



MELCO MELCO

ANNUAL REPORT 2025

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

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CELEBRATING MACAU'S ENTERTAINMENT EXCELLENCE



The “House of Dancing Water” team was honoured with the Medal of Merit – Tourism by the Macau government for its significant contribution to local tourism. Having attracted millions of international visitors, the show has showcased Macau globally, becoming a proud cultural tourism icon and a must-see spectacle that underscores the growth of Macau’s diversified tourism.



CCD
CITY OF DREAMS
SRI LANKA

TARGETED EXPANSION FOR SUSTAINABLE GROWTH



City of Dreams Sri Lanka, South Asia's first integrated resort and the Group's first project in the region, opened its doors in August 2025, heralding a bold new chapter in the nation's economic journey. This transformative, capital-light project enables the Group to extend the City of Dreams brand and broaden its customer base.



FUN NEVER ENDS



Studio City celebrated its glorious first 10-year journey and its embarkation on a radiant new chapter of cinematic splendour. A decade of cinematic achievements has laid the foundation for a bold new beginning. Studio City will continue championing innovation in integrated tourism and culture, carrying forward its legendary story of “Fun Never Ends”.





CULTIVATING SEEDS OF KINDNESS



Volunteering is integral to the Group's culture. To advance its commitment to giving back and to fostering sustainable, healthy communities, the Group's "Teaching Children Values" initiative encourages colleagues to volunteer alongside their children. This enables children to take part in community services and cultivates love and good character from an early age.





INSPIRING A BETTER SUSTAINABLE FUTURE



The Group strives to inspire guests by demonstrating that a sustainable future is a better future. It is honoured to receive multiple accolades, including the Sustainability Award at the International Gaming Awards, in recognition of its steadfast sustainability ethos and its commitment evident at every operational level and touchpoint.

ENTERTAINING POSSIBILITIES, ACHIEVING GROWTH

VISION

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

MISSION

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



KEY PERFORMANCE INDICATORS

KEY FINANCIAL PERFORMANCE INDICATORS

<p style="text-align: center;">NET REVENUES</p> <p style="text-align: center;">HK\$40.24 billion</p> <p style="text-align: center;">Representing an increase of HK\$4.07 billion or 11.2%, compared to HK\$36.17 billion for the year ended 31 December 2024</p>	<p style="text-align: center;">ADJUSTED EBITDA</p> <p style="text-align: center;">HK\$10.62 billion</p> <p style="text-align: center;">Compared to HK\$9.03 billion for the year ended 31 December 2024</p>
<p style="text-align: center;">PROFIT ATTRIBUTED TO OWNERS OF THE COMPANY</p> <p style="text-align: center;">HK\$1.06 billion</p> <p style="text-align: center;">Compared to loss attributable to owners of the Company of HK\$0.78 billion for the year ended 31 December 2024</p>	<p style="text-align: center;">BASIC EARNINGS PER SHARE</p> <p style="text-align: center;">HK\$0.50</p> <p style="text-align: center;">Compared to basic loss per share attributable to owners of the Company of HK\$0.40 (as restated) for the year ended 31 December 2024</p>

The year 2025 marked a period of robust operational recovery and strategic portfolio expansion for Melco International Development Limited (“Melco International” or the “Company”, incorporated in the Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”), along with its subsidiaries collectively known as the “Group”).

Returning to profitability, the Group recorded profit attributable to owners of the Company of Hong Kong dollar (“HK\$”) 1.06 billion in 2025, compared to a loss attributable to owners of the Company of HK\$0.78 billion in 2024. Net revenues grew by 11.2% year-over-year to HK\$40.24 billion, driven primarily by the improved performance in the casino and hospitality operations, particularly from better overall gaming performance. Adjusted EBITDA rose to HK\$10.62 billion in 2025 from HK\$9.03 billion in 2024.

This financial recovery was supported by disciplined cost management, margin improvements and strategic expansions. In the Macau Special Administrative Region of the People’s Republic of China (“Macau”), the return of House of Dancing Water contributed to non-gaming revenue growth, supporting the city’s ongoing development as a premier tourism destination. Internationally, the Group advanced its capital-light strategy through its investment in City of Dreams Sri Lanka in Colombo, the Democratic Socialist Republic of Sri Lanka (“Sri Lanka”), providing access to the Indian and Middle Eastern markets. Meanwhile, operations in Manila, the Philippines and the Republic of Cyprus (“Cyprus”) maintained stable performance amid competitive market conditions.

Looking ahead to 2026, the Group remains focused on sustained value creation and disciplined growth. The development pipeline includes the opening of the luxury hotel REM at City of Dreams, scheduled for the second half of 2026, which will further diversify the premium hospitality offerings in Macau.

NON-FINANCIAL KEY PERFORMANCE INDICATORS

In 2025, the Group advanced further toward its 2030 goals and achieved key milestones under its RISE sustainability strategy, reinforcing its commitment to environmental sustainability and corporate social responsibility (“CSR”).

The Group’s dedication to providing an excellent workplace was recognised at the 2025 IAG Academy IR Awards, where it was named Best IR Workplace. Additionally, its signature “Simple Acts of Kindness” initiative was honoured as the Best Individual CSR Initiative, highlighting the Group’s positive impact on the local community.

Melco Resorts & Entertainment Limited (“Melco Resorts”), a majority-owned subsidiary of the Group, was included in the S&P Sustainability Yearbook 2026 for the second consecutive year, achieving a 96th percentile ranking in the 2025 S&P Global Corporate Sustainability Assessment. The Group’s ongoing sustainability efforts were further validated by three accolades at the TVB ESG Awards, including Best in ESG Report, the Greater Bay Area ESG Excellence Enterprise Award (Macau SAR), and the ESG Special Recognition Award – with Merit.

Details of the Group’s various non-financial key performance indicators, including stakeholder engagement, environmental impact and other community development efforts, will be disclosed in its 2025 Environmental, Social and Governance (“ESG”) Report to be published in due course.

COMMUNITY ENGAGEMENT

The Group collaborates with trusted partners to actively support the communities in which it operates. Through volunteer initiatives, charitable donations and in-kind contributions, the Group is dedicated to supporting the well-being of society.

**More than HK\$149.2 million
in donations and charitable
contributions in 2025**

**Over 4,100 colleague participants
participated in its global
CSR activities in 2025**

ENVIRONMENTAL PROTECTION

The Group is committed to fostering a sustainable future while continuing to deliver new customer experiences. By prioritising objectives such as achieving carbon neutrality and reducing waste and water consumption, the Group demonstrates a clear focus on minimising its environmental footprint and advancing its sustainability goals.

Greenhouse Gas (“GHG”) Emissions

	2023	2024	2025
Total Scope 1 and 2 Market-based ¹ GHG Emissions (MtCO ₂ e) ²	20,770	28,675	31,557
Emissions Intensity by Gross Floor Area (sqm)	0.01	0.02	0.02

Energy Consumption

	2023	2024	2025
Total Energy Consumption (MWh) ³	470,030	536,449	529,495
Energy Intensity by Gross Floor Area (sqm)	0.27	0.29	0.28

Waste Footprint

	2023	2024	2025
Total Materials Diverted and Waste Generated (tonnes)	15,633	20,996	21,941
Waste Intensity by Gross Floor Area (sqm)	0.01	0.01	0.01

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

CORPORATE PROFILE

A long history and a bright future

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

Confidence leads to growth, growth leads to confidence

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

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

Brilliant achievements

The accolades that Melco International has received over the past several years proved that its achievements have been widely recognised. The Group is the first entertainment company to receive the "Hong Kong Corporate Governance Excellence Awards 2009" by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University. Melco International has been honoured with the "Icon on Corporate Governance" at the Asian ESG Awards (formerly known as the Corporate Governance Asia Annual Recognition Awards) for the 15th year in 2021, and the "Best Investor Relations Company in Hong Kong" at the Asian Excellence Awards for the 14th year by Corporate Governance Asia magazine in 2025.

The Group's Chairman and Chief Executive Officer, Mr. Ho, Lawrence Yau Lung, was granted the "Leadership Gold Award" in the Business Awards of Macau in 2015 and the "Outstanding Individual Award" at the Industry Community Award in 2020. He won the "Asian Corporate Director Recognition Award" by Corporate Governance Asia magazine for nine consecutive years in 2021 and was also awarded "Asia's Best CEO" at the Asia Excellence Awards for the 14th year in 2025.

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

CORPORATE STRUCTURE

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

CASINO AND HOSPITALITY BUSINESS

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

MACAU	THE PHILIPPINES	CYPRUS	SRI LANKA
<div data-bbox="177 1021 403 1256">  </div> <p data-bbox="220 1280 363 1338">City of Dreams Cotai</p> <div data-bbox="411 1021 627 1256">  </div> <p data-bbox="464 1280 574 1338">Studio City Cotai</p> <div data-bbox="177 1362 403 1582">  </div> <p data-bbox="229 1604 352 1662">Altira Macau Taipa</p> <div data-bbox="411 1362 627 1582">  </div> <p data-bbox="437 1604 600 1694">Mocha Clubs Macau Peninsula and Taipa</p>	<div data-bbox="684 1021 911 1582">  </div> <p data-bbox="671 1604 924 1662">City of Dreams Manila Entertainment City, Manila</p>	<div data-bbox="959 1021 1185 1241">  </div> <p data-bbox="999 1265 1145 1356">City of Dreams Mediterranean Limassol</p> <div data-bbox="959 1381 1185 1582">  </div> <p data-bbox="979 1604 1166 1694">Cyprus Casinos Nicosia, Ayia Napa, Paphos</p>	<div data-bbox="1241 1021 1474 1543">  </div> <p data-bbox="1241 1576 1474 1694">City of Dreams Sri Lanka (casino and hotel management) Colombo</p>

CHAIRMAN & CEO'S STATEMENT

DEAR SHAREHOLDERS,

2025 was a pivotal year of robust recovery and strategic expansion for the Group. Through disciplined cost management, margin expansion and an unwavering commitment to operational excellence, we have strengthened our financial foundations while sustaining positive momentum across our global portfolio.

In Macau, we remain dedicated to elevating the quality and distinctiveness of our guest experience. Highlight of the year was the highly anticipated return of House of Dancing Water at City of Dreams in May 2025. Reimagined with a refreshed storyline and enhanced visuals powered by cutting-edge technology, the show is once again captivating global audiences, reinforcing its status as a world-class spectacle. We are particularly honoured to have the House of Dancing Water team be awarded the 2025 Medal of Merit – Tourism by the Macau government. This recognition underscores the show's vital role as a local cultural and entertainment icon and affirms our contribution to the advancement of Macau's diversified tourism economy.

We also continued to enhance the infrastructure and facilities of City of Dreams. The new southeast entrance and the renovated main entrance have significantly improved visibility and accessibility to the property, while the new Signature Club Clubhouse offers a bespoke environment that redefines the premium gaming experience for our most discerning clientele.

As Studio City celebrates its glamorous 10th anniversary, we continue our decade-long legacy of introducing innovative offerings to enhance the experience for visitors of all ages. The launch of the iRad Hospital, Macau's only integrated resort hospital equipped with MRI and CT scanning capabilities, underscores our support for the city's "Big Health" industry development by introducing high-quality wellness services. Additionally, we opened the Studio City Sk8te Park, Macau's first rooftop skatepark. Designed by the team behind the Olympic extreme sports venue, this attraction not only offers a professional-grade venue for skaters but also injects a vibrant sports culture into the city, further diversifying our non-gaming attractions.

Beyond Macau, we continue to pursue growth with focus and agility. The launch of City of Dreams Sri Lanka in the third quarter of 2025, as the first integrated resort of its kind in South Asia, marked a historic milestone. As we progress through the initial ramp-up phase, we are encouraged by the property's early performance and the market's positive trajectory. This venture serves as a successful validation of our capital-light strategy, providing a blueprint for capturing future global opportunities efficiently.



Looking ahead, we remain focused on advancing our pipeline of new initiatives. A key highlight is the launch of our new luxury hotel project REM at City of Dreams, which is on track to open in the second half of 2026. Concurrently, we are revitalising the retail and dining precincts at City of Dreams to align with evolving guest expectations, ensuring our offerings remain synonymous with quality, innovation and luxury.

Our commitment to excellence continues to set the industry standard. As we entered 2026, we were proud to attain the highest number of Forbes Travel Guide Five-Star Awards for any integrated resort operator globally. This achievement is a testament to our culture of excellence and the dedication of our colleagues. And as we move forward, we will continue to upgrade our offerings to deliver unparalleled and memorable experiences to our guests. Our strategy remains anchored in innovation, quality and sustainable value creation for all stakeholders.

I would like to extend my deepest gratitude to our Board, shareholders, partners, customers and dedicated colleagues for their trust and commitment. Together, we will continue to shape a future defined by creativity, excellence and enduring growth.

With best wishes,

Ho, Lawrence Yau Lung

Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT EVENTS AND DEVELOPMENTS

In 2025, the Group strengthened its foundation for the future through strategic investments. These moves have driven a more diversified portfolio and a broader global footprint, reinforcing the Group's standing as a global leader in premium integrated resorts.

In Macau, strategic investments aligned with the city's vision have delivered both commercial and cultural success, exemplified by the relaunch of House of Dancing Water. Achieving exceptional occupancy, the show boosted non-gaming revenue and reinforced Macau's appeal as a key entertainment destination, while actively advancing its global standing as a World Centre of Tourism and Leisure. The team of House of Dancing Water was formally recognised by the Macau government with the Medal of Merit - Tourism for its significant contribution to the promotion and development of the local tourism sector.

Demonstrating its capital-light strategy in action to maximise returns while mitigating risk, the Group expanded its global footprint with the launch of City of Dreams Sri Lanka in the third quarter of 2025. The project strategically positions the Group to access the Indian and Middle Eastern markets, and provides a clear blueprint for disciplined growth in emerging markets.

The Group's resilience was further demonstrated across its diverse portfolio. At City of Dreams Manila, disciplined cost optimisation addressed heightened market competition. Meanwhile, in Cyprus, City of Dreams Mediterranean and its satellite casinos maintained stable performance.

BUSINESS REVIEW

Integrated Gaming and Entertainment Resorts

Melco International operates its integrated resort business through its subsidiary, Melco Resorts, a developer, owner and operator of integrated resort facilities in Asia and Europe. As at 31 December 2025, Melco International, through its subsidiary, held approximately 56.32% of the total number of issued shares of Melco Resorts.

In Macau, Melco Resorts currently operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively. Its business also includes Mocha Clubs, the only non-casino based operation of electronic gaming machines in Macau. In addition, it operates Studio City, a cinematically-themed integrated resort located in Cotai, Macau.

Beyond Macau, a Philippine subsidiary of Melco Resorts currently operates and manages City of Dreams Manila, an integrated resort located at the Entertainment City complex in Manila. In Europe, Melco Resorts, through its majority-owned subsidiaries, operates City of Dreams Mediterranean, an integrated resort in Limassol, Cyprus and licensed satellite casinos in other cities in Cyprus.

The Group further expanded its global presence into South Asia through the operations of the casino at City of Dreams Sri Lanka (the "Sri Lanka Casino") and provision of management services to operate the top five floors of the hotel tower at City of Dreams Sri Lanka, as a "Nüwa" hotel ("Nüwa Sri Lanka"), in Colombo, Sri Lanka, underscoring its continued international growth strategy.

The Group's net revenues totalled HK\$40.24 billion for the year ended 31 December 2025, an increase of 11.2% compared to HK\$36.17 billion recorded in the corresponding period of 2024. The increase was primarily attributable to the improved performance in the casino and hospitality operations, particularly from better overall gaming performance. Profit attributable to owners of the Company was HK\$1.06 billion in 2025, compared with loss attributable to owners of the Company of HK\$0.78 billion in 2024.

City of Dreams

City of Dreams in Macau is Melco Resorts' flagship integrated resort, a premium-focused property targeting high-end customers and rolling chip patrons from regional markets across Asia. In 2025, the property operated an average of approximately 439 gaming tables and 635 gaming machines.

In line with the Group's long-term commitment to driving Macau's tourism development, City of Dreams continues to elevate its non-gaming experiences through unique experiences and artistic attractions. The once-in-a-lifetime aquatic show House of Dancing Water production made a highly anticipated return in May 2025, featuring a refreshed storyline, enhanced visuals and advanced stage technology. The reimagined show received strong

audience acclaim and continues to showcase Macau globally as a hub for world-class entertainment, reinforcing the Group's leadership in premium integrated resort offerings.

With the renovated south entrance and the new southeast entrance providing direct access to the gaming area, the property's visibility and accessibility were enhanced, creating a more inviting atmosphere.

Studio City

The cinematically-themed integrated resort, Studio City, is designed to be the most diverse entertainment destination in Macau. In 2025, the property operated an average of approximately 253 gaming tables and 775 gaming machines.

Studio City celebrated its 10th anniversary in 2025, marking a significant milestone in the Group's journey to redefine integrated entertainment. Throughout the year, Studio City launched a series of interactive experiences such as Toy Story's 30th Anniversary Celebration campaign, the Halloween extravaganza "Studio Creepy 2" and the 10th anniversary celebration themed Cinematic Mastery "Make Every Scene A Hit", transforming the resort into a cinematic universe and offering immersive entertainment for all ages.



REM, the upcoming new luxury hotel at City of Dreams, represents a significant enhancement to the property, further strengthening its unique position as an integrated resort that seamlessly blends luxury, futuristic art and innovation.

To further enrich Macau's tourism landscape, Studio City launched the Studio City Sk8te Park. As Macau's first rooftop skatepark, it spans 1,200 square metres with a professional "street" and "park" layout designed by the team behind the Olympic extreme sports venue. Additionally, the launch of iRad Hospital at Studio City in October 2025 has further strengthened Macau's tourism infrastructure by introducing top-tier healthcare and wellness services.

Altira Macau

Altira Macau is an integrated resort designed to provide a casino and hotel experience that caters to the premium mass and mass operations. Located in Taipa, it offers an oasis of sophistication with spectacular panoramic views of the Macau peninsula. By delivering impeccable service customised for each guest, both Altira Macau and Altira Spa achieved a Five-Star ranking from Forbes Travel Guide ("FTG") for the 17th consecutive year in 2026. In 2025, Altira Macau operated an average of approximately 31 gaming tables and 160 gaming machines operated under the brand Mocha at Altira Macau.

Mocha Clubs and Other

Mocha Clubs comprise non-casino based operations of electronic gaming machines in Macau. As a pioneer in Macau's electronic gaming industry, Mocha Clubs has invested in a series of innovative and top-quality electronic gaming machines from around the world to offer a contemporary entertainment mix to a broader range of visitors.

After considering the Group's overall development strategy and in accordance with Macau gaming law, Grand Dragon Casino and three of the Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal, progressively ceased operations between September and December in 2025. Following these closures, 15 gaming tables and 137 gaming machines were reallocated to City of Dreams, and 100 gaming machines and 198 gaming machines were reallocated to Altira Macau and Studio City, respectively.

In 2025, Mocha Clubs operated an average of approximately 810 gaming machines (excluding approximately 160 gaming machines at Altira Macau). Grand Dragon Casino operated an average of approximately 15 tables in 2025.

City of Dreams Manila

Beyond Macau, City of Dreams Manila, which is strategically located at the gateway of Entertainment City, provides an unparalleled entertainment and hospitality experience for the Southeast Asian market and continues to set the benchmark for the Group's robust capacity to execute its international vision. Marking its 10th anniversary in 2025, this dynamic property boasts the ultimate in entertainment, hotel, retail, dining and lifestyle experiences and features extensive gaming space, including VIP and mass market gaming facilities. In 2025, the property operated an average of approximately 265 gaming tables and 2,265 gaming machines.



The Dream Entrance, a bespoke art installation created exclusively for City of Dreams by contemporary artist Daniel Arsham, vividly brings the brand's "Dream Beyond" promise to life.



Infrastructure upgrades, including the renovation of the south entrance at City of Dreams, have enhanced the property's visibility and accessibility, creating a more inviting atmosphere.

City of Dreams Mediterranean and Other

City of Dreams Mediterranean, Europe's first and largest integrated resort, continued to position Cyprus as a premier year-round tourism and business destination. It is an award-winning resort in Limassol, Cyprus, providing a 500-room hotel with a casino, conferencing facilities including the island's largest expo centre within a resort, entertainment shows, luxury retail, fine dining and spa. It also offers a wide array of exceptional recreational facilities, including the Marcos Baghdatis Tennis Academy, a family adventure park and the largest pool complex on the island.

Throughout the year 2025, City of Dreams Mediterranean unveiled a series of events that captivated audiences from near and far. Unique attractions, including sporting events, live entertainment and performances, have welcomed over 120,000 visitors. This impressive turnout not only highlighted the venue's appeal but also solidified its status as a premier destination for entertainment and sporting events.

In addition to City of Dreams Mediterranean, the Group continues to operate three satellite casinos in Cyprus located in Nicosia, Ayia Napa and Paphos. In 2025, City of Dreams Mediterranean had an average of approximately 102 gaming tables and 729 gaming machines and the satellite casinos had an average of approximately 4 gaming tables and 161 gaming machines.

Other Operations

Other Operations include the Group's casino operations at the Sri Lanka Casino, which had an initial opening on 1 August 2025, and provision of management services to Nüwa Sri Lanka, which opened to the public on 15 July 2025. Built by John Keells Holdings PLC, City of Dreams Sri Lanka is the first integrated resort in Sri Lanka and South Asia. The property features two landmark luxury hotels, a state-of-the-art casino and entertainment zone, premium dining and conferencing facilities, aiming to redefine integrated resort entertainment in South Asia and contribute to Colombo's emergence as a world-class tourism and business destination.



With the opening of iRad Hospital, Studio City is set to become a leading destination for health and wellness, further positioning Macau as a premier regional hub for medical and wellness tourism.



The "Enchanting Moments at Studio City: Old Master Q 60th Anniversary Fantastic Journey" Macau Special Exhibition invites guests to immerse themselves in Studio City where "Fun Never Ends".

OUTLOOK

Building upon a year of recovery and strategic execution, the Group looks toward the future with renewed confidence. The resilience of the leisure and tourism sectors, particularly within the Greater Bay Area, provides a solid foundation for continued expansion. The Group is dedicated to leveraging its diversified portfolio to deliver exceptional experiences and sustainable growth.

Bolstered by supportive government policies and enhanced cross-border accessibility between mainland China and Macau, Macau's tourism industry delivered exceptional growth in 2025. Visitor arrivals reached a record 40.1 million, representing a 14.7% year-on-year increase, while gross gaming revenue rose 9.1% year-on-year to Macau Patacas ("MOP") 247.4 billion. This upward momentum is expected to continue, evidenced by a robust start to 2026. For the first two months in 2026, gross gaming revenue reached MOP43.3 billion, an increase of 13.9% year-on-year. The Group maintains a positive outlook regarding the sustained recovery and long-term prosperity of the Macau market.

The Group remains unwaveringly committed to supporting the Macau government's initiatives to diversify the economy and further establish the city as a World Centre of Tourism and Leisure. Aligned with these strategic priorities, the Group is actively enhancing its hospitality and

entertainment portfolio. The launch of REM, the new luxury hotel project at City of Dreams, is progressing on schedule for a projected opening in the second half of 2026. This new hotel will complement the existing premium offerings at the integrated resort, introducing a distinctive luxury experience that sets a new benchmark for hospitality in Macau. Furthermore, the revitalisation of the retail precinct at City of Dreams is currently underway, alongside planned upgrades to food and beverage outlets, aimed at further elevating product quality and the overall guest experience.

Beyond Macau, the Group's international operations are expected to drive meaningful contributions to the overall business. In the Philippines, while remaining mindful of competitive pressures and industry headwinds that may impact business performance, the Group is encouraged by positive structural developments in the market including the implementation of visa-free travel for Chinese nationals and infrastructure upgrades at Manila's airport to facilitate international tourism. In Cyprus, while geopolitical tensions in the Middle East have presented near-term headwinds to visitor flows, the Group remains confident that the unique, world-class integrated resort product will drive long-term demand as the operating environment normalises. In Sri Lanka, the Group continues to solidify its presence and ramp up operations. Early operational momentum at City of Dreams Sri Lanka underscores the promising prospects of this emerging market.



City of Dreams Manila was named Asia's Leading Casino Resort at the 2025 World Travel Awards, marking its fifth time receiving this prestigious accolade.



City of Dreams Mediterranean unveiled a dynamic series of events that captivated audiences from near and far, reinforcing its reputation as a premier destination for leisure and entertainment.

The Group enters 2026 with strong momentum and a clear strategic focus. Supported by a robust development pipeline and a recognised commitment to excellence, the Group is well-positioned to capture growth opportunities, enhance brand equity and sustain long-term value creation across its global portfolio.

ACHIEVEMENTS AND AWARDS

The Group has reinforced its leading position among integrated resort operators through a year of outstanding performance. Its steadfast commitment to excellence has earned a broad spectrum of prestigious international and regional accolades. These honours underscore the Group's holistic approach to sustainable value creation and mark a year of distinguished achievement across all strategic pillars of its business.

Corporate Governance

The Group's dedication to upholding the highest standards of transparency and ethical leadership continues to earn distinguished acclaim. In 2025, the Group was once again honoured with the Best Investor Relations Company award at the Asian Excellence Awards hosted by the Corporate Governance Asia magazine, maintaining this distinction for 14 consecutive years. Additionally, Chairman and Chief Executive Officer, Mr. Ho Lawrence Yau Lung, was recognised as Asia's Best CEO for the 14th year. The repeated honours validate the Group's rigorous governance framework and its strategic role in fostering trust and delivering long-term stakeholder value.



The Group further expanded its global footprint into South Asia through the operation of the Sri Lanka Casino and provision of management services to Nüwa Sri Lanka, underscoring its continued commitment to international growth.

Business Operations

The Group's unwavering dedication to operational excellence and extraordinary guest experiences has been validated through a comprehensive suite of prestigious international awards and recognitions. These accolades underscore the Group's leadership in creating and sustaining world-class integrated resorts that consistently redefine luxury and innovation in the global leisure industry.

The architecturally pioneering Morpheus at City of Dreams was awarded Two MICHELIN Keys in the inaugural MICHELIN Guide Hotel Selection for Hong Kong and Macau, a global benchmark for exceptional hotel stays, celebrating the iconic, futuristic design legacy of the late Dame Zaha Hadid.

The Group achieved historic leadership position in the 2026 FTG by garnering 19 Five-Star Awards, topping the competition as the world's integrated resort operator with the most FTG Five-Star Awards and reinforcing its position as the region's premier luxury hospitality provider. The achievement is anchored by the attainment of 107 FTG Stars across the Group's Hotel, Restaurant and Spa categories for properties including City of Dreams, Studio City, Altira Macau and City of Dreams Manila.

Culinary excellence remained a cornerstone of achievement, with the Group's restaurants receiving critical acclaim internationally. The MICHELIN Guide Hong Kong & Macau 2026 awarded an impressive total of eight MICHELIN Stars across five of the Group's signature restaurants, namely Jade Dragon, Alain Ducasse at Morpheus, Pearl Dragon, Ying and Sushi Kinetsu. Additionally, the Group was honoured with a collective six Diamonds from the Black Pearl Restaurant Guide 2026, presented to Jade Dragon, Alain Ducasse at Morpheus, Yi and Sushi Kinetsu. Furthermore, the Group's dining prestige was affirmed by Tatler Best, which named Jade Dragon and Alain Ducasse at Morpheus among the Best 100 Restaurants at Tatler Best Awards Asia-Pacific 2025, making City of Dreams the only integrated resort in Macau with two restaurants on this prestigious list. Jade Dragon was also named Restaurant of the Year at Tatler Best 2025 Hong Kong and Macau, while Morpheus at City of Dreams and Alain Ducasse at Morpheus won Macau's Best-In-Class accolades for Best Design in the Hotel Category and Best Service in the Restaurant & Bar Category, respectively.



The Group once again strengthened its standing as a global leader in fine dining, leading Macau in MICHELIN Guide Hong Kong & Macau 2026 with a total of eight MICHELIN Stars.

In the realm of large-scale entertainment, House of Dancing Water at City of Dreams received significant industry praise for its revitalisation and market impact. The team of House of Dancing Water has been honoured with the Medal of Merit - Tourism by the Macau government, in recognition of its significant contribution to the promotion and development of the local tourism sector. It was also awarded Best IR Resort Attraction at the 2025 IAG Academy IR Awards, recognising its exceptional popularity and role as a premier non-gaming draw. Its grand premiere was further celebrated at the 2025 TITAN Brand Awards, where the accompanying campaign won the Platinum Award for Best Brand Awareness Campaign and the Gold Award for Best Integrated Marketing Campaign. This strategic marketing initiative achieved a monumental impact, generating over 1.1 billion views and six million interactions across major social media platforms within the days following the premiere, showcasing its unparalleled success in audience engagement and brand building.

Beyond Macau, in recognition of its excellence in travel and hospitality, City of Dreams Manila was honoured as one of the top 10 winners in the Best Integrated Resorts category at the Travel + Leisure Luxury Awards Asia Pacific for the second consecutive year in 2025 and was named Asia's Leading Casino Resort at the World Travel Awards for the fifth time in 2025. City of Dreams Mediterranean received a Tripadvisor Traveller's Choice Award as a top-rated hotel, affirming its guest-centric appeal. Its culinary excellence was decisively confirmed at the Golden Chef Hats Cyprus 2025 awards, where the integrated resort received the highest combined score of all Cyprus' hotels and restaurants. The resort's Amber Dragon restaurant received the highest score overall and was awarded a "Golden Hat" for the second consecutive year, while Prime Steakhouse and Anaïs both earned "Top Notch" distinctions, highlighting the property's diverse and exceptional dining portfolio.



The Group hosts the annual "Occupational Safety and Health Month" to provide and equip its colleagues the support and knowledge to maintain a stringent standard of occupational safety and health culture.

The diverse collection of awards across design, hospitality, dining, entertainment and international operations vividly illustrates the Group's holistic expertise and its successful execution of a world-class, multi-dimensional resort experience.

People

Rooted in creating a sustainable future, the Group strives to foster an engaging work culture and environment that stimulates innovation and resilience, while nurturing local talent and promoting "Whole Person Development".

The Group continuously evolves its environment to offer the best overall workplace for its colleagues. This commitment to excellence has garnered significant acclaim, as evidenced by the Group's recognition at the 2025 IAG Academy IR Awards, where it was honoured as the Best IR Workplace. The honour acknowledges its exemplary workplace health and safety standards, robust corporate culture, comprehensive training programs and the myriad opportunities for career advancement.

Through strategic investments in empowering colleagues with diverse opportunities for career development, the Group supports its colleagues in pursuing both personal and professional growth, within their current roles and beyond.

Signature initiatives such as the Foundation Acceleration Program (Culinary) aim to discover and nurture local culinary talent while reinforcing Macau's position as a UNESCO designated "Creative City of Gastronomy". In collaboration with the Labour Affairs Bureau of the Macau government and the Macao University of Tourism, the program has proudly seen the successful graduation of 52 local talents since its launch, representing 90% of all participants, with over 60% of graduates receiving promotions in their new roles.

Meanwhile, Ms. Safa Rodas, Head Chef of L'ATTITUDE at Morpheus has been selected as one of the ten chefs to join the Young Chefs Programme, which is jointly organised by the Food and Agriculture Organization of the United Nations and the World Food Forum. It is a testament to the Group's goals of supporting youth and female leadership, as well as sustainable development.

With steadfast commitment to pushing boundaries while upholding its culture of excellence and philosophy of lifelong learning, the Group has attained remarkable recognition through various competitions and accolades, demonstrating colleagues' professional skills, leadership and dedication to excellence in the hospitality industry. Our colleagues' notable achievements include being recognised in the 2025 "Shenhe Cup" Vocational Skills Competition, the 2025 Macau International Chinese Cuisine Chef Competition, as well as Stelliers Greater China 2025.



Through its award-winning "Simple Acts of Kindness" initiative, the Group extends warmth and care to the local community, creating meaningful and lasting impact.



In collaboration with its community partners, the Melco Volunteer Team spreads festive warmth and care throughout the local community during the Chinese New Year season.

Corporate Social Responsibility

Guided by the vision of making a positive difference in people's lives, the Group dedicates its utmost efforts to contributing to society through a proactive and innovative approach, channelling appropriate resources to address priority needs.

Volunteering is deeply ingrained in the Group's culture, and its commitment to the local community endures. With the collective participation and support of the Melco Volunteer Team, the Group's signature "Simple Acts of Kindness" initiative has been widely recognised, winning numerous international awards such as the Best Individual CSR Initiative at the 2025 IAG Academy IR Awards, underlining the Group's extraordinary contribution in fulfilling its corporate social responsibility.

Over the past year, the Group has weathered challenges alongside local communities, and remains dedicated to utilising its resources to resolutely support the well-being of the community and contribute to the long-term prosperity of the country. In the aftermath of Super Typhoon Ragasa, the Group swiftly gathered nearly a hundred volunteers through its "Simple Acts of Kindness" initiative to assist in the community's recovery efforts, collaborating

with local partners to support various affected areas in Macau. Furthermore, to firmly support the national rural revitalisation policy, the Group donated HK\$3 million to the construction and relocation of the Hangkou Town Healthcare Center in Xiushui County, Jiangxi Province. Through this medical and public health project, the Group is dedicated to providing quality healthcare services to the local community and contributing to the rural revitalisation efforts in Xiushui County, Jiangxi Province, as jointly supported by the Macau government and the Liaison Office of the Central People's Government in the Macau Special Administrative Region.

In terms of responsible gaming, the Group strives to uphold stringent standards, adopting technologically enabled safeguards to facilitate a culture of responsible gaming and proactively providing related information and assistance to all the guests when needed. Adhered to regulatory requirements, the Group takes a proactive approach to raise responsible gaming awareness and support within communities through partnerships with local non-governmental organisations. These efforts were recognised with the Best Responsible Gaming Program award at the Asia Gaming Awards for the third consecutive year in 2025.



Leveraging cutting-edge technology and data analytics, the "MGPM X Melco: Extreme Speed Heroes" program at Macao Grand Prix Museum aims to foster a new generation of talent for Macau's motorsport through combining learning with entertainment.

Environmental Sustainability

Reflecting on 2025, the Group continued its efforts to integrate sustainability across all operations. By aligning mindsets, systems and resources, the Group has positioned itself for further advancement toward carbon neutrality and climate resilience. This commitment to going Above & Beyond aims to achieve a better, sustainable future that uplifts all guests, colleagues and communities.

Melco Resorts was included in the S&P Sustainability Yearbook 2026, which is widely regarded as the benchmark resource for corporate sustainability performance, for the second consecutive year. In the 2025 S&P Global Corporate Sustainability Assessment, it ranked in the 96th percentile within its industry group.

In recognition of its exemplary sustainability initiatives, the Group was honoured with the Sustainability Award at the International Gaming Awards 2026, as well as the Best Environmental Responsibility and the Sustainable Asia Award from the Asian Excellence Awards 2025.

Furthermore, the Group received three accolades at the TVB ESG Awards, namely Best in ESG Report, Greater Bay Area ESG Excellence Enterprise Award (Macau SAR) and the ESG Special Recognition Award - with Merit. These awards acknowledge its sustainable developments and contributions over the past year.

Looking ahead, the Group will persist in implementing its RISE sustainability strategy to deliver measurable impact, while advancing its energy, waste, sourcing and water footprint goals.

FINANCIAL REVIEW

RESULTS HK\$' million	For the year ended 31 December		
	2025	2024	YoY%
Net revenues	40,240.9	36,173.0	11.2%
Adjusted EBITDA	10,620.0	9,030.7	17.6%
Profit/(loss) attributable to owners of the Company	1,058.3	(784.6)	234.9%
Basic earnings/(loss) per share attributable to owners of the Company (HK\$)	0.50	(0.40) ⁽¹⁾	223.7%

FINANCIAL POSITION HK\$' million	As at 31 December		
	2025	2024	YoY%
Total assets	82,698.8	84,749.5	-2.4%
Total liabilities	72,987.1	76,543.0	-4.6%
Equity attributable to owners of the Company	1,905.1	45.9	4,047.8%
Net asset value per share attributable to owners of the Company (HK\$)	0.8	0.02 ⁽¹⁾	4,047.8%
Gearing ratio (%)	69.1%	71.6%	N/A

Net Revenues

Net revenues of the Group increased by 11.2% from HK\$36.17 billion for the year ended 31 December 2024 to HK\$40.24 billion for the year ended 31 December 2025. The increase in net revenues was primarily attributable to the improved performance in the casino and hospitality operations, particularly from better overall gaming performance.

HK\$' million	For the year ended 31 December		
	2025	2024	YoY%
Casino revenues	33,115.1	29,432.3	12.5%
Entertainment and resort facilities revenues:			
Rooms	3,461.9	3,296.6	5.0%
Food and beverage	2,266.6	2,230.7	1.6%
Entertainment, retail and other	1,397.3	1,213.3	15.2%
	40,240.9	36,173.0	11.2%

⁽¹⁾ Amounts restated to reflect the rights issue of the Company completed in June 2025.

Adjusted EBITDA ⁽²⁾

The Group generated Adjusted EBITDA of HK\$10.62 billion for the year ended 31 December 2025, compared to HK\$9.03 billion for the year ended 31 December 2024. The change in Adjusted EBITDA was mainly attributable to the improved performance in our casino and hospitality operations, partially offset by higher operating costs for the increase in business activities for the year ended 31 December 2025.

Profit/(Loss) Attributable to Owners of the Company

Profit attributable to owners of the Company was HK\$1.06 billion for the year ended 31 December 2025, compared to loss attributable to owners of the Company of HK\$0.78 billion for the year ended 31 December 2024. The change was mainly attributable to the improved performance in our casino and hospitality operations and net reversal of impairment of non-current non-financial assets, partially offset by higher operating costs for the increase in business activities for the year ended 31 December 2025.

During the year ended 31 December 2025, the Group recognised net reversal of impairment of non-current non-financial assets of HK\$238.5 million under the Casino and Hospitality segment, mainly as a result of the operating performance improvement of Studio City and the Studio City Phase 2 ramp up acceleration based on improved market condition, the Group recognised a reversal of impairment of HK\$889.0 million (2024: impairment of HK\$931.3 million) for property and equipment, intangible assets (including trademark) and right-of-use assets of Studio City; and net off with the negative impact of the on-going regional military conflicts and restrictions on the ability to accept certain customers from Russia which led to the longer than expected ramp up of operations following the opening of City of Dreams Mediterranean, the Group recognised an impairment of HK\$591.7 million (2024: nil) for property and equipment and intangible assets of City of Dreams Mediterranean. Besides, as a result of three Mocha Clubs ceased operations between the period from September to December 2025 and the remaining three Mocha Clubs to operate effective from 1 January 2026 until the expiry of the concession in Macau as approved by the Macau government in February 2026, the Group recognised an impairment for the trademark of Mocha Clubs of HK\$31.8 million during the year ended 31 December 2025 (2024: nil). In addition, the Group recognised a further net impairment of HK\$27.0 million during the year ended 31 December 2025 (2024: HK\$18.4 million) for certain property and equipment and intangible assets of Altira Macau since the performance of Altira Macau had not improved.

⁽²⁾ Adjusted EBITDA, which is a non-HKFRS Accounting Standards financial measure, is the profit/loss for the year before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to SM Investments Corporation, Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. (collectively referred to as the "Philippine Parties"), integrated resort and casino rent*, corporate expenses, share of profit/loss of a joint venture, share of loss of an associate and other non-operating income and expenses. Adjusted EBITDA is used by management as the measure of the Group's operating performance and to compare our operating performance with that of our competitors. However, Adjusted EBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

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

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

Basic Earnings/(Loss) Per Share Attributable to Owners of the Company

Basic earnings per share attributable to owners of the Company was HK\$0.50 for the year ended 31 December 2025, compared to basic loss per share attributable to owners of the Company of HK\$0.40 (as restated) for the year ended 31 December 2024.

Financial and Operational Performance

Melco Resorts, a majority-owned subsidiary of the Group, contributed the vast majority of the financial results of the Group during the years ended 31 December 2025 and 2024.

The performance of Melco Resorts during the years ended 31 December 2025 and 2024 is described below.

According to the 2025 annual report on Form-20F of Melco Resorts prepared in accordance with the U.S. generally accepted accounting principles, it recorded total operating revenues of United States dollar (“US\$”) 5.16 billion for the year ended 31 December 2025 versus US\$4.64 billion in the prior year. The increase in total operating revenues was primarily attributable to an overall improved performance in all gaming and non-gaming operations, led by the continued recovery in inbound tourism to Macau in 2025.

Operating income for 2025 was US\$600.4 million, compared with US\$484.6 million for 2024.

Melco Resorts generated Adjusted Property EBITDA⁽³⁾ of US\$1.43 billion for the year ended 31 December 2025, compared with US\$1.22 billion in 2024.

Net income attributable to the financial performance of Melco Resorts for 2025 was US\$185.0 million, compared with US\$43.5 million for 2024.

⁽³⁾ Adjusted Property EBITDA is net income/loss before interest, taxes, depreciation and amortisation, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, integrated resort and casino rent*, corporate and other expenses and other non-operating income and expenses. Adjusted Property EBITDA is used by management as the primary measure of Melco Resorts' operating performance and to compare our operating performance with that of our competitors. However, Adjusted Property EBITDA presented in this annual report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

* Integrated resort and casino rent represents land rent and variable lease costs to Belle and casino rent to a subsidiary of John Keells Holdings PLC.

City of Dreams

For the year ended 31 December 2025, total operating revenues at City of Dreams were US\$2.74 billion, compared with US\$2.28 billion in 2024. City of Dreams generated Adjusted Property EBITDA of US\$822.1 million for the year ended 31 December 2025, compared with US\$621.6 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
VIP Gaming			
Rolling chip volume	23,404.1	20,059.4	16.7%
Win rate	3.62%	2.74%	N/A
Mass Market			
Mass market table games drop	6,739.9	5,869.4	14.8%
Hold percentage	30.4%	32.1%	N/A
Gaming Machine			
Handle	3,984.7	3,771.1	5.7%
Win rate	2.9%	3.1%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams in 2025 was US\$365.8 million, compared with US\$325.2 million in 2024.

Studio City

For the year ended 31 December 2025, total operating revenues at Studio City were US\$1.48 billion, compared with US\$1.39 billion in 2024. Studio City generated Adjusted Property EBITDA of US\$393.8 million in 2025, compared with US\$341.2 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
VIP Gaming			
Rolling chip volume	-	1,998.6	-100.0%
Win rate	N/A	3.85%	N/A
Mass Market			
Mass market table games drop	3,756.3	3,683.4	2.0%
Hold percentage	33.4%	30.6%	N/A
Gaming Machine			
Handle	3,596.7	3,408.6	5.5%
Win rate	3.5%	3.3%	N/A

VIP rolling chip operations at Studio City were transferred to City of Dreams in late October 2024. Studio City did not have VIP rolling chip operations in 2025.

Non-Gaming Performance

Total non-gaming revenue at Studio City in 2025 was US\$314.4 million, compared with US\$313.7 million in 2024.

Altira Macau

For the year ended 31 December 2025, total operating revenues at Altira Macau were US\$107.0 million, compared with US\$125.1 million in 2024. Altira Macau generated negative Adjusted Property EBITDA of US\$4.1 million in 2025, compared with US\$1.9 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
Mass Market			
Mass market table games drop	493.6	535.8	-7.9%
Hold percentage	19.3%	22.4%	N/A
Gaming Machine			
Handle	525.3	496.1	5.9%
Win rate	2.9%	2.5%	N/A

Non-Gaming Performance

Total non-gaming revenue at Altira Macau was US\$20.4 million in both 2025 and 2024.

Mocha and Other

Mocha and Other segment included the operation of Grand Dragon Casino before its closure and was changed to Mocha segment effective on 23 September 2025.

As part of the Company's development strategy and in accordance with Macau law, Grand Dragon Casino and three of the six Mocha Clubs, namely Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal, ceased operations during the period from September to December 2025. Following the closures, 15 gaming tables and 435 gaming machines were reallocated to the Company's other gaming areas in Macau.

Total operating revenues from Mocha and Other were US\$107.1 million in 2025, compared with US\$122.6 million in 2024. Mocha and Other generated Adjusted Property EBITDA of US\$22.2 million in 2025, compared with US\$27.0 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
Mass Market			
Mass market table games drop	155.1	231.6	-33.0%
Hold percentage	17.0%	16.8%	N/A
Gaming Machine			
Handle	2,049.2	2,066.0	-0.8%
Win rate	4.1%	4.3%	N/A

City of Dreams Manila

For the year ended 31 December 2025, total operating revenues at City of Dreams Manila were US\$411.1 million, compared with US\$472.3 million in 2024. City of Dreams Manila generated Adjusted Property EBITDA of US\$132.8 million in 2025, compared with US\$181.1 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
VIP Gaming			
Rolling chip volume	2,032.3	2,485.8	-18.2%
Win rate	3.37%	3.57%	N/A
Mass Market			
Mass market table games drop	566.4	695.8	-18.6%
Hold percentage	34.0%	32.8%	N/A
Gaming Machine			
Handle	3,873.2	4,343.4	-10.8%
Win rate	5.0%	5.0%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams Manila in 2025 was US\$102.7 million, compared with US\$115.0 million in 2024.

City of Dreams Mediterranean and Other

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

For the year ended 31 December 2025, total operating revenues at City of Dreams Mediterranean and Other were US\$300.2 million, compared with US\$234.6 million in 2024. City of Dreams Mediterranean and Other generated Adjusted Property EBITDA of US\$68.2 million in 2025, compared with US\$50.5 million in 2024.

Gaming Performance

US\$'million	For the year ended 31 December		YoY%
	2025	2024	
VIP Gaming			
Rolling chip volume	14.1	32.0	-55.9%
Win rate	4.15%	0.24%	N/A
Mass Market			
Mass market table games drop	657.9	487.4	35.0%
Hold percentage	22.3%	22.9%	N/A
Gaming Machine			
Handle	2,640.5	2,152.6	22.7%
Win rate	5.1%	5.2%	N/A

Non-Gaming Performance

Total non-gaming revenue at City of Dreams Mediterranean and Other in 2025 was US\$94.6 million, compared with US\$75.3 million in 2024.

Other Operations

Effective from 1 August 2025, the initial opening of the Sri Lanka Casino, the operations in Sri Lanka including the provision of management services to Nūwa Sri Lanka effective from its opening on 15 July 2025, which were previously reported under the Corporate and Other category, has been included in the Other Operations segment for the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025, total operating revenues at Other Operations were US\$12.5 million. Other Operations generated negative Adjusted Property EBITDA of US\$4.6 million in 2025, compared with US\$0.2 million in 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Capital Resources

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

The Group adopts conservative policies in cash and financial management. As at 31 December 2025, the Group's cash and bank balances amounted to HK\$8,119.1 million (2024: HK\$9,029.2 million) and restricted cash (mainly being cash collateral for concession-related guarantees to the Macau government and security under credit facilities) amounted to HK\$1,085.9 million (2024: HK\$1,043.4 million).

As at 31 December 2025, the Group had unused borrowing capacity of HK\$10.66 billion (2024: HK\$17.16 billion), of which HK\$10.03 billion (2024: HK\$16.54 billion) was available for drawdown, subject to the satisfaction of certain conditions precedent.

Major changes in our indebtedness during the year ended and subsequent to 31 December 2025 are summarised below.

On 9 January 2025, the Company, as borrower, entered into two shareholder loan facility agreements (collectively referred to as the "First Shareholder Loan Facilities"), with Mr. Ho, Lawrence Yau Lung ("Mr. Ho") and his controlled company, as lenders. Pursuant to the First Shareholder Loan Facilities, an aggregate principal amount of US\$25.0 million (equivalent to approximately HK\$194.1 million) of uncommitted revolving loan facilities were granted to the Company for a period from 9 January 2025 to 2 July 2026, subject to certain conditions precedent. On 22 January 2025, US\$5.0 million (equivalent to approximately HK\$38.8 million) was drawn to fund the interest payments under a US\$1.00 billion (equivalent to approximately HK\$7.78 billion) 5-year secured credit facility (the "MIDL 2021 Credit Facilities"). On 7 April 2025, US\$10.0 million (equivalent to approximately HK\$77.8 million) was drawn to prepay a portion of the outstanding principal amounts under the MIDL 2021 Credit Facilities.

On 5 February 2025, the Group obtained consent from the majority of lenders in the MIDL 2021 Credit Facilities to waive certain financial covenants from 1 July 2024 to 31 December 2025 (both dates inclusive), subject to certain conditions.

On 25 February 2025, pursuant to the terms under a HK\$14.85 billion senior unsecured credit facility (the "MN1 2020 Revolving Facilities"), an incremental facility of HK\$387.5 million was established to increase the available commitments under the MN1 2020 Revolving Facilities from HK\$14.85 billion to HK\$15.24 billion, subject to the satisfaction of certain conditions precedent.

On 8 April 2025, the Group obtained consent from the majority of lenders of the MIDL 2021 Credit Facilities to amend certain covenants from 8 April 2025 to 30 June 2025 (both dates inclusive), subject to certain conditions.

On 24 April 2025, the Company entered into certain shareholder loan facility agreements with the associates of Mr. Ho, pursuant to which the credit facilities of up to an aggregate principal amount of HK\$451.8 million were granted to the Company for a period from 24 April 2025 to 24 October 2026 (the "Second Shareholder Loan Facilities"). The Second Shareholder Loan Facilities were unsecured revolving loan facilities which included a set-off arrangement allowing all or part of the subscription monies payable by the associates of Mr. Ho under the rights issue on the basis of one rights share for every two existing shares of the Company at a subscription price of HK\$1.0286 per rights share (the "Rights Issue") to be partially set off on a dollar-to-dollar basis against an equivalent amount of any outstanding obligation under the Second Shareholder Loan Facilities (including any accrued interests). On 9 May 2025, the Company drew down HK\$390.0 million under the Second Shareholder Loan Facilities, which was primarily utilised to prepay a portion of the outstanding principal amounts under the MIDL 2021 Credit Facilities, and approximately HK\$389.9 million of the amounts drawn under the Second Shareholder Loan Facilities (the "Set Off Amount") was set off against a portion of the subscription monies for the Rights Issue payable by the associates of Mr. Ho.

On 6 June 2025, the Group fully redeemed the outstanding principal amount of US\$1.00 billion (equivalent to approximately HK\$7.85 billion) of the 4.875% unsecured senior notes at maturity with the proceeds from drawdowns of the MN1 2020 Revolving Facilities. In June 2025, the Group entered into interest rate swap arrangements with an aggregate notional amount of HK\$5.88 billion to manage the interest rate exposure on its loans under the MN1 2020 Revolving Facilities carried at variable interest rates.

On 17 June 2025, the Company completed a Rights Issue with gross proceeds of approximately HK\$780.0 million. After applying the Set Off Amount, the net proceeds from the Rights Issue after expenses were approximately HK\$380.6 million. For further details of the Rights Issue, please refer to note 33 to the consolidated financial statements of this annual report. The outstanding amounts of the First Shareholder Loan Facilities and Second Shareholder Loan Facilities were repaid on 18 June 2025.

On 30 June 2025, the Second Shareholder Loan Facilities were terminated.

On 15 July 2025, the Group fully redeemed the outstanding principal amount of US\$221.6 million (equivalent to approximately HK\$1.74 billion) of the 6.000% unsecured senior notes at maturity with proceeds drawn from a HK\$233.0 million secured revolving credit facility (the "SCC 2021 Revolving Facilities") and a HK\$1,945.0 million senior secured revolving credit facility (the "SCC 2024 Revolving Facilities"), together with cash on hand.

On 31 July 2025, the Group entered into a second amendment and restatement agreement with the facility agent of the MIDL 2021 Credit Facilities to amend certain terms including but not limited to the financial covenants, and to extend the maturity for two years to 5 June 2028. Please refer to note 30 to the consolidated financial statements of this annual report for details.

On 15 September 2025, the Group initiated a conditional cash tender offer (the "2026 MRF Senior Notes Tender Offer") which expired on 19 September 2025, subject to the terms and conditions, to purchase all of its outstanding aggregate principal amount of US\$500.0 million (equivalent to approximately HK\$3.89 billion) 5.250% unsecured senior notes due 2026 at an issue price of 100% of the principal amount (the "2026 MRF Senior Notes").

On 24 September 2025, the Group issued an aggregate principal amount of US\$500.0 million (equivalent to HK\$3.89 billion) 6.500% unsecured senior notes due 2033 at an issue price of 100% of the principal amount (the "2033 MRF Senior Notes"). The proceeds were used to settle the 2026 MRF Senior Notes Tender Offer and to early redeem the remaining 2026 MRF Senior Notes. An aggregate principal amount of US\$142.1 million (equivalent to approximately HK\$1.11 billion) of the 2026 MRF Senior Notes were validly tendered in the 2026 MRF Senior Notes Tender Offer and settled on 24 September 2025, while the remaining aggregate principal amount of US\$357.9 million (equivalent to approximately HK\$2.78 billion) of the 2026 MRF Senior Notes were early redeemed on 25 October 2025.

In September 2025, the Group entered into two cross-currency swap arrangements to manage foreign exchange rate risk associated with the interest and principal payments under the 2033 MRF Senior Notes.

During the year ended 31 December 2025, the Group drew down HK\$5.67 billion, HK\$389.0 million and HK\$233.0 million in aggregate on a net basis under the MN1 2020 Revolving Facilities, SCC 2024 Revolving Facilities and SCC 2021 Revolving Facilities, respectively.

During the period from 1 January 2026 through 31 March 2026, the date of issuance of the consolidated financial statements, the Group repaid a total outstanding principal amount of HK\$467.0 million and HK\$78.0 million, along with accrued interests, under the MN1 2020 Revolving Facilities and SCC 2024 Revolving Facilities, respectively.

The availability period of an unsecured credit facility amounting to Philippine Peso (“PHP”) 2.35 billion (equivalent to approximately HK\$310.6 million) was extended from 30 June 2025 to 30 June 2026 during the year ended 31 December 2025, with no changes in the underlying terms and conditions.

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

Gearing Ratio

The gearing ratio, expressed as a percentage of total interest-bearing borrowings divided by total assets, was 69.1% as at 31 December 2024 (2024: 71.6%).

Pledges of assets

As at 31 December 2025, borrowings in an aggregate principal amount of HK\$8,005.2 million (2024: HK\$7,832.3 million) were secured by the following assets of the Group:

- (i) certain property and equipment;
- (ii) certain right-of-use land and all present and future buildings on and fixtures to such land, and land use rights (or equivalent);
- (iii) certain bank deposits;
- (iv) receivables and other assets including certain intragroup loans; and
- (v) issued shares of certain subsidiaries of the Company.

CONTINGENT LIABILITIES

Beyond the commitments and contingencies disclosed in note 40 to the consolidated financial statements of this annual report, the Group had no further significant contingent liabilities as at 31 December 2025.

FINANCIAL RISK

Foreign exchange risk

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

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

The Group has not engaged in hedging transactions with respect to foreign exchange exposure of the revenues and expenses in its day-to-day operations during the year ended 31 December 2025 and 2024. Instead, the Group maintains a certain amount of the operating funds in the same currencies in which the Group has obligations, thereby reducing the exposure to currency fluctuations. However, the Group occasionally enters into foreign exchange transactions as part of financing transactions and capital expenditure programs. In September 2025, the Group entered into two cross-currency swap arrangements to manage the foreign currency exchange rate risk associated with the outstanding U.S. dollar denominated 2033 MRF Senior Notes.

Interest rate risk

The Group is primarily exposed to cash flow interest rate risk in relation to the borrowings bearing interest based on floating rates. The Group attempts to manage interest rate risk by managing the mix of long-term fixed-rate borrowings and variable-rate borrowings and may supplement by hedging activities in a manner the Group deems prudent. The Group entered into interest rate swap arrangements to manage interest rate risk on its loans drawn under the MN1 2020 Revolving Facilities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group issues credit in gaming operations pursuant to gaming credit facilities entered into with customers following a review of their creditworthiness. Credit is/can be given to gaming promoters in the Philippines and Cyprus. These receivables can be offset against commissions payable and any other payments due by the Group to customers and gaming promoters. In this regard, the management of the Group considers that the Group's credit risk is adequately monitored. As at 31 December 2025 and 2024, the credit risks associated with certain casino receivables are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related casino receivable.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group may have significant capital expenditures in the future as it continues to maintain, enhance and develop its existing properties and pursue potential growth opportunities in existing and new jurisdictions. The Group has relied, and intends in the future to rely, on operating cash flow and different forms of financing to meet funding needs.

HUMAN RESOURCES

Headcount and Employees' Information

The total number of the Group's employees was 22,972 as of 31 December 2025 (31 December 2024: 21,795). Among these employees, 220 are located in Hong Kong and the remaining 22,752 are mainly located in Macau, the Philippines and Cyprus. The related staff costs for the year ended 31 December 2025, including directors' emoluments and share-based compensation expenses amounted to HK\$7,772.1 million (year ended 31 December 2024: HK\$6,972.0 million).

Human Resources

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

Recruitment

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

Performance and Rewards

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

Training and Development

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

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Mr. HO, Lawrence Yau Lung (aged 49)

Executive Director (Chairman and Chief Executive Officer)

Mr. Ho has been the Chairman and Chief Executive Officer of the Company since March 2006. Prior to that, Mr. Ho was the Company's group managing director after the completion of a general offer for shares of the Company in 2001. Mr. Ho is also the chairman of the Company's Executive Committee, Finance Committee and Regulatory Compliance Committee and a director of certain subsidiaries of the Company. Mr. Ho is currently the chairman and chief executive officer of Melco Resorts & Entertainment Limited, a subsidiary of the Company listed on the Nasdaq Global Select Market in the United States that holds one of the six Macau gaming concessions, and develops, owns and operates integrated resort facilities in Asia and Europe. He is also a director of Studio City International Holdings Limited, a subsidiary of the Company listed on the New York Stock Exchange in the United States. He was the chairman and director of Maple Peak Investments Inc., a company listed on the TSX Venture Exchange in Canada, from July 2016 to January 2026.

As a member of the National Committee of the Chinese People's Political Consultative Conference, Mr. Ho serves on the board or participates as a committee member in various organisations in China. He is a member of the advisory committee of the All-China Federation of Industry and Commerce; a member of the Macau Basic Law Promotion Association; a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong; a member of the Asia International Leadership Council; honorary advisor of Global Tourism Economy Research

Centre; permanent honorary committee member of The Chinese General Chamber of Commerce of Hong Kong; honorary patron of The Canadian Chamber of Commerce in Macao; honorary president of Macau Research Association for Macau Gaming Law; honorary president of the Association of Property Agents and Real Estate Developers of Macao; a director executive of the Macao Chinese General Chamber of Commerce and honorary president of the Association of Youth Practitioners in Macao Integrated Tourism and Leisure Enterprises.

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

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

Mr. Evan Andrew WINKLER (aged 51)

Executive Director (President and Managing Director)

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

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

Mr. CHUNG Yuk Man, Clarence (aged 63)

Executive Director

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

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

Mr. Geoffrey Stuart DAVIS (aged 57)

Executive Director (Chief Financial Officer)

Mr. Davis has been an Executive Director of the Company since June 2025 and the Chief Financial Officer of the Company since December 2017, overseeing the Group's finance and treasury functions. He is also a director of a number of subsidiaries of the Company. He is currently an Executive Vice President and Chief Financial Officer of Melco Resorts & Entertainment Limited ("Melco Resorts"), a subsidiary of the Company listed on the Nasdaq Global Select Market in the United States and a director and Chief Financial Officer of Studio City International Holdings Limited, a subsidiary of the Company listed on the New York Stock Exchange in the United States. Prior to that, he served as the Deputy Chief Financial Officer of Melco Resorts from August 2010 to March 2011 and Senior Vice President, corporate finance of Melco Resorts from 2007, when he joined Melco Resorts. Mr. Davis was a research analyst for Citigroup Investment Research, where he covered the U.S. gaming industry from 2001 to 2007. From 1996 to 2000, he held a number of positions at Hilton Hotels Corporation and Park Place Entertainment. Mr. Davis has been a CFA charter holder since 2000 and obtained a bachelor of arts degree from Brown University in 1991.

Mr. TSUI Che Yin, Frank (aged 68)

Independent Non-executive Director

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

Ms. Karuna Evelyne SHINSHO (aged 58)

Independent Non-executive Director

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

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

Mr. KO Chun Fung, Henry (aged 66)

Independent Non-executive Director

Mr. Ko has been an Independent Non-executive Director of the Company since June 2025. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination and Corporate Governance Committee of the Company. Mr. Ko is a seasoned professional with a strong track record of successful senior positions in Asia. Prior to joining the Company, he has led various high profile ventures in the telecom industry. He was a founder of iAsia Online Systems Limited, and in his capacity as chief executive officer and executive director, nurtured its growth into a leading financial trading solutions vendor in Hong Kong and mainland China. In his capacity as chief executive officer and executive director of PAL Development Limited, Mr. Ko then went on to set up the lottery business, which was subsequently acquired by MelcoLot Limited (a company listed on the GEM Board of The Stock Exchange of Hong Kong Limited) in late 2007. He was then appointed as the chief executive officer and executive director of MelcoLot Limited from 2008 to 2017. Mr. Ko obtained a Bachelor of Engineering degree with first class honours from Deakin University and was awarded an Australian Postgraduate Course Award to pursue his studies at the Australian Graduate School of Management at the University of New South Wales, where he completed his Master of Business Administration degree.

SENIOR MANAGEMENT

Mr. LEUNG Hoi Wai, Vincent (aged 52)

Group General Counsel

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

Mr. Leung is named in the Legal 500's GC Powerlist Hong Kong 2024 and 2025. He holds a Postgraduate Certificate in Laws and a Bachelor of Laws degree, both from The University of Hong Kong.

CORPORATE GOVERNANCE REPORT

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

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

CORPORATE GOVERNANCE PRACTICES

Corporate Governance Practices of the Company

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

Company’s Corporate Governance Code

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

Code of Conduct

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

Whistleblowing

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

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

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

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

Anti-corruption

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

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

Inside information

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

Compliance with the Company Code and CG Code

During the year ended 31 December 2025, the Company has complied with (i) the Company Code and (ii) the code provisions of the CG Code, apart from the deviation mentioned below.

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

CORPORATE CULTURE, STRATEGY AND GOVERNANCE

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

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

Throughout 2025, the Company continued to strengthen its cultural framework by focusing on improving operational efficiency, enhancing entertainment offerings, adopting a people-centric strategy and pursuing environmental sustainability, through various initiatives set out in the “Chairman & CEO’s Statement” and “Management Discussion and Analysis” sections and the “Report of the Directors” of this annual report, as well as the standalone Environmental, Social and Governance Report (the “2025 ESG Report”). More information about the Company’s vision, mission and values is available on the Company’s website.

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

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

The Company has been monitoring the effectiveness of the promotion of culture as well as adherence to core values on a continuous basis, the findings of which, including human resources data, health and safety, environmental performance, regulatory compliance, etc., can be found in our 2025 ESG Report.

THE BOARD OF DIRECTORS

Role of the Board

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

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

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

Composition of the Board

The Board comprises a total of seven directors of the Company (the “Director(s)”), with four Executive Directors, namely, Mr. Ho, Lawrence Yau Lung (Chairman and Chief Executive Officer), Mr. Evan Andrew Winkler (President and Managing Director), Mr. Chung Yuk Man, Clarence and Mr. Geoffrey Stuart Davis (Chief Financial Officer); and three Independent Non-executive Directors (“INED(s)”), namely, Mr. Tsui Che Yin, Frank, Ms. Karuna Evelyne Shinsho and Mr. Ko Chun Fung, Henry. The number of INEDs represents over 40% of the Board and meets the independence requirements under Rule 3.10A of the Listing Rules.

An updated list of Directors, identifying their roles and functions at the Company, is available on the websites of the Company and the Hong Kong Stock Exchange. Biographical details of Directors are set out in the section headed “Board of Directors and Senior Management” on pages 42 to 45 of this annual report and also published on the Company’s website.

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

There are no relationships (including financial, business, family or other material/relevant relationship(s)) among the Board members and none of the INEDs holds seven (or more) directorships in listed companies (including the Company) as at 31 December 2025.

Chairman and Chief Executive Officer

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

Chairman’s responsibilities include (without limitation):

- providing leadership to, and overseeing the functioning of, the Board
- ensuring that Board meetings are planned and conducted effectively
- ensuring that all Directors are properly briefed on issues arising at Board meetings, and receive, in a timely manner, adequate information

- ensuring that the Board works effectively, performs its responsibilities and discusses all key and appropriate issues in a timely manner
- promoting a culture of openness and encouraging Directors with different views to voice their opinions and participate fully in the Board’s affairs
- ensuring that good corporate governance practices and procedures are established
- ensuring effective communication with shareholders of the Company
- chairing Board and shareholders’ meetings

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

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

Independent Non-executive Directors

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

Prior to Mr. Tsui Che Yin, Frank's re-designation from Non-executive Director to INED in July 2020, the Company had successfully demonstrated to the satisfaction of the Hong Kong Stock Exchange that Mr. Tsui is qualified to serve as an INED and is independent for the purposes of Rule 3.13 of the Listing Rules despite his role as a Non-executive Director during the two years before the date of his re-designation, with the reasons set out in the Company's announcement dated 2 July 2020.

All the INEDs have confirmed to the Company that there is no change of circumstances which may affect their independence under Rule 3.13 of the Listing Rules. The Company, after having considered the above, is satisfied that all the INEDs remain independent in accordance with the Listing Rules.

Appointment and Re-election of Directors

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

During the year, the Company appointed Mr. Geoffrey Stuart Davis as an Executive Director and Mr. Ko Chun Fung, Henry as an INED, both effective from 6 June 2025. Mr. Davis and Mr. Ko have obtained the legal advice referred to in Rule 3.09D of the Listing Rules before their appointments becoming effective, on 2 June 2025 and 3 June 2025, respectively, and confirmed that they understood their obligations as Directors.

This year, Mr. Ho, Lawrence Yau Lung and Ms. Karuna Evelyne Shinsho will retire from office by rotation at the forthcoming AGM ("2026 AGM"). Mr. Geoffrey Stuart Davis and Mr. Ko Chun Fung, Henry, being newly appointed Directors, will also retire at the 2026 AGM. All the retiring Directors, being eligible, have confirmed they will offer themselves for re-election at the 2026 AGM.

The biographical details of the retiring Directors who will offer themselves for re-election at the 2026 AGM will be set out in a circular to assist shareholders to make informed decisions on their re-elections. At every annual general meeting, the re-election of each retiring Director will be individually voted upon by shareholders by way of a separate resolution.

Nomination Policy

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

Nomination Procedures and Process of Selecting Candidates for Directorships

During the year, the Nomination and Corporate Governance Committee, after considering the referrals of Board candidates from Board members and management, nominated Mr. Geoffrey Stuart Davis, the Company's Chief Financial Officer, and Mr. Ko Chun Fung, Henry to the Board. In assessing the suitability of Mr. Ko for the role as an INED and Mr. Davis as an Executive Director, the Nomination and Corporate Governance Committee has taken into account the objective selection criteria for Board candidate as set out in the Nomination Policy, including the candidate's experience, expertise, educational qualification and background, and the diversity of the Board based on a range of diversity perspectives such as gender, age, skills, competence, professional experience, expertise, educational and other qualifications, background and personal qualities as set out in the Board Diversity Policy. Based upon the recommendations of the Nomination and Corporate Governance Committee, the Board made decision on the appointments.

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

Board Performance Review

During the year, the Company conducted its annual evaluation of the Board effectiveness and work processes by way of an internal assessment in the form of a tailored board evaluation questionnaire to all Board members individually. The questionnaire aimed at collecting views and comments from Board members and provide an opportunity for the Board members to make recommendations for areas which could be strengthened to further enhance the overall effectiveness of the Board and its committees.

The evaluation covered a diverse range of topics including Board and Board committee structure and composition, role of the Chairman of the Board, functions of the Board and Board committees, Directors' training, Board processes, as well as Board culture and dynamics.

The evaluation results revealed that the Directors favourably perceived the Board leadership as highly effective and Board processes were effective during the year ended 31 December 2025. The Board has an appropriate mix of skills, expertise, experience, background and diversity to deal with challenges that may arise. All Directors continued to perform effectively and demonstrate commitment to their roles. The Board committees were properly constituted and functioned to discharge their respective duties. The Chairman of the Board promoted and facilitated the effective contribution and communication of all Directors. The results of the evaluation have been reviewed by the Nomination and Corporate Governance Committee and submitted to the Board.

In addition to the above Board evaluation, there is also an annual process for the Company to evaluate the performance of its Directors, which involves the Board's regular reviews of the time commitment required from all Directors, independence of INEDs, structure, size and composition (including skills, expertise and experiences) and diversity of the Board and the Board committees, as well as trainings that the Directors received during the year, as more particularly described in other sections of this report.

Directors' Time Commitment

The Board, through the Nomination and Corporate Governance Committee, conducts an annual review of the time commitment required from a Director and evaluate whether the Director has spent adequate time to discharge his/her responsibilities effectively, taking into account the Director's professional qualifications and work experience, existing directorships in other listed public companies or organisations and other significant external time commitments and other factors or circumstances relevant to the Director's character, integrity, independence and experience.

The Nomination and Corporate Governance Committee has reviewed Directors' confirmation on time commitment and Directors' attendance at the Board and relevant Board committee meetings and is of the view that each Director spent sufficient time, attention and efforts to the affairs of the Company during the year ended 31 December 2025. None of the INEDs held directorships in more than six Hong Kong listed public companies (including the Company) during the year.

Mechanisms for Making Available Independent Views and Input to the Board

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

Communication channels

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

Board and Board committees' structure

The Company has been ensuring a strong independent element on the Board. Currently, the INED representation on the Board is over 40%. Out of the seven Directors, three Directors are INEDs, who are independent of and not related to each other and any members of the senior management. In addition, all the members of the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee are INEDs.

Appointment of INEDs

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

Annual review of INEDs' independence

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

Seeking professional advice

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

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

Induction and Continuous Professional Development to Directors

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

All Directors have participated in continuous professional development to develop and refresh their skills and knowledge in accordance with the CG Code. During the year, the Company invited an external expert consultant to provide a training session to our Directors on the topic of “Annual Regulatory Round-up 2025”, which included a particular focus on directors’ duties, evolving environmental, social and governance (“ESG”) regulatory landscape, corporate governance trends and development, latest developments and regulatory enforcement updates. Also, the Company has provided the Directors with regular periodic business updates and reading materials on updates on latest developments and changes in the Listing Rules and other relevant legal and regulatory requirements, ESG matters, directors’ duties and responsibilities and risk management and internal controls throughout the year. All of these are of sufficient quality adequately support Directors’ development of their knowledge and expertise and cover the specified topics as required under Rule 3.09G of the Listing Rules.

The following table shows a summary of key training topics and continuous professional development completed by the Directors during the year ended 31 December 2025:

	Type of continuous professional development	
	Attending seminars/ workshops/conferences relevant to the business of the Company or directors’ duties	Reading materials*
Executive Directors		
Mr. Ho, Lawrence Yau Lung	✓	✓
Mr. Evan Andrew Winkler	✓	✓
Mr. Chung Yuk Man, Clarence	✓	✓
Mr. Geoffrey Stuart Davis	✓	✓
Independent Non-executive Directors		
Mr. Tsui Che Yin, Frank	✓	✓
Ms. Karuna Evelyne Shinsho	✓	✓
Mr. Ko Chun Fung, Henry	✓	✓

* Topics include the Company’ business update, legal and regulatory update, corporate governance and ESG matters, and directors’ duties and responsibilities, risk management and internal controls

Board Meetings

The Directors met five times during the year of 2025. In addition, the Chairman met the INEDs once without the presence of other Directors. Such meeting provides an effective forum for the Chairman to listen to the views of the INEDs on issues including corporate governance, effectiveness of the Board, and such other issues they may wish to raise in the absence of other Directors and senior management of the Company.

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

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

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

Attendance at Meetings

The attendance records of the Directors at Board meetings, Board committee meetings and general meetings during the year ended 31 December 2025 are as follows:

Name of Director	No. of meetings attended/held				
	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination and Corporate Governance Committee meeting	Annual general meeting
Executive Directors					
Mr. Ho, Lawrence Yau Lung	5/5	-	-	-	1/1
Mr. Evan Andrew Winkler	5/5	-	-	-	1/1
Mr. Chung Yuk Man, Clarence	5/5	-	-	-	1/1
Mr. Geoffrey Stuart Davis ⁽¹⁾	3/3	2/2	-	-	-
Independent Non-executive Directors					
Mr. Tsui Che Yin, Frank	5/5	4/4	3/3	3/3	1/1
Ms. Karuna Evelyne Shinsho	5/5	4/4	3/3	3/3	1/1
Mr. Ko Chun Fung, Henry ⁽²⁾	3/3	2/2	1/1	-	-
Mr. John William Crawford ⁽³⁾	1/1	1/1	1/1	1/1	-
Average Attendance Rate	100%	100%	100%	100%	100%

Notes:

1. Mr. Davis, the Chief Financial Officer of the Company, was appointed as an Executive Director on 6 June 2025. The attendance record of Mr. Davis was calculated based on the meetings held since the date of his appointment as a Director.
2. Mr. Ko was appointed as an INED and a member of the Audit Committee, Remuneration Committee and Nomination and Corporate Governance Committee on 6 June 2025. The attendance record of Mr. Ko was calculated based on the meetings held since the date of his appointment as an INED.
3. Mr. Crawford passed away on 13 May 2025.

Procedure to Enable Directors' Seeking Independent Professional Advice

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

Securities Dealings by Directors and Employees

The Company has a code for dealing in the Company's securities by the Directors and relevant employees, who are likely to be in possession of inside information in relation to the securities of the Company (the "Code of Securities Dealings") on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the required standards set out in the Code of Securities Dealings throughout the year of 2025.

Directors' and Officers' Insurance

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers. The coverage and the amount insured are reviewed annually by the Company. In 2025, no claims under the insurance policy were made.

DIVERSITY

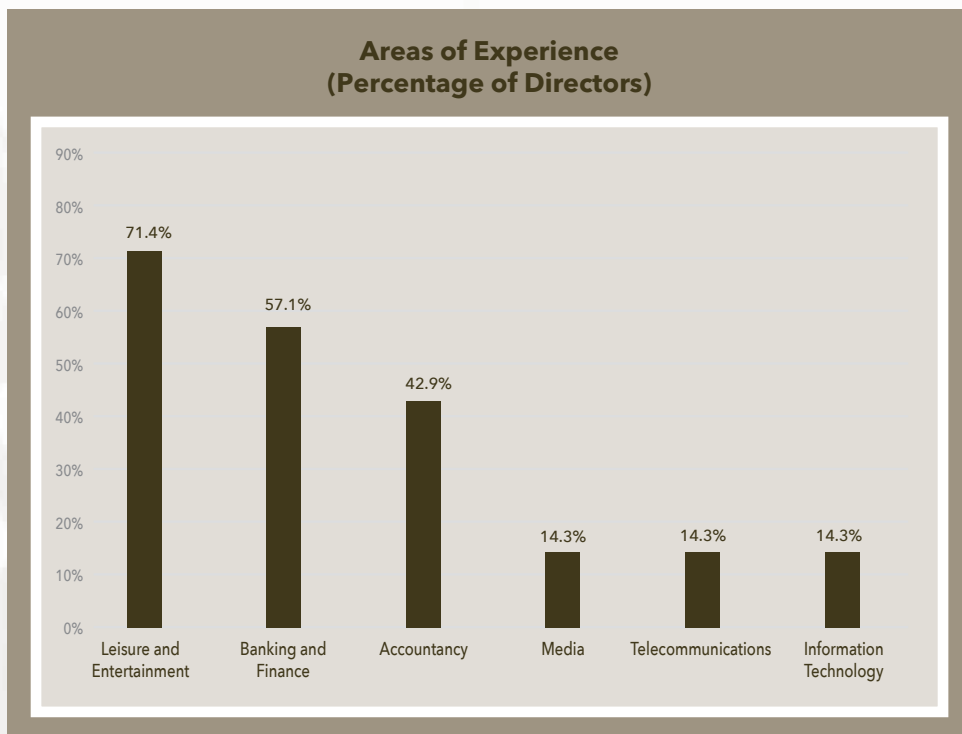
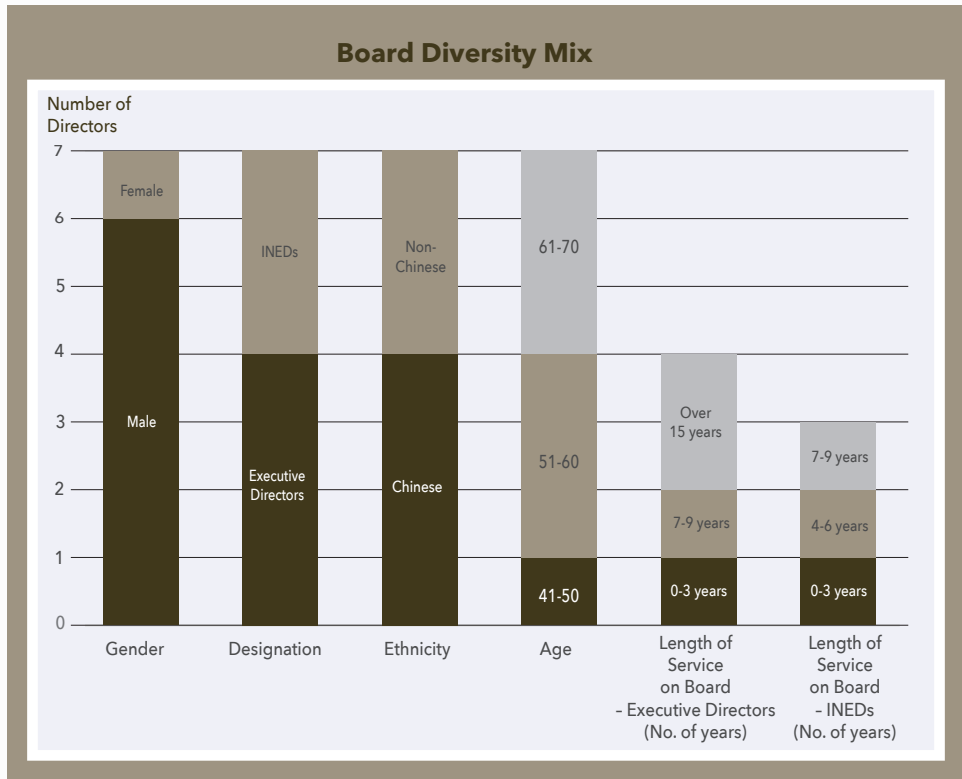
Board Diversity

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

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

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

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



Gender Diversity at Board Level

The Company has one female Director out of seven Directors, which accounted for about 14% of the Board. In considering the Board's succession, the Nomination and Corporate Governance Committee may engage independent professional search firm(s) to help identify potential candidates for Non-executive Directors, as and when appropriate. While the Board aims to maintain at least the current level of female representation and to have the ultimate goal of bringing the Board to gender parity, the Board is of the view that it is not necessary to set interim numerical targets and timeline for Board gender diversity for the time being, it will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates for Board appointments are identified.

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

Gender Diversity at Workforce Level

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

Women in leadership within the Group:

- 22% of directors across our boards
- 12% of our corporate executive committees
- 34% of our senior management
- 42% of our general management

Our overall workforce has a relatively even gender split between men and women. As at 31 December 2025, the gender ratio of males to females in the senior management of the Group was approximately 65.7% to 34.3%¹, while in our overall workforce (excluding senior management) it was approximately 54.3% to 45.7%. Our target is to maintain at least 50% management roles to be held by women by 2030.

The Company has newly adopted a workforce diversity policy to define the Company's priorities and approach to implementing the diversity, equity and inclusion aspects of its vision, and such policy applies to all business functions and operations within the Group. Under the policy, the Company shall ensure its workforce reflects diversity and its workplace is inclusive and has a zero-tolerance policy for any form of discrimination or harassment based on gender, age, race, religion, gender identity, sexual orientation, varying ability, parental/marital status, or other non-meritocratic factors.

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

Further details on the gender ratio of the Group among management positions and the wider workforce, together with the relevant data, can be found in the 2025 ESG Report, which is published on the websites of the Company and the Hong Kong Stock Exchange.

¹ For the purpose of disclosure of gender ratio of senior management of the Company (as defined in the CG Code, being the senior management personnel referred to in this Annual Report and required to be disclosed under paragraph 12 of Appendix D2 (Disclosure of Financial Information) to the Listing Rules), the ratio was 100% male.

DELEGATION BY THE BOARD

Management Functions

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

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

Board Committees

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

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

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

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

(1) Executive Committee

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

(2) Audit Committee

The Audit Committee is made up of three INEDs, Mr. Tsui Che Yin, Frank (chairman of the committee), Ms. Karuna Evelyne Shinsho and Mr. Ko Chun Fung, Henry.

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

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

The Audit Committee met four times during the year and the following is a summary of the work performed by the Audit Committee in 2025:

- (a) reviewed and endorsed the annual financial results of 2024 and interim financial results of 2025;
- (b) reviewed and endorsed the 2024 annual report and 2025 interim report;
- (c) reviewed the significant findings and recommendations from the internal auditor and external auditor, and monitored their implementations;
- (d) reviewed management's report on accounting and reporting and tax compliance;
- (e) received updates on legal and treasury matters;
- (f) reviewed the effectiveness of the risk management and internal control systems;
- (g) approved the internal audit plan for 2025 and reviewed the internal audit reports;
- (h) reviewed the related party transactions, connected transactions and intercompany transactions;
- (i) reviewed the risk and compliance report and information security report;
- (j) reviewed and approved the external auditors' non-audit related services; and
- (k) reviewed and approved the external auditor's remuneration and terms of engagement for 2025.

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

(3) Remuneration Committee

The Remuneration Committee is made up of three INEDs, Mr. Ko Chun Fung, Henry (chairman of the committee), Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.

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

The Remuneration Committee met three times during the year and the following is a summary of the work performed by the Remuneration Committee in 2025:

- (a) reviewed and recommended to the Board the remuneration of the INEDs;
- (b) reviewed and approved management's proposals on remuneration of and compensation to Executive Directors and senior management after assessing their performance;
- (c) considered and recommended to the Board on grants of share awards and share options to Directors and employees of the Group under the share incentive scheme of the Company;
- (d) reviewed and recommended to the Board the deferred vesting and cash settlement of certain share awards; and
- (e) reviewed and recommended to the Board the director's fee for the new INED and the remuneration of the new Executive Director.

Remuneration Policies

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

The emoluments paid or payable to the senior management for the year ended 31 December 2025 fell within the following bands:

Emolument bands	Number of individuals
Below HK\$15,000,000	1
HK\$15,000,001 - HK\$30,000,000	1*

* Emolument of a senior management member prior to his appointment as a Director on 6 June 2025

(4) Nomination and Corporate Governance Committee

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

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

The Nomination and Corporate Governance Committee met three times during the year and the following is a summary of the work performed by the Nomination and Corporate Governance Committee in 2025:

- (a) reviewed the structure, size, composition and diversity of the Board;
- (b) assessed the independence of INEDs;

- (c) nominated Board candidates to stand for re-election by shareholders at the Company's 2025 AGM;
- (d) nominated (i) a candidate to act as an INED and (ii) a candidate to act as an Executive Director;
- (e) reviewed the Company's compliance with the Company Code and the CG Code;
- (f) reviewed the Company's policies and practices on corporate governance and on compliance with legal and regulatory requirements;
- (g) reviewed, endorsed and recommended to the Board the Corporate Governance Report;
- (h) reviewed the ESG governance framework and ESG management systems;
- (i) reviewed, endorsed and recommended to the Board the 2024 ESG Report;
- (j) reviewed the effectiveness of the Board Diversity Policy, the Shareholders' Communication Policy and the mechanisms for making available independent views and input to the Board; and
- (k) reviewed the training and continuous professional development of Directors and senior management.

(5) Finance Committee

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

(6) Regulatory Compliance Committee

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

COMPANY SECRETARY

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

The Hong Kong Stock Exchange updated the CG Code to strengthen issuers' corporate governance practice with certain enhanced disclosure and governance requirements relating to risk management and internal controls introduced, which will become applicable to the Group for the financial year commencing on 1 January 2026.

The Group has undertaken an overall review of its risk management and internal control system in light of the latest amendments to the CG Code. The Company's Risk Management Policy, terms of reference for the risk management taskforce and various governance policies have been updated to better reflect the latest governance expectations. The Group is continuing with refinement of its risk assessment methodology, integration of ESG related risks within the existing framework, and enhancement of other governance practices this coming year.

Risk Management System

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

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

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

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

Internal Control Systems

The Group has an Internal Audit Department ("IA Department") which reports directly to the Audit Committee. IA Department provides the Audit Committee and the Board with useful information and recommendations on the effectiveness of the Group's internal control systems. On a regular basis, IA Department conducts audits on financial, operational and compliance controls and a review of the risk management functions of the Company and its subsidiaries. IA Department also conducts annual reviews on the adequacy of resources for designing, implementing and monitoring the internal control processes and systems.

IA Department has direct access to the Audit Committee and has rights to access all records, assets and personnel as stipulated in the Internal Audit Charter. It follows a risk-based approach to formulate the audit plan that focuses on the top risks identified. The risks for departments and business units are assessed using the pre-determined risk criteria. The assessment results are consolidated and ranked from an enterprise-wide perspective. The Audit Committee reviews and approves annually the audit plan, which is formulated based on the risk assessment result. IA Department conducts audit review on specific areas based on the approved audit plan. IA Department monitors the follow-up actions agreed upon in response to recommendations. On a quarterly basis, the Head of Internal Audit reports to the Audit Committee summaries of the changes in risk profile, regulatory updates, new business development and events impacting the key process and internal controls, major audit findings and control weaknesses, if any, and the implementation progress of audit recommendations, together with his opinion on the adequacy and effectiveness of the internal control systems.

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



Control Environment

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

Risk Assessment

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

Control Activities

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

Information and Communications

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

Monitoring Activities

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

IA Department may also perform the new advisory project each year after obtaining the approval from the Audit Committee. The nature and scope of these advisory services will be determined based on the internal audit risk assessment.

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

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

The Company has in place a Policy on Disclosure of Inside Information which provides guiding principles, practices and procedures to assist officers and employees of the Group for handling and dissemination of inside information in a timely manner. Any potentially sensitive or inside information would be assessed by management and escalated to the Chief Executive Officer, Executive Committee and the Board in accordance with the policy to determine if an announcement is required or appropriate. The Executive Committee or the Board may seek the requisite independent professional advice.

ESG Governance

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

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

Disclosures relating to the material ESG issues identified pursuant to the requirements of Appendix C2 to the Listing Rules are included in the 2025 ESG Report, which is published on the websites of the Company and the Hong Kong Stock Exchange.

Audit Committee Supervision

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

Annual Review

The Board, through the Audit Committee, conducted reviews of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 covering all material financial, operational and compliance controls and risk management functions, and considered that the systems are adequate and effective. The Board, through the Audit Committee, also reviewed the adequacy and effectiveness of resources, staff qualifications and experience, training programmes and the budget for the Group's accounting, internal audit and financial reporting functions, and through the Nomination and Corporate Governance Committee, reviewed the Company's ESG performance and reporting, and considered that they are adequate.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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

AUDITOR'S REMUNERATION

For the year ended 31 December 2025, the fees paid or payable by the Company to its external auditor for providing audit and non-audit services amounted to approximately HK\$1.5 million and HK\$2.7 million (2024: HK\$1.3 million and HK\$1.8 million), respectively. The non-audit services comprise primarily interim review, taxation and advisory services.

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

SHAREHOLDERS' RIGHTS

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

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

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

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

- (a) shareholders holding at least 2.5% of the voting rights of shareholders entitled to vote on that resolution; or
- (b) not less than 50 shareholders having the right to vote on that resolution.

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

Procedures for Nomination of Directors for Election

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

Enquiries to the Board

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

COMMUNICATION WITH SHAREHOLDERS

Dividend Policy

The Company has a Dividend Policy in place to allow its shareholders to participate in the Company's profits while preserving the Company's liquidity to capture future growth opportunities. Pursuant to the Dividend Policy, the Company intends to provide its shareholders with semi-annual dividends in an aggregate amount per year of approximately 20% of the Company's annual consolidated net income attributable to the shareholders. The Dividend Policy also allows the Company to declare special dividends from time to time. In May 2020, the Company announced the suspension of its semi-annual dividend program under the Dividend Policy.

Annual General Meeting

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

Our 2025 AGM was held in a virtual (via live webcast) format. With the virtual 2025 AGM, shareholders were able to participate in the meeting online from anywhere with an internet connection in a convenient and efficient manner. At the meeting, shareholders may vote and submit questions online or, if they so opt to, dial in through the Company's designated dial-in facility to raise questions. By providing a convenient access for our shareholders, the virtual 2025 AGM facilitated attendance, which in turn encourage shareholders' participation.

The Board Chairman, Board committees' chairmen and the Company's auditor attended the 2025 AGM and were on hand to answer questions.

INVESTOR RELATIONS

Constitutional Documents

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

Shareholders Communication Policy

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

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

The policy provides that:

- (1) Information shall be communicated to shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures and corporate communications on the websites of the Company and the Hong Kong Stock Exchange;
- (2) Shareholders should direct their questions about their shareholdings to the Company's Share Registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong; and
- (3) Shareholders may at any time send their enquiries to the Company by email at info@melco-group.com or by mail to the Company Secretary at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

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

- (1) Annual and interim reports, announcements and circulars are published on a timely basis in accordance with the Listing Rules.
- (2) The 2025 AGM was held in a virtual format to facilitate shareholders' participation. Shareholders could view the live video broadcast, participate in voting and submit questions online (or dial in through the Company's designated dial-in facility to raise questions) during the meeting. Electronic voting at the meeting facilitated easy and intuitive voting procedures for shareholders as well as enhancing efficiency in poll counting.
- (3) On-going engagement is maintained with institutional investors, analysts and investment managers through various communications with them.
- (4) Press releases timely posted on the Company's website facilitate shareholders and other stakeholders' understanding and appraisal of the Group's latest developments.
- (5) Shareholders holding not less than 5% of the total voting rights of all shareholders of the Company can request the Directors to call a general meeting, details of which are explained in the section headed "Shareholders' Rights" of this report.

REPORT OF THE DIRECTORS

The directors of Melco International Development Limited (“Melco International” or the “Company”) (the “Directors”) are pleased to present their report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

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

BUSINESS REVIEW

General

The business review for the year ended 31 December 2025, including discussion of the principal risks and uncertainties and future developments in the Group’s businesses, is outlined in the “Chairman & CEO’s Statement” and “Management Discussion and Analysis” on pages 18 and 19 and 20 to 41, respectively, of this annual report. An analysis of the Group’s performance during the year using financial key performance indicators is included on pages 14 and 15 and in the Group’s Five-year Financial Summary on page 234 of this annual report.

Our ESG Commitment

Our ESG Approach

Our “**RISE**” sustainability strategy drives us to go Above & Beyond in fulfilling our commitments to **R**estore our environment, **I**nspire our communities, **S**ustain our supply chain and **E**mpower our business. It sets a unified framework for embedding environmental, social and governance (“ESG”) best practices across our Group and engaging employees, guests, suppliers, partners and communities in building a climate-resilient and equitable future.

Our strategy and reporting focus on topics material to our business. In 2025, we conducted a refreshed double materiality assessment¹ whereby sustainability issues, including climate-related issues, were ranked by stakeholders² based on their potential positive or negative impacts across our value chain or their risk to/opportunity for affecting the Group’s enterprise value.

¹ The assessment aligned with the Global Reporting Initiative (“GRI”) Standards 2021 (“GRI Standard”) for impact materiality and for financial materiality with the International Sustainability Standards Board’s International Financial Reporting Standards (“IFRS”) S1 – General Requirements for Disclosure of Sustainability-related Financial Information and the Sustainability Accounting Standards Board (“SASB”) Standards for the Casinos & Gaming, Hotels & Lodging and Restaurants sectors.

² In 2025, the online surveys and one-on-one interviews were again conducted by the Group’s independent sustainability consultant. In earlier years, online surveying of close to 3,000 stakeholders and guest satisfaction surveys were also conducted, along with interviews of between 16 to over 30 stakeholders.

To ensure our double materiality assessment and ranking of sustainability issues remains relevant and effective, we surveyed and interviewed six internal functional leaders across the Group and three external stakeholders, comprising one investor and two suppliers. Findings were confirmed in a workshop with the Group's senior management with results validated by the Environmental Sustainability and Corporate Social Responsibility ("ESCSR") Committee, a newly formed committee of the board of directors of Melco Resorts & Entertainment Limited ("Melco Resorts"), a listed subsidiary of the Company. The results were also reviewed by our Chairman and Chief Executive Officer, and the board of Directors of the Company (the "Board").

This year, we also aligned the top seven, stakeholder-identified sustainability issues with categories in the Group's Enterprise Risk Management ("ERM") process and assessed their potential sustainability impacts, risks and opportunities, across the value chain. Through this process, our material topics that guide our strategy implementation and reporting were reconfirmed as Energy & Climate Resilience, Material Use & Waste, Engaging our People, Safety, Health & Wellbeing, Responsible Gaming ("RG"), Community Investment & Engagement, Ethical & Sustainable Supply Chain, Ethics & Integrity and Privacy & Cybersecurity.

The results of the double materiality process, and an assessment of the Group's impacts, risks and opportunities along the value chain, are provided in the 2025 ESG Report (the "2025 ESG Report"). In addition, evolving and emerging risks and opportunities, including those that are climate-related, are disclosed in Melco Resorts' 2025 sustainability report.

For this reporting year, the Company, which is listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"), is responding to the requirements of the Hong Kong Financial Reporting Standard S2 Climate-related Disclosures ("HKFRS S2") on a "comply or explain" basis³. For details, refer to pages 096 to 108 of the Company's 2025 ESG Report as well as the Assessing Materiality section of Melco Resorts' 2025 sustainability report.

Board Oversight

The Board has oversight of the Group's corporate governance structure and the implementation of its sustainability strategy, including the resulting ESG performance.

The Group's ESG Governance Policy, risk management systems and internal control environment are reviewed on a regular basis to assess their effectiveness in meeting applicable regulatory requirements. This oversight provides assurance that the Group's ESG framework and management systems are appropriate to support the long-term sustainability of its global operations. The Nomination and Corporate Governance Committee ("NCGC") of the Board supervises ESG management across the Group, with direct oversight from our Chairman and Chief Executive Officer. The Board and the NCGC are supported by the ESG Taskforce in monitoring ESG performance.

Through direct engagement with the ESG and corporate social responsibility ("CSR") committees (the "Committees") of the Group's major subsidiaries, the taskforce assesses performance and evaluates whether sufficient resources are allocated to ESG responsibilities, thereby helping to ensure the Group's objectives are achieved.

³ Our HKFRS S2 disclosure integrates our previous response to the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which has been subsumed by IFRS/HKFRS S2.

Semi-annual updates are provided by the Committees to the Board on ESG trends and regulatory developments across the Group's operating jurisdictions, as well as progress toward the Group's ESG goals. These updates include performance against targets aligned with our commitments to achieving carbon-neutral, zero-waste resorts by 2030 and expanding the sustainability attributes of our procurement activities. Progress is also shared on ongoing CSR initiatives focused on community investment and engagement, supporting the health, wellbeing, safety and development of our people, promoting local culture and heritage and maintaining external verification of the Group's high standards in RG across all properties. In reviewing the Group's ESG performance and annual ESG report, the Board is responsible for identifying and recommending areas for improvement where necessary.

To ensure the Board remains informed of evolving developments, regular updates ranging from legal and regulatory change, corporate governance and risk management to other ESG-related topics are provided. Training to the Board is also delivered and in 2025, external consultants covered topics such as the results of Asia Securities Industry & Financial Markets Association's asset management group survey on sustainable investing by Asian asset owners and updates on Hong Kong's sustainability reporting roadmap.

In August 2025, Melco Resorts held the inaugural meeting of its ESCR Committee. Chaired by independent non-executive director ("INED") of Melco Resorts Ms. Francesca Galente and comprising INEDs of Melco Resorts' Board, the ESCR Committee was established to provide additional and focused oversight of Melco Resorts' ESG-related governance, risk management, operational performance and strategic planning.

Our ESG Performance and Goals

Our sustainability approach is guided by a longstanding commitment to collaborate with stakeholders in pursuit of a more sustainable future. Our 2030 goals—to achieve carbon neutrality and zero waste across our operations, while supporting the transition to a circular economy and expanding sustainable sourcing—have focused our actions since they were originally set in 2019. These commitments were further strengthened in 2023 with the Group's appointment as the World Sustainable Hospitality Alliance's founding member in Asia, aligning our strategy with the Alliance's Pathway to Net Positive Hospitality⁴.

In advancing towards our goals over the past six years, we have adopted technologies, systems and best practices to reduce emissions, conserve energy and water, improve resource efficiency, increase reuse, recycling and composting and responsibly manage waste. This has been enabled through ongoing investments, training and awareness building, alongside continued engagement with colleagues, tenants, suppliers and other stakeholders.

A robust governance framework supports our "RISE" sustainability strategy through the rigorous application of policies, systems and controls, which is fundamental to sustaining our position as a responsible integrated resort operator. Together, these elements underpin the Group's ESG standards and promote accountability and transparency as we advance our goals.

This year saw meaningful progress in aligning ESG issues with our Group's ERM framework, deepening the assessment of suppliers based on ESG risk criteria and seafood traceability with onsite audits as well as advancing GHG emission reduction efforts and climate-related risk management along our supply chain. Furthermore, we expanded the assurance scope for independently verified data from GHG emissions to include key environmental performance data in our 2025 reporting boundary.

⁴ <https://sustainablehospitalityalliance.org/our-work/pathway/>

Our progress is also reflected in a nine-point increase of our ESG disclosure score in the S&P Global Corporate Sustainability Assessment, placing us in the 96th percentile in our industry group—a three-percentile jump from the previous year. Additionally, our CDP score increased from B to A- for the Water Security Questionnaire⁵.

With the Group's expansion into Sri Lanka in 2025, we remain focused on ensuring colleagues and partners experience consistent standards of support, development and engagement across our operations. This approach reinforces service excellence and long-term resilience while extending our ERM framework and standards and ESG best practices beyond local regulatory requirements, reflecting our belief that strong foundations must travel with us as we grow.

Additional highlights of 2025 are provided below, with further details available in our 2025 ESG Report.

Our Guests

Year after year, we strive to deliver best-in-class service to our guests and value the external recognition received for these efforts. In 2025, the Group continued to lead among integrated resorts, earning the most five-star awards in Macau and Asia, with a record total of 107 stars from Forbes Travel Guide. Also in Macau, the Group's culinary excellence was recognised with eight MICHELIN Stars across five restaurants at City of Dreams, Studio City and Altira Macau and six Black Pearl Restaurant Guide diamonds across four restaurants, reinforcing our leadership in the region's dining landscape.

The delivery of world-class hospitality encompasses not only service excellence but also ensuring the security, safety, health and wellbeing of every guest. The Group upholds industry-leading standards that go beyond regulatory compliance, provides comprehensive training to its teams and continuously monitors and evaluates performance to identify opportunities for improvement.

We actively engage our guests in our sustainability efforts by expanding the availability of healthier and more responsibly sourced menu offerings. From sustainably sourced seafood⁶ and cage-free eggs⁷ to lower-carbon meat and a diverse range of vegetarian and plant-based options, each year we seek to broaden selections across our restaurants.

RG underpins the Group's licence to operate and reflects a core ethical commitment to exceeding regulatory standards. The Group implements advanced, technology-enabled safeguards, including facial recognition, and provides guests with both clear information and resources to support informed gaming decisions, as well as access to appropriate assistance when required.

In 2021, we became the first integrated resort operator in Macau and the Philippines to attain RG Check⁸ accreditation, with Cyprus following in 2022. This internationally recognised accreditation of our leadership in RG is valid for three years and for both City of Dreams Manila and City of Dreams Mediterranean, including its satellite casinos, they excelled in the RG Check strategy, education and training criteria. In Macau, six of our locations⁹ have received recognition from the Government as "Responsible Gambling Model Units" with five earning perfect scores of 100% against the criteria. We also retained our recognition by the Asia Gaming Awards in the category of "Best Responsible Gaming Programme" in 2025.

⁵ <https://cdp.net/en/disclose/question-bank/water-security>

⁶ As outlined in our Sustainable Seafood Sourcing Guidelines, we define "sustainable seafood" as fish or seafood items from sources that have been certified by international bodies or other standards, or identified as such by recognised, science-based recommendations. Please refer to the Sustaining our Supply Chain section of our 2025 ESG Report for details.

⁷ Cage-free whole eggs, from sources recommended by the Lever Foundation (<https://leverfoundation.org/>), are produced by hens that are free to roam in barns and natural environments, rather than being confined to small cages.

⁸ RG Check was developed by the Responsible Gambling Council and is overseen by an independent panel of RG specialists. Since 2024, the casinos at our properties in Macau have retained external assessments against the local government's RG Implementation Index criteria.

⁹ The facilities include City of Dreams, Studio City, Altira Macau (including Mocha Altira), Mocha Hotel Grand Dragon, Mocha Inner Harbour and Mocha Hotel Sintra. Previously recognised facilities (Grand Dragon Casino, Mocha Kuong Fat, Mocha Grand Dragon Hotel and Mocha Hotel Royal) were closed in 2025.

Our Colleagues

Sustainability is increasingly embedded in how we work across the Group, building a strong sense of pride among colleagues. This is reflected in high levels of engagement with our learning and development offerings—from the Foundation Acceleration Programme (“FAP”), Culinary FAP and Back-to-School programme to the Melco Learning Academy, which delivered over 1,400 courses in 2025. Colleagues are also extending their impact beyond the workplace through active participation in community initiatives and engaging in expanded “REACH! Programme” offerings that now include training on healthy food, fitness, yoga and overall wellbeing, in addition to sporting events and competitions.

Creating a safe, healthy and inclusive workplace where colleagues can bring their whole selves to work is fundamental to our commitment as an equal opportunity employer. Our standards for respectful and fair workplaces, including a zero-tolerance approach to discrimination and harassment, are embedded in the Codes of Business Conduct and Ethics of Melco International and of Melco Resorts (collectively the “Codes”) and the Workforce Diversity Policy adopted by Melco International and the Diversity, Equity & Inclusion Policy adopted by Melco Resorts¹⁰. Our workforce represents 91 nationalities worldwide, with 58% of Vice President-level and above roles at our integrated resorts held by local talent. In 2025, women accounted for 46% of our workforce, 22% of our Group’s board directors, 12% of corporate executive committees, 34% of senior management and 42% of general management.

97% of our colleagues participated in our global colleague survey that received an overall engagement score of close to 74, on par with global benchmarks, with 84% indicating their commitment to evolving their career with the Group. Highlights of the results included a strong appreciation of the Group’s commitment to quality and best in class standards. Feedback received is informing our people strategy with action plans developed and under implementation for enhancing Group-wide communication channels and opportunities for collaboration, engagement, training and internal career advancement.

Resilience depends on anticipating and preparing for emerging challenges. In 2025, we deployed a leading Endpoint Detection and Response¹¹ system across our operations, enhancing detection capabilities and responsiveness against evolving cyber threats. We also conducted targeted, more frequent training and drills to keep cybersecurity top of mind across teams. These efforts continue to strengthen our systems, supporting the protection of stakeholder data and the continuity and stability of our operations across all markets.

Our Suppliers

We prioritise building the capacity of our suppliers to adopt leading ESG practices and increasingly deliver items and services with sustainability attributes¹². Our Supplier Code of Conduct (the “Supplier Code”) not only sets minimum legal compliance requirements but promotes ethical and responsible business practices, including the protection of human and labour rights and continuous environmental and social improvement. We regularly provide training on the Supplier Code and information sessions to support suppliers as regulations, ESG risks and opportunities and stakeholder expectations evolve.

We continued to focus on our key categories of cotton, chemicals, seafood and cage-free eggs in line with our responsible sourcing targets, along with other reduced-impact items ranging from lower-carbon beef and plant-based items to replenishing chef uniforms in Macau and Manila made with post-consumer recycled plastic and a mixture of pre-and-post consumer cotton. Refer to pages 064 to 067 of our 2025 ESG Report for details.

¹⁰ Melco Resorts’ Diversity, Equity & Inclusion Policy replaces its internal Inclusion & Diversity Statement.

¹¹ Endpoint Detection and Response is a cybersecurity solution that continuously monitors end-user devices such as laptops, servers and IoT devices to detect, investigate and mitigate advanced threats like ransomware and fileless malware in real time.

¹² A material, product or service is deemed to have a “sustainability attribute” if, when compared to other similar items, it has, or any significant portion of the materials it comprises has, (a) a reduced negative environmental impact at any point throughout its lifecycle (e.g. when it is harvested, produced or managed), (b) an increased positive social impact at any point throughout its lifecycle (e.g., where the economic benefits of its sale accrue to local or marginalised groups or communities), and/or (c) third-party certifications or traceability features attesting to its environmental and/or social benefits.

With playing cards being core to our business, establishing circular solutions is a top priority. At our properties in Cyprus, Manila and Macau (Studio City and City of Dreams), they are collected for recycling. In Manila, the cards are upcycled into chipboard, which is used for noticeboards and as an alternative to wood in appliance and fixture baseboards.

We significantly strengthened our environmental and social due diligence by screening targeted Tier 1 suppliers for carbon intensity, biodiversity and modern slavery risks during the reporting year. We also advanced our sourcing of seafood from sustainable sources, by conducting onsite audits of key suppliers in Macau and Manila, validating certification, origin and sustainability claims. These visits improved supplier understanding of our traceability expectations, strengthened audit trails and increased transparency. In addition, we streamlined our guidelines with quick-reference tools highlighting preferred wild-caught and aquaculture options and species to avoid, based on science-backed recommendations.

Our Communities

We focus our community investment and engagement on helping the communities around us grow and prosper. Our colleagues work closely with community, government, supplier and SME partners across our value chain to share resources, build capabilities and develop practical solutions. Guided by local needs, our efforts support vulnerable groups, strengthen SMEs and micro enterprises and celebrate local culture and heritage, deepening community ties while enhancing the guest experience.

In 2025, we expanded support for local businesses through tailored SME Academy programmes designed to help partners compete and grow in a global marketplace. We complemented this with Heart-of-House and neighbourhood roadshows, “To the Table” and other events that connected local businesses with colleagues and communities, giving them opportunities to showcase their products and services.

Our flagship “Simple Acts of Kindness” programme continued to grow in impact in 2025, delivering meaningful support to people in need across our global network. In support of the elderly, lower-income families, children and people with mental challenges, we organised a variety of activities including a fundraising campaign to purchase rice, festive food and food baskets in collaboration with local charities, special meals, forest restoration experiences and animal shelter visits.

We continued our longstanding contribution to the community with our volunteers supporting initiatives that ranged from the Macau Special Olympics to helping those affected by Typhoon Ragasa; approximately 100 volunteers helped elderly households and animal shelters with post-typhoon cleanup in affected low-lying areas. We held a special Volunteer Recognition Ceremony in 2025 to recognise the incredible contributions of over 2,000 generous colleagues and their families over the past few years. Since 2007, we have recorded over 200,000 volunteer engagements through our “Simple Acts of Kindness” programme.

Through our partnership with the We Can Dream Together Foundation, Melco Resorts’ culinary team provides skill training to chefs at a restaurant operated by the Fu Hong Society of Macau. At Studio City, the We Can Dream Together Shop offers employment opportunities for people with disabilities to sell handmade items, which are also featured in hotel turndown services at the Studio City and Altira Macau hotels with proceeds returned to the artisans. At City of Dreams Mediterranean, handwoven baskets created by students from the School for the Blind are sold in support of the Pancyprian Organisation of the Blind.

Our “Splendours of China” programme continues to deepen appreciation of Chinese heritage through multifaceted cultural learning and engagement among colleagues and the wider community. In 2025, the Group partnered with the Macau Federation of Trade Unions to deliver the “Understanding National and Macau SAR Conditions” training programme, reaching more than 10,000 participants.

At City of Dreams Manila, a one-day orientation programme introduces colleagues, particularly those new to the Philippines, to local culture through firsthand experiences of the country's history, traditions and landmarks, equipping them to guide guests with authentic local knowledge. In addition, 19 colleagues earned the "Filipino Brand of Service Excellence" certification through training organised by the Department of Tourism of the Philippines, reinforcing the service standards and warmth that define Filipino hospitality.

Compliance with Laws and Regulations

We uphold rigorous corporate governance standards and maintain comprehensive policies, procedures and internal controls to ensure compliance with all applicable laws and regulations. Guided by the expectations set out in our Codes, our relationships and business transactions provide colleagues, guests and other stakeholders with confidence that interactions with the Group are fair and compliant.

During the year ended 31 December 2025, we complied with all requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Our "Corporate Governance Report" on pages 46 to 69 of this annual report provides details of the Group's compliance with the code provisions set out in the Corporate Governance Code contained in the Listing Rules. We have processes and procedures designed to comply with all anti-money laundering ("AML"), counter-terrorist financing and anti-corruption regulations that are applicable in the jurisdictions where we operate. This includes the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong), the AML Rules and Gaming Operations Special Provisions in Macau and the AML Act in the Philippines, as well as the Cyprus Prevention and Suppression of Money Laundering and Terrorist Financing Law, adopting the corresponding European Union Directives on combatting any potential money laundering and terrorism financing activities, the Cyprus Gaming Commission's Direction on Prevention and Suppression of Money Laundering and Terrorist Financing and the Cyprus Casino Law and Regulations.

All Group entities are required to comply with our stringent anti-corruption policies, with zero tolerance for corruption, bribery or improper gift giving as set out in our Codes. Colleagues must acknowledge their understanding and confirm their commitment to adhere to the Codes, and are encouraged to use our whistleblowing channels to report suspected violations or other concerns related to any form of misconduct.

Protecting the confidentiality and security of stakeholder personal and corporate data is critical amid rapidly evolving cyber risks. We aim to ensure that we are compliant with all applicable data privacy regulations across the jurisdictions in which we operate. Our policies also cover the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) and other employment laws and regulations relating to disability, sex, family status, race discrimination and occupational safety in all jurisdictions where we operate.

Our ESG Reporting

Our 2025 ESG Report provides details on the Group's ESG policies, practices and performance, relationships with stakeholders and compliance with applicable laws and regulations. The report is updated annually and published separately in compliance with the reporting principles and other requirements of the Listing Rules, including the applicable ESG requirements set out in Appendix C2 (ESG Reporting Code) to the Listing Rules thereto, and in accordance with the GRI Standards. For this reporting year and as noted above, we are integrating our previously disclosed response to the TCFD recommendations into our disclosures against Part D of the ESG Reporting Code and HKFRS S2 on a "comply or explain" basis. As also noted above, our double materiality assessment process has been evolving to begin aligning with the IFRS/HKFRS S1¹³ and SASB standards.

¹³ Melco International will align with the HKFRS S1 while Melco Resorts will align with IFRS S1.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 118 and 119 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Monday, 8 June 2026. The record date for determining the eligibility of the shareholders of the Company to attend and vote at the annual general meeting is Monday, 8 June 2026. The register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2026.

NON-CURRENT ASSETS

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

SHARES ISSUED IN THE YEAR

Details of the shares issued during the year ended 31 December 2025 are set out in note 33 to the consolidated financial statements.

SUMMARY FINANCIAL INFORMATION

A summary of the published results, assets and liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the consolidated financial statements and reclassified as appropriate, is set out on page 234 of this annual report. This summary does not form part of the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2025, the Company's reserves available for distribution consisted of the capital reserve and retained profits of approximately HK\$7,053,000 and HK\$6,457,115,000, respectively (2024: HK\$7,053,000 and HK\$6,346,892,000, respectively). The Company considers it has fulfilled the conditions required for distribution of the capital reserve.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the five largest customers accounted for less than 30% of the Group's total turnover and the five largest suppliers accounted for less than 30% of the Group's total purchases.

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

MANAGEMENT CONTRACTS

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

DIRECTORS

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

Executive Directors

Mr. Ho, Lawrence Yau Lung	<i>(Chairman and Chief Executive Officer)</i>
Mr. Evan Andrew Winkler	<i>(President and Managing Director)</i>
Mr. Chung Yuk Man, Clarence	
Mr. Geoffrey Stuart Davis	<i>(Chief Financial Officer)</i> (appointed on 6 June 2025)

INEDs

Mr. Tsui Che Yin, Frank	
Ms. Karuna Evelyne Shinsho	
Mr. Ko Chun Fung, Henry	(appointed on 6 June 2025)
Mr. John William Crawford	(passed away on 13 May 2025)

In accordance with Article 89 of the articles of association of the Company (the "Articles and Association"), Mr. Geoffrey Stuart Davis, who was appointed as an Executive Director during the year, and Mr. Ko Chun Fung, Henry, who was appointed as an INED during the year to fill the vacancy occasioned by the passing away of the late Mr. John William Crawford, shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 98(A) of the Articles of Association, Mr. Ho, Lawrence Yau Lung and Ms. Karuna Evelyne Shinsho, being Directors longest in office since their last election, shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Prior to Mr. Tsui Che Yin, Frank's re-designation from Non-executive Director to INED in July 2020, the Company had successfully demonstrated to the satisfaction of the Hong Kong Stock Exchange that Mr. Tsui is qualified to serve as an INED and is independent for the purposes of Rule 3.13 of the Listing Rules despite his role as a Non-executive Director during the two years before the date of his re-designation, with the reasons set out in the Company's announcement dated 2 July 2020.

All the INEDs have confirmed to the Company that there is no change of circumstances which may affect their independence under Rule 3.13 of the Listing Rules. The Company, after having considered the above, is satisfied that all the INEDs remain independent in accordance with the Listing Rules.

Biographical details of the Directors are set out on pages 42 to 45 of this annual report.

DIRECTORS OF SUBSIDIARIES

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

DIRECTORS' SERVICE CONTRACTS

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

PERMITTED INDEMNITY PROVISION

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

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

Save as disclosed in the sections headed "Continuing Connected Transactions" and "Related Party Transactions" of this report, no contract of significance was entered into between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries and no contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries during or at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year ended 31 December 2025, no Director had an interest in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's businesses which is required to be disclosed pursuant to the Listing Rules.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of each Director and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) ("SFO")) which (a) were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director and Chief Executive of the Company were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, were as follows:

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

(a) Ordinary shares of the Company

Name of Director	Number of ordinary shares held					Total	Approximate % of total issued shares ⁽¹⁾
	Personal interests ⁽²⁾	Family interests ⁽³⁾	Corporate interests ⁽⁴⁾	Other interests ⁽⁵⁾			
Mr. Ho, Lawrence Yau Lung	36,606,126	4,212,102	884,536,660 ⁽⁶⁾	470,917,521 ⁽⁷⁾	1,396,272,409	61.37%	
Mr. Evan Andrew Winkler	10,926,764	-	-	-	10,926,764	0.48%	
Mr. Chung Yuk Man, Clarence	8,609,160	-	-	-	8,609,160	0.38%	
Mr. Geoffrey Stuart Davis	895,080	-	-	-	895,080	0.04%	
Mr. Tsui Che Yin, Frank	9,680,490	-	-	-	9,680,490	0.43%	
Ms. Karuna Evelyne Shinsho	127,934	-	-	-	127,934	0.01%	

(b) Awarded shares granted by the Company

Name of Director	Number of awarded shares held ^(2 & 8)	Approximate % of total issued shares ⁽¹⁾
Mr. Ho, Lawrence Yau Lung	58,696,000	2.58%
Mr. Chung Yuk Man, Clarence	1,860,000	0.08%
Mr. Geoffrey Stuart Davis	1,174,000	0.05%
Mr. Tsui Che Yin, Frank	195,000	0.01%
Ms. Karuna Evelyne Shinsho	257,000	0.01%
Mr. Ko Chun Fung, Henry	120,000	0.01%

Notes:

- As at 31 December 2025, the total number of issued shares of the Company was 2,275,025,632. The Company does not hold any treasury shares.
- This represents the interests held by the relevant Director as beneficial owner.
- This represents the interests held by the spouse of the relevant Director.
- This represents the interests held by the relevant Director through his controlled corporations.
- This represents the interests held by the relevant Director through discretionary trusts of which the relevant Director is one of the beneficiaries.
- The 884,536,660 shares relate to the 452,052,909 shares, 183,364,536 shares, 110,385,517 shares, 137,167,698 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.07% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies. Out of these shares, a total of 294,323,553 shares were provided as security to Lucky Life Limited, details of which are set out in the "Substantial Shareholders' Interests in Shares, Underlying Shares and Debentures" section of this report.
- In addition to the deemed interests as stated in note 6 above, Mr. Ho, Lawrence Yau Lung was also taken to have interests in the 1,075,500 shares held by Lucky Life Limited and 469,842,021 shares (of which 157,175,834 shares were provided as security to Lucky Life Limited, details of which are set out in the "Substantial Shareholders' Interests in Shares, Underlying Shares and Debentures" section of this report) held by L3G Holdings Inc., representing an aggregate of approximately 20.70% of the total issued shares of the Company, by virtue of him being one of the beneficiaries of discretionary family trusts for the purpose of the SFO. Each of Lucky Life Limited and L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members.
- Details of awarded shares granted to the Directors pursuant to the share purchase scheme of the Company are set out in the "Share Schemes" section of this report.

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

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

(a) Ordinary shares of Melco Resorts

Name of Director	Number of ordinary shares held			Approximate % of total issued shares ⁽¹⁾
	Personal interests ⁽²⁾	Corporate interests ⁽³⁾	Total	
Mr. Ho, Lawrence Yau Lung	13,395,717	697,295,328 ⁽⁴⁾	710,691,045	58.24%
Mr. Evan Andrew Winkler	1,171,635	-	1,171,635	0.10%
Mr. Chung Yuk Man, Clarence	535,981	-	535,981	0.04%
Mr. Geoffrey Stuart Davis	2,125,377	-	2,125,377	0.17%

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

Name of Director	Number of restricted shares held ^(2 & 5)	Number of share options held ^(2 & 5)	Total	Approximate % of total issued shares ⁽¹⁾
Mr. Ho, Lawrence Yau Lung	7,214,295	-	7,214,295	0.59%
Mr. Evan Andrew Winkler	1,593,933	1,122,264	2,716,197	0.22%
Mr. Chung Yuk Man, Clarence	510,861	-	510,861	0.04%
Mr. Geoffrey Stuart Davis	1,379,130	-	1,379,130	0.11%

Notes:

- As at 31 December 2025, the total number of issued shares (excluding treasury shares) of Melco Resorts was 1,220,376,014.
- This represents the interests held by the relevant Director as beneficial owner.
- This represents the interests held by the relevant Director through his controlled corporations.
- In respect of the 697,295,328 shares of Melco Resorts, by virtue of the SFO, Mr. Ho, Lawrence Yau Lung was taken to be interested in (1) 687,360,906 shares held by Melco Leisure and Entertainment Group Limited ("Melco Leisure"), a wholly-owned subsidiary of the Company, as a result of his interest in approximately 61.37% of the total issued shares of the Company; and (2) 9,934,422 shares held by Black Spade Capital Limited, which in turn is held by companies owned by a trust associated with Mr. Ho, Lawrence Yau Lung.
- Details of restricted shares and share options granted to the Directors by Melco Resorts are set out in the "Share Schemes" section of this report.

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

Ordinary shares of SCIHL

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

Notes:

1. As at 31 December 2025, the total number of issued shares of SCIHL was 842,864,460 (including 770,352,700 Class A ordinary shares and 72,511,760 Class B ordinary shares).
2. This represents the interest held by Mr. Chung Yuk Man, Clarence as beneficial owner.

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

Debentures issued by Studio City Finance

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

Notes:

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

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company and their respective associates had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE SCHEMES

(I) Share schemes involving the issue of new shares

2024 Share Incentive Scheme

At the annual general meeting of the Company held on 13 June 2024, the shareholders of the Company approved the adoption of a new share incentive scheme (the "2024 Share Incentive Scheme"), which is a scheme involving the issue of new shares of the Company. The awards that may be granted under the 2024 Share Incentive Scheme comprise options and awards of shares of the Company.

The following is a summary of the principal terms of the 2024 Share Incentive Scheme:

(i) Purpose of the scheme

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

(ii) Types of awards

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

(iii) Participants of the scheme

- (1) Employee Participants: directors and employees of the Company or any of its subsidiaries, including persons who are granted awards under the scheme as an inducement to enter into employment contracts with these companies;
- (2) Related Entity Participants: directors and employees of holding companies, fellow subsidiaries or associated companies of the Company; and
- (3) Service Providers: persons who provide advisory and consultancy services to the Company and its subsidiaries on a continuing or recurring basis in their ordinary and usual course of business which are in the interests of the long-term growth of the Company and its subsidiaries, excluding (for the avoidance of doubt): (a) placing agents or financial advisers providing advisory services for fund-raising, mergers or acquisitions; and (b) professional service providers (including but not limited to auditors or valuers) who provide assurance, or are required to perform the services with impartiality and objectivity.

(iv) Operation of the scheme

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

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

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

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

The total number of shares of the Company which may be issued in respect of all share options and share awards available for grant under the 2024 Share Incentive Scheme together with share options and share awards which may be granted under any other schemes of the Company (within the meaning of Chapter 17 of the Listing Rules involving new shares of the Company) pursuant to the scheme mandate limit (as defined in the Listing Rules) as at 1 January 2025 and 31 December 2025 were both 151,668,375; and within the scheme mandate limit, the service provider sublimit (as defined in the Listing Rules) as at 1 January 2025 and 31 December 2025 were both 15,166,837.

The total number of shares of the Company available for issue in respect of options and awards which may be granted under the 2024 Share Incentive Scheme is 151,668,375, representing 6.67% of the total number of shares of the Company in issue as at the date of this annual report.

(vi) Maximum entitlement of each participant

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

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

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

(viii) The vesting period of awards granted

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

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

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

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

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

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

(xi) *The remaining life of the scheme*

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

No share options or share awards have been granted under the 2024 Share Incentive Scheme since its adoption and up to the date of this report.

2012 Share Option Scheme (expired on 29 May 2022)

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

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

(i) Purpose of the scheme

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

(ii) Participants of the scheme

(1) Directors of the Company or any of its subsidiaries or associated companies (companies in which the Company directly or indirectly holds not less than 20% and not more than 50% of its shareholding); and (2) executives and employees of and consultants and advisers to the Company or any of its subsidiaries or associated companies.

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

Following the expiry of the 2012 Share Option Scheme on 29 May 2022, no further share options could be granted thereunder. A total of 2,602,335 shares of the Company may be issued upon exercise of all options which had been granted and yet to be exercised under the 2012 Share Option Scheme, representing 0.11% of the shares of the Company in issue as at the date of this annual report.

(iv) Maximum entitlement of each participant

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

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

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

(vi) The vesting period of options granted

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

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

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

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

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

(ix) The remaining life of the scheme

The 2012 Share Option Scheme expired on 29 May 2022.

Movements of share options granted under the 2012 Share Option Scheme during the year ended 31 December 2025 were as follows:

Category of participants	Number of share options						Outstanding as at 31 December 2025	Date of grant	Exercise price before the Rights Issue ⁽⁴⁾ HK\$	Adjusted exercise price after the Rights Issue ⁽⁴⁾ HK\$	Exercise period (Note)
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year ⁽⁶⁾	Lapsed during the year	Cancelled during the year	Adjusted after the Rights Issue ⁽⁴⁾					
Directors, chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-	-	
Other employee participants ⁽¹⁾	324,000	-	-	-	-	94,025	418,025	08.04.2016	10.24	7.9368	7
	91,000	-	-	-	-	26,409	117,409	10.04.2017	15.00	11.6261	8
	84,000	-	-	-	-	24,377	108,377	10.04.2018	23.15	17.9430	9
	69,000	-	-	-	-	20,024	89,024	10.04.2019	19.90	15.4240	10
	42,000	-	-	-	-	12,188	54,188	14.04.2020	12.70	9.8434	11
	933,000	-	-	-	-	270,757	1,203,757	06.04.2022	7.278	5.6410	12
	453,000	-	-	-	-	131,461	584,461	06.04.2022	7.278	5.6410	13
Service providers ⁽²⁾	21,000	-	-	-	-	6,094	27,094	08.04.2016	10.24	7.9368	7
Related entity participants ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-
Total	2,017,000	-	-	-	-	585,335	2,602,335				

Notes:

1. Other employee participants include former directors, and both current and former employees of the Company and/or its subsidiaries.
2. Service providers include both current and former service providers who provide or have provided services to the Company and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of the Company and/or its subsidiaries.
3. Related entity participants include both current and former directors and employees of the associated companies of the Company.

4. The exercise price and the number of outstanding share options have been adjusted pursuant to the terms and conditions of the 2012 Share Option Scheme and the Listing Rules after the completion of the Company's rights issue on the basis of one (1) rights share for every two (2) existing shares held on the record date of 23 May 2025 at the subscription price of HK\$1.0286 per rights share (the "Rights Issue") on 17 June 2025.
5. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
6. Since there were no share options exercised during the year, there was no weighted average closing price of the shares of the Company in respect thereof for the year.
7. The share options granted on 8 April 2016 are divided into 4 tranches exercisable from 8 April 2016, 8 April 2017, 8 April 2018 and 8 April 2019, respectively, to 7 April 2026.
8. The share options granted on 10 April 2017 are divided into 4 tranches exercisable from 10 April 2017, 10 April 2018, 10 April 2019 and 10 April 2020, respectively, to 9 April 2027.
9. The share options granted on 10 April 2018 are divided into 4 tranches exercisable from 10 April 2018, 10 April 2019, 10 April 2020 and 10 April 2021, respectively, to 9 April 2028.
10. The share options granted on 10 April 2019 are divided into 4 tranches exercisable from 10 April 2019, 10 April 2020, 10 April 2021 and 10 April 2022, respectively, to 9 April 2029.
11. The share options granted on 14 April 2020 are divided into 4 tranches exercisable from 14 April 2020, 14 April 2021, 14 April 2022 and 14 April 2023, respectively, to 13 April 2030.
12. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.
13. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.

Since there were no share options and share awards granted by the Company under all of its share schemes (within the meaning of Chapter 17 of the Listing Rules) that involve issuance of new shares of the Company during the year ended 31 December 2025, no percentage was available regarding the number of shares of the Company that may be issued in respect of share options and share awards granted during the year ended 31 December 2025 divided by the weighted average number of shares of the Company in issue for the year ended 31 December 2025.

During the year ended 31 December 2025, (1) none of the participants had been granted share options and/or share awards (under share schemes involving issue of new shares) by the Company that exceed 1% of the total number of shares of the Company in issue (excluding treasury shares, if any); and (2) none of the related entity participants (in case of the Company, this refers to directors and employees of its associated companies) or service providers had been granted share options and/or share awards (under share schemes involving issue of new shares) by the Company that exceed 0.1% of the total number of shares of the Company in issue (excluding treasury shares, if any) in any 12-month period.

(II) Share scheme funded by existing shares

Share Purchase Scheme

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

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

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

(i) Purpose of the scheme

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

(ii) Participants of the scheme

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

(iii) Operation of the scheme

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

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

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

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

Furthermore, the Board or its delegated committee may, in its discretion, elect to settle the relevant award of shares wholly or partly in cash in lieu of the transfer of vested shares to the selected eligible person on the vesting date, in accordance with the terms of the scheme.

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

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

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

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

(v) Maximum entitlement of each participant

No such provision in the scheme.

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

No such provision in the scheme.

(vii) The vesting period of the awarded shares

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

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

No such provision in the scheme.

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

Not applicable.

(x) The remaining life of the scheme

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

Movements of the awarded shares, which were granted pursuant to the terms of the rules and trust deed of the Share Purchase Scheme, during the year ended 31 December 2025 were as follows:

Name or category of participants	Number of awarded shares						Unvested as at 31 December 2025	Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year ⁽⁹⁾	Lapsed during the year	Cancelled during the year	Reclassified during the year ^(4&5)			
Directors									
Mr. Ho, Lawrence Yau Lung (also the chief executive and a substantial shareholder of the Company)	4,572,000	-	-	-	-	-	4,572,000	06.04.2022	06.04.2026 ⁽⁴⁾
	3,403,000	-	-	-	-	-	3,403,000	04.04.2023	04.04.2026 ⁽⁷⁾
	3,403,000	-	-	-	-	-	3,403,000	04.04.2023	04.04.2026
	6,232,000	-	-	-	-	-	6,232,000	03.04.2024	03.04.2026 ⁽⁸⁾
	6,232,000	-	-	-	-	-	6,232,000	03.04.2024	03.04.2026
	6,231,000	-	-	-	-	-	6,231,000	03.04.2024	03.04.2027
	-	9,541,000	-	-	-	-	9,541,000	27.06.2025	27.06.2026
	-	9,541,000	-	-	-	-	9,541,000	27.06.2025	27.06.2027
-	9,541,000	-	-	-	-	9,541,000	27.06.2025	27.06.2028	
	30,073,000	28,623,000	-	-	-	-	58,696,000		
Mr. Chung Yuk Man, Clarence	211,000	-	(211,000)	-	-	-	-	06.04.2022	06.04.2025
	157,000	-	(157,000)	-	-	-	-	04.04.2023	04.04.2025
	156,000	-	-	-	-	-	156,000	04.04.2023	04.04.2026
	287,000	-	(287,000)	-	-	-	-	03.04.2024	03.04.2025
	287,000	-	-	-	-	-	287,000	03.04.2024	03.04.2026
	287,000	-	-	-	-	-	287,000	03.04.2024	03.04.2027
	-	376,000	-	-	-	-	376,000	27.06.2025	27.06.2026
	-	377,000	-	-	-	-	377,000	27.06.2025	27.06.2027
-	377,000	-	-	-	-	377,000	27.06.2025	27.06.2028	
	1,385,000	1,130,000	(655,000)	-	-	-	1,860,000		
Mr. Geoffrey Stuart Davis ⁽⁴⁾	-	-	-	-	-	99,000	99,000	04.04.2023	04.04.2026
	-	-	-	-	-	181,000	181,000	03.04.2024	03.04.2026
	-	-	-	-	-	181,000	181,000	03.04.2024	03.04.2027
	-	237,000	-	-	-	-	237,000	27.06.2025	27.06.2026
	-	238,000	-	-	-	-	238,000	27.06.2025	27.06.2027
	-	238,000	-	-	-	-	238,000	27.06.2025	27.06.2028
	-	713,000	-	-	-	461,000	1,174,000		
Mr. Tsui Che Yin, Frank	20,000	-	(20,000)	-	-	-	-	06.04.2022	06.04.2025
	15,000	-	(15,000)	-	-	-	-	04.04.2023	04.04.2025
	15,000	-	-	-	-	-	15,000	04.04.2023	04.04.2026
	31,000	-	(31,000)	-	-	-	-	03.04.2024	03.04.2025
	30,000	-	-	-	-	-	30,000	03.04.2024	03.04.2026
	30,000	-	-	-	-	-	30,000	03.04.2024	03.04.2027
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2026
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2027
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2028
	141,000	120,000	(66,000)	-	-	-	195,000		

Name or category of participants	Number of awarded shares						Unvested as at 31 December 2025	Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year ⁽⁹⁾	Lapsed during the year	Cancelled during the year	Reclassified during the year ^(4 & 5)			
Ms. Karuna Evelyne Shinsho	18,000	-	-	-	-	-	18,000	06.04.2022	06.04.2026 ⁽⁶⁾
	14,000	-	-	-	-	-	14,000	04.04.2023	04.04.2026 ⁽⁷⁾
	14,000	-	-	-	-	-	14,000	04.04.2023	04.04.2026
	31,000	-	-	-	-	-	31,000	03.04.2024	03.04.2026 ⁽⁸⁾
	30,000	-	-	-	-	-	30,000	03.04.2024	03.04.2026
	30,000	-	-	-	-	-	30,000	03.04.2024	03.04.2027
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2026
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2027
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2028
		137,000	120,000	-	-	-	257,000		
Mr. Ko Chun Fung, Henry ⁽⁴⁾	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2026
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2027
	-	40,000	-	-	-	-	40,000	27.06.2025	27.06.2028
	-	120,000	-	-	-	-	120,000		
Mr. John William Crawford (passed away on 13 May 2025) ⁽⁵⁾	22,000	-	(22,000)	-	-	-	-	06.04.2022	06.04.2025
	17,000	-	(17,000)	-	-	-	-	04.04.2023	04.04.2025
	16,000	-	-	-	-	(16,000)	-	04.04.2023	04.04.2026
	31,000	-	(31,000)	-	-	-	-	03.04.2024	03.04.2025
	30,000	-	-	-	-	(30,000)	-	03.04.2024	03.04.2026
	30,000	-	-	-	-	(30,000)	-	03.04.2024	03.04.2027
	146,000	-	(70,000)	-	-	(76,000)	-		
Sub-total	31,882,000	30,826,000	(791,000)	-	-	385,000	62,302,000		
Other employee participants⁽¹⁾	232,000	-	(232,000)	-	-	-	-	06.04.2022	06.04.2025
	12,000	-	-	-	-	-	12,000	06.04.2022	06.04.2026 ⁽⁶⁾
	280,000	-	(280,000)	-	-	-	-	04.04.2023	04.04.2025
	9,000	-	-	-	-	-	9,000	04.04.2023	04.04.2026 ⁽⁷⁾
	284,000	-	-	-	-	(83,000)	201,000	04.04.2023	04.04.2026
	458,000	-	(458,000)	-	-	-	-	03.04.2024	03.04.2025
	42,000	-	-	-	-	-	42,000	03.04.2024	03.04.2026 ⁽⁸⁾
	499,000	-	-	-	-	(151,000)	348,000	03.04.2024	03.04.2026
	496,000	-	-	-	-	(151,000)	345,000	03.04.2024	03.04.2027
	-	382,000	-	-	-	-	382,000	27.06.2025	27.06.2026
	-	383,000	-	-	-	-	383,000	27.06.2025	27.06.2027
-	388,000	-	-	-	-	388,000	27.06.2025	27.06.2028	
Sub-total	2,312,000	1,153,000	(970,000)	-	-	(385,000)	2,110,000		
Service providers⁽²⁾	38,000	-	(38,000)	-	-	-	-	06.04.2022	06.04.2025
	29,000	-	(29,000)	-	-	-	-	04.04.2023	04.04.2025
	28,000	-	-	-	-	-	28,000	04.04.2023	04.04.2026
	53,000	-	(53,000)	-	-	-	-	03.04.2024	03.04.2025
	53,000	-	-	-	-	-	53,000	03.04.2024	03.04.2026
	52,000	-	-	-	-	-	52,000	03.04.2024	03.04.2027
	-	69,000	-	-	-	-	69,000	27.06.2025	27.06.2026
	-	69,000	-	-	-	-	69,000	27.06.2025	27.06.2027
	-	70,000	-	-	-	-	70,000	27.06.2025	27.06.2028
Sub-total	253,000	208,000	(120,000)	-	-	-	341,000		
Related entity participants⁽³⁾	-	-	-	-	-	-	-	-	-
Total	34,447,000	32,187,000	(1,881,000)	-	-	-	64,753,000		

Movements of the awarded shares granted to the five highest paid individuals of the Group (including four Directors and one employee of the Company) (the "Five Highest Paid Individuals") pursuant to the terms of the rules and trust deed of the Share Purchase Scheme during the year ended 31 December 2025 were as follows:

Category of participants	Number of awarded shares						Unvested as at 31 December 2025	Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year	Lapsed during the year	Cancelled during the year	Reclassified during the year			
Five Highest Paid Individuals	4,916,000	-	(344,000)	-	-	(4,572,000)	-	06.04.2022	06.04.2025
	-	-	-	-	-	4,572,000	4,572,000	06.04.2022	06.04.2026 ⁽⁶⁾
	3,659,000	-	(256,000)	-	-	(3,403,000)	-	04.04.2023	04.04.2025
	-	-	-	-	-	3,403,000	3,403,000	04.04.2023	04.04.2026 ⁽⁷⁾
	3,658,000	-	-	-	-	-	3,658,000	04.04.2023	04.04.2026
	6,701,000	-	(469,000)	-	-	(6,232,000)	-	03.04.2024	03.04.2025
	-	-	-	-	-	6,232,000	6,232,000	03.04.2024	03.04.2026 ⁽⁸⁾
	6,700,000	-	-	-	-	-	6,700,000	03.04.2024	03.04.2026
	6,699,000	-	-	-	-	-	6,699,000	03.04.2024	03.04.2027
	-	10,154,000	-	-	-	-	10,154,000	27.06.2025	27.06.2026
	-	10,156,000	-	-	-	-	10,156,000	27.06.2025	27.06.2027
	-	10,156,000	-	-	-	-	10,156,000	27.06.2025	27.06.2028
Total	32,333,000	30,466,000	(1,069,000)	-	-	-	61,730,000		

Notes:

- Other employee participants include former directors and both current and former employees of the Company and/or its subsidiaries.
- Service providers include both current and former service providers who provide or have provided services to the Company and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of the Company and/or its subsidiaries.
- Related entity participants include both current and former directors and employees of the associated companies of the Company.
- Mr. Geoffrey Stuart Davis was appointed as an executive director of the Company and Mr. Ko Chun Fung, Henry was appointed as an INED of the Company with effect from 6 June 2025. A total of 461,000 awarded shares held by Mr. Davis under the category "Other employee participants" has been reclassified to the category "Directors".
- Mr. John William Crawford, an INED of the Company, passed away on 13 May 2025. A total of 76,000 awarded shares held by the late Mr. Crawford under the category "Directors" has been reclassified to the category "Other employee participants".
- The vesting date of the awarded shares has been deferred from 6 April 2025 to 6 April 2026.
- The vesting date of the awarded shares has been deferred from 4 April 2025 to 4 April 2026.
- The vesting date of the awarded shares has been deferred from 3 April 2025 to 3 April 2026.
- In respect of the awarded shares vested during the year, the weighted average closing price of the shares of the Company immediately before the dates on which the awarded shares vested was HK\$2.93. The participants are not required to pay any purchase price for the awarded shares upon vesting subject to the share award.

During the year ended 31 December 2025, the following awarded shares, which will be funded by the existing shares of the Company and not to involve any issue of new shares of the Company upon vesting, were granted under the Share Purchase Scheme:

Grant date	27 June 2025
Number of awarded shares granted	32,187,000
Vesting period	Three years from 2026 to 2028
Purchase price payable by the grantees upon vesting of the awarded shares subject to the share award	Nil
Closing price of the shares of the Company immediately before the date of grant	HK\$4.14
Aggregate fair value of the awarded shares granted at the date of grant, which was determined with reference to the closing price of the ordinary shares of the Company as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange on the date of grant in accordance with Hong Kong Financial Reporting Standard 2 Share-based Payment (“HKFRS 2”)	HK\$127,782,390
Fair value per awarded share granted	HK\$3.97

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

Melco Resorts’ Share Incentive Plans

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

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

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

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

(i) Purpose of the plans

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

(ii) Types of awards

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

(iii) Participants of the plans

Under the Melco Resorts Amended 2011 Share Incentive Plan

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

Under the Melco Resorts Amended 2021 Share Incentive Plan

- (1) "MLCO employee participants": any member of Melco Resorts' board, and any persons who are in the employ of Melco Resorts or any of its subsidiaries (including persons who are granted awards involving (i) the issue of new shares by Melco Resorts or (ii) existing Melco Resorts shares held by or for the Company ("Melco Resorts New Share Grant Awards") under the Melco Resorts Amended 2021 Share Incentive Plan as an inducement to enter into employment contracts with Melco Resorts or any of its subsidiaries);
- (2) "MLCO related entity participants": any member of the board of Melco Resorts' related entities (i.e. holding companies, fellow subsidiaries or associated companies of Melco Resorts) ("MLCO Related Entities"), and any person who is an employee of the MLCO Related Entities subject to the control and direction of the MLCO Related Entities as to both the work to be performed and the manner and method of performance; and

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

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

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

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

Under the Melco Resorts Amended 2011 Share Incentive Plan

Following the termination of the Melco Resorts Amended 2011 Share Incentive Plan on 6 December 2021, no further share options and/or restricted shares could be granted thereunder. A total of 2,097,222 shares of Melco Resorts may be issued upon exercise of all share options which had been granted and yet to be exercised under the Melco Resorts Amended 2011 Share Incentive Plan, representing approximately 0.17% of the total number of shares of Melco Resorts in issue (excluding treasury shares) as at the date of this annual report.

Under the Melco Resorts Amended 2021 Share Incentive Plan

The Melco Resorts Amended 2021 Share Incentive Plan is a share scheme that can be funded by either new shares issued by Melco Resorts and/or existing Melco Resorts’ ADSs purchased on the market. The plan limit of the Melco Resorts Amended 2021 Share Incentive Plan applicable to the grant of all awards thereunder (the “Melco Resorts Overall Plan Limit”) is 145,654,794 underlying Melco Resorts shares, being the maximum aggregate number of underlying Melco Resorts shares which may be granted pursuant to all awards under the Melco Resorts Amended 2021 Share Incentive Plan. The Melco Resorts Overall Plan Limit represented 10% and 11.94% of the total number of Melco Resorts shares in issue (excluding treasury shares) as at the date of approval of the Melco Resorts 2021 Share Incentive Plan in 2021 and as at the date of this annual report, respectively. The total number of underlying shares of Melco Resorts available for grant under the Melco Resorts Overall Plan Limit as at 1 January 2025 and 31 December 2025 were 90,868,413 and 72,129,000, respectively.

On 13 June 2024, the Company's shareholders approved (1) certain amendments to the Melco Resorts 2021 Share Incentive Plan; (2) a scheme mandate limit of 132,967,906 shares of Melco Resorts that can be granted under the Melco Resorts Amended 2021 Share Incentive Plan, involving (i) new shares of Melco Resorts or (ii) existing shares of Melco Resorts held by or for the Company, representing 10% of the total number of shares of Melco Resorts in issue (excluding treasury shares) as at the date of the passing of the relevant shareholders' resolution (the "Melco Resorts Chapter 17 Awards Limit") and 10.90% of the total number of Melco Resorts shares in issue (excluding treasury shares) as at the date of this annual report; and (3) a sublimit of 13,296,790 shares of Melco Resorts that can be granted under Melco Resorts Amended 2021 Share Incentive Plan, involving (i) new shares of Melco Resorts or (ii) existing shares of Melco Resorts held by or for the Company, to service providers of Melco Resorts (the "Melco Resorts Service Provider Sublimit"), representing 1% of the total number of shares of Melco Resorts in issue (excluding treasury shares) as at the date of the passing of the relevant shareholders' resolution (collectively, (1), (2) and (3), the "Melco Resorts SIP 2024 Amendments"). The Melco Resorts Overall Plan Limit was not affected by the Melco Resorts SIP 2024 Amendments.

Following the adoption of the Melco Resorts Chapter 17 Awards Limit on 13 June 2024, having regard to the remaining balance under the Melco Resorts Overall Plan Limit, the total number of underlying shares of Melco Resorts available for grant under the Melco Resorts Chapter 17 Awards Limit as at 1 January 2025 and 31 December 2025 were 90,868,413 and 72,129,000, respectively.

The total number of underlying shares of Melco Resorts available for grant (including grants involving new shares issued by Melco Resorts and/or existing Melco Resorts' ADSs purchased on the market) to service providers of Melco Resorts under the Melco Resorts Service Provider Sublimit as at 1 January 2025 and 31 December 2025 were 12,291,871 and 11,960,095, respectively.

(vi) *Maximum entitlement of each participant*

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

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

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

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

As determined by the Melco Resorts Compensation Committee.

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

As determined by the Melco Resorts Compensation Committee.

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

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

(xi) *The remaining life of the plans*

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

(a) **Share options granted by Melco Resorts**

Movements of share options granted under the Melco Resorts Amended 2011 Share Incentive Plan and the Melco Resorts Amended 2021 Share Incentive Plan during the year ended 31 December 2025 were as follows:

Name or category of participants	Number of share options						Outstanding as at 31 December 2025	Date of grant	Exercise price US\$	Exercise period (Note)
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year ⁽⁵⁾	Lapsed during the year	Cancelled during the year	Modified during the year				
Under the Melco Resorts Amended 2011 Share Incentive Plan										
Directors, chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-	-
MLCO employee participants ⁽¹⁾	102,456	-	-	(102,456)	-	-	-	30.03.2015	5.32	6
	193,374	-	-	(9,168)	-	-	184,206	18.03.2016	5.32	7
	166,398	-	-	(8,628)	-	-	157,770	31.03.2017	6.18	8
	135,420	-	-	(12,339)	-	-	123,081	29.03.2018	9.66	9
	182,664	-	-	(15,804)	-	-	166,860	01.04.2019	8.14	10
	59,937	-	-	-	-	-	59,937	01.04.2019	8.14	18
	634,095	-	-	(26,244)	-	-	607,851	31.03.2020	4.13	11
	384,237	-	-	-	-	-	384,237	31.03.2020	4.13	19
	265,752	-	-	(23,772)	-	-	241,980	07.04.2021	6.89	12
	78,339	-	-	-	-	-	78,339	07.04.2021	6.89	20
	78,339	-	-	-	-	-	78,339	07.04.2021	6.89	21
Sub-total	2,281,011	-	-	(198,411)	-	-	2,082,600			
MLCO service providers ⁽²⁾	14,622	-	-	-	-	-	14,622	01.04.2019	8.14	10
MLCO related entity participants ⁽³⁾	-	-	-	-	-	-	-	-	-	-
Total	2,295,633	-	-	(198,411)	-	-	2,097,222			

Name or category of participants	Number of share options						Outstanding as at 31 December 2025	Date of grant	Exercise price US\$	Exercise period (Note)
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year ⁽⁵⁾	Lapsed during the year	Cancelled during the year	Modified during the year				
Under the Melco Resorts Amended 2021 Share Incentive Plan										
Directors of the Company										
Mr. Evan Andrew Winkler	1,122,264	-	-	-	-	-	1,122,264	03.04.2024	2.52	16
Chief executive or substantial shareholders of the Company	-	-	-	-	-	-	-	-	-	-
Sub-total	1,122,264	-	-	-	-	-	1,122,264			
MLCO employee participants⁽¹⁾	2,506,437	-	-	(705,510)	-	(53,055)	1,747,872	06.04.2022	2.47	13
	223,533	-	(223,533)	-	-	-	-	06.04.2022	2.47	22
	-	-	(53,055)	-	-	53,055	-	06.04.2022	2.47	23
	2,486,241	-	-	(1,009,278)	-	-	1,476,963	06.04.2022	2.47	14
	158,949	-	-	-	-	-	158,949	05.04.2023	4.13	15
	693,234	-	-	-	-	-	693,234	03.04.2024	2.52	16
	-	1,471,230	-	-	-	-	1,471,230	02.04.2025	1.78	17
Sub-total	6,068,394	1,471,230	(276,588)	(1,714,788)	-	-	5,548,248			
MLCO service providers⁽²⁾	-	94,977	-	-	-	-	94,977	02.04.2025	1.78	17
MLCO related entity participants⁽³⁾	-	-	-	-	-	-	-	-	-	-
Total	7,190,658	1,566,207	(276,588)	(1,714,788)	-	-	6,765,489			

Notes:

- MLCO employee participants include both current and former directors (other than the Directors of the Company) and employees of Melco Resorts and/or its subsidiaries.
- MLCO service providers include both current and former service providers who provide or have provided services to Melco Resorts and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of Melco Resorts and/or its subsidiaries.
- MLCO related entity participants include both current and former directors (other than the Directors of the Company) and employees of the holding companies, fellow subsidiaries or associated companies of Melco Resorts.
- The vesting period of the share options is from the date of grant until the commencement of the exercise period.
- In respect of the share options exercised during the year, the weighted average closing price of the shares of the Company immediately before the dates on which the share options were exercised was US\$3.05.
- The share options granted on 30 March 2015 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 29 March 2025.
- The share options granted on 18 March 2016 are divided into 2 tranches exercisable from 18 March 2018 and 18 March 2019, respectively, to 17 March 2026.

8. The share options granted on 31 March 2017 are exercisable from 30 March 2020 to 30 March 2027.
9. The share options granted on 29 March 2018 are divided into 2 tranches exercisable from 29 March 2020 and 29 March 2021, respectively, to 28 March 2028.
10. The share options granted on 1 April 2019 are divided into 2 tranches exercisable from 1 April 2021 and 1 April 2022, respectively, to 31 March 2029.
11. The share options granted on 31 March 2020 are divided into 2 tranches exercisable from 31 March 2022 and 31 March 2023, respectively, to 30 March 2030.
12. The share options granted on 7 April 2021 are divided into 2 tranches exercisable from 7 April 2023 and 7 April 2024, respectively, to 6 April 2031.
13. The share options granted on 6 April 2022 are divided into 3 tranches exercisable from 6 April 2023, 6 April 2024 and 6 April 2025, respectively, to 5 April 2032.
14. The share options granted on 6 April 2022 are divided into 2 tranches exercisable from 6 April 2023 and 6 April 2024, respectively, to 5 April 2032.
15. The share options granted on 5 April 2023 are divided into 3 tranches exercisable from 5 April 2024, 5 April 2025 and 5 April 2026, respectively, to 4 April 2033.
16. The share options granted on 3 April 2024 are divided into 3 tranches exercisable from 3 April 2025, 3 April 2026 and 3 April 2027, respectively, to 2 April 2034.
17. The share options granted on 2 April 2025 are divided into 3 tranches exercisable from 2 April 2026, 2 April 2027 and 2 April 2028, respectively, to 1 April 2035.
18. The share options granted on 1 April 2019 are exercisable from 1 April 2022 to 31 March 2026.
19. The share options granted on 31 March 2020 are divided into 2 tranches exercisable from 31 March 2022 and 31 March 2023, respectively, to 31 March 2026.
20. The share options granted on 7 April 2021 are exercisable from 7 April 2023 to 31 March 2026.
21. The share options granted on 7 April 2021 are exercisable from 7 April 2024 to 7 April 2026.
22. The share options granted on 6 April 2022 are exercisable from 23 August 2025 to 21 November 2025.
23. The share options granted on 6 April 2022 are exercisable from 6 April 2025 to 4 October 2025.

During the year ended 31 December 2025, the following share options, which will be satisfied by the existing Melco Resorts' ADSs or Melco Resorts shares upon the exercise of share options, were granted under the Melco Resorts Amended 2021 Share Incentive Plan:

Grant date	2 April 2025
Number of share options granted	1,566,207 (which entitle the grantees to subscribe for a total of 1,566,207 shares of Melco Resorts)
Exercise price	US\$5.33 per Melco Resorts' ADS (representing approximately US\$1.78 per share of Melco Resorts)
Validity period	Ten years, from 2 April 2025 to 1 April 2035
Performance targets and/or clawback mechanism	Neither performance targets nor clawback mechanism attached to the share options granted
Closing price of Melco Resorts' ADSs trading on the Nasdaq Global Select Market immediately before the date of grant	US\$5.26 per Melco Resorts' ADS (representing approximately US\$1.75 per share of Melco Resorts)
Aggregate fair value of the share options granted at the date of grant, which was determined using the Black-Scholes valuation model at the date of grant in accordance with HKFRS 2	US\$1,263,407
Weighted average fair value per share option granted	US\$0.81
Valuation model used to estimate the fair value of the share options	Black-Scholes model (Note)

Note:

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

Grant date of the share options	2 April 2025
Valuation model	Black-Scholes
Exercise price	US\$1.78 per share
Expected volatility	59.67%
Expected life	5.1 years
Risk-free rate	3.97%
Expected dividend yield	2.5%

The significant assumptions used in the model include the following:

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

(b) Restricted shares granted by Melco Resorts

Movements of the restricted shares granted under the Melco Resorts Amended 2021 Share Incentive Plan during the year ended 31 December 2025 were as follows:

Name or category of participants	Number of restricted shares							Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year ⁽¹⁾	Lapsed during the year	Cancelled during the year	Reclassified during the year ⁽²⁾	Unvested as at 31 December 2025		
Under the Melco Resorts Amended 2021 Share Incentive Plan									
Directors of the Company									
Mr. Ho, Lawrence Yau Lung (also the chief executive and a substantial shareholder of the Company)	1,347,312	-	(1,347,312)	-	-	-	-	06.04.2022	06.04.2025
	581,583	-	(581,583)	-	-	-	-	05.04.2023	05.04.2025
	581,583	-	-	-	-	-	581,583	05.04.2023	05.04.2026
	952,380	-	(952,380)	-	-	-	-	03.04.2024	03.04.2025
	952,380	-	-	-	-	-	952,380	03.04.2024	03.04.2026
	952,380	-	-	-	-	-	952,380	03.04.2024	03.04.2027
	-	1,575,984	-	-	-	-	1,575,984	02.04.2025	02.04.2026
	-	1,575,984	-	-	-	-	1,575,984	02.04.2025	02.04.2027
-	1,575,984	-	-	-	-	1,575,984	02.04.2025	02.04.2028	
	5,367,618	4,727,952	(2,881,275)	-	-	-	7,214,295		
Mr. Evan Andrew Winkler	35,472	-	(35,472)	-	-	-	-	06.04.2022	06.04.2025
	21,204	-	(21,204)	-	-	-	-	05.04.2023	05.04.2025
	21,204	-	-	-	-	-	21,204	05.04.2023	05.04.2026
	149,637	-	(149,637)	-	-	-	-	03.04.2024	03.04.2025
	149,637	-	-	-	-	-	149,637	03.04.2024	03.04.2026
	149,637	-	-	-	-	-	149,637	03.04.2024	03.04.2027
	-	424,485	-	-	-	-	424,485	02.04.2025	02.04.2026
	-	424,485	-	-	-	-	424,485	02.04.2025	02.04.2027
-	424,485	-	-	-	-	424,485	02.04.2025	02.04.2028	
	526,791	1,273,455	(206,313)	-	-	-	1,593,933		

Name or category of participants	Number of restricted shares						Unvested as at 31 December 2025	Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year ⁽¹⁾	Lapsed during the year	Cancelled during the year	Reclassified during the year ⁽⁴⁾			
Mr. Chung Yuk Man, Clarence	76,014	-	(76,014)	-	-	-	-	06.04.2022	06.04.2025
	45,438	-	(45,438)	-	-	-	-	05.04.2023	05.04.2025
	45,438	-	-	-	-	-	45,438	05.04.2023	05.04.2026
	74,406	-	(74,406)	-	-	-	-	03.04.2024	03.04.2025
	74,406	-	-	-	-	-	74,406	03.04.2024	03.04.2026
	74,406	-	-	-	-	-	74,406	03.04.2024	03.04.2027
	-	105,537	-	-	-	-	105,537	02.04.2025	02.04.2026
	-	105,537	-	-	-	-	105,537	02.04.2025	02.04.2027
	-	105,537	-	-	-	-	105,537	02.04.2025	02.04.2028
		390,108	316,611	(195,858)	-	-	-	510,861	
Mr. Geoffrey Stuart Davis ⁽⁴⁾	-	-	-	-	-	91,278	91,278	05.04.2023	05.04.2026
	-	-	-	-	-	149,709	149,709	03.04.2024	03.04.2026
	-	-	-	-	-	149,709	149,709	03.04.2024	03.04.2027
	-	-	-	-	-	213,828	213,828	02.04.2025	02.04.2026
	-	-	-	-	-	213,828	213,828	02.04.2025	02.04.2027
	-	-	-	-	-	213,828	213,828	02.04.2025	02.04.2028
	-	-	-	-	-	115,650	115,650	03.06.2025	03.06.2026
	-	-	-	-	-	115,650	115,650	03.06.2025	03.06.2027
	-	-	-	-	-	115,650	115,650	03.06.2025	03.06.2028
		-	-	-	-	1,379,130	1,379,130		
Mr. John William Crawford (passed away on 13 May 2025) ⁽⁵⁾	20,271	-	(20,271)	-	-	-	-	06.04.2022	06.04.2025
	12,117	-	(12,117)	-	-	-	-	05.04.2023	05.04.2025
	12,117	-	(12,117)	-	-	-	-	05.04.2023	13.05.2025 ⁽⁶⁾
	19,842	-	(19,842)	-	-	-	-	03.04.2024	03.04.2025
	19,842	-	(19,842)	-	-	-	-	03.04.2024	13.05.2025 ⁽⁶⁾
	19,842	-	(19,842)	-	-	-	-	03.04.2024	13.05.2025 ⁽⁶⁾
	-	28,143	(28,143)	-	-	-	-	02.04.2025	13.05.2025 ⁽⁶⁾
	-	28,143	(28,143)	-	-	-	-	02.04.2025	13.05.2025 ⁽⁶⁾
	-	28,143	(28,143)	-	-	-	-	02.04.2025	13.05.2025 ⁽⁶⁾
		104,031	84,429	(188,460)	-	-	-	-	
Sub-total	6,388,548	6,402,447	(3,471,906)	-	-	1,379,130	10,698,219		
MICO employee participants ⁽¹⁾	2,064,405	-	(2,049,885)	(14,520)	-	-	-	06.04.2022	06.04.2025
	74,511	-	(74,511)	-	-	-	-	06.04.2022	23.08.2025 ⁽⁴⁾
	1,387,227	-	(1,376,211)	(11,016)	-	-	-	05.04.2023	05.04.2025
	88,635	-	(88,635)	-	-	-	-	05.04.2023	23.08.2025 ⁽⁷⁾
	1,475,862	-	-	(58,095)	-	(91,278)	1,326,489	05.04.2023	05.04.2026
	12,531	-	(12,531)	-	-	-	-	01.11.2023	01.11.2025
	12,531	-	-	-	-	-	12,531	01.11.2023	01.11.2026
	99,999	-	(99,999)	-	-	-	-	01.03.2024	01.09.2025
	200,001	-	-	-	-	-	200,001	01.03.2024	01.09.2026
	2,390,448	-	(2,381,553)	(8,895)	-	-	-	03.04.2024	03.04.2025
	2,390,448	-	-	(82,533)	-	(149,709)	2,158,206	03.04.2024	03.04.2026
	2,390,448	-	-	(82,533)	-	(149,709)	2,158,206	03.04.2024	03.04.2027
	6,249	-	(6,249)	-	-	-	-	02.05.2024	03.04.2025
	6,249	-	-	-	-	-	6,249	02.05.2024	03.04.2026
	6,249	-	-	-	-	-	6,249	02.05.2024	03.04.2027
	239,661	-	(239,661)	-	-	-	-	05.08.2024	05.08.2025
	239,661	-	-	-	-	-	239,661	05.08.2024	05.08.2026
	28,962	-	(28,962)	-	-	-	-	06.08.2024	03.04.2025
	28,962	-	-	-	-	-	28,962	06.08.2024	03.04.2026
	28,962	-	-	-	-	-	28,962	06.08.2024	03.04.2027
	11,262	-	(11,262)	-	-	-	-	19.08.2024	19.08.2025
	11,262	-	-	-	-	-	11,262	19.08.2024	19.08.2026
	11,262	-	-	-	-	-	11,262	19.08.2024	19.08.2027
	30,753	-	(30,753)	-	-	-	-	28.10.2024	01.01.2025
	30,753	-	(30,753)	-	-	-	-	28.10.2024	28.10.2025
	-	4,233,771	-	(190,641)	-	(213,828)	3,829,302	02.04.2025	02.04.2026
	-	4,233,771	-	(190,641)	-	(213,828)	3,829,302	02.04.2025	02.04.2027
	-	4,233,771	-	(190,641)	-	(213,828)	3,829,302	02.04.2025	02.04.2028
	-	115,650	-	-	-	(115,650)	-	03.06.2025	03.06.2026
	-	115,650	-	-	-	(115,650)	-	03.06.2025	03.06.2027
	-	115,650	-	-	-	(115,650)	-	03.06.2025	03.06.2028
	-	30,000	(30,000)	-	-	-	-	06.10.2025	06.10.2025
	Sub-total	13,267,293	13,078,263	(6,460,965)	(829,515)	-	(1,379,130)	17,675,946	

Name or category of participants	Number of restricted shares						Unvested as at 31 December 2025	Date of award	Vesting date
	Unvested as at 1 January 2025	Awarded during the year	Vested during the year ⁽¹⁾	Lapsed during the year	Cancelled during the year	Reclassified during the year ⁽⁴⁾			
MLCO service providers⁽²⁾	52,914	-	(52,914)	-	-	-	-	06.04.2022	06.04.2025
	32,112	-	(32,112)	-	-	-	-	05.04.2023	05.04.2025
	32,112	-	-	-	-	-	32,112	05.04.2023	05.04.2026
	93,132	-	(93,132)	-	-	-	-	23.02.2024	31.03.2025 ⁽⁸⁾
	93,132	-	(93,132)	-	-	-	-	23.02.2024	31.03.2025 ⁽⁹⁾
	93,132	-	(93,132)	-	-	-	-	23.02.2024	31.03.2025 ⁽¹⁰⁾
	67,164	-	(67,164)	-	-	-	-	03.04.2024	03.04.2025
	67,164	-	-	-	-	-	67,164	03.04.2024	03.04.2026
	67,164	-	-	-	-	-	67,164	03.04.2024	03.04.2027
	-	62,886	-	-	-	-	62,886	02.04.2025	02.04.2026
	-	62,886	-	-	-	-	62,886	02.04.2025	02.04.2027
	-	62,886	-	-	-	-	62,886	02.04.2025	02.04.2028
	-	16,047	-	-	-	-	16,047	21.04.2025	21.04.2026
	-	16,047	-	-	-	-	16,047	21.04.2025	21.04.2027
	-	16,047	-	-	-	-	16,047	21.04.2025	21.04.2028
Sub-total	598,026	236,799	(431,586)	-	-	-	403,239		
MLCO related entity participants⁽³⁾	-	-	-	-	-	-	-		
Total	20,253,867	19,717,509	(10,364,457)	(829,515)	-	-	28,777,404		

Notes:

- MLCO employee participants include both current and former directors (other than the Directors of the Company) and employees of Melco Resorts and/or its subsidiaries.
- MLCO service providers include both current and former service providers who provide or have provided services to Melco Resorts and/or its subsidiaries on a continuing or recurring basis in the ordinary and usual course of business of Melco Resorts and/or its subsidiaries.
- MLCO related entity participants include both current and former directors (other than the Directors of the Company) and employees of the holding companies, fellow subsidiaries or associated companies of Melco Resorts.
- Mr. Geoffrey Stuart Davis was appointed as an executive director of the Company with effect from 6 June 2025. A total of 1,379,130 restricted shares held by Mr. Davis under the category "MLCO employee participants" have been reclassified to the category "Directors of the Company".
- Mr. John William Crawford, an INED of the Company, passed away on 13 May 2025. The vesting dates of 12,117 restricted shares, two tranches of 19,842 restricted shares each and three tranches of 28,143 restricted shares each held by the late Mr. Crawford, which were originally scheduled to vest on 5 April 2026, 3 April 2026, 3 April 2027, 2 April 2026, 2 April 2027 and 2 April 2028, respectively, have all been vested on 13 May 2025.
- The vesting date of the 74,511 restricted shares has been modified from 6 April 2025 to 23 August 2025 with effect from 22 February 2024.
- The vesting date of the 88,635 restricted shares has been modified from 5 April 2025 to 23 August 2025 with effect from 22 February 2024.
- The vesting date of the 93,132 restricted shares has been modified from 23 February 2025 to 31 March 2025 with effect from 9 February 2025.
- The vesting date of the 93,132 restricted shares has been modified from 23 February 2026 to 31 March 2025 with effect from 9 February 2025.
- The vesting date of the 93,132 restricted shares has been modified from 23 February 2027 to 31 March 2025 with effect from 9 February 2025.
- In respect of the restricted shares vested during the year, the weighted average closing price of the shares of Melco Resorts immediately before the dates on which the restricted shares vested was US\$1.75 per share of Melco Resorts. The participants are not required to pay any purchase price for the restricted shares subject to the share award upon vesting.

During the year ended 31 December 2025, the following restricted shares were granted under the Melco Resorts Amended 2021 Share Incentive Plan:

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

Grant date	2 April 2025	21 April 2025	3 June 2025	6 October 2025
Number of restricted shares granted	19,292,418	48,141	346,950	30,000
Vesting period	Three years from 2026 to 2028	Three years from 2026 to 2028	Three years from 2026 to 2028	Immediately on grant date
Purchase price payable by the grantee(s) upon vesting of the restricted shares subject to the share award	Nil	Nil	Nil	Nil
Closing price of Melco Resorts' ADSs trading on Nasdaq Global Select Market immediately before the date of grant	US\$5.26 per Melco Resorts' ADS (representing approximately US\$1.75 per share of Melco Resorts)	US\$4.84 per Melco Resorts' ADS (representing approximately US\$1.61 per share of Melco Resorts)	US\$6.28 per Melco Resorts' ADS (representing approximately US\$2.09 per share of Melco Resorts)	US\$8.43 per Melco Resorts' ADS (representing approximately US\$2.81 per share of Melco Resorts)
Aggregate fair value of the restricted shares granted at the date of grant, which was determined with reference to the closing price of Melco Resorts' ADSs trading on Nasdaq Global Select Market at the date of award in accordance with HKFRS 2	US\$34,276,196	US\$77,507	US\$722,813	US\$85,200
Fair value per restricted share granted	US\$1.78	US\$1.61	US\$2.08	US\$2.84

- (2) *No restricted shares were granted that may be satisfied by new shares issued by Melco Resorts and/or existing Melco Resorts' ADSs or Melco Resorts shares upon vesting.*

Since there were no share options and share awards granted by Melco resorts under all of its share schemes (within the meaning of Chapter 17 of the Listing Rules) that involve issuance of new shares of Melco Resorts during the year ended 31 December 2025, no percentage was available regarding the number of shares of Melco Resorts that may be issued in respect of share options and share awards granted during the year ended 31 December 2025 divided by the weighted average number of shares of Melco Resorts in issue (excluding treasury shares) for the year ended 31 December 2025.

During the year ended 31 December 2025, (1) none of the participants had been granted share options and/or restricted shares (under share schemes involving issue of new shares) by Melco Resorts that exceed 1% of the total number of shares of Melco Resorts in issue (excluding treasury shares); and (2) none of the related entity participants or service providers of Melco Resorts had been granted share options and/or restricted shares (under share schemes involving issue of new shares) by Melco Resorts that exceed 0.1% of the total number of shares of Melco Resorts in issue (excluding treasury shares) in any 12-month period.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2025, the Group entered into the following continuing connected transactions, which are subject to announcement and reporting requirements but are exempt from shareholders' approval requirements under Chapter 14A of the Listing Rules:

The Studio City Operating Agreement

On 16 September 2025, Studio City Retail Services Limited ("SCRS"), a subsidiary of the Company, as operator, and IRAD IMAGING AND DIAGNOSTIC MEDICAL CENTER LTD. (卓智影像醫學診斷中心有限公司) ("iRad"), as retailer, entered into an operating agreement dated 16 September 2025 and effective as of 1 January 2025 (the "Studio City Operating Agreement"), pursuant to which SCRS granted iRad the right to operate a private hospital focused on imaging and diagnostic medical services at the Studio City integrated resort, for an initial period ending on 30 November 2034 (the "Term"), with an option to renew for two further periods of five years each by mutual agreement of the parties.

A. Nature of transactions contemplated by the Studio City Operating Agreement

- (1) iRad is permitted to use certain premises with a total area of 12,618 square feet at the Studio City integrated resort (the "Premises") as a private hospital under iRad's trade name; and a pharmacