,276,234	$ 1,980,383

17. SEGMENT INFORMATION—continued

(2) The details of "Gaming taxes" are disclosed in Note 2(f) with certain amounts included in Corporate and Other expenses.

(3) "Employee benefits expenses" includes salaries, bonuses and incentives, benefits and allocated labor costs among segments or from Melco's subsidiaries. Certain amounts of "Employee benefits expenses" are included in Corporate and Other expenses, pre-opening costs, share-based compensation and property charges and other; and with certain amounts incurred during the construction and development stage of projects capitalized in property and equipment.

(4) "Other segment items" mainly include cost of inventories, advertising and promotions expenses, repair and maintenance expenses, utilities and fuel expenses, corporate and other services recharged from Melco's subsidiaries and other gaming operation expenses.

18. SUBSEQUENT EVENT

On August 29, 2025 and September 4, 2025, MN1 repaid a total outstanding principal amount of HK$547,000 (equivalent to $70,159) along with accrued interest under the MN1 Revolving Facility.

In preparing the accompanying condensed consolidated financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through September 15, 2025, the date the accompanying condensed consolidated financial statements were available to be issued.

INDEPENDENT AUDITORS' REPORT

To the shareholder and the Sole Director of Melco Resorts Finance Limited

Opinion

We have audited the consolidated financial statements of Melco Resorts Finance Limited and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2024, and the related consolidated statements of operations, comprehensive income, shareholder's deficit and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Predecessor Auditor's Opinion on 2023 Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 were audited by other auditors whose report, dated April 5, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Deloitte & Touche LLP
Singapore
April 30, 2025

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 492,852	$ 645,555
Accounts receivable, net of allowances for credit losses of $122,284 and $146,227	136,329	85,307
Receivables from affiliated companies	841,193	798,600
Inventories	18,111	16,242
Prepaid expenses and other current assets	40,035	39,319
Total current assets	1,528,520	1,585,023
Property and equipment, net	1,998,992	2,061,659
Intangible assets, net	176,635	198,682
Goodwill	82,090	81,582
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $2,391 and $2,377	68,076	42,695
Receivables from affiliated companies, non-current	1,651,440	1,642,407
Restricted cash	125,331	124,556
Operating lease right-of-use assets	26,426	26,520
Land use rights, net	197,257	204,067
Total assets	$ 5,854,767	$ 5,967,191
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current liabilities:		
Accounts payable	$ 19,548	$ 7,071
Accrued expenses and other current liabilities	778,594	723,123
Income tax payable	7,084	5,686
Operating lease liabilities, current	7,360	7,641
Current portion of long-term debt, net	—	149,774
Payables to affiliated companies	56,572	68,585
Total current liabilities	869,158	961,880
Long-term debt, net	4,994,075	4,987,673
Other long-term liabilities	245,469	223,633
Deferred tax liabilities, net	2,927	3,021
Operating lease liabilities, non-current	22,129	21,969
Total liabilities	6,133,758	6,198,176
Commitments and contingencies (Note 19)		
Shareholder's deficit:		
Ordinary shares, par value $0.01; 5,000,000 shares authorized; 1,202 shares issued and outstanding	—	—
Additional paid-in capital	1,908,318	1,897,463
Accumulated other comprehensive income (losses)	24,304	(5,236)
Accumulated losses	(2,211,613)	(2,123,212)
Total shareholder's deficit	(278,991)	(230,985)
Total liabilities and shareholder's deficit	$ 5,854,767	$ 5,967,191

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended December 31,	
	2024	2023
Operating revenues:		
Casino	$ 3,427,955	$ 2,713,906
Rooms	173,817	155,444
Food and beverage	115,681	87,522
Entertainment, retail and other	276,762	233,795
Total operating revenues	3,994,215	3,190,667
Operating costs and expenses:		
Casino	(2,439,395)	(1,936,617)
Rooms	(55,136)	(44,304)
Food and beverage	(100,869)	(76,368)
Entertainment, retail and other	(19,423)	(16,464)
General and administrative	(806,257)	(634,996)
Pre-opening costs	(12,075)	(3,946)
Amortization of land use rights	(8,039)	(10,797)
Depreciation and amortization	(224,223)	(270,376)
Property charges and other	(10,705)	(229,000)
Total operating costs and expenses	(3,676,122)	(3,222,868)
Operating income (loss)	318,093	(32,201)
Non-operating income (expenses):		
Interest income	20,113	26,187
Interest expense	(324,408)	(345,533)
Other financing costs	(6,770)	(3,956)
Foreign exchange losses, net	(3,271)	(500)
Other income, net	3,766	412
Total non-operating expenses, net	(310,570)	(323,390)
Income (loss) before income tax	7,523	(355,591)
Income tax (expense) benefit	(6,924)	1,386
Net income (loss)	$ 599	$ (354,205)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,	
	2024	**2023**
Net income (loss)	$ 599	$ (354,205)
Other comprehensive income (loss):		
Foreign currency translation adjustments	29,540	(1,737)
Other comprehensive income (loss)	29,540	(1,737)
Total comprehensive income (loss)	$ 30,139	$ (355,942)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY
(In thousands, except share and per share data)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive (Losses) Income	Accumulated Losses	Total Shareholder's Equity (Deficit)
	Shares	Amount				
Balance as at January 1, 2023	1,202	$ —	$ 1,885,246	$ (3,499)	$ (1,769,007)	$ 112,740
Net loss	—	—	—	—	(354,205)	(354,205)
Foreign currency translation adjustments	—	—	—	(1,737)	—	(1,737)
Share-based compensation	—	—	12,217	—	—	12,217
Balance as at December 31, 2023	1,202	—	1,897,463	(5,236)	(2,123,212)	(230,985)
Net income	—	—	—	—	599	599
Foreign currency translation adjustments	—	—	—	29,540	—	29,540
Share-based compensation	—	—	10,855	—	—	10,855
Dividends declared	—	—	—	—	(89,000)	(89,000)
Balance as at December 31, 2024	1,202	$ —	$ 1,908,318	$ 24,304	$ (2,211,613)	$ (278,991)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ 599	$ (354,205)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	232,262	281,173
Amortization of deferred financing costs and original issue premiums	17,452	17,051
Interest accretion on financial liability	2,854	2,996
Net loss on disposal of property and equipment	418	5
Impairment of long-lived assets	3,316	207,608
Provision for (reversal of) credit losses	2,809	(5,058)
Share-based compensation	10,343	12,014
Changes in operating assets and liabilities:		
Accounts receivable	(53,056)	(39,856)
Receivables from affiliated companies	(57,768)	1,850
Inventories, prepaid expenses and other	(2,252)	(2,442)
Long-term prepayments, deposits and other	17,929	12,923
Accounts payable, accrued expenses and other	50,865	190,997
Payables to affiliated companies	(12,439)	2,170
Other long-term liabilities	27,961	4,873
Net cash provided by operating activities	241,293	332,099
Cash flows from investing activities:		
Acquisition of property and equipment	(128,010)	(32,590)
Acquisition of intangible and other assets	(20,813)	(4,262)
Proceeds from sale of property and equipment	80	110
Proceeds from loans or advances repayment from an affiliated company	20,000	270,489
Payments of loans or advances to an affiliated company	—	(158,000)
Net cash (used in) provided by investing activities	(128,743)	75,747
Cash flows from financing activities:		
Repayments of long-term debt	(994,201)	(2,101,190)
Dividends paid	(89,000)	—
Payments of financing costs	(27,625)	—
Payments of intangible asset liabilities	(8,723)	(7,981)
Proceeds from long-term debt	850,282	1,251,544
Net cash used in financing activities	(269,267)	(857,627)
Effect of exchange rate on cash, cash equivalents and restricted cash	4,789	(353)
Decrease in cash, cash equivalents and restricted cash	(151,928)	(450,134)
Cash, cash equivalents and restricted cash at beginning of year	770,111	1,220,245
Cash, cash equivalents and restricted cash at end of year	$ 618,183	$ 770,111
Supplemental cash flow disclosures:		
Cash paid for interest	$(294,746)	$ (331,460)
Cash paid for income taxes	$ (5,661)	$ (536)
Cash paid for amounts included in the measurement of lease liabilities—operating cash flows from operating leases	$ (7,860)	$ (5,508)
Non-cash disclosures:		
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modifications	$ 6,124	$ 4,233
Change in accrued expenses and other current liabilities related to acquisition of property and equipment	$ 22,257	$ 10,492
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ —	$ 6,280
Change in other current and other long-term liabilities arising from recognition of an intangible asset	$ 881	$ 239,588

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

1. ORGANIZATION AND BUSINESS

Melco Resorts Finance Limited ("MRF") is incorporated in the Cayman Islands. MRF together with its subsidiaries (collectively referred to as the "Company") is a developer, owner and operator of integrated resort facilities in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Company operates its gaming business in Macau through its subsidiary, Melco Resorts (Macau) Limited ("MRM"), a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on January 1, 2023 and ends on December 31, 2032 (the "Concession").

The Company currently operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively, Studio City Casino, a casino at Studio City, a cinematically-themed integrated resort in Cotai, Macau developed by affiliated companies of the Company, Grand Dragon Casino, a casino located in Taipa, Macau, and Mocha Clubs, non-casino based operations of electronic gaming machines in Macau.

MRF's sole shareholder is Melco Resorts & Entertainment Limited ("Melco"), a company incorporated in the Cayman Islands. Melco's American depositary shares ("ADSs") are listed on the Nasdaq Global Select Market in the United States of America (the "U.S."). Melco International Development Limited ("Melco International"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

As of December 31, 2024, the Company had cash and cash equivalents of U.S. dollar ("\$" or "US\$") 492,852 and available unused borrowing capacity of \$1,754,623, subject to the satisfaction of certain conditions precedent.

The Company believes it is able to support continuing operations and capital expenditures for at least twelve months after the date of these consolidated financial statements are issued. Accordingly, the accompanying consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

The accompanying consolidated financial statements include the accounts of MRF and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. Estimates are used for, but not limited to, inputs into the Company's estimated allowances for deferred tax assets and credit losses, useful lives and recoverability of long-lived assets and intangible assets, inputs in calculating the fair values of share option, litigation and contingency estimates. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The Company estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less. Cash equivalents consist of bank time deposits placed with financial institutions with high-credit ratings and quality.

(e) Restricted Cash

The current portion of restricted cash, if any, represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Company expects these funds will be released or utilized in accordance with the terms of the respective agreements within the next twelve months, while the non-current portion of restricted cash represents funds that will not be released or utilized within the next twelve months. Restricted cash consists of cash deposits in (i) collateral bank accounts for bank guarantees as disclosed in Note 3; and (ii) collateral bank accounts associated with borrowings under the credit facilities as disclosed in Note 10.

(f) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of casino accounts receivable. The Company issues credit for gaming pursuant to the gaming credit facilities entered into with customers, and previously, with gaming promoters, following a review of their creditworthiness. These receivables can be offset against commissions payable and any other payments due by the Company to customers, and previously to gaming promoters. As of December 31, 2024 and 2023, a substantial portion of the Company's markers issued pursuant to the gaming credit facilities were due from customers residing in various countries and from licensed gaming promoters. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant circumstances in these countries could affect the collectability of receivables from customers and gaming promoters.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce the Company's receivables to their carrying amounts and reflects the net amount the Company expects to collect. The allowance for credit losses is estimated based on specific reviews of the age of the balances owed, the customers' financial condition, management's experience with the collection trends of customers, current business and economic conditions, and management's expectations of future business and economic conditions.

As of December 31, 2024 and 2023, the credit risks associated with certain casino accounts receivable are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related accounts receivable. Management believes that as of December 31, 2024 and 2023, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) Inventories

Inventories consist of retail merchandise, food and beverage items and certain operating supplies, which are stated at the lower of cost or net realizable value. Cost is calculated using the weighted average method.

(h) Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment, if any. Gains or losses on dispositions of property and equipment are included in the accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(h) Property and Equipment—continued

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under construction contracts, duties and tariffs, equipment installations, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activities are substantially suspended.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment are depreciated and amortized over the following estimated useful lives on a straight-line basis:

Buildings	7 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 10 years
Gaming equipment	3 to 5 years

During the years ended December 31, 2024 and 2023, impairments of property and equipment of $3,120 and $110,033, being part of the impairment of long-lived assets as described in Note 2(j), were recognized, respectively, and included in property charges and other in the accompanying consolidated statements of operations.

(i) Goodwill and Intangible Assets

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are stated at cost, net of accumulated amortization, and accumulated impairment, if any. The Company's finite-lived intangible assets consist of the Concession and internal-use software. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is necessary to perform a

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(i) **Goodwill and Intangible Assets—continued**

quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair value of the reporting unit is determined using income valuation approaches through the application of the discounted cash flow method. Estimating fair value of the reporting unit involves significant assumptions, including future revenue growth rates, future market conditions, gross margin, discount rate and terminal growth rate. If the carrying value of the reporting unit exceeds its fair value, an impairment is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

No impairment on goodwill and intangible assets with indefinite lives was recognized during the years ended December 31, 2024 and 2023. As a part of the impairment of long-lived assets recognized during the years ended December 31, 2024 and 2023 as described in Note 2(j), an intangible asset with a finite life for Altira Macau as of December 31, 2024 and 2023 were fully impaired.

(j) **Impairment of Long-lived Assets (Other Than Goodwill)**

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates, future market conditions and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs.

During the year ended December 31, 2023, with the market value of Altira Macau significantly decreased as a result of a change in its forecasted performance given the latest market conditions and lingering disruptions to the business caused by COVID-19 and the Company's earlier cessation of arrangements with gaming promoters in Macau, the Company recognized an impairment of long-lived assets in relation to Altira Macau of $207,608, which was recognized and included in property charges and other in the accompanying consolidated statements of operations. Such amount included the impairment of Altira Macau's property and equipment of $110,033, and the full impairment of the finite-lived intangible assets, land use rights and operating lease right-of-use assets for Altira Macau of $30,435, $65,172 and $1,968, respectively. During the year ended December 31, 2024, the performance of Altira Macau had not improved and a further impairment of long-lived assets of $3,316 was recognized and included in property charges and other in the accompanying consolidated statements of operations which included impairment of Altira Macau's property and equipment of $3,120 and the full impairment of the finite-lived intangible assets for Altira Macau of $196. The fair values of the long-lived assets of Altira Macau were estimated by using level 3 inputs based on a combination of income and cost approaches and the discount rates adopted in the income approach for the years ended December 31, 2024 and 2023 were 12.6% and 12.3%, respectively.

(k) **Deferred Financing Costs**

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related debt

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(k) Deferred Financing Costs—continued

agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of revolving credit facilities are included in other assets, either current or non-current, in the accompanying consolidated balance sheets, based on the maturity of each revolving credit facility. All other deferred financing costs are presented as a reduction of long-term debt in the accompanying consolidated balance sheets.

(l) Land Use Rights

Land use rights represent the upfront land premiums paid for the use of land held under operating leases, which are stated at cost, net of accumulated amortization, and accumulated impairment, if any. Amortization is recognized over the estimated term of the land use rights of 40 years on a straight-line basis. During the year ended December 31, 2023, land use right for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(j). No impairment on land use rights was recognized during the year ended December 31, 2024.

(m) Leases

At the inception of the contract or upon modification, the Company will perform an assessment as to whether the contract is a lease or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee has control of an identified asset if it has both the right to direct the use of the asset and the right to receive substantially all of the economic benefits from the use of the asset.

Finance and operating lease right-of-use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The initial measurement of the right-of-use assets also includes any prepaid lease payments and any initial direct costs incurred and is reduced by any lease incentive received. For leases where the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The Company’s lease contracts have lease and non-lease components. For contracts in which the Company is a lessee, the Company accounts for the lease components and non-lease components as a single lease component for all classes of underlying assets, except for real estate. For contracts in which the Company is a lessor, all are accounted for as operating leases, and the lease components and non-lease components are accounted for separately.

During the year ended December 31, 2023, operating lease right-of-use assets for Altira Macau were fully impaired, being part of the impairment of long-lived assets as described in Note 2(j). No impairment on operating lease right-of-use assets was recognized during the year ended December 31, 2024.

(n) Revenue Recognition

The Company’s revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Company accounts for its casino wagering transactions on a portfolio basis versus an individual

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(n) **Revenue Recognition**—continued

basis as all wagers have similar characteristics. Commissions rebated to customers and gaming promoters, cash discounts and other cash incentives earned by customers are recorded as reductions of casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivize future gaming or in exchange for incentives or points earned under the Company's non-discretionary incentive programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by the Company to incentivize future gaming, the Company 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 Company's control and discretion and supplied by third parties are recorded as operating expenses.

The Company 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 Company 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 Company-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.

The Company follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of Studio City Casino and an externally managed hotel and concluded that it is the controlling entity and is the principal to these arrangements.

For the operation of Studio City Casino, on June 23, 2022, MRM and Studio City Entertainment Limited ("SCE"), an affiliated company of the Company, amended a services and right to use agreement to align such agreement with the enacted amendments to the Macau gaming law, together with related agreements (the "Studio City Casino Agreement"), under which MRM operates Studio City Casino since SCE does not hold a gaming concession in Macau. Pursuant to the Studio City Casino Agreement, MRM deducts gaming taxes and the costs incurred in connection with the operations of Studio City Casino from Studio City Casino's gross gaming revenues, and recognizes the residual amount as an expense captioned as payments under the Studio City Casino Agreement with an affiliated company as disclosed in Note 20. Given MRM has full responsibility for the operations of Studio City Casino in accordance with the Concession, it is the principal and casino revenue is, therefore, recognized on a gross basis.

For the operation of the externally managed hotel, as the Company is the owner of the hotel property, the hotel manager operates the hotel under a management agreement providing management services to the Company, and the Company receives all rewards and takes substantial risks associated with the hotel business. The Company is the principal and the transactions are, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenues

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(n) Revenue Recognition—continued

when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by the Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Company are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fee escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company 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 recognized as revenues within one year of being purchased, earned or deposited and are recorded as accrued expenses and other current liabilities in the accompanying consolidated balance sheets. 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.

The following table summarizes the activities related to contract and contract-related liabilities:

	Outstanding Gaming Chips		Loyalty Program Liabilities		Advance Deposits and Ticket Sales	
	2024	2023	2024	2023	2024	2023
Balance at January 1	$ 72,030	$ 29,830	$ 31,723	$ 11,298	$ 231,968	$ 249,794
Balance at December 31	71,223	72,030	35,442	31,723	232,709	231,968
(Decrease) increase	$ (807)	$ 42,200	$ 3,719	$ 20,425	$ 741	$ (17,826)

(o) Gaming Taxes

The Company is subject to taxes based on gross gaming revenue and other metrics in Macau. These gaming taxes totaled $1,649,119 and $1,327,801 for the years ended December 31, 2024 and 2023, respectively, are recognized as casino expense in the accompanying consolidated statements of operations.

(p) Pre-opening Costs

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the years ended December 31, 2024 and 2023, the Company incurred pre-opening costs primarily in connection with certain new operations and other enhancement projects at City of Dreams. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(q) Advertising and Promotional Costs

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $115,345 and $64,102 for the years ended December 31, 2024 and 2023, respectively.

(r) Interest Income

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in interest income in the accompanying consolidated statements of operations.

(s) Foreign Currency Transactions and Translations

All transactions in currencies other than functional currencies of MRF and its subsidiaries during the year are remeasured at the exchange rates prevailing on the respective transaction dates. Monetary assets and liabilities existing at the balance sheet date denominated in currencies other than functional currencies are remeasured at the exchange rates existing on that date. Exchange differences are recorded in the accompanying consolidated statements of operations.

The functional currency of MRF is the US$ and the reporting currency of these consolidated financial statements is in US$. The functional currency of most of MRF's foreign subsidiaries is the local currency in which the subsidiary operates. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of foreign subsidiaries' financial statements are recorded as a component of other comprehensive income (loss).

(t) Comprehensive Income (Loss) and Accumulated Other Comprehensive Income (Losses)

Comprehensive income (loss) includes net income (loss) and foreign currency translation adjustments and is reported in the accompanying consolidated statements of (deficit) equity and consolidated statements of comprehensive income (loss).

As of December 31, 2024 and 2023, the Company's accumulated other comprehensive income (losses) solely consisted of foreign currency translation adjustments.

(u) Share-based Compensation Expenses

Melco operates share-based compensation plans for the purpose of providing incentives and rewards to eligible employees in Melco and its subsidiaries (the "Melco Group") including employees who rendered services to the Company. The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 15.

(v) Income Tax

The Company is subject to income taxes in Macau and Hong Kong where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements.

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(v) Income Tax—continued

Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of Macau and Hong Kong taxing authorities.

The Company's income tax returns are subject to examination by tax authorities in Macau and Hong Kong. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. These accounting standards utilize a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position, based on the technical merits of the position, will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based on cumulative probability.

(w) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncement

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Improvements to Reportable Segment Disclosures" which enhances reportable segment disclosure requirements primarily through expanded disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. The Company adopted ASU 2023-07 for the year ended December 31, 2024. Refer to Note 21 for segment information.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures" which includes amendments that further enhance income tax disclosures, primarily through providing additional information in the rate reconciliation and additional disclosures about income taxes paid by jurisdiction. The Company plans to adopt ASU 2023-09 for its annual period ending December 31, 2025 and is currently assessing the impact of adoption.

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures" which primarily requires disaggregated disclosure of certain expense categories in the notes to the financial statements on an annual and interim basis. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and the Company is currently assessing the impact of adoption.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of cash flows consisted of the following:

	December 31,	
	2024	2023
Cash	$ 472,485	$ 544,701
Cash equivalents	20,367	100,854
Total cash and cash equivalents	492,852	645,555
Non-current portion of restricted cash(1)	125,331	124,556
Total cash, cash equivalents and restricted cash	$ 618,183	$ 770,111

(1) As of December 31, 2024 and 2023, the non-current portion of restricted cash included bank time deposits of $125,331 and $124,556, respectively.

(In thousands, except share and per share data)

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH—continued

On December 9, 2022, as required under the Concession, MRM provided a bank guarantee in favor of the Macau government of Macau Patacas ("MOP") 1,000,000 (equivalent to $124,319) to secure the fulfillment of performance of certain of its legal and contractual obligations, including labor obligations. As stipulated in the bank guarantee contract, the amount of MOP1,000,000 (equivalent to $124,319), or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As of December 31, 2024 and 2023, Hong Kong dollars ("HK$") 970,874 (equivalent to MOP1,000,000) held in the cash collateral bank account was translated to $125,056 and $124,284, respectively, and included in the non-current portion of restricted cash in the accompanying consolidated balance sheets.

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2024	2023
Casino	$ 259,866	$ 232,560
Hotel	1,029	1,110
Other	109	241
Sub-total	261,004	233,911
Less: allowances for credit losses[1]	(124,675)	(148,604)
	136,329	85,307
Non-current portion	—	—
Current portion	$ 136,329	$ 85,307

(1) As of December 31, 2024 and 2023, the allowances for credit losses of $2,391 and $2,377 as a reduction of the long-term casino accounts receivable, are recorded and included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 48.0% and 63.9% of gross casino accounts receivable as of December 31, 2024 and 2023, respectively. No allowances for credit losses from its hotel and other receivables are recorded as of December 31, 2024 and 2023.

Movement in the allowances for credit losses are as follows:

	Year Ended December 31,	
	2024	2023
Balance at beginning of year	$ 148,604	$ 207,206
Provision for (reversal of) credit losses	2,793	(5,058)
Write-offs, net of recoveries	(27,417)	(53,313)
Effect of exchange rate	695	(231)
Balance at end of year	$ 124,675	$ 148,604

5. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2024	2023
Buildings	$ 3,667,071	$ 3,644,477
Leasehold improvements	696,201	653,274
Furniture, fixtures and equipment	609,600	576,851
Gaming equipment	124,568	103,412
Transportation	106,769	103,646
Sub-total	5,204,209	5,081,660
Less: accumulated depreciation and amortization	(3,205,217)	(3,020,001)
Property and equipment, net	$ 1,998,992	$ 2,061,659

(In thousands, except share and per share data)

5. PROPERTY AND EQUIPMENT, NET—continued

The depreciation and amortization expenses of property and equipment recognized for the years ended December 31, 2024 and 2023 were $199,566 and $240,762, respectively.

The cost and accumulated amortization of right-of-use assets held under finance lease arrangements were $3,702 and $2,895 as of December 31, 2024 and $3,646 and $2,103 as of December 31, 2023, respectively.

In accordance with the Macau gaming law, the Reversion Assets (as defined in Note 6) that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Effective as of January 1, 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 6. As MRM 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 Company continues to recognize these Reversion Assets as property and equipment over their remaining estimated useful lives.

6. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

Goodwill arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006 which is reported under the Mocha and Other segment. The changes in carrying amounts of goodwill represented the exchange differences arising from foreign currency translations at the balance sheet date.

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31, 2024	December 31, 2023
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,229	$ 4,203
Total indefinite-lived intangible assets	4,229	4,203
Finite-lived intangible assets:		
Concession	211,929	209,934
Less: accumulated amortization	(45,076)	(24,037)
	166,853	185,897
Internal-use software	18,767	26,746
Less: accumulated amortization	(13,214)	(18,164)
	5,553	8,582
Total finite-lived intangible assets	172,406	194,479
Total intangible assets, net	$ 176,635	$ 198,682

Trademarks of Mocha Clubs

Trademarks arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. The changes in carrying amounts of trademarks represented the exchange differences arising from foreign currency translations at the balance sheet date.

6. GOODWILL AND INTANGIBLE ASSETS, NET—continued

(b) Intangible Assets, Net—continued

Concession

On December 16, 2022, the Macau government awarded the Concession to MRM. The term of the Concession commenced on January 1, 2023 and ends on December 31, 2032 and MRM is authorized 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 (equivalent to $3,752) 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 (equivalent to $38) for each gaming table reserved exclusively to certain kinds of games or players, MOP150 (equivalent to $19) for each gaming table not so exclusively reserved and MOP1 (equivalent to $0.1) for each electronic gaming machine.

On December 30, 2022, in accordance with the obligations under the letters of undertakings dated June 23, 2022, MRM and certain subsidiaries of Melco, 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, the Altira Casino and the 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 of January 1, 2023, the Reversion Assets were transferred by the Macau government to MRM for use in its operations during the Concession for a fee of MOP0.75 (equivalent to $0.09) 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 MOP2.5 (equivalent to $0.3) 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”).

On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1,934,035 (equivalent to $239,588), 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. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Concession is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

The amortization expenses of finite-lived intangible assets recognized for the years ended December 31, 2024 and 2023 were $24,657 and $29,614, respectively.

(In thousands, except share and per share data)

6. GOODWILL AND INTANGIBLE ASSETS, NET—continued

(b) Intangible Assets, Net—continued

As of December 31, 2024, the estimated future amortization expenses of finite-lived intangible assets are as follows:

Year ending December 31,	
2025	$ 24,632
2026	22,634
2027	20,857
2028	20,857
2029	20,857
Over 2029	62,569
	$ 172,406

7. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31,	
	2024	2023
Deferred financing costs, net	$ 27,135	$ 15,905
Deposits and other assets	24,108	26,790
Entertainment production costs, net(1)	16,833	—
Long-term casino accounts receivable, net of allowances for credit losses of $2,391 and $2,377(2)	—	—
Long-term prepayments, deposits and other assets	$ 68,076	$ 42,695

(1) Entertainment production costs represent amounts incurred and capitalized for the entertainment show in City of Dreams and will be amortized over the estimated useful life of the entertainment show of 10 years upon the commencement of the show. No amortization expenses of such entertainment production costs were recognized during the year ended December 31, 2024.

(2) Long-term casino accounts receivable, net represent receivables from casino customers where settlements are not expected within the next year. Reclassifications to current accounts receivable, net, are made when settlement of such balances are expected to occur within one year.

8. LAND USE RIGHTS, NET

	December 31,	
	2024	2023
City of Dreams	$ 400,427	$ 397,953
Altira Macau	81,209	80,707
	481,636	478,660
Less: accumulated amortization	(284,379)	(274,593)
Land use rights, net	$ 197,257	$ 204,067

(In thousands, except share and per share data)

9. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31, 2024	December 31, 2023
Advance deposits and ticket sales	$ 232,709	$ 231,968
Gaming tax accruals	145,684	133,872
Operating expense and other accruals and liabilities	107,484	100,307
Staff cost accruals	72,353	60,207
Outstanding gaming chips	71,223	72,030
Interest expense payables	63,170	54,065
Loyalty program liabilities	35,442	31,723
Property and equipment payables	25,575	16,608
Intangible asset liabilities(1)	24,954	22,343
Accrued expenses and other current liabilities	$ 778,594	$ 723,123

(1) As of December 31, 2024 and 2023, the non-current portion of the intangible asset liabilities of $206,820 and $213,008, respectively, are included in other long-term liabilities in the accompanying consolidated balance sheets.

10. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2024	December 31, 2023
MRF 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $1,732 and $5,746, respectively)	$ 998,268	$ 994,254
MRF 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $1,256 and $2,141, respectively)	498,744	497,859
MRF 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $2,488 and $3,358, respectively)	597,512	596,642
MRF 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $1,865 and $2,317, respectively)	848,135	847,683
MRF 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $1,407 and $1,634, respectively)	1,148,593	1,148,366
MRF 7.625% Senior Notes, due 2032 (net of unamortized deferred financing costs of $5,611)	744,389	—
MRM Credit Facilities, due 2026		
MRM Term Loan	129	128
MN1 Revolving Facility, due 2027(1)	158,305	1,052,515
	4,994,075	5,137,447
Less: current portion of long-term debt, net	—	(149,774)
Long-term debt, net	$ 4,994,075	$ 4,987,673

(1) As of December 31, 2024 and 2023, the unamortized deferred financing costs related to the MN1 Revolving Facility of $27,135 and $15,905, respectively, are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets.

MRF Senior Notes

On June 6, 2017, MRF issued senior unsecured notes in an aggregate principal amount of $650,000 of 4.875% Senior Notes due June 6, 2025 at an issue price of 100% of the principal amount (the "Initial 2025 MRF Senior Notes") pursuant to an indenture, dated June 6, 2017 (the "2025 MRF Indenture") between MRF and a trustee; and on July 3, 2017 further issued senior unsecured notes in an aggregate principal

10. LONG-TERM DEBT, NET—continued

MRF Senior Notes—continued

amount of $350,000 of 4.875% Senior Notes due June 6, 2025 at an issue price of 100.75% of the principal amount (the "Additional 2025 MRF Senior Notes") which were consolidated to form a single series with the Initial 2025 MRF Senior Notes (and together, the "2025 MRF Senior Notes"). The net proceeds from the offering of the Initial 2025 MRF Senior Notes were used to partly fund the redemption of the previous senior notes of MRF and the net proceeds from the offering of the Additional 2025 MRF Senior Notes were used to fully repay the MRM's prior revolving credit facility. The net carrying amount of 2025 MRF Senior Notes is classified as non-current portion of long-term debt as of December 31, 2024 given the repayment of such obligations is not expected to be funded by the Company's working capital within one year and the Company has both the intent and ability, as evidenced by the MN1 Revolving Facility (as defined below), to refinance these obligations on a long-term basis.

On April 26, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $500,000 of 5.250% Senior Notes due April 26, 2026 at an issue price of 100% of the principal amount (the "2026 MRF Senior Notes") pursuant to an indenture, dated April 26, 2019 (the "2026 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2026 MRF Senior Notes were used to partially repay the MRM Revolving Facility (as defined below).

On July 17, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $600,000 of 5.625% Senior Notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2027 MRF Senior Notes") pursuant to an indenture, dated July 17, 2019 (the "2027 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2027 MRF Senior Notes were used to partially repay the MRM Revolving Facility.

On July 21, 2020, MRF issued senior unsecured notes in an aggregate principal amount of $500,000 of 5.750% Senior Notes due July 21, 2028 at an issue price of 100% of the principal amount (the "Initial 2028 MRF Senior Notes") pursuant to an indenture, dated July 21, 2020 (the "2028 MRF Indenture") between MRF and a trustee; and on August 11, 2020 further issued senior unsecured notes in an aggregate principal amount of $350,000 of 5.750% Senior Notes due July 21, 2028 at an issue price of 101% of the principal amount (the "Additional 2028 MRF Senior Notes") which were consolidated to form a single series with the Initial 2028 MRF Senior Notes (and together, the "2028 MRF Senior Notes"). The net proceeds from the offering of the 2028 MRF Senior Notes were partially used to repay the MN1 Revolving Facility and with the remaining amount used for general corporate purposes.

On December 4, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $900,000 of 5.375% Senior Notes due December 4, 2029 at an issue price of 100% of the principal amount (the "Initial 2029 MRF Senior Notes") pursuant to an indenture, dated December 4, 2019 (the "2029 MRF Indenture") between MRF and a trustee; and on January 21, 2021 further issued senior unsecured notes in an aggregate principal amount of $250,000 of 5.375% Senior Notes due December 4, 2029 at an issue price of 103.25% of the principal amount (the "Additional 2029 MRF Senior Notes") which were consolidated to form a single series with the Initial 2029 MRF Senior Notes (and together, the "2029 MRF Senior Notes"). The net proceeds from the offering of the Initial 2029 MRF Senior Notes were used to repay the outstanding borrowing of the MRM Revolving Facility in full and to partially prepay the MRM Term Loan (as defined below). The net proceeds from the offering of the Additional 2029 MRF Senior Notes were used to fully repay the MN1 Revolving Facility.

On April 17, 2024, MRF issued senior unsecured notes in an aggregate principal amount of $750,000 of 7.625% Senior Notes due April 17, 2032 at an issue price of 100% of the principal amount (the "2032 MRF Senior Notes") pursuant to an indenture, dated April 17, 2024 (the "2032 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2032 MRF Senior Notes were used to partially repay the MN1 Revolving Facility.

The 2025 MRF Senior Notes, the 2026 MRF Senior Notes, the 2027 MRF Senior Notes, the 2028 MRF Senior Notes, the 2029 MRF Senior Notes and the 2032 MRF Senior Notes, are collectively referred to as

10. LONG-TERM DEBT, NET—continued

MRF Senior Notes—continued

the "MRF Senior Notes". The 2025 MRF Indenture and, together with the 2026 MRF Indenture, the 2027 MRF Indenture, the 2028 MRF Indenture, the 2029 MRF Indenture and the 2032 MRF Indenture, are collectively referred to as the "MRF Indentures".

There are no interim principal payments on the MRF Senior Notes and interest is payable semi-annually in arrears on each June 6 and December 6 with respect to the 2025 MRF Senior Notes, on each April 26 and October 26 with respect to the 2026 MRF Senior Notes, on each January 17 and July 17 with respect to the 2027 MRF Senior Notes, on each January 21 and July 21 with respect to the 2028 MRF Senior Notes, on each June 4 and December 4 with respect to the 2029 MRF Senior Notes and on each April 17 and October 17 with respect to the 2032 MRF Senior Notes.

The MRF Senior Notes are general obligations of MRF. Each series of the MRF Senior Notes rank equally in right of payment to all existing and future senior indebtedness of MRF, rank senior in right of payment to any existing and future subordinated indebtedness of MRF and are effectively subordinated to all of MRF's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of MRF's subsidiaries. None of MRF's subsidiaries guarantee the MRF Senior Notes.

Each of the MRF Indentures contains certain covenants, subject to certain exceptions and conditions, that limit the ability of MRF and its subsidiaries to, among other things, effect a consolidation or merger or sell assets. Each of the MRF Indentures also contains conditions and provides for customary events of default as well as early redemption options available to MRF during certain time periods and redemption options available to the MRF Senior Notes holders in certain events.

MRM Credit Facilities

On June 19, 2015, MRM (the "Borrower") entered into a senior secured credit facilities agreement with Bank of China Limited, Macau Branch (in its capacity as the sole lender) ("BOC Macau") (the "MRM Credit Facilities"), and following the cancellation of certain of its facilities commitments on May 7, 2020, the available commitments under the term loan facility (the "MRM Term Loan") and the multicurrency revolving credit facility (the "MRM Revolving Facility") are HK$1,000 (equivalent to $129) each. The MRM Term Loan and the MRM Revolving Facility are collateralized by a bank deposit of HK$2,130 (equivalent to $274).

Pursuant to the terms of a waiver letter from BOC Macau to the Borrower dated April 29, 2020 (the "Waiver Letter"), compliance with certain provisions of the MRM Credit Facilities were waived and BOC Macau agreed, among other things, to (i) extend the maturity date of the MRM Credit Facilities to June 24, 2022; (ii) change the repayment date of the MRM Term Loan to require full repayment on June 24, 2022 from originally being repayable in quarterly installments according to an amortization schedule; (iii) change the interest rate of the borrowings; (iv) waive the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions; (v) waive the requirement to make substantially all of the representations; and (vi) waive certain current and/or future defaults and events of default that may arise under the terms of the MRM Credit Facilities, subject to certain conditions and terms.

Pursuant to the terms of certain extension request letters of the Waiver Letter dated April 6, 2022, December 14, 2022 and June 6, 2024, the maturity date of the MRM Credit Facilities, and the continuing applicability of the various waivers provided under the Waiver Letter, were further extended to December 31, 2022, June 24, 2024 and June 24, 2026, respectively (the "Extended Termination Date"). The MRM Term Loan, pursuant to the terms of the Waiver Letter (as amended and extended), is repayable in full on the Extended Termination Date (as amended and extended). Each loan made under the MRM Revolving Facility 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.

10. LONG-TERM DEBT, NET—continued

MRM Credit Facilities—continued

Borrowings under the MRM Credit Facilities bore interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the MRM Borrowing Group (as described below). The Borrower is permitted to select an interest period for borrowings under the MRM Credit Facilities ranging from one to six months or any other agreed period. Pursuant to the terms of the Waiver Letter, borrowings under the MRM Credit Facilities bear interest at HIBOR plus a margin of 1% per annum. As of December 31, 2024 and 2023, the interest rate was approximately 5.35% and 6.15%, respectively.

The indebtedness under the MRM Credit Facilities is guaranteed by MCO Nominee One Limited ("MN1"), a subsidiary of MRF, and certain of its subsidiaries as defined under the MRM Credit Facilities (other than the Borrower). Security for the MRM Credit Facilities includes: a first-priority interest in substantially all assets of the borrowing group which includes the Borrower and certain of its subsidiaries as defined under the MRM Credit Facilities (the "MRM Borrowing Group"), the issued share capital and equity interests and certain buildings, fixtures and equipment of the MRM Borrowing Group and certain other excluded assets and customary security.

Pursuant to the terms of the Waiver Letter, the provisions that limited certain payments of dividends and other distributions by the MRM Borrowing Group to companies or persons who were not members of the MRM Borrowing Group were waived.

Under the MRM Credit Facilities, in the event of a change of control, the Borrower may be required, at the election of any lender under the MRM Credit Facilities, to repay such lender in full. In addition, termination or rescission of MRM's concession contract or land concessions would constitute an event of default. As with substantially all of the undertakings and covenants under the MRM Credit Facilities, however, these provisions are subject to a continuing waiver under the terms of the Waiver Letter.

The Borrower is obligated to pay a commitment fee on the undrawn amount of the MRM Revolving Facility and recognized loan commitment fees of $1 and $1 during the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024, the outstanding principal amount of the MRM Term Loan and the MRM Revolving Facility was HK$1,000 (equivalent to $129) and nil, respectively, and the available unused borrowing capacity under the MRM Revolving Facility was HK$1,000 (equivalent to $129).

MN1 Revolving Facility

On April 29, 2020, MN1 entered into a senior unsecured revolving credit facility agreement with a syndicate of banks (the "MN1 Revolving Facility") for a HK$14,850,000 (equivalent to $1,915,947) with a term of five years and a maturity date of April 29, 2025. On April 8, 2024, the lenders approved an extension of the maturity date by two years to April 29, 2027. Each loan made under the MN1 Revolving Facility 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 can be rolled over subject to compliance with certain covenants and satisfaction of conditions precedent. MN1 is also subject to mandatory prepayment requirements in respect of various amounts as specified in the MN1 Revolving Facility. In the event of a change of control or if MRM's concession contract or land concessions as defined under the MN1 Revolving Facility are terminated or otherwise expire on its terms, MN1 may be required, at the election of any lender under the MN1 Revolving Facility, to repay such lender in full.

The indebtedness under the MN1 Revolving Facility is guaranteed by MRM and MCO Investments Limited ("MINV"), a subsidiary of MRF.

The MN1 Revolving Facility contains certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional

(In thousands, except share and per share data)

10. LONG-TERM DEBT, NET—continued

MN1 Revolving Facility—continued

indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of MINV and its subsidiaries. The MN1 Revolving Facility also contains conditions and events of default customary for such financings and the financial covenants including a leverage ratio, total leverage ratio and interest cover ratio.

On June 29, 2023 (the "Effective Date"), certain provisions of the MN1 Revolving Facility were amended and restated (the "2023 Amendment and Restatement") such that borrowings under the MN1 Revolving Facility denominated in US$ bear interest at the term Secured Overnight Financing Rate ("SOFR") plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum, as adjusted in accordance with the interest period, and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. Prior to the Effective Date of the 2023 Amendment and Restatement, borrowings under the MN1 Revolving Facility denominated in US$ bore interest at the London Interbank Offered Rate plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. Borrowings under the MN1 Revolving Facility denominated in HK$ bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. MN1 may select an interest period for borrowings under the MN1 Revolving Facility ranging from one to six months or any other agreed period. As of December 31, 2024 and 2023, the weighted average interest rate was approximately 5.40% and 7.44%, respectively.

MN1 is obligated to pay a commitment fee on the undrawn amount of the MN1 Revolving Facility and recognized loan commitment fees of $6,769 and $3,955 during the years ended December 31, 2024 and 2023, respectively.

On August 16, 2022, MN1 received confirmation that the majority of lenders of the MN1 Revolving Facility consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the MN1 Revolving Facility, in respect of the relevant periods ended on the following applicable test dates: (a) March 31, 2023; (b) June 30, 2023; (c) September 30, 2023; (d) December 31, 2023; and (e) March 31, 2024. Such consent became effective on August 17, 2022.

As of December 31, 2024, the outstanding principal amount of the MN1 Revolving Facility was HK$1,229,000 (equivalent to $158,305), and the available unused borrowing capacity under the MN1 Revolving Facility was HK$13,621,000 (equivalent to $1,754,494).

Scheduled Maturities of Long-term Debt

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2024 are as follows:

Year ending December 31,	
2025	$ 1,000,000
2026	500,129
2027	758,305
2028	850,000
2029	1,150,000
Over 2029	750,000
	$ 5,008,434

(In thousands, except share and per share data)

11. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including Mocha Clubs sites, office spaces and certain parcels of land in Macau on which City of Dreams and Altira Macau 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 Company and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover. 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.

The components of lease costs are as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating lease costs:		
Amortization of land use rights	$ 8,039	$ 10,797
Operating lease costs	7,817	5,680
Short-term lease costs	—	10
Variable lease costs	3,105	2,684
Finance lease costs:		
Amortization of right-of-use assets	742	732
Total lease costs	$ 19,703	$ 19,903

Other information related to lease term and discount rate of operating leases is as follows:

	December 31, 2024	December 31, 2023
Weighted average remaining lease term	16.6 years	17.1 years
Weighted average discount rate	4.68%	5.62%

Maturities of operating lease liabilities as of December 31, 2024 are as follows:

Year ending December 31,	
2025	$ 7,558
2026	5,590
2027	2,151
2028	2,146
2029	2,131
Over 2029	24,698
Total future minimum lease payments	44,274
Less: amounts representing interest	(14,785)
Present value of future minimum lease payments	29,489
Current portion	(7,360)
Non-current portion	$ 22,129

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in the sites of City of Dreams with various retailers that expire at various dates through May 2035. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the years ended December 31, 2024 and 2023, the Company earned minimum operating lease income of $39,440 and $38,525, respectively, and contingent operating lease income of $3,546 and $4,138, respectively.

(In thousands, except share and per share data)

11. LEASES—continued

Lessor Arrangements—continued

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2024 were as follows:

Year ending December 31,	
2025	$ 49,498
2026	24,665
2027	3,699
2028	230
2029	90
Over 2029	488
	$ 78,670

12. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the input to valuation techniques used to measure fair values into three broad levels. The level in the hierarchy within which the fair value measurements in its entirety is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1—inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2—inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying values of cash equivalents, bank time deposits included in restricted cash, long-term deposits, long-term receivables and other long-term liabilities approximated fair values and were classified as level 2 in the fair value hierarchy.

The fair values as of December 31, 2024 and 2023 for the long-lived assets impairment of Altira Macau as described in Note 2(j) were estimated by using level 3 inputs based on a combination of income and cost approaches.

The estimated fair values of long-term debt as of December 31, 2024 and 2023, were approximately $4,831,128 and $4,862,340, respectively, as compared to their carrying values, excluding unamortized deferred financing costs and original issue premiums, of $5,008,434 and $5,152,643, respectively. Fair values for the senior notes were estimated based on recent trades, if available, and indicative pricing from market information and were classified as level 2 in the fair value hierarchy. Fair values for the credit facilities approximated their carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 2024 and 2023, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

13. CAPITAL STRUCTURE

As of December 31, 2024 and 2023, MRF had authorized shares of 5,000,000 at par value of $0.01 per share and with 1,202 ordinary shares issued at par value of $0.01 per share.

(In thousands, except share and per share data)

14. INCOME TAXES

The income tax expense (benefit) consisted of:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Income tax expense—current:		
Payments in lieu of Macau Complementary Tax on dividends	$ 7,021	$ 5,650
Hong Kong Profits Tax	18	12
Sub-total	7,039	5,662
(Over) under provision of income taxes in prior years:		
Macau Complementary Tax	—	(92)
Payments in lieu of Macau Complementary Tax on dividends	(14)	(1,327)
Hong Kong Profits Tax	12	11
Sub-total	(2)	(1,408)
Income tax benefit—deferred:		
Macau Complementary Tax	(113)	(5,640)
Total income tax expense (benefit)	$ 6,924	$ (1,386)

A reconciliation of the income tax expense (benefit) from income (loss) before income tax per the accompanying consolidated statements of operations is as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Income (loss) before income tax	$ 7,523	$ (355,591)
Macau Complementary Tax rate	12%	12%
Income tax expense (benefit) at Macau Complementary Tax rate	903	(42,671)
Payments in lieu of Macau Complementary Tax on dividends	7,021	5,650
Effect of different tax rate of subsidiaries operating in other jurisdiction	(14,081)	(15,507)
Over provision in prior years	(2)	(1,408)
Effect of income for which no income tax expense is payable	(2,597)	(619)
Effect of expenses for which no income tax benefit is receivable	54,912	53,321
Effect of profits generated by gaming operations exempted	(59,681)	(36,767)
Changes in valuation allowances	(120)	6,307
Expired tax losses	20,569	30,308
Income tax expense (benefit)	$ 6,924	$ (1,386)

MRF and certain of its subsidiaries are exempt from tax in the Cayman Islands, where they are incorporated, while MRF and certain of its subsidiaries are subject to Hong Kong Profits Tax on income derived from Hong Kong during the years ended December 31, 2024 and 2023. The remaining subsidiaries of MRF incorporated in Macau and Hong Kong are subject to Macau Complementary Tax and Hong Kong Profits Tax, respectively, during the years ended December 31, 2024 and 2023.

Macau Complementary Tax and Hong Kong Profits Tax have been provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the years ended December 31, 2024 and 2023, if applicable.

Pursuant to a Dispatch of the Chief Executive of Macau dated January 29, 2024, MRM benefits from the Macau Complementary Tax exemption on profits generated from gaming operations under the Concession for the period of five years from 2023 to 2027. 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 effective on January 1, 2023.

(In thousands, except share and per share data)

14. INCOME TAXES—continued

In February 2024, MRM entered into an agreement with the Macau government in relation to payments in lieu of the Macau Complementary Tax which would otherwise be borne by the shareholders of MRM on dividend distributions from gaming profits for the period from January 1, 2023 to December 31, 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 years ended December 31, 2024 and 2023, an estimated amount of $7,021 and $5,650 was provided for such arrangement, respectively.

Global Anti-Base Erosion Model Rules ("Pillar Two") have been enacted or substantively enacted in certain jurisdictions where the Company operates. Pillar Two is effective for the Company's financial year beginning on or after January 1, 2025. The Company is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Company'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 of the Company. Based on the assessment, the Pillar Two transitional safe harbor relief will apply or the effective tax rates are above 15% in 2024. Based on management's best estimate, the Company does not have exposure to Pillar Two top-up taxes for the year ended December 31, 2024.

The effective tax rates for the years ended December 31, 2024 and 2023 were 92.04% and 0.39%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, expired tax losses, changes in valuation allowances, different tax rate of subsidiaries operating in other jurisdiction and profits generated by gaming operations being exempted from Macau Complementary Tax for the years ended December 31, 2024 and 2023.

The net deferred tax liabilities as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating losses carried forward	$ 67,181	$ 68,248
Depreciation and amortization	62,650	60,825
Lease liabilities	1,800	1,819
Other	388	333
Sub-total	132,019	131,225
Valuation allowances	(128,154)	(127,280)
Total deferred tax assets	3,865	3,945
Deferred tax liabilities:		
Land use rights	(4,807)	(4,973)
Right-of-use assets	(1,477)	(1,489)
Intangible assets	(508)	(504)
Total deferred tax liabilities	(6,792)	(6,966)
Deferred tax liabilities, net	$ (2,927)	$ (3,021)

As of December 31, 2024 and 2023, valuation allowances of $128,154 and $127,280 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2024, adjusted operating tax losses carried forward of $257,616, $146,227 and $155,994 will expire in 2025, 2026 and 2027, respectively. Adjusted operating tax losses carried forward of $171,412 expired during the year ended December 31, 2024.

14. INCOME TAXES—continued

Deferred tax, where applicable, is provided under the asset and liability method at the enacted statutory income tax rate of the respective tax jurisdictions, applicable to the respective financial years, on the difference between the consolidated financial statements carrying amounts and income tax base of assets and liabilities.

The Company concluded that there were no significant uncertain tax positions requiring recognition in the accompanying consolidated financial statements for the years ended December 31, 2024 and 2023 and there are no material unrecognized tax benefits which would favorably affect the effective income tax rates in future periods. As of December 31, 2024 and 2023, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Income tax returns of MRF and its subsidiaries remain open and subject to examination by the local tax authorities of Macau and Hong Kong until the statute of limitations expire in five years and six years, respectively.

15. SHARE-BASED COMPENSATION

Melco Share Incentive Plan

Melco adopted a share incentive plan in 2011 (as amended) (the “Melco 2011 Share Incentive Plan”), which was terminated on December 6, 2021, and a new share incentive plan, which was effective on December 6, 2021 and subsequently amended on June 13, 2024 to bring the plan in line with applicable listing rules in Hong Kong that impact Melco International, for grants of various share-based awards (the “Melco 2021 Share Incentive Plan”, together with Melco 2011 Share Incentive Plan be referred as “Melco Share Incentive Plan”). Upon the termination of the Melco 2011 Share Incentive Plan, no further awards can be granted under the Melco 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.

During the years ended December 31, 2024 and 2023, certain share-based awards under the Melco Share Incentive Plan were granted by Melco to eligible employees of the Melco Group who rendered services to the Company.

Share Options

During the years ended December 31, 2024 and 2023, the exercise prices for share options granted under the Melco Share Incentive Plan were determined at the market closing prices of Melco’s ADSs trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of one to three years. The share options granted expire 10 years from the date of grant.

Melco 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’s ADSs trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term 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 term. The fair values of the share options at the date of grant were charged to the accompanying consolidated statements of operations over the vesting period, with a corresponding increase in additional paid-in capital as a contribution from Melco.

(In thousands, except share and per share data)

15. SHARE-BASED COMPENSATION—continued

Melco Share Incentive Plan—continued

Share Options—continued

The fair values of share options granted under the Melco Share Incentive Plan were estimated on the dates of grant using the following weighted average assumptions:

	Year Ended December 31,	
	2024	2023
Expected dividend yield	2.50%	2.50%
Expected stock price volatility	60.00%	58.67%
Risk-free interest rate	4.36%	3.39%
Expected term (years)	5.1	5.1

A summary of the share options activity under the Melco Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2024	3,114,570	$ 2.83		
Granted	76,455	2.52		
Forfeited	(76,167)	2.47		
Expired	(8,748)	6.89		
Transferred in (Note (i))	19,686	6.89		
Outstanding as of December 31, 2024	3,125,796	$ 2.85	7.24	$ —
Fully vested and expected to vest as of December 31, 2024	3,125,796	$ 2.85	7.24	$ —
Exercisable as of December 31, 2024	2,539,791	$ 2.91	7.17	$ —

(i) The amount represents the outstanding share options of certain allocated employees of related companies who transferred to the Company to render services during the year.

The following information is provided for share options under the Melco Share Incentive Plan:

	Year Ended December 31,	
	2024	2023
Weighted average grant date fair value	$ 1.16	$ 1.82
Proceeds from the exercise of share options	$ —	$ 168
Intrinsic value of share options exercised	$ —	$ 120

As of December 31, 2024, there were $165 unrecognized compensation costs related to share options under the Melco Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.28 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the Melco Share Incentive Plan to the eligible employees of the Melco Group who rendered services to the Company in lieu of the bonuses for their services performed during 2022 (the “Bonus Restricted Shares”). The Bonus Restricted Shares were granted in April 2023 and vested immediately on their grant date.

(In thousands, except share and per share data)

15. SHARE-BASED COMPENSATION—continued

Melco Share Incentive Plan—continued

Restricted Shares—continued

Other than the Bonus Restricted Shares, the fair values for restricted shares granted under the Melco Share Incentive Plan during the years ended December 31, 2024 and 2023 were determined with reference to the market closing prices of Melco's ADSs trading on the Nasdaq Global Select Market on the dates of grant and were charged to the accompanying consolidated statements of operations over the vesting period, with a corresponding increase in additional paid-in capital as a contribution from Melco. These restricted shares have vesting periods of generally one to three years.

A summary of the restricted shares activity under the Melco Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2024	6,402,084	$ 3.46
Granted	5,261,727	2.45
Vested	(3,643,647)	3.47
Forfeited	(306,924)	2.96
Transferred in (Note (i))	58,608	3.28
Transferred out (Note (ii))	(44,298)	2.98
Unvested as of December 31, 2024	7,727,550	$ 2.79

(i) The amount represents the unvested restricted shares of certain allocated employees of related companies who transferred to the Company to render services during the year.

(ii) The amount represents the unvested restricted shares of certain allocated employees of the Company who transferred to related companies to render services during the year.

The following information is provided for restricted shares under the Melco Share Incentive Plan:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Weighted average grant date fair value	$ 2.45	$ 4.13
Grant date fair value of restricted shares vested	$ 12,656	$ 15,771

As of December 31, 2024, there were $13,490 unrecognized compensation costs related to restricted shares under the Melco Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.82 years.

The share-based compensation expenses for the Company were recognized as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Share-based compensation expenses	$ 10,874	$ 12,215
Less: share-based compensation expenses capitalized in property and equipment	(531)	(201)
Share-based compensation expenses recognized in general and administrative expenses	$ 10,343	$ 12,014

16. EMPLOYEE BENEFIT PLANS

The eligible employees of the Company are allowed to participate in defined contribution fund schemes operated by the Company or Melco (the "Defined Contribution Fund Schemes"). The Company 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 Company's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting of 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 Company by independent trustees.

Employees employed by the Company in Macau are members of a government-managed social security fund scheme (the "Social Security Fund Scheme"), which is operated by the Macau government. The Company is required to pay monthly fixed contributions and meet the minimum mandatory requirement of the Social Security Fund Scheme to fund the benefits.

During the years ended December 31, 2024 and 2023, the Company's contributions into the defined contribution retirement benefits schemes were $22,732 and $19,924, respectively.

17. DISTRIBUTION OF PROFITS

Subsidiaries of MRF incorporated in 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 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 shareholders of the relevant subsidiaries. As of December 31, 2024 and 2023, the aggregate balance of the legal reserves amounted to $36,773 and $31,511, respectively.

18. DIVIDENDS

During the year ended December 31, 2024, the Sole Director of MRF declared dividends of $74,043.26 per share totaling $89,000 and recorded such amount as distribution against retained earnings.

During the year ended December 31, 2023, the Sole Director of MRF did not declare any dividends on the ordinary shares.

19. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2024, the Company had capital commitments mainly for the acquisitions of property and equipment for City of Dreams totaling $39,831.

(b) Other Commitments

Concession—Macau

Under the Concession awarded by the Macau government to MRM on December 16, 2022, in addition to the fixed premium and variable premiums, as well as the Fee (see Note 6), 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;

19. COMMITMENTS AND CONTINGENCIES—continued

(b) **Other Commitments**—continued

Concession—Macau—continued

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 (equivalent to $875) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300 (equivalent to $38). 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 favor of the Macau government in the amount of MOP1,000,000 (equivalent to $125,056) 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 labor 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 (equivalent to $1,478,629) 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 (equivalent to $1,251,564) is to be applied to non-gaming related projects, with the balance applied to gaming related projects. 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 (equivalent to $250,488), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000 (equivalent to $22,510,141) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000 (equivalent to $22,510,141) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000 (equivalent to $250,488) to MOP12,011,000 (equivalent to $1,502,052), with the overall investment amount increased to MOP13,826,700 (equivalent to $1,729,116) to be carried out by December 2032. As of December 31, 2024, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP3,341,450 (equivalent to $417,870).

(c) **Pledged Assets**

Except as disclosed in Note 10, the Company has the following pledged assets as of December 31, 2024:

- On March 15, 2021, Studio City Company Limited ("SCC"), an affiliated company of the Company which is majority-owned by Melco, amended the terms of its prior senior secured credit facilities agreement entered into with a syndicate of banks, including the extension of the maturity date of the HK$234,000 (equivalent to $30,077) senior secured credit facilities (the "SCC 2016 Credit Facilities") to January 15, 2028. On November 29, 2024, SCC further amended the terms of the SCC 2016 Credit Facilities, including the extension of the maturity date to August 29, 2029 and change of interest rates. On November 29, 2024, SCC entered into a senior secured revolving credit facility agreement with a syndicate of banks (the "SCC 2024 Revolving Facility") for HK$1,945,000 (equivalent to $250,273) with a term of five years and maturity date of November 29, 2029, with an option to increase the commitments in an amount not exceeding $100,000, subject to satisfaction of conditions precedent. The SCC 2016 Credit Facilities (as

(In thousands, except share and per share data)

19. COMMITMENTS AND CONTINGENCIES—continued

(c) **Pledged Assets—continued**

amended) and the SCC 2024 Revolving Facility are collectively referred to as the "SCC Credit Facilities". Certain specified bank accounts of MRM are pledged as security for the SCC Credit Facilities and related finance documents.

- On February 16, 2022, SCC issued senior secured notes in an aggregate principal amount of $350,000 of 7.000% Senior Notes due February 15, 2027 (the "2027 SCC Senior Notes"). Certain specified bank accounts of MRM are pledged as security for the 2027 SCC Senior Notes and related finance documents.

(d) **Litigation**

As of December 31, 2024, the Company was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impacts on the Company's consolidated financial statements as a whole.

20. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the Company entered into the following significant related party transactions:

		Year Ended December 31,	
Related companies	**Nature of transactions**	**2024**	**2023**
Transactions with affiliated companies			
Melco International and its subsidiaries	**Revenues and income (services provided by the Company):**		
	Management fee and other service fee income(1)	$ 213,748	$ 173,535
	Loan interest income	12,909	19,362
	Rooms and food and beverage revenues	342	541
	Costs and expenses (services provided to the Company):		
	Payments under the Studio City Casino Agreement(2)	259,842	155,527
	Management fee expenses(3)	190,917	168,058
	Trademark license fees(4)	91,750	78,480
	Purchase of goods and services(5)	175,097	144,452
	Transportation service fee expenses	9,276	22,051
	Sale and purchase of assets:		
	Purchase of property and equipment	10,349	813

(1) Services provided by the Company to Melco and its subsidiaries primarily include, but not limited to, certain shared administrative services, staff costs recharged mainly for staff who are solely dedicated to Studio City to carry out their non-gaming activities.

(2) Pursuant to the Studio City Casino Agreement as defined in Note 2(n), MRM deducts gaming taxes and the costs incurred in connection with the operations of the Studio City Casino from Studio City Casino's gross gaming revenues, and recognizes the residual amount as an expense captioned as payments under the Studio City Casino Agreement with an affiliated company.

(3) These management fee expenses included recharges of share-based compensation expenses.

(In thousands, except share and per share data)

20. RELATED PARTY TRANSACTIONS—continued

(4) The amount represents the fees to use certain licensed marks granted by a subsidiary of Melco, as licensor, to the Company in the territories as defined in the trademark license agreement with a term of 10 years commenced on September 13, 2022 and the trademark license fees are payable at a percentage of the aggregate gross revenues of City of Dreams, Altira Macau and Mocha as agreed from time to time between both parties.

(5) These costs primarily represented the standalone selling prices of the complimentary services (including rooms, food and beverage and entertainment services) provided by subsidiaries of Melco to the Company's casino customers and gaming promoters.

Other Related Party Transactions

As of December 31, 2024 and 2023, certain funds were received from SCE for the future economic benefits of Studio City Casino Agreement for the operation of Studio City Casino. Such funds received are shown as other long-term liabilities in the accompanying consolidated balance sheets and will be amortized over the future economic benefits of the Studio City Casino Agreement for the operation of the Studio City Casino in subsequent periods as other income in the accompanying consolidated statements of operations. During the years ended December 31, 2024 and 2023, the Company received funds of $31,193 and $5,527, respectively, from SCE for the above arrangement.

(a) **Receivables from Affiliated Companies**

The outstanding balances as of December 31, 2024 and 2023 are receivables from Melco International and its subsidiaries and joint venture mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies, and are unsecured, non-interest bearing and repayable on demand.

(b) **Payables to Affiliated Companies**

The outstanding balances as of December 31, 2024 and 2023 are payables to Melco International's subsidiaries mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company, and are unsecured, non-interest bearing and repayable on demand.

(c) **Receivables from Affiliated Companies, Non-current**

	December 31,	
	2024	2023
Advances to affiliated companies (Note (i))	$ 1,431,022	$ 1,423,351
Loans to an affiliated company (Note (ii))	220,418	219,056
	$ 1,651,440	$ 1,642,407

(i) The outstanding balances as of December 31, 2024 and 2023 are advances to Melco and its subsidiaries, and are unsecured and non-interest bearing. No part of the amounts will be repayable within the next twelve months from the balance sheet date and, accordingly, the amounts were shown as non-current assets in the accompanying consolidated balance sheets.

(ii) The outstanding balances as of December 31, 2024 and 2023 are loans to Melco on revolving basis under the intercompany loan agreements as stated below, and Melco has the unconditional right to elect to refinance any maturing amount of the loan advances by way of a rollover loan.

Pursuant to an agreement dated May 18, 2022, as amended on February 27, 2023, entered into between the Company and Melco, with effect from April 6, 2022, the Company agreed to make loan advances to Melco in an amount of up to $250,000 on a revolving basis until (and including) April 5, 2027, at a rate not higher than 12 month term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 1").

20. RELATED PARTY TRANSACTIONS—continued

(c) Receivables from Affiliated Companies, Non-current—continued

Pursuant to an agreement dated February 27, 2023 entered into between the Company and Melco, with effect from August 25, 2022, the Company agreed to make loan advances to Melco in an amount of up to $160,000 on a revolving basis until (and including) August 24, 2027, at a rate not higher than 12 month term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 2"). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 2 pursuant to the Confirmation Letter as described below.

Pursuant to an agreement dated April 27, 2023 entered into between the Company and Melco, with effect from March 9, 2023, the Company agreed to make loan advances to Melco in an amount of up to $158,000 on a revolving basis until (and including) March 8, 2028, at a rate not higher than 12 month term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 3"). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 3 pursuant to the Confirmation Letter as described below.

Pursuant to a confirmation letter dated August 1, 2023 entered into between the Company and Melco (the "Confirmation Letter"), with effect from May 1, 2023, both parties agreed to convert the settlement currency of Loan Receivable 2 and Loan Receivable 3 with outstanding US$ loan principal amounts of $160,000 and $158,000, respectively, from an aggregate of $318,000 at an agreed exchange rate to an outstanding HK$ loan principal amount of HK$2,496,213 (equivalent to $318,000). Pursuant to the Confirmation Letter, both parties also agreed to amend the interest rate under the Loan Receivable 2 and Loan Receivable 3 from a rate not higher than 12 month term SOFR plus 5% per annum to the aggregate of i) term SOFR plus an applicable credit adjustment spread and an applicable margin for loan advances denominated in US$; and ii) HIBOR plus an applicable margin for loan advances denominated in HK$.

As of December 31, 2024, there was no outstanding balance under Loan Receivable 1, and the outstanding balances under the Loan Receivable 2 and Loan Receivable 3 of HK$470,956 (equivalent to $60,663) and HK$1,240,257 (equivalent to $159,755), respectively, are unsecured and interest bearing at 5.36% per annum. Management believes no part of the amounts will be repayable within the next twelve months from the balance sheet date and accordingly, the amounts were shown as non-current assets.

21. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business. The Company views each of its operating properties as a reportable segment. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of each of its reportable segment which includes Altira Macau, Mocha and Other, and City of Dreams. Studio City Casino, which is operated by the Company under the Studio City Casino Agreement, does not meet the criteria of a reportable segment and is included in the Corporate and Other category. As of December 31, 2024 and 2023, the Company operated in one geographical area, Macau, where it derives its revenues and its long-lived assets are located.

(In thousands, except share and per share data)

21. SEGMENT INFORMATION—continued

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets

	December 31, 2024	December 31, 2023
Macau:		
Altira Macau	$ 49,470	$ 81,311
Mocha and Other	135,386	131,605
City of Dreams	2,709,193	2,717,462
Corporate and Other	2,960,718	3,036,813
Total consolidated assets	$ 5,854,767	$ 5,967,191

Capital Expenditures

	Year Ended December 31, 2024	Year Ended December 31, 2023
Macau:		
Altira Macau	$ 5,673	$ 3,893
Mocha and Other	6,549	4,590
City of Dreams	84,891	22,267
Corporate and Other	33,683	15,977
Total capital expenditures	$ 130,796	$ 46,727

MRF's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA for each segment as the measure of segment profit or loss to allocate resources to each segment and to compare the operating performance of the Company's properties with those of its competitors as a way to assess performance. Adjusted property EBITDA is net income (loss) before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, Corporate and Other expenses, and other non-operating income and expenses.

(In thousands, except share and per share data)

21. SEGMENT INFORMATION—continued

The following tables present the results of operations for each of the Company's reportable segments and reconciliation to net income (loss) for the years ended December 31, 2024 and 2023.

Year Ended December 31, 2024

	Macau			
	Altira Macau	Mocha and Other	City of Dreams	Total
Segment operating revenues:				
Casino	$106,649	$118,295	$ 1,982,445	$2,207,389
Rooms	11,774	—	162,043	173,817
Food and beverage	8,517	4,736	102,428	115,681
Entertainment, retail and other	227	228	187,865	188,320
Total segment operating revenues[(1)]	127,167	123,259	2,434,781	$2,685,207
Segment expenses:				
Gaming taxes[(2)]	(52,834)	(50,959)	(1,019,075)	
Employee benefits expenses[(3)]	(45,176)	(24,251)	(445,053)	
Other segment items[(4)]	(35,744)	(23,847)	(389,800)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ (6,587)	$ 24,202	$ 580,853	$ 598,468
Other operating expenses:				
Pre-opening costs				(12,075)
Amortization of land use rights				(8,039)
Depreciation and amortization				(224,223)
Share-based compensation				(10,343)
Property charges and other				(10,705)
Corporate and Other expenses				(14,990)
Operating income				318,093
Non-operating income (expenses):				
Interest income				20,113
Interest expense				(324,408)
Other financing costs				(6,770)
Foreign exchange losses, net				(3,271)
Other income, net				3,766
Total non-operating expenses, net				(310,570)
Income before income tax				7,523
Income tax expense				(6,924)
Net income				$ 599

(In thousands, except share and per share data)

21. SEGMENT INFORMATION—continued

Year Ended December 31, 2023

	Macau			
	Altira Macau	Mocha and Other	City of Dreams	Total
Segment operating revenues:				
Casino	$ 94,188	$116,701	$1,681,237	$1,892,126
Rooms	10,976	—	144,468	155,444
Food and beverage	8,222	1,990	77,310	87,522
Entertainment, retail and other	566	327	160,170	161,063
Total segment operating revenues[1]	113,952	119,018	2,063,185	$2,296,155
Segment expenses:				
Gaming taxes[2]	(48,914)	(49,137)	(864,529)	
Employee benefits expenses[3]	(43,215)	(22,594)	(364,606)	
Other segment items[4]	(27,380)	(22,821)	(326,152)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ (5,557)	$ 24,466	$ 507,898	$ 526,807
Other operating expenses:				
Pre-opening costs				(3,946)
Amortization of land use rights				(10,797)
Depreciation and amortization				(270,376)
Share-based compensation				(12,014)
Property charges and other				(229,000)
Corporate and Other expenses				(32,875)
Operating loss				(32,201)
Non-operating income (expenses):				
Interest income				26,187
Interest expense				(345,533)
Other financing costs				(3,956)
Foreign exchange losses, net				(500)
Other income, net				412
Total non-operating expenses, net				(323,390)
Loss before income tax				(355,591)
Income tax benefit				1,386
Net loss				$ (354,205)

(1) Revenues from the Corporate and Other category includes the revenues of Studio City Casino, with the residual amount of Studio City Casino's gross gaming revenues after deducting gaming taxes and the costs incurred in connection with its operation is recognized as payments under the Studio City Casino Agreement as disclosed in Note 2(n) during the years ended December 31, 2024 and 2023, which do not meet the criteria of a reportable segment and therefore are not included in the total for the reportable segment operating revenues. A reconciliation of segment operating revenues to total consolidated operating revenues is as follows:

Reconciliation of total operating revenues

	Year Ended December 31,	
	2024	2023
Segment operating revenues:		
Altira Macau	$ 127,167	$ 113,952
Mocha and Other	123,259	119,018
City of Dreams	2,434,781	2,063,185
Total segment operating revenues	2,685,207	2,296,155
Revenues from Corporate and Other	1,309,008	894,512
Total consolidated operating revenues	$ 3,994,215	$ 3,190,667

21. SEGMENT INFORMATION—continued

(2) The details of "Gaming taxes" are disclosed in Note 2(o) with certain amounts included in Corporate and Other expenses.

(3) "Employee benefits expenses" includes salaries, bonuses and incentives, benefits and allocated labor costs among segments or from Melco's subsidiaries. Certain amounts of "Employee benefits expenses" are included in Corporate and Other expenses, pre-opening costs, share-based compensation and property charges and other; and with certain amounts incurred during the construction and development stage of projects capitalized in property and equipment.

(4) "Other segment items" mainly include cost of inventories, advertising and promotions expenses, repair and maintenance expenses, utilities and fuel expenses, corporate and other services recharged from Melco's subsidiaries and other gaming operation expenses.

22. SUBSEQUENT EVENTS

On February 25, 2025, pursuant to the terms under the MN1 Revolving Facility, an incremental facility of HK$387,500 (equivalent to $49,834) was established to increase the available commitments under the MN1 Revolving Facility from HK$14,850,000 (equivalent to $1,909,769) to HK$15,237,500 (equivalent to $1,959,603). Such unused incremental borrowing capacity of HK$387,500 (equivalent to $49,834) as of the date of issuance of these consolidated financial statements is subject to satisfaction of certain conditions precedent.

In preparing the accompanying consolidated financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through April 30, 2025, the date the accompanying consolidated financial statements were available to be issued.

REPORT OF INDEPENDENT AUDITORS

To the Shareholder and the Sole Director of Melco Resorts Finance Limited

Opinion

We have audited the consolidated financial statements of Melco Resorts Finance Limited (the Company), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations, comprehensive loss, shareholder's (deficit) equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

/s/ Ernst & Young LLP
Singapore
April 5, 2024, except for Note 22, as to which the date is September 15, 2025

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 645,555	$ 1,044,682
Restricted cash	—	50,971
Accounts receivable, net of allowances for credit losses of $146,227 and $192,240	85,307	40,233
Receivables from affiliated companies	798,600	800,681
Inventories	16,242	14,752
Prepaid expenses and other current assets	39,319	38,319
Total current assets	1,585,023	1,989,638
Property and equipment, net	2,061,659	2,377,561
Intangible assets, net	198,682	7,892
Goodwill	81,582	81,606
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $2,377 and $14,966	42,695	59,265
Receivables from affiliated companies, non-current	1,642,407	1,753,710
Restricted cash	124,556	124,592
Operating lease right-of-use assets	26,520	28,492
Land use rights, net	204,067	280,142
Total assets	$ 5,967,191	$ 6,702,898
LIABILITIES AND SHAREHOLDER'S (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	$ 7,071	$ 4,113
Accrued expenses and other current liabilities	723,123	495,679
Income tax payable	5,686	1,966
Operating lease liabilities, current	7,641	4,426
Current portion of long-term debt, net	149,774	322,500
Payables to affiliated companies	68,585	66,430
Total current liabilities	961,880	895,114
Long-term debt, net	4,987,673	5,655,532
Other long-term liabilities	223,633	5,754
Deferred tax liabilities, net	3,021	8,665
Operating lease liabilities, non-current	21,969	25,093
Total liabilities	6,198,176	6,590,158
Commitments and contingencies (Note 20)		
Shareholder's (deficit) equity:		
Ordinary shares, par value $0.01; 5,000,000 shares authorized; 1,202 shares issued and outstanding	—	—
Additional paid-in capital	1,897,463	1,885,246
Accumulated other comprehensive losses	(5,236)	(3,499)
Accumulated losses	(2,123,212)	(1,769,007)
Total shareholder's (deficit) equity	(230,985)	112,740
Total liabilities and shareholder's (deficit) equity	$ 5,967,191	$ 6,702,898

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended December 31,	
	2023	**2022**
Operating revenues:		
Casino	$ 2,713,906	$ 710,865
Rooms	155,444	42,839
Food and beverage	87,522	31,442
Entertainment, retail and other	233,795	186,524
Total operating revenues	3,190,667	971,670
Operating costs and expenses:		
Casino	(1,936,617)	(725,905)
Rooms	(44,304)	(25,993)
Food and beverage	(76,368)	(43,029)
Entertainment, retail and other	(16,464)	(12,558)
General and administrative	(634,996)	(284,235)
Pre-opening costs	(3,946)	—
Amortization of gaming subconcession	—	(32,785)
Amortization of land use rights	(10,797)	(10,793)
Depreciation and amortization	(270,376)	(272,968)
Property charges and other	(229,000)	(22,579)
Total operating costs and expenses	(3,222,868)	(1,430,845)
Operating loss	(32,201)	(459,175)
Non-operating income (expenses):		
Interest income	26,187	6,287
Interest expense	(345,533)	(273,334)
Other financing costs	(3,956)	(5,980)
Foreign exchange losses, net	(500)	(997)
Other income, net	412	651
Total non-operating expenses, net	(323,390)	(273,373)
Loss before income tax	(355,591)	(732,548)
Income tax benefit (expense)	1,386	(1,272)
Net loss	$ (354,205)	$ (733,820)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,	
	2023	**2022**
Net loss	$ (354,205)	$ (733,820)
Other comprehensive loss:		
Foreign currency translation adjustments	(1,737)	(9,293)
Other comprehensive loss	(1,737)	(9,293)
Total comprehensive loss	$ (355,942)	$ (743,113)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF SHAREHOLDER'S (DEFICIT) EQUITY
(In thousands, except share and per share data)

	Ordinary Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Losses)	Accumulated Losses	Total Shareholder's Equity (Deficit)
	Shares	Amount				
Balance at January 1, 2022	1,202	$ —	$1,863,861	$ 5,794	$(1,035,187)	$ 834,468
Net loss	—	—	—	—	(733,820)	(733,820)
Foreign currency translation adjustments	—	—	—	(9,293)	—	(9,293)
Share-based compensation	—	—	21,385	—	—	21,385
Balance at December 31, 2022	1,202	—	1,885,246	(3,499)	(1,769,007)	112,740
Net loss	—	—	—	—	(354,205)	(354,205)
Foreign currency translation adjustments	—	—	—	(1,737)	—	(1,737)
Share-based compensation	—	—	12,217	—	—	12,217
Balance at December 31, 2023	1,202	$ —	$1,897,463	$ (5,236)	$(2,123,212)	$ (230,985)

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

MELCO RESORTS FINANCE LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2023	**2022**
Cash flows from operating activities:		
Net loss	$ (354,205)	$ (733,820)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	281,173	316,546
Amortization of deferred financing costs and original issue premiums	17,051	16,194
Interest accretion on financial liability	2,996	—
Net loss on disposal of property and equipment	5	232
Impairment of long-lived assets	207,608	3,595
Gain on disposal of assets held for sale	—	(2,629)
Reversal of provision for credit losses	(5,058)	(232)
Share-based compensation	12,014	31,059
Changes in operating assets and liabilities:		
Accounts receivable	(39,856)	9,159
Receivables from affiliated companies	1,850	(104,888)
Inventories, prepaid expenses and other	(2,442)	(5,787)
Long-term prepayments, deposits and other	12,923	8,488
Accounts payable, accrued expenses and other	190,997	(124,470)
Payables to affiliated companies	2,170	(13,086)
Other long-term liabilities	4,873	2,255
Net cash provided by (used in) operating activities	332,099	(597,384)
Cash flows from investing activities:		
Payments of loans or advances to an affiliated company	(158,000)	(521,860)
Acquisition of property and equipment	(32,590)	(36,233)
Acquisition of intangible assets	(4,262)	(8,741)
Proceeds from sale of property and equipment	110	327
Proceeds from loans or advances repayment from an affiliated company	270,489	—
Net cash provided by (used in) investing activities	75,747	(566,507)
Cash flows from financing activities:		
Repayments of long-term debt	(2,101,190)	—
Payments of Concession liabilities	(7,981)	—
Proceeds from long-term debt	1,251,544	1,499,814
Payments of financing costs	—	(1,936)
Proceeds from advances from an affiliated company	—	1,278
Net cash (used in) provided by financing activities	(857,627)	1,499,156
Effect of exchange rate on cash, cash equivalents and restricted cash	(353)	(1,251)
(Decrease) increase in cash, cash equivalents and restricted cash	(450,134)	334,014
Cash, cash equivalents and restricted cash at beginning of year	1,220,245	886,231
Cash, cash equivalents and restricted cash at end of year	$ 770,111	$ 1,220,245
Supplemental cash flow disclosures:		
Cash paid for interest	$ (331,460)	$ (248,319)
Cash paid for income taxes	$ (536)	$ (2,842)
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases	$ (5,508)	$ (7,911)
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modification	$ 4,233	$ 8,346
Change in accrued expenses and other current liabilities related to acquisition of property and equipment	$ 10,492	$ 4,559
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ 6,280	$ —
Change in other current and other long-term liabilities arising from recognition of an intangible asset (Note 7)	$ 239,588	$ —
Change in payables to affiliated companies related to sale of assets held for sale	$ —	$ (15,562)

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

MELCO RESORTS FINANCE LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except share and per share data)

1. ORGANIZATION AND BUSINESS

(a) **Company Information**

Melco Resorts Finance Limited ("Melco Resorts Finance") is incorporated in the Cayman Islands. Melco Resorts Finance together with its subsidiaries (collectively referred to as the "Company") is a developer, owner and operator of integrated resort facilities in the Macau Special Administrative Region of the People's Republic of China ("Macau"). The Company operates its gaming business in Macau through its subsidiary, Melco Resorts (Macau) Limited ("Melco Resorts Macau"), a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on January 1, 2023 and ends on December 31, 2032 (the "Concession") and a holder of a previous gaming subconcession to operate gaming business in Macau which expired on December 31, 2022.

The Company currently operates City of Dreams and Altira Macau, integrated resorts located at Cotai and Taipa, respectively, Macau, Studio City Casino, a casino at Studio City, a cinematically-themed integrated resort in Cotai, Macau developed by affiliated companies of the Company, Grand Dragon Casino, a casino located at Taipa, Macau, and Mocha Clubs, non-casino based operations of electronic gaming machines in Macau.

Melco Resorts Finance's sole shareholder is Melco Resorts & Entertainment Limited ("Melco"), a company incorporated in the Cayman Islands. Melco's American depositary shares ("ADSs") are listed on the Nasdaq Global Select Market in the United States of America (the "U.S."). Melco International Development Limited ("Melco International"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

(b) **Recent Developments Related to COVID-19**

While the Company's business continues to recover from the impact of, and disruptions caused by, COVID-19, the pace of recovery of the Company's business from COVID-19 could vary materially from current estimates and could materially affect the Company's business, prospects, financial condition and results of operations.

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

As of December 31, 2023, the Company had cash and cash equivalents of $645,555 and available unused borrowing capacity of $848,592, subject to the satisfaction of certain conditions precedent.

The Company continues to take cash preservation measures such as implementing cost reduction programs to minimize cash outflows for non-essential items, rationalizing the Company's capital expenditure programs with deferrals and reductions.

The Company believes it is able to support continuing operations and capital expenditures for at least twelve months after the date that these consolidated financial statements are issued. Accordingly, the accompanying consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) **Basis of Presentation and Principles of Consolidation**

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

The accompanying consolidated financial statements include the accounts of Melco Resorts Finance and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(b) Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The Company estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less. Cash equivalents consist of bank time deposits placed with financial institutions with high-credit ratings and quality.

(e) Restricted Cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Company expects these funds will be released or utilized in accordance with the terms of the respective agreements within the next twelve months, while the non-current portion of restricted cash represents funds that will not be released or utilized within the next twelve months. Restricted cash consists of cash deposits in (i) collateral bank accounts for bank guarantees as disclosed in Note 3; and (ii) collateral bank accounts associated with borrowings under the credit facilities as disclosed in Note 11.

(f) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is/can be given to gaming promoters. These receivables can be offset against commissions payable and any other value items held by the Company to the respective customers and gaming promoters for which the Company intends to set off when required. As of December 31, 2023 and 2022, a substantial portion of the Company's markers were due from customers and gaming promoters residing in foreign countries. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

Accounts receivable, including casino, hotel and other receivables, are typically non-interest bearing and are recorded at amortized cost. Accounts are written off when management deems it is probable the receivables are uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for credit losses is maintained to reduce the Company's receivables to their carrying amounts, which reflects the net amount the Company expects to collect. The allowance for credit losses is estimated based on specific reviews of the age of the balances owed, the customers' financial condition, management's experience with the collection trends of the customers, current business and economic conditions, and management's expectations of future business and economic conditions.

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(f) Accounts Receivable and Credit Risk—continued

Management believes that as of December 31, 2023 and 2022, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) Inventories

Inventories consist of retail merchandise, food and beverage items and certain operating supplies, which are stated at the lower of cost or net realizable value. Cost is calculated using the weighted average method.

(h) Assets Held For Sale

Assets classified as held for sale are measured at the lower of their carrying amounts or fair values less costs to sell. Losses are recognized for any initial or subsequent write-down to fair values less costs to sell, while gains are recognized for any subsequent increases in fair values less costs to sell, but not in excess of the cumulative losses previously recognized. Assets are not depreciated and amortized while classified as held for sale.

(i) Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment, if any. Gains or losses on dispositions of property and equipment are included in the accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under construction contracts, duties and tariffs, equipment installations, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activity is substantially suspended.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment are depreciated and amortized over the following estimated useful lives on a straight-line basis:

Buildings	7 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 10 years
Plant and gaming machinery	3 to 5 years

During the years ended December 31, 2023 and 2022, impairments of property and equipment of $110,033 and $3,595, being part of the impairment of long-lived assets as described in Note 2(k), were recognized, respectively, and included in property charges and other in the accompanying consolidated statements of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(j) Goodwill and Intangible Assets

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are stated at cost, net of accumulated amortization, and accumulated impairment, if any. The Company's finite-lived intangible assets consist of the previous gaming subconcession for the period up to its expiry on December 31, 2022, the Concession and internal-use software. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair value of the reporting unit is determined using income valuation approaches through the application of the discounted cash flow method. Estimating fair value of the reporting unit involves significant assumptions, including future revenue growth rates, future market conditions, gross margin, discount rate and terminal growth rate. If the carrying value of the reporting unit exceeds its fair value, an impairment is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

No impairment on goodwill and intangible assets with indefinite lives was recognized during the years ended December 31, 2023 and 2022. During the year ended December 31, 2023, an intangible asset with a finite life for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(k). No impairment on intangible assets with finite lives was recognized during the year ended December 31, 2022.

(k) Impairment of Long-lived Assets (Other Than Goodwill)

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates, future

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(k) **Impairment of Long-lived Assets (Other Than Goodwill)**—continued

market conditions and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs.

During the year ended December 31, 2023, with the market value of Altira Macau significantly decreased as a result of a change in its forecasted performance given the latest market conditions and lingering disruptions to the business caused by COVID-19 and the Company's earlier cessation of arrangements with gaming promoters in Macau, an impairment of long-lived assets in relation to Altira Macau of $207,608 was recognized and included in property charges and other in the accompanying consolidated statements of operations. Such amount included the impairment of Altira Macau's property and equipment of $110,033, and the full impairment of the finite-lived intangible assets, land use rights and operating lease right-of-use assets for Altira Macau of $30,435, $65,172 and $1,968, respectively. The fair values of the long-lived assets of Altira Macau were estimated by using level 3 inputs based on a combination of income and cost approaches.

During the year ended December 31, 2022, an impairment of long-lived assets of $3,595 represents the impairment of property and equipment which related to a significant decrease in the market value of an aircraft as described in Note 5, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the aircraft was estimated by using level 2 inputs based on a buyer indicative purchase price.

(l) **Deferred Financing Costs**

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related debt agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of revolving credit facilities are included in other assets, either current or non-current, in the accompanying consolidated balance sheets, based on the maturity of each revolving credit facility. All other deferred financing costs are presented as a reduction of long-term debt in the accompanying consolidated balance sheets.

(m) **Land Use Rights**

Land use rights represent the upfront land premiums paid for the use of land held under operating leases, which are stated at cost, net of accumulated amortization, and accumulated impairment, if any. Amortization is provided over the estimated term of the land use rights of 40 years on a straight-line basis. During the year ended December 31, 2023, land use right for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(k). No impairment on land use rights was recognized during the year ended December 31, 2022.

(n) **Leases**

At the inception of the contract or upon modification, the Company will perform an assessment as to whether the contract is a lease or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee has control of an identified asset if it has both the right to direct the use of the asset and the right to receive substantially all of the economic benefits from the use of the asset.

Finance and operating lease right-of-use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The initial

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(n) Leases—continued

measurement of the right-of-use assets also includes any prepaid lease payments and any initial direct costs incurred and is reduced by any lease incentive received. For leases where the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The Company’s lease contracts have lease and non-lease components. For contracts in which the Company is a lessee, the Company accounts for the lease components and non-lease components as a single lease component for all classes of underlying assets, except for real estate. For contracts in which the Company is a lessor, all are accounted for as operating leases, and the lease components and non-lease components are accounted for separately.

During the year ended December 31, 2023, operating lease right-of-use assets for Altira Macau were fully impaired, being part of the impairment of long-lived assets as described in Note 2(k). No impairment on operating lease right-of-use assets was recognized during the year ended December 31, 2022.

(o) Revenue Recognition

The Company’s revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Company 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, cash discounts and other cash incentives earned by customers are recorded as reductions of casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivize future gaming or in exchange for incentives or points earned under the Company’s non-discretionary incentive programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by the Company to incentivize future gaming, the Company 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 Company’s control and discretion and supplied by third parties are recorded as operating expenses.

The Company 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 Company 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 Company-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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(o) **Revenue Recognition**—continued

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.

The Company follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of Studio City Casino and one of its externally managed hotels and concluded that it is the controlling entity and is the principal to these arrangements.

For the operation of Studio City Casino, on June 23, 2022, Melco Resorts Macau and Studio City Entertainment Limited ("Studio City Entertainment"), an affiliated company of the Company, amended a services and right to use agreement to align such agreement with the enacted amendments to the Macau gaming law, together with related agreements (the "Studio City Casino Agreement" and previously referred to as the Services and Right to Use Arrangements), under which Melco Resorts Macau operates Studio City Casino since Studio City Entertainment does not hold a gaming concession in Macau. Pursuant to the Studio City Casino Agreement, Melco Resorts Macau deducts gaming taxes and the costs incurred in connection with the operations of Studio City Casino from Studio City Casino's gross gaming revenues, and recognizes the residual amount as an expense captioned as payments (funds received) under the Studio City Casino Agreement with an affiliated company as disclosed in Note 21. Given Melco Resorts Macau has full responsibility for the operations of Studio City Casino in accordance with the Concession or its previous gaming subconcession, it is the principal and casino revenue is, therefore, recognized on a gross basis.

For the operation of the externally managed hotel, as the Company is the owner of the hotel property, the hotel manager operates the hotel under a management agreement providing management services to the Company, and the Company receives all rewards and takes substantial risks associated with the hotel business. The Company is the principal and the transactions are, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that 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 Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Company are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fee escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company 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 recognized as revenues within one year of being

(In thousands, except share and per share data)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(o) Revenue Recognition—continued

Contract and Contract-Related Liabilities—continued

purchased, earned or deposited and are recorded as accrued expenses and other current liabilities in the accompanying consolidated balance sheets. 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.

The following table summarizes the activities related to contract and contract-related liabilities:

	Outstanding Gaming Chips		Loyalty Program Liabilities		Advance Deposits and Ticket Sales	
	2023	2022	2023	2022	2023	2022
Balance at January 1	$ 29,830	$ 60,396	$ 11,298	$ 20,775	$ 249,794	$ 290,229
Balance at December 31	72,030	29,830	31,723	11,298	231,968	249,794
Increase (decrease)	$ 42,200	$ (30,566)	$ 20,425	$ (9,477)	$ (17,826)	$ (40,435)

(p) Gaming Taxes

The Company is subject to taxes based on gross gaming revenue and other metrics in Macau. These gaming taxes totaled $1,327,801 and $354,690 for the years ended December 31, 2023 and 2022, respectively, are recognized as casino expense in the accompanying consolidated statements of operations.

(q) Pre-opening Costs

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the year ended December 31, 2023, the Company incurred pre-opening costs primarily in connection with certain new operations of City of Dreams. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(r) Advertising and Promotional Costs

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $64,102 and $17,710 for the years ended December 31, 2023 and 2022, respectively.

(s) Interest Income

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in interest income in the accompanying consolidated statements of operations.

(t) Foreign Currency Transactions and Translations

All transactions in currencies other than functional currencies of Melco Resorts Finance and its subsidiaries during the year are remeasured at the exchange rates prevailing on the respective transaction dates. Monetary assets and liabilities existing at the balance sheet date denominated in currencies other than functional currencies are remeasured at the exchange rates existing on that date. Exchange differences are recorded in the accompanying consolidated statements of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—continued

(t) **Foreign Currency Transactions and Translations—**continued

The functional currency of Melco Resorts Finance is the U.S. dollar ("$" or "US$") and the functional currency of most of Melco Resorts Finance's foreign subsidiaries is the local currency in which the subsidiary operates. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of foreign subsidiaries' financial statements are recorded as a component of other comprehensive loss.

(u) **Comprehensive Loss and Accumulated Other Comprehensive Losses**

Comprehensive loss includes net loss and foreign currency translation adjustments and is reported in the accompanying consolidated statements of comprehensive loss.

As of December 31, 2023 and 2022, the Company's accumulated other comprehensive losses consisted solely of foreign currency translation adjustments, net of tax.

(v) **Share-based Compensation Expenses**

Melco operates share-based compensation plans for the purpose of providing incentives and rewards to eligible employees in Melco and its subsidiaries (the "Melco Group") including employees who rendered services to the Company. The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 16.

(w) **Income Tax**

The Company is subject to income taxes in Macau and Hong Kong where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

The Company's income tax returns are subject to examination by tax authorities in the jurisdictions where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. These accounting standards utilize a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position, based on the technical merits of the position, will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based on cumulative probability.

(x) **Recent Changes in Accounting Standards**

Newly Adopted Accounting Pronouncement

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2023-07, "Improvements to Reportable Segment Disclosures" which enhances reportable segment disclosure requirements primarily through expanded disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. This guidance is effective for the Company for the fiscal years beginning after December 15, 2023.

(In thousands, except share and per share data)

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of cash flows consisted of the following:

	December 31,	
	2023	2022
Cash	$ 544,701	$ 920,518
Cash equivalents	100,854	124,164
Total cash and cash equivalents	645,555	1,044,682
Current portion of restricted cash[(1)]	—	50,971
Non-current portion of restricted cash[(2)]	124,556	124,592
Total cash, cash equivalents and restricted cash	$ 770,111	$ 1,220,245

(1) As of December 31, 2023 and 2022, the current portion of restricted cash included bank time deposits of nil and $50,971, respectively.

On September 20, 2022, Melco Resorts Macau provided a bank guarantee in an amount of Macau Patacas ("MOP") 820,000 (equivalent to $101,942) to the Macau government to guarantee the satisfaction of any labor liabilities upon expiry of the previous gaming subconcession. As stipulated in the bank guarantee contract, MOP410,000 (equivalent to $50,971) was required to be held in a cash deposit account as collateral to secure the bank guarantee. In January 2023, such bank guarantee and the cash deposited in the collateral bank account were released. The cash of MOP410,000 (equivalent to $50,971) deposited in the collateral account was included in the current portion of restricted cash in the accompanying consolidated balance sheets as of December 31, 2022.

(2) As of December 31, 2023 and 2022, the non-current portion of restricted cash included bank time deposits of $124,556 and $124,592, respectively.

On December 9, 2022, as required by the Concession, Melco Resorts Macau provided a bank guarantee in favor of the Macau government of MOP1,000,000 (equivalent to $124,319) to secure the fulfillment of performance of certain of its legal and contractual obligations, including labor obligations. As stipulated in the bank guarantee contract, the amount of MOP1,000,000 (equivalent to $124,319), or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As of December 31, 2023 and 2022, the cash of Hong Kong dollars ("HK$") 970,874 (equivalent to MOP1,000,000) held in the collateral bank account was translated to $124,284 and $124,319, respectively, and included in the non-current portion of restricted cash in the accompanying consolidated balance sheets.

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31,	
	2023	2022
Casino	$ 232,560	$ 246,814
Hotel	1,110	514
Other	241	111
Sub-total	233,911	247,439
Less: allowances for credit losses[(1)]	(148,604)	(207,206)
	85,307	40,233
Non-current portion	—	—
Current portion	$ 85,307	$ 40,233

(1) As of December 31, 2023 and 2022, the allowances for credit losses of $2,377 and $14,966 as a reduction of the long-term casino accounts receivable, are recorded and included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 63.9% and 84.0% of gross casino accounts receivable as of December 31, 2023 and 2022, respectively. The Company's allowances for credit losses from its hotel and other receivables are not material.

(In thousands, except share and per share data)

4. ACCOUNTS RECEIVABLE, NET—continued

Movement in the allowances for credit losses are as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Balance at beginning of year	$ 207,206	$ 254,421
Reversal of provision for credit losses	(5,058)	(232)
Write-offs, net of recoveries	(53,313)	(46,538)
Effect of exchange rate	(231)	(445)
Balance at end of year	$ 148,604	$ 207,206

5. ASSETS HELD FOR SALE

In June and August 2022, the Company signed two sale and purchase agreements with respective buyers to sell two aircraft (the "Aircraft") with an aggregate selling price of $15,800. After considering the relevant facts, the Company concluded the Aircraft met the criteria for classification as assets held for sale which were reported under the Corporate and Other segment. Due to a decrease in the market value, an impairment of property and equipment of $3,595 was provided for one of the Aircraft. Upon completion of the disposals of the Aircraft in September 2022, the Company recorded a gain on disposal of assets held for sale of $2,629 on the Aircraft. The impairment and gain on disposal of assets held for sale were both included in property charges and other in the accompanying consolidated statements of operations for the year ended December 31, 2022.

6. PROPERTY AND EQUIPMENT, NET

	December 31, 2023	December 31, 2022
Buildings	$ 3,644,477	$ 3,741,048
Leasehold improvements	653,274	661,365
Furniture, fixtures and equipment	576,851	578,012
Transportation	103,646	103,183
Plant and gaming machinery	103,412	103,772
Sub-total	5,081,660	5,187,380
Less: accumulated depreciation and amortization	(3,020,001)	(2,809,819)
Property and equipment, net	$ 2,061,659	$ 2,377,561

The depreciation and amortization expenses of property and equipment recognized for the years ended December 31, 2023 and 2022 were $240,762 and $267,697, respectively.

The cost and accumulated amortization of right-of-use assets held under finance lease arrangements were $3,646 and $2,103 as of December 31, 2023 and $3,647 and $1,370 as of December 31, 2022, respectively.

Before the amendment of the Studio City Casino Agreement (as defined in Note 2(o)) on June 23, 2022, the Company transferred the future economic benefits of certain property and equipment for the operations of the Studio City Casino (the "Studio City Gaming Assets") to Studio City Entertainment, pursuant to the Services and Right to Use Arrangements. During the period from January 1, 2022 to June 22, 2022, the Studio City Gaming Assets with aggregate carrying amounts of $443 were transferred to Studio City Entertainment for a total consideration of $443, which resulted in the recognition of an impairment of the Studio City Gaming Assets of $443, and a corresponding receivable from Studio City Entertainment. After the amendment of the Studio City Casino Agreement on June 23, 2022, the future economic benefits of the Studio City Gaming Assets are retained by the Company.

In accordance with the Macau gaming law, the Reversion Assets (as defined in Note 7) (including certain of the Studio City Gaming Assets) that reverted to the Macau government at the expiration of the previous

(In thousands, except share and per share data)

6. PROPERTY AND EQUIPMENT, NET—continued

gaming subconcession are currently owned by the Macau government. Effective as of January 1, 2023, the Reversion Assets were transferred by the Macau government to Melco Resorts Macau 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 7. As Melco Resorts Macau 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, as well as assuming it will be successful in the awarding of a new concession upon expiry of the Concession, the Company continues to recognize these Reversion Assets as property and equipment over their remaining estimated useful lives.

The Reversion Assets that reverted to the Macau government on December 31, 2022, and included in the above table, consisted of the following:

Buildings	$ 204,435
Plant and gaming machinery	77,528
Furniture, fixtures and equipment	29,935
	311,898
Less: accumulated depreciation	(195,766)
	$ 116,132

7. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

Goodwill relating to Mocha Clubs, a reporting unit, is not amortized. The changes in carrying amounts of goodwill represented the exchange differences arising from foreign currency translations at the balance sheet date.

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31, 2023	December 31, 2022
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,203	$ 4,204
Total indefinite-lived intangible assets	4,203	4,204
Finite-lived intangible assets:		
Concession	209,934	—
Less: accumulated amortization	(24,037)	—
	185,897	—
Gaming subconcession	—	902,441
Less: accumulated amortization	—	(902,441)
	—	—
Internal-use software	26,746	16,209
Less: accumulated amortization	(18,164)	(12,521)
	8,582	3,688
Total finite-lived intangible assets	194,479	3,688
Total intangible assets, net	$ 198,682	$ 7,892

7. GOODWILL AND INTANGIBLE ASSETS, NET—continued

(b) Intangible Assets, Net—continued

Trademarks of Mocha Clubs

Trademarks arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. The changes in carrying amounts of trademarks represented the exchange differences arising from foreign currency translations at the balance sheet date.

Concession

On December 16, 2022, the Macau government awarded the Concession to Melco Resorts Macau. The term of the Concession commenced on January 1, 2023 and ends on December 31, 2032 and Melco Resorts Macau is authorized 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, Melco Resorts Macau is obligated to pay the Macau government a fixed annual premium of MOP30,000 (equivalent to $3,729) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by Melco Resorts Macau. The variable annual premium is MOP300 (equivalent to $37) for each gaming table reserved exclusively to certain kinds of games or players, MOP150 (equivalent to $19) for each gaming table not so exclusively reserved and MOP1 (equivalent to $0.1) for each electronic gaming machine.

On December 30, 2022, in accordance with the obligations under the letters of undertakings dated June 23, 2022, Melco Resorts Macau and certain subsidiaries of Melco, 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, the Altira Casino, and the 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 of January 1, 2023, the Reversion Assets were transferred by the Macau government to Melco Resorts Macau for use in its operations during the Concession for a fee of MOP0.75 (equivalent to $0.09) 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 MOP2.5 (equivalent to $0.3) 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").

On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1,934,035 (equivalent to $239,588), 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 Melco Resorts Macau is currently approved to operate by the Macau government. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Concession is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

(In thousands, except share and per share data)

7. GOODWILL AND INTANGIBLE ASSETS, NET—continued

(b) Intangible Assets, Net—continued

Gaming subconcession

The deemed cost of the previous gaming subconcession in Macau was capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of Melco Resorts Macau in 2006, and amortized on a straight-line basis over the term of the agreement, which expired on June 26, 2022. Melco Resorts Macau paid a premium of MOP47,000 (equivalent to $5,815) to the Macau government in June 2022 for the extension of the gaming subconcession contract to December 31, 2022 and such premium was amortized on a straight-line basis from June 27, 2022 to the extended expiration date on December 31, 2022.

The amortization expenses of finite-lived intangible assets recognized for the years ended December 31, 2023 and 2022 were $29,614 and $38,056, respectively.

As of December 31, 2023, the estimated future amortization expenses of finite-lived intangible assets are as follows:

Year ending December 31,	
2024	$ 24,149
2025	24,136
2026	22,263
2027	20,655
2028	20,655
Over 2028	82,621
	$ 194,479

8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31, 2023	December 31, 2022
Deposits and other assets	$ 26,790	$ 32,380
Deferred financing costs, net	15,905	26,885
Long-term casino accounts receivable, net of allowances for credit losses of $2,377 and $14,966[(1)]	—	—
Long-term prepayments, deposits and other assets	$ 42,695	$ 59,265

(1) Long-term casino accounts receivable, net represent receivables from casino customers where settlements are not expected within the next year. Reclassifications to current accounts receivable, net, are made when settlement of such balances are expected to occur within one year.

9. LAND USE RIGHTS, NET

	December 31, 2023	December 31, 2022
City of Dreams	$ 397,953	$ 398,068
Altira Macau	80,707	145,922
	478,660	543,990
Less: accumulated amortization	(274,593)	(263,848)
Land use rights, net	$ 204,067	$ 280,142

(In thousands, except share and per share data)

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31, 2023	December 31, 2022
Advance deposits and ticket sales	$ 231,968	$ 249,794
Gaming tax accruals	133,872	24,451
Operating expense and other accruals and liabilities	100,307	55,523
Outstanding gaming chips	72,030	29,830
Staff cost accruals	60,207	55,159
Interest expense payable	54,065	59,660
Loyalty program liabilities	31,723	11,298
Concession liabilities(1)	22,343	—
Property and equipment payables	16,608	9,964
Accrued expenses and other current liabilities	$ 723,123	$ 495,679

(1) As of December 31, 2023, the non-current portion of the Concession liabilities of $213,008 is included in other long-term liabilities in the accompanying consolidated balance sheet.

11. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2023	December 31, 2022
Senior Notes		
2017 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $5,746 and $9,552, respectively)	$ 994,254	$ 990,448
2019 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $2,141 and $2,981, respectively)	497,859	497,019
2019 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $3,358 and $4,178, respectively)	596,642	595,822
2019 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $1,634 and $1,845, respectively)	1,148,366	1,148,155
2020 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $2,317 and $2,743, respectively)	847,683	847,257
Credit Facilities		
2015 Credit Facilities	128	128
2020 Credit Facilities(1)	1,052,515	1,899,203
	5,137,447	5,978,032
Current portion of long-term debt	(149,774)	(322,500)
Long-term debt, net	$ 4,987,673	$ 5,655,532

(1) As of December 31, 2023 and 2022, the unamortized deferred financing costs related to the revolving credit facility of the 2020 Credit Facilities of $15,905 and $26,885 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

11. LONG-TERM DEBT, NET—continued

(a) Senior Notes

2017 4.875% Senior Notes

On June 6, 2017, Melco Resorts Finance issued $650,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100% of the principal amount (the "First 2017 4.875% Senior Notes"); and on July 3, 2017, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100.75% of the principal amount (the "Second 2017 4.875% Senior Notes" and together with the First 2017 4.875% Senior Notes, collectively referred to as the "2017 4.875% Senior Notes"). The interest on the 2017 4.875% Senior Notes is accrued at a rate of 4.875% per annum, payable semi-annually in arrears on June 6 and December 6 of each year. The 2017 4.875% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the First 2017 4.875% Senior Notes were used to partly fund the redemption of the previous senior notes of Melco Resorts Finance and the net proceeds from the offering of the Second 2017 4.875% Senior Notes were used to fully repay the 2015 Revolving Credit Facility (as defined below).

On or after June 6, 2020, Melco Resorts Finance has the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2017 4.875% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2017 4.875% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2017 4.875% Senior Notes at a fixed redemption price.

The indenture governing the 2017 4.875% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2017 4.875% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.250% Senior Notes

On April 26, 2019, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.250% senior notes due April 26, 2026 at an issue price of 100% of the principal amount (the "2019 5.250% Senior Notes"). The interest on the 2019 5.250% Senior Notes is accrued at a rate of 5.250% per annum, payable semi-annually in arrears on April 26 and October 26 of each year. The 2019 5.250% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.250% Senior Notes were used to partially repay the 2015 Revolving Credit Facility.

On or after April 26, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2019 5.250% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.250% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.250% Senior Notes at a fixed redemption price.

11. LONG-TERM DEBT, NET—continued

(a) Senior Notes—continued

2019 5.250% Senior Notes—continued

The indenture governing the 2019 5.250% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.250% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.625% Senior Notes

On July 17, 2019, Melco Resorts Finance issued $600,000 in aggregate principal amount of 5.625% senior notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2019 5.625% Senior Notes"). The interest on the 2019 5.625% Senior Notes is accrued at a rate of 5.625% per annum, payable semi-annually in arrears on January 17 and July 17 of each year. The 2019 5.625% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.625% Senior Notes were used to partially repay the 2015 Revolving Credit Facility.

On or after July 17, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2019 5.625% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.625% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.625% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.625% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.625% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.375% Senior Notes

On December 4, 2019, Melco Resorts Finance issued $900,000 in aggregate principal amount of 5.375% senior notes due December 4, 2029 at an issue price of 100% of the principal amount (the "First 2019 5.375% Senior Notes"); and on January 21, 2021, Melco Resorts Finance further issued $250,000 in aggregate principal amount of 5.375% senior notes due December 4, 2029 at an issue price of 103.25% of the principal amount (the "Additional 2019 5.375% Senior Notes" and together with the First 2019 5.375% Senior Notes, the "2019 5.375% Senior Notes"). The Additional 2019 5.375% Senior Notes are consolidated and form a single series with the First 2019 5.375% Senior Notes. The interest on the 2019 5.375% Senior Notes is accrued at a rate of 5.375% per annum, payable semi-annually in arrears on June 4 and December 4 of each year. The 2019 5.375% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the First 2019 5.375% Senior Notes were used to repay the outstanding borrowing of the 2015 Revolving Credit Facility in full and to partially prepay the 2015 Term Loan Facility (as defined below). The net proceeds from the offering of the Additional 2019 5.375% Senior Notes were used to fully repay the 2020 Credit Facilities (as defined below).

11. LONG-TERM DEBT, NET—continued

(a) Senior Notes—continued

2019 5.375% Senior Notes—continued

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time prior to December 4, 2024 at a "make-whole" redemption price. On or after December 4, 2024, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.375% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to December 4, 2024. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.375% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.375% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.375% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.375% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.375% Senior Notes also contains conditions and events of default customary for such financings.

2020 5.750% Senior Notes

On July 21, 2020, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 100% of the principal amount (the "First 2020 5.750% Senior Notes"); and on August 11, 2020, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 101% of the principal amount (the "Second 2020 5.750% Senior Notes" and together with the First 2020 5.750% Senior Notes, the "2020 5.750% Senior Notes"). The Second 2020 5.750% Senior Notes are consolidated and form a single series with the First 2020 5.750% Senior Notes. The interest on the 2020 5.750% Senior Notes is accrued at a rate of 5.750% per annum, payable semi-annually in arrears on January 21 and July 21 of each year. The 2020 5.750% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2020 5.750% Senior Notes were partially used to repay the 2020 Credit Facilities and with the remaining amount used for general corporate purposes.

On or after July 21, 2023, Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2020 5.750% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2020 5.750% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2020 5.750% Senior Notes at a fixed redemption price.

The indenture governing the 2020 5.750% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2020 5.750% Senior Notes also contains conditions and events of default customary for such financings.

11. LONG-TERM DEBT, NET—continued

(b) Credit Facilities

2015 Credit Facilities

Post-cancellation of certain commitments of the term loan facility and the multicurrency revolving credit facility under prior senior secured credit facilities of Melco Resorts Macau (the "Borrower") (the "2015 Credit Facilities") on May 7, 2020, the available commitments under the term loan facility (the "2015 Term Loan Facility") and the multicurrency revolving credit facility (the "2015 Revolving Credit Facility") are HK$1,000 (equivalent to $128) each, collateralized by a bank deposit of HK$2,130 (equivalent to $273).

Compliance with certain provisions of the 2015 Credit Facilities were waived pursuant to a waiver letter from Bank of China Limited, Macau Branch (in its capacity as the sole lender under the 2015 Credit Facilities) ("BOC Macau") to the Borrower dated April 29, 2020 (the "Waiver Letter"), as subsequently extended pursuant to extension request letters dated April 6, 2022 and December 14, 2022. Pursuant to the terms of the Waiver Letter, BOC Macau agreed, among other things, to relax the Borrower's obligations under the 2015 Credit Facilities by way of a waiver of (i) the maturity date of the 2015 Credit Facilities; (ii) the repayment term of the 2015 Term Loan Facility; (iii) interest rate of the borrowings; (iv) the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions; (v) the requirement to make substantially all of the representations; and (vi) certain current and/or future defaults and events of default that may arise under the terms of the 2015 Credit Facilities, subject to certain conditions and terms.

Pursuant to the terms of the Waiver Letter, the maturity date of the 2015 Credit Facilities was first extended to June 24, 2022. Subsequent to that, the maturity date of the 2015 Credit Facilities, and the continuing applicability of the various waivers provided under the Waiver Letter, were further extended to a later date (the "Extended Termination Date"), being (i) December 31, 2022 pursuant to an extension request letter dated April 6, 2022; and (ii) June 24, 2024 pursuant to a further extension request letter dated December 14, 2022. The 2015 Term Loan Facility was originally repayable in quarterly instalments according to an amortization schedule. Pursuant to the terms of the Waiver Letter (as amended and extended), the 2015 Term Loan Facility is repayable in full on the Extended Termination Date (as amended and extended). Each loan made under the 2015 Revolving Credit Facility 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.

Borrowings under the 2015 Credit Facilities bore interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the 2015 Borrowing Group (as described below). The Borrower was permitted to select an interest period for borrowings under the 2015 Credit Facilities ranging from one to six months or any other agreed period. Pursuant to the Waiver Letter, borrowings under the 2015 Credit Facilities bear interest at HIBOR plus a margin of 1% per annum.

As of December 31, 2023, the outstanding principal amount of the 2015 Term Loan Facility and the 2015 Revolving Credit Facility was HK$1,000 (equivalent to $128) and nil, respectively, and the available unused borrowing capacity under 2015 Revolving Credit Facility was HK$1,000 (equivalent to $128) and the outstanding principal amount was included in the non-current portion of long-term debt as of December 31, 2023 in accordance with applicable accounting standards because management has intent and believes the Borrower has ability to refinance this short-term obligation on a long-term basis.

The indebtedness under the 2015 Credit Facilities is guaranteed by the borrowing group which includes the Borrower and certain of its subsidiaries as defined under the 2015 Credit Facilities (the "2015 Borrowing Group"). Security for the 2015 Credit Facilities includes: a first-priority interest in substantially all assets of the 2015 Borrowing Group, the issued share capital and equity interests and certain buildings, fixtures and equipment of the 2015 Borrowing Group and certain other excluded assets and customary security.

11. LONG-TERM DEBT, NET—continued

(b) Credit Facilities—continued

2015 Credit Facilities—continued

Pursuant to the terms of the Waiver Letter, the provisions that limited certain payments of dividends and other distributions by the 2015 Borrowing Group to companies or persons who were not members of the 2015 Borrowing Group were waived.

Under the 2015 Credit Facilities, in the event of a change of control, the Borrower may be required, at the election of any lender under the 2015 Credit Facilities, to repay such lender in full. In addition, termination or rescission of Melco Resorts Macau's concession contract or land concessions would constitute an event of default. As with substantially all of the undertakings and covenants under the 2015 Credit Facilities, however, these provisions are subject to a continuing waiver under the terms of the Waiver Letter.

The Borrower is obligated to pay a commitment fee on the undrawn amount of the 2015 Revolving Credit Facility and recognized loan commitment fees of $1 and $1 during the years ended December 31, 2023 and 2022, respectively.

2020 Credit Facilities

On April 29, 2020, MCO Nominee One Limited ("MCO Nominee One"), a subsidiary of Melco Resorts Finance, entered into a senior credit facilities agreement with a syndicate of banks (the "2020 Credit Facilities") for a HK$14,850,000 (equivalent to $1,915,947) revolving credit facility with a term of five years. The maturity date of the 2020 Credit Facilities is April 29, 2025. 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. MCO Nominee One is also subject to mandatory prepayment requirements in respect of various amounts as specified in the 2020 Credit Facilities. In the event of a change of control or if Melco Resorts Macau's concession contract or land concessions are terminated or otherwise expire on its terms, MCO Nominee One may be required, at the election of any lender under the 2020 Credit Facilities, to repay such lender in full.

The indebtedness under the 2020 Credit Facilities is guaranteed by Melco Resorts Macau and MCO Investments Limited ("MCO Investments"), a subsidiary of Melco Resorts Finance. The 2020 Credit Facilities are unsecured.

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 MCO Investments and its 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.

On June 29, 2023, certain provisions of the 2020 Credit Facilities were amended and restated (the "2023 Amendment and Restatement") such that borrowings under the 2020 Credit Facilities denominated in US$ should bear interest at the term Secured Overnight Financing Rate ("Term SOFR") plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. The amendment became effective on June 29, 2023 (the "Effective Date"). Prior to the Effective Date of the 2023 Amendment and Restatement, borrowings under the 2020 Credit Facilities denominated in US$ bore interest at the London Interbank Offered Rate plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. Borrowings under the 2020 Credit Facilities denominated in HK$ bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. MCO Nominee One may select an interest period for borrowings under the 2020 Credit Facilities ranging from one to six months or any other agreed period.

(In thousands, except share and per share data)

11. LONG-TERM DEBT, NET—continued

(b) Credit Facilities—continued

2020 Credit Facilities—continued

MCO Nominee One is obligated to pay a commitment fee on the undrawn amount of the 2020 Credit Facilities and recognized loan commitment fees of $3,955 and $5,979 during the years ended December 31, 2023 and 2022, respectively.

On November 5, 2021, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to waive certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities, in each case in respect of the relevant periods ended on the following applicable test dates: (a) March 31, 2022; (b) June 30, 2022; (c) September 30, 2022; and (d) December 31, 2022. Such consent became effective on November 9, 2021.

On August 16, 2022, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities. The existing waiver remains valid in respect of the relevant periods ended on the December 31, 2022 test date, and the waiver extension granted extends the waiver for the relevant periods ended or ending on the following applicable test dates: (a) March 31, 2023; (b) June 30, 2023; (c) September 30, 2023; (d) December 31, 2023; and (e) March 31, 2024. Such consent became effective on August 17, 2022.

As of December 31, 2023, the outstanding principal amount of the 2020 Credit Facilities was HK$8,222,000 (equivalent to $1,052,515), and the available unused borrowing capacity under the 2020 Credit Facilities was HK$6,628,000 (equivalent to $848,464).

(c) Borrowing Rates and Scheduled Maturities of Long-term Debt

During the years ended December 31, 2023 and 2022, the Company's average borrowing rates were approximately 5.68% and 5.10% per annum, respectively.

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2023, based on the contractual maturities without accounting for the partial repayment of the 2020 Credit Facilities subsequent to December 31, 2023 as disclosed in Note 23, are as follows:

Year ending December 31,	
2024	$ 128
2025	2,052,515
2026	500,000
2027	600,000
2028	850,000
Over 2028	1,150,000
	$ 5,152,643

12. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including Mocha Clubs sites, office spaces, warehouses, staff quarters, and certain parcels of land in Macau on which City of Dreams and Altira Macau 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 Company and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover. Certain leases include options to extend the lease term and options to terminate the lease term. The

(In thousands, except share and per share data)

12. LEASES—continued

Lessee Arrangements—continued

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.

The components of lease costs are as follows:

	Year Ended December 31,	
	2023	2022
Operating lease costs:		
Amortization of land use rights	$ 10,797	$ 10,793
Operating lease costs	5,680	5,762
Short-term lease costs	10	11
Variable lease costs	2,684	1,902
Finance lease costs:		
Amortization of right-of-use assets	732	810
Interest costs	—	29
Total lease costs	$ 19,903	$ 19,307

Other information related to lease term and discount rate of operating leases is as follows:

	December 31,	
	2023	2022
Weighted average remaining lease term	17.1 years	22.2 years
Weighted average discount rate	5.62%	4.29%

Maturities of operating lease liabilities as of December 31, 2023 are as follows:

Year ending December 31,	
2024	$ 7,825
2025	6,529
2026	4,593
2027	1,179
2028	1,127
Over 2028	22,593
Total future minimum lease payments	43,846
Less: amounts representing interest	(14,236)
Present value of future minimum lease payments	29,610
Current portion	(7,641)
Non-current portion	$ 21,969

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in the sites of City of Dreams with various retailers that expire at various dates through May 2035. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the years ended December 31, 2023 and 2022, the Company earned minimum operating lease income of $38,525 and $36,689, respectively, and contingent operating lease income of $4,138 and $(449), respectively. Total lease income for the years ended December 31, 2023 and 2022 were reduced by $11 and $2,781, respectively, as a result of the rent concessions related to the effects of the COVID-19 outbreak.

(In thousands, except share and per share data)

12. LEASES—continued

Lessor Arrangements—continued

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2023 were as follows:

Year ending December 31,	
2024	$ 47,402
2025	48,088
2026	23,451
2027	3,148
2028	204
Over 2028	574
	$ 122,867

13. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the input to valuation techniques used to measure fair values into three broad levels. The level in the hierarchy within which the fair value measurements in its entirety is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1—inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2—inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying values of cash equivalents, bank time deposits included in restricted cash, long-term deposits, long-term receivables and other long-term liabilities approximated fair values and were classified as level 2 in the fair value hierarchy.

The fair value as of December 31, 2023 adopted for the long-lived assets impairment of Altira Macau as described in Note 2(k) were estimated by using level 3 inputs based on a combination of income and cost approaches.

The fair value as of December 31, 2022 adopted in impairment assessment of an aircraft was estimated by using level 2 inputs. Details are disclosed in Note 2(k) and Note 5.

The estimated fair values of long-term debt as of December 31, 2023 and 2022, were approximately $4,862,340 and $5,382,714, respectively, as compared to their carrying values, excluding unamortized deferred financing costs and original issue premiums, of $5,152,643 and $5,999,331, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2017 4.875% Senior Notes, the 2019 5.250% Senior Notes, the 2019 5.625% Senior Notes, the 2019 5.375% Senior Notes and the 2020 5.750% Senior Notes. Fair values for the 2015 Credit Facilities and the 2020 Credit Facilities approximated their carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 2023 and 2022, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

(In thousands, except share and per share data)

14. CAPITAL STRUCTURE

As of December 31, 2023 and 2022, Melco Resorts Finance had authorized shares of 5,000,000 at par value of $0.01 per share and with 1,202 ordinary shares issued at par value of $0.01 per share.

15. INCOME TAXES

The income tax (benefit) expense consisted of:

	Year Ended December 31,	
	2023	2022
Income tax expense—current:		
Lump sum in lieu of Macau Complementary Tax on dividends	$ 5,650	$ 2,342
Hong Kong Profits Tax	12	10
Sub-total	5,662	2,352
(Over) under provision of income taxes in prior years:		
Macau Complementary Tax	(92)	(541)
Lump sum in lieu of Macau Complementary Tax on dividends	(1,327)	—
Hong Kong Profits Tax	11	(3)
Sub-total	(1,408)	(544)
Income tax benefit—deferred:		
Macau Complementary Tax	(5,640)	(536)
Total income tax (benefit) expense	$ (1,386)	$ 1,272

A reconciliation of the income tax (benefit) expense from loss before income tax per the accompanying consolidated statements of operations is as follows:

	Year Ended December 31,	
	2023	2022
Loss before income tax	$ (355,591)	$ (732,548)
Macau Complementary Tax rate	12%	12%
Income tax benefit at Macau Complementary Tax rate	(42,671)	(87,906)
Lump sum in lieu of Macau Complementary Tax on dividends	5,650	2,342
Effect of different tax rate of subsidiaries operating in other jurisdiction	(15,507)	(13,761)
Over provision in prior years	(1,408)	(544)
Effect of income for which no income tax expense is payable	(619)	(2,099)
Effect of expenses for which no income tax benefit is receivable	53,321	53,538
Effect of profits generated by gaming operations exempted	(36,767)	—
Effect of tax losses that cannot be carried forward	—	15,553
Changes in valuation allowances	6,307	23,037
Expired tax losses	30,308	11,112
Income tax (benefit) expense	$ (1,386)	$ 1,272

Melco Resorts Finance and certain of its subsidiaries are exempt from tax in the Cayman Islands, where they are incorporated, while Melco Resorts Finance and certain of its subsidiaries are subject to Hong Kong Profits Tax on income derived from Hong Kong. The remaining subsidiaries of Melco Resorts Finance incorporated in Macau and Hong Kong are subject to Macau Complementary Tax and Hong Kong Profits Tax, respectively, during the years ended December 31, 2023 and 2022.

Macau Complementary Tax and Hong Kong Profits Tax have been provided at 12% and 16.5% on the estimated taxable income earned in or derived from Macau and Hong Kong, respectively, during the years ended December 31, 2023 and 2022, if applicable.

(In thousands, except share and per share data)

15. INCOME TAXES—continued

Pursuant to Dispatches of the Macau Chief Executive dated February 17, 2022 and September 1, 2022, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations under the previous gaming subconcession for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively. Melco Resorts Macau continues to benefit from the Macau Complementary Tax exemption on profits generated from gaming operations under the Concession for the period from January 1, 2023 to December 31, 2027 pursuant to a Dispatch of the Macau Chief Executive dated January 29, 2024. Melco Resorts Macau's non-gaming profits remain subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with the Concession effective on January 1, 2023.

In December 2022 and March 2023, Melco Resorts Macau received extensions of the agreements with the Macau government for an amount of MOP4,000 (equivalent to $497) and MOP4,167 (equivalent to $518) as payments in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of Melco Resorts Macau on dividend distributions from gaming profits ("Payments in lieu of Macau Complementary Tax on Dividend Distributions") for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively. Such annual payment was required regardless of whether dividends were actually distributed or whether Melco Resorts Macau had distributable profits in the relevant year. In February 2024, Melco Resorts Macau entered into an agreement with the Macau government in relation to the Payments in lieu of Macau Complementary Tax on Dividend Distributions from January 1, 2023 to December 31, 2025. During the year ended December 31, 2023, an estimated amount of $5,650 was provided for such arrangement.

The effective tax rates for the years ended December 31, 2023 and 2022 were 0.39% and (0.17)%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expenses for which no income tax benefit is receivable, expired tax losses, changes in valuation allowances and different tax rate of subsidiaries operating in other jurisdiction for the relevant years together with the effect of profits generated by gaming operations being exempted from Macau Complementary Tax for the year ended December 31, 2023 and the effect of tax losses that cannot be carried forward for the year ended December 31, 2022.

The net deferred tax liabilities as of December 31, 2023 and 2022 consisted of the following:

	December 31,	
	2023	2022
Deferred tax assets:		
Net operating losses carried forward	$ 68,248	$ 81,020
Depreciation and amortization	60,825	42,483
Lease liabilities	1,819	2,657
Others	333	432
Sub-total	131,225	126,592
Valuation allowances	(127,280)	(120,300)
Total deferred tax assets	3,945	6,292
Deferred tax liabilities:		
Land use rights	(4,973)	(11,894)
Right-of-use assets	(1,489)	(2,558)
Intangible assets	(504)	(505)
Total deferred tax liabilities	(6,966)	(14,957)
Deferred tax liabilities, net	$ (3,021)	$ (8,665)

As of December 31, 2023 and 2022, valuation allowances of $127,280 and $120,300 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be

15. INCOME TAXES—continued

realized. As of December 31, 2023, adjusted operating tax losses carried forward amounting to $171,080, $256,408 and $141,237 will expire in 2024, 2025 and 2026, respectively. Adjusted operating tax losses carried forward of $252,569 expired during the year ended December 31, 2023.

Deferred tax, where applicable, is provided under the asset and liability method at the enacted statutory income tax rate of the respective tax jurisdictions, applicable to the respective financial years, on the difference between the consolidated financial statements carrying amounts and income tax base of assets and liabilities.

The Company concluded that there were no significant uncertain tax positions requiring recognition in the accompanying consolidated financial statements for the years ended December 31, 2023 and 2022 and there are no material unrecognized tax benefits which would favorably affect the effective income tax rates in future periods. As of December 31, 2023 and 2022, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Income tax returns of Melco Resorts Finance and its subsidiaries remain open and subject to examination by the local tax authorities of Macau and Hong Kong until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau and Hong Kong are five years and six years, respectively.

16. SHARE-BASED COMPENSATION

Melco Share Incentive Plan

Melco adopted a share incentive plan in 2011 (as amended) (the "Melco 2011 Share Incentive Plan"), which was terminated on December 6, 2021, and a new share incentive plan, which was effective on December 6, 2021 (the "Melco 2021 Share Incentive Plan", together with Melco 2011 Share Incentive Plan be referred as "Melco Share Incentive Plan"). Upon the termination of the Melco 2011 Share Incentive Plan, no further awards may be granted under the Melco 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.

During the years ended December 31, 2023 and 2022, certain share-based awards under the Melco Share Incentive Plan were granted by Melco to eligible employees of the Melco Group who rendered services to the Company.

Share Options

During the years ended December 31, 2023 and 2022, the exercise prices for share options granted under the Melco Share Incentive Plan were determined at the market closing prices of Melco's ADSs trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of one to three years. The share options granted expire 10 years from the date of grant.

Melco 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's ADSs trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term 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 term. The fair values of the share options at the date of grant were charged to the accompanying consolidated statements of operations over the vesting period, with a corresponding increase in additional paid-in capital as a contribution from Melco.

(In thousands, except share and per share data)

16. SHARE-BASED COMPENSATION—continued

Melco Share Incentive Plan—continued

Share Options—continued

The fair values of share options granted under the Melco Share Incentive Plan (excluding the Replacement Share Options as defined below) were estimated on the dates of grant using the following weighted average assumptions:

	Year Ended December 31,	
	2023	2022
Expected dividend yield	2.50%	2.50%
Expected stock price volatility	58.67%	51.00%
Risk-free interest rate	3.39%	2.69%
Expected term (years)	5.1	5.1

On March 28, 2022, the compensation committee of Melco approved a proposal to allow for an option exchange program, designed to provide the eligible participants an opportunity to exchange certain outstanding underwater share options for new share options and new restricted shares to be granted, subject to the eligible participants' consent (the "Option Exchange Program"). The share options eligible for exchange under the Option Exchange Program were those that were granted during the years from 2012 to 2021 under the Melco 2011 Share Incentive Plan, including those unvested, or vested but not exercised or the unexercised share options granted in 2012 but expired in March 2022. The Option Exchange Program became unconditional and effective on April 15, 2022, the date Melco accepted the eligible participants' consent (the "Modification Date").

A total of 1,972,242 eligible share options granted to eligible employees of the Melco Group who rendered services to the Company were tendered and surrendered (the "Cancelled Share Options") and Melco granted an aggregate of 1,233,900 new share options (the "Replacement Share Options") and 3,635,106 new restricted shares (the "Replacement Restricted Shares") under the Melco 2021 Share Incentive Plan. The Replacement Share Options and Replacement Restricted Shares have vesting periods of one to two years. The Replacement Share Options expire 10 years from April 6, 2022. A total incremental share-based compensation expense resulting from the Option Exchange Program was approximately $2,129, representing the excess of (i) the fair value of certain Replacement Share Options measured using the Black-Scholes valuation model on the Modification Date; and (ii) the fair value of certain Replacement Restricted Shares determined with reference to the market closing price of Melco's ADSs trading on the Nasdaq Global Select Market on the Modification Date, over the fair value of the Cancelled Share Options immediately before the exchange. The incremental share-based compensation expenses and the unrecognized compensation costs remaining from the Cancelled Share Options are being recognized over the new vesting periods of the Replacement Share Options and Replacement Restricted Shares. The weighted average fair value of the Replacement Share Options at the Modification Date was $0.82.

The fair values of the Replacement Share Options granted under the Melco 2021 Share Incentive Plan were estimated on the Modification Date using the following weighted average assumptions:

Expected dividend yield	2.50%
Expected stock price volatility	52.50%
Risk-free interest rate	2.75%
Expected term (years)	4.6

(In thousands, except share and per share data)

16. SHARE-BASED COMPENSATION—continued

Melco Share Incentive Plan—continued

Share Options—continued

A summary of the share options activity under the Melco Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2023	3,164,055	$ 2.84		
Granted	46,773	4.13		
Exercised	(68,148)	2.47		
Forfeited	(28,110)	6.89		
Outstanding as of December 31, 2023	3,114,570	$ 2.83	8.20	$ 1,386
Fully vested and expected to vest as of December 31, 2023	3,114,570	$ 2.83	8.20	$ 1,386
Exercisable as of December 31, 2023	1,319,472	$ 3.19	8.10	$ 541

The following information is provided for share options under the Melco Share Incentive Plan:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Weighted average grant date fair value (excluding the options granted under the Option Exchange Program)	$ 1.82	$ 0.94
Proceeds from the exercise of share options	$ 168	$ —
Intrinsic value of share options exercised	$ 120	$ —

As of December 31, 2023, there were $861 unrecognized compensation costs related to share options under the Melco Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.18 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the Melco Share Incentive Plan to the eligible employees of the Melco Group who rendered services to the Company in lieu of the bonuses for their services performed during 2022 (the “Bonus Restricted Shares”). Share-based compensation expenses of $10,077, of which $111 were capitalized, were recognized for such grant during the year ended December 31, 2022, based on the estimated bonus amounts, with a corresponding increase in payables to affiliated companies as the amounts were charged to the Company by Melco or its subsidiaries. The Bonus Restricted Shares were granted in April 2023 and vested immediately on its grant date.

Other than the Bonus Restricted Shares, the fair values for restricted shares granted under the Melco Share Incentive Plan during the years ended December 31, 2023 and 2022 were determined with reference to the market closing prices of Melco’s ADSs trading on the Nasdaq Global Select Market on the dates of grant or the Modification Date and were charged to the accompanying consolidated statements of operations over the vesting period, with a corresponding increase in additional paid-in capital as a contribution from Melco. These restricted shares have vesting periods of one to three years.

(In thousands, except share and per share data)

16. SHARE-BASED COMPENSATION—continued

Melco Share Incentive Plan—continued

Restricted Shares—continued

A summary of the restricted shares activity under the Melco Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date or Modification Date Fair Value
Unvested as of January 1, 2023	14,297,013	$ 3.25
Granted	4,177,392	4.13
Vested	(4,317,885)	3.65
Forfeited	(396,786)	3.27
Transferred in	55,638	3.47
Transferred out	(7,413,288)	3.33
Unvested as of December 31, 2023	6,402,084	$ 3.46

The following information is provided for restricted shares under the Melco Share Incentive Plan:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Weighted average grant date fair value (excluding the restricted shares granted under the Option Exchange Program)	$ 4.13	$ 2.47
Grant date fair value of restricted shares vested	$ 15,771	$ 18,301

As of December 31, 2023, there were $12,990 unrecognized compensation costs related to restricted shares under the Melco Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.75 years.

The share-based compensation expenses for the Company were recognized as follows:

	Year Ended December 31, 2023	Year Ended December 31, 2022
Share-based compensation expenses	$ 12,215	$ 31,452
Less: share-based compensation expenses capitalized in property and equipment	(201)	(393)
Share-based compensation expenses recognized in general and administrative expenses	$ 12,014	$ 31,059

17. EMPLOYEE BENEFIT PLANS

The eligible employees of the Company are allowed to participate in defined contribution fund schemes operated by the Company or Melco (the “Defined Contribution Fund Schemes”). The Company 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 Company’s contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting of 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 Company by independent trustees.

17. EMPLOYEE BENEFIT PLANS—continued

Employees employed by the Company in Macau are members of a government-managed social security fund scheme (the "Social Security Fund Scheme"), which is operated by the Macau government. The Company is required to pay monthly fixed contributions and meet the minimum mandatory requirement of the Social Security Fund Scheme to fund the benefits.

During the years ended December 31, 2023 and 2022, the Company's contributions into the defined contribution retirement benefits schemes were $19,924 and $18,721, respectively.

18. DISTRIBUTION OF PROFITS

Subsidiaries of Melco Resorts Finance incorporated in Macau are required to set aside a minimum between 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 between 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve 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 shareholders of the relevant subsidiaries. As of December 31, 2023 and 2022, the aggregate balance of the legal reserves amounted to $31,511 and $31,511, respectively.

19. DIVIDENDS

During the years ended December 31, 2023 and 2022, the Sole Director of Melco Resorts Finance did not declare any dividends on the ordinary shares.

20. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2023, the Company had capital commitments mainly for the acquisition of property and equipment for City of Dreams totaling $24,783.

(b) Other Commitments

Concession—Macau

Under the Concession awarded by the Macau government to Melco Resorts Macau on December 16, 2022, in addition to the fixed premium and variable premiums, as well as the Fee (see Note 7), Melco Resorts Macau is obligated to pay the Macau government the following:

i) A special gaming tax of an amount equal to 35% of gross gaming revenue on a monthly basis.

ii) Contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively, on a monthly basis. These contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances.

iii) A special premium in the event the average gross gaming revenue of Melco Resorts Macau's gaming tables does not reach the annual minimum of MOP7,000 (equivalent to $870) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300 (equivalent to $37). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by Melco Resorts Macau and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and electronic gaming machines.

iv) Melco Resorts Macau must maintain a guarantee issued by a Macau bank in favor of the Macau government in the amount of MOP1,000,000 (equivalent to $124,284) 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 labor obligations.

20. COMMITMENTS AND CONTINGENCIES—continued

(b) **Other Commitments**—continued

Concession—Macau—continued

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

Committed Investment

In connection with the Concession, Melco Resorts Macau has undertaken to carry out investment in the overall amount of MOP11,823,700 (equivalent to $1,469,491) 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 (equivalent to $1,243,829) is to be applied to non-gaming related projects, with the balance applied to gaming related projects. Melco Resorts Macau has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000 (equivalent to $248,940), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000 (equivalent to $22,371,034) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000 (equivalent to $22,371,034) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000 (equivalent to $248,940) to MOP12,011,000 (equivalent to $1,492,769), with the overall investment amount increased to MOP13,826,700 (equivalent to $1,718,431) to be carried out by December 2032. As of December 31, 2023, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP1,330,971 (equivalent to $165,418).

(c) **Pledged Assets**

Except as disclosed in Note 11, the Company has the following pledged assets as of December 31, 2023:

- On November 30, 2016, Studio City Company Limited ("Studio City Company"), an affiliated company of the Company which is majority-owned by Melco, amended and restated its prior senior secured credit facilities agreement from HK$10,855,880 (equivalent to $1,395,357) to HK$234,000 (equivalent to $30,077) senior secured credit facilities agreement (the "2016 Studio City Credit Facilities"). Certain specified bank accounts of Melco Resorts Macau are pledged as security for the 2016 Studio City Credit Facilities and related finance documents.

- On February 16, 2022, Studio City Company issued $350,000 in aggregate principal amount of 7.000% senior secured notes due February 15, 2027 at an issue price of 100% of the principal amount (the "2022 7.000% Studio City Secured Notes"). Certain specified bank accounts of Melco Resorts Macau are pledged as security for the 2022 7.000% Studio City Secured Notes and related finance documents.

(d) **Litigation**

As of December 31, 2023, the Company was a party to certain legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impacts on the Company's consolidated financial statements as a whole.

(In thousands, except share and per share data)

21. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the Company entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2023	Year Ended December 31, 2022
Transactions with affiliated companies			
Melco International and its subsidiaries	**Revenues and income (services provided by the Company):**		
	Management fee and other service fee income	$ 173,535	$ 138,603
	Loan interest income	19,362	3,175
	Rooms and food and beverage revenues	541	152
	Costs and expenses (services provided to the Company):		
	Payments (funds received) under the Studio City Casino Agreement[1]	155,527	(56,665)
	Management fee expenses[2]	168,058	150,200
	Trademark license fees[3]	78,480	—
	Purchase of goods and services	144,452	20,599
	Transportation service fee expenses	22,051	17,843
	Sale and purchase of assets:		
	Transfer-out of economic benefits of Studio City Gaming Assets (Note 6)	—	443
	Purchase of property and equipment	813	76

(1) Pursuant to the Studio City Casino Agreement as defined in Note 2(o), Melco Resorts Macau deducts gaming taxes and the costs incurred in connection with the operations of Studio City Casino from Studio City Casino's gross gaming revenues, and recognizes the residual amount as an expense captioned as payments (funds received) under the Studio City Casino Agreement with an affiliated company.

(2) These management fee expenses included recharges of share-based compensation expenses.

(3) The amount represents the fees to use certain licensed marks granted by a subsidiary of Melco, as licensor, to the Company in the territories as defined in the trademarks license agreement.

Other Related Party Transactions

As of December 31, 2023 and 2022, certain funds were received from Studio City Entertainment, which are shown as other long-term liabilities in the accompanying consolidated balance sheets and to be amortized over the future economic benefits of the Studio City Casino Agreement for the operation of the Studio City Casino in subsequent periods as other income in the accompanying consolidated statements of operations. During the years ended December 31, 2023 and 2022, the Company received funds of $5,527 and $2,026, respectively, from Studio City Entertainment for the above arrangement.

(In thousands, except share and per share data)

21. RELATED PARTY TRANSACTIONS—continued

(a) **Receivables from Affiliated Companies**

The outstanding balances as of December 31, 2023 and 2022 are receivables from Melco International and its subsidiaries and joint venture mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies, and are unsecured, non-interest bearing and repayable on demand.

(b) **Payables to Affiliated Companies**

The outstanding balances as of December 31, 2023 and 2022 are payables to Melco International's subsidiaries mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company, and are unsecured, non-interest bearing and repayable on demand.

(c) **Receivables from Affiliated Companies, Non-current**

	December 31,	
	2023	**2022**
Advances to affiliated companies (Note (i))	$1,423,351	$1,423,710
Loans to an affiliated company (Note (ii))	219,056	330,000
	$1,642,407	$1,753,710

(i) The outstanding balances as of December 31, 2023 and 2022 are advances to Melco and its subsidiaries, and are unsecured and non-interest bearing. No part of the amounts will be repayable within the next twelve months from the balance sheet date and, accordingly, the amounts are shown as non-current assets in the accompanying consolidated balance sheets.

(ii) The outstanding balances as of December 31, 2023 and 2022 are loans to Melco, consisted of term loan and/or loan on revolving basis, under the intercompany loan agreements as stated below. As of December 31, 2023, Melco has the unconditional right to elect to refinance any maturing amount of the loan advances by way of a rollover loan.

Pursuant to an agreement dated May 18, 2022, as amended on February 27, 2023, entered into between the Company and Melco, with effect from April 6, 2022, the Company agreed to make loan advances to Melco in an amount of up to $250,000 on a revolving basis until (and including) April 5, 2027, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 1"). As of December 31, 2023 and 2022, the outstanding balances under Loan Receivable 1 of nil and $170,000, respectively, were unsecured and interest-free. As of December 31, 2022, there was no scheduled repayment within the next twelve months from the balance sheet date and accordingly, the amounts were shown as non-current assets.

Pursuant to an agreement dated February 27, 2023 entered into between the Company and Melco, with effect from August 25, 2022, the Company agreed to make loan advances to Melco in an amount of up to $160,000 on a revolving basis until (and including) August 24, 2027, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 2"). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 2 pursuant to the Confirmation Letter as described below.

(In thousands, except share and per share data)

21. RELATED PARTY TRANSACTIONS—continued

(c) **Receivables from Affiliated Companies, Non-current**—continued

Pursuant to an agreement dated April 27, 2023 entered into between the Company and Melco, with effect from March 9, 2023, the Company agreed to make loan advances to Melco in an amount of up to $158,000 on a revolving basis until (and including) March 8, 2028, at a rate not higher than 12 month Term SOFR plus 5% per annum (as and unless otherwise agreed from time to time between both parties) ("Loan Receivable 3"). On August 1, 2023, the Company and Melco agreed to change the terms of Loan Receivable 3 pursuant to the Confirmation Letter as described below.

Pursuant to a confirmation letter dated August 1, 2023 entered into between the Company and Melco (the "Confirmation Letter"), with effect from May 1, 2023, both parties agreed to convert the settlement currency of Loan Receivable 2 and Loan Receivable 3 with outstanding US$ loan principal amounts of $160,000 and $158,000, respectively, from an aggregate of $318,000 at an agreed exchange rate to an outstanding HK$ loan principal amount of HK$2,496,213 (equivalent to $318,000). Pursuant to the Confirmation Letter, both parties also agreed to amend the interest rate under the Loan Receivable 2 and Loan Receivable 3 from a rate not higher than 12 month Term SOFR plus 5% per annum to the aggregate of i) Term SOFR plus an applicable credit adjustment spread and an applicable margin for loan advances denominated in US$; and ii) HIBOR plus an applicable margin for loan advances denominated in HK$.

As of December 31, 2023, the outstanding balances under the Loan Receivable 2 and Loan Receivable 3 of HK$470,956 (equivalent to $60,288) and HK$1,240,257 (equivalent to $158,768), respectively, are unsecured and interest bearing at 7.53% per annum. There is no scheduled repayment within the next twelve months from the balance sheet date and accordingly, the amounts are shown as non-current assets.

22. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business. The Company views each of its operating properties as a reportable segment. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of each of its reportable segment which includes Altira Macau, Mocha and Other and City of Dreams. Studio City Casino, which is operated by the Company under the Studio City Casino Agreement, does not meet the criteria of a reportable segment and is included in the Corporate and Other category. Effective from June 27, 2022, the Grand Dragon Casino, which was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino. As of December 31, 2023 and 2022, the Company operated in one geographical area, Macau, where it derives its revenues and its long-lived assets are located.

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets

	December 31,	
	2023	2022
Macau:		
Altira Macau	$ 81,311	$ 244,131
Mocha and Other	131,605	118,066
City of Dreams	2,717,462	2,641,661
Corporate and Other	3,036,813	3,699,040
Total consolidated assets	$ 5,967,191	$ 6,702,898

(In thousands, except share and per share data)

22. SEGMENT INFORMATION—continued

Capital Expenditures

	Year Ended December 31, 2023	2022
Macau:		
Altira Macau	$ 3,893	$ 3,303
Mocha and Other	4,590	1,704
City of Dreams	22,267	21,787
Corporate and Other	15,977	4,210
Total capital expenditures	$ 46,727	$ 31,004

MRF's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA for each segment as the measure of segment profit or loss to allocate resources to each segment and to compare the operating performance of the Company's properties with those of its competitors as a way to assess performance. Adjusted property EBITDA is net loss before interest, taxes, depreciation, amortization, pre-opening costs, property charges and other, share-based compensation, Corporate and Other expenses, and other non-operating income and expenses.

The following tables present the results of operations for each of the Company's reportable segments and reconciliation to net loss for the years ended December 31, 2023 and 2022.

Year Ended December 31, 2023

	Macau			
	Altira Macau	Mocha and Other	City of Dreams	Total
Segment operating revenues:				
Casino	$ 94,188	$ 116,701	$ 1,681,237	$ 1,892,126
Rooms	10,976	—	144,468	155,444
Food and beverage	8,222	1,990	77,310	87,522
Entertainment, retail and other	566	327	160,170	161,063
Total segment operating revenues(1)	113,952	119,018	2,063,185	$ 2,296,155
Segment expenses:				
Gaming taxes(2)	(48,914)	(49,137)	(864,529)	
Employee benefits expenses(3)	(43,215)	(22,594)	(364,606)	
Other segment items(4)	(27,380)	(22,821)	(326,152)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ (5,557)	$ 24,466	$ 507,898	$ 526,807
Other operating expenses:				
Pre-opening costs				(3,946)
Amortization of land use rights				(10,797)
Depreciation and amortization				(270,376)
Share-based compensation				(12,014)
Property charges and other				(229,000)
Corporate and Other expenses				(32,875)
Operating loss				(32,201)
Non-operating income (expenses):				
Interest income				26,187
Interest expense				(345,533)
Other financing costs				(3,956)
Foreign exchange losses, net				(500)
Other income, net				412
Total non-operating expenses, net				(323,390)
Loss before income tax				(355,591)
Income tax benefit				1,386
Net loss				$ (354,205)

(In thousands, except share and per share data)

22. SEGMENT INFORMATION—continued

Year Ended December 31, 2022

	Macau			
	Altira Macau	Mocha and Other	City of Dreams	Total
Segment operating revenues:				
Casino	$ 24,890	$ 74,234	$ 449,059	$ 548,183
Rooms	2,939	—	39,900	42,839
Food and beverage	4,808	1,921	24,713	31,442
Entertainment, retail and other	143	260	117,306	117,709
Total segment operating revenues[1]	32,780	76,415	630,978	$ 740,173
Segment expenses:				
Gaming taxes[2]	(13,914)	(30,511)	(232,466)	
Employee benefits expenses[3]	(43,231)	(18,586)	(300,542)	
Other segment items[4]	(18,780)	(17,015)	(125,706)	
Segment adjusted property EBITDA:				
Adjusted property EBITDA	$ (43,145)	$ 10,303	$ (27,736)	$ (60,578)
Other operating expenses:				
Amortization of gaming subconcession				(32,785)
Amortization of land use rights				(10,793)
Depreciation and amortization				(272,968)
Share-based compensation				(31,059)
Property charges and other				(22,579)
Corporate and Other expenses				(28,413)
Operating loss				(459,175)
Non-operating income (expenses):				
Interest income				6,287
Interest expense				(273,334)
Other financing costs				(5,980)
Foreign exchange losses, net				(997)
Other income, net				651
Total non-operating expenses, net				(273,373)
Loss before income tax				(732,548)
Income tax expense				(1,272)
Net loss				$ (733,820)

(1) Revenues from the Corporate and Other category includes the revenues of Studio City Casino, with the residual amount of Studio City Casino's gross gaming revenues after deducting gaming taxes and the costs incurred in connection with its operation is recognized as payments under the Studio City Casino Agreement as disclosed in Note 2(o) during the years ended December 31, 2023 and 2022, which do not meet the criteria of a reportable segment and therefore are not included in the total for the reportable segment operating revenues. A reconciliation of segment operating revenues to total consolidated operating revenues is as follows:

Reconciliation of total operating revenues

	Year Ended December 31,	
	2023	2022
Segment operating revenues:		
Altira Macau	$ 113,952	$ 32,780
Mocha and Other	119,018	76,415
City of Dreams	2,063,185	630,978
Total segment operating revenues	2,296,155	740,173
Revenues from Corporate and Other	894,512	231,497
Total consolidated operating revenues	$ 3,190,667	$ 971,670

22. SEGMENT INFORMATION—continued

(2) The details of "Gaming taxes" are disclosed in Note 2(p) with certain amounts included in Corporate and Other expenses.

(3) "Employee benefits expenses" includes salaries, bonuses and incentives, benefits and allocated labor costs among segments or from Melco's subsidiaries. Certain amounts of "Employee benefits expenses" are included in Corporate and Other expenses, pre-opening costs, share-based compensation and property charges and other; and with certain amounts incurred during the construction and development stage of projects capitalized in property and equipment.

(4) "Other segment items" mainly include cost of inventories, advertising and promotions expenses, repair and maintenance expenses, utilities and fuel expenses, corporate and other services recharged from Melco's subsidiaries and other gaming operation expenses.

23. SUBSEQUENT EVENTS

On March 28, 2024, MCO Nominee One repaid the outstanding principal amount of HK$1,170,000 (equivalent to $149,549 based on the exchange rate on transaction date) along with accrued interest under the 2020 Credit Facilities, and such outstanding principal amount of HK$1,170,000 (equivalent to $149,774 based on the exchange rate as of December 31, 2023) was included in the current portion of long-term debt in the accompanying consolidated balance sheet as of December 31, 2023 in accordance with applicable accounting standards.

In preparing the accompanying consolidated financial statements, the Company has evaluated events and transactions for potential recognition and disclosure through April 5, 2024, the date the accompanying consolidated financial statements were available to be issued.

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6.500% Senior Notes due 2033

MELCO RESORTS FINANCE

OFFERING MEMORANDUM

September 16, 2025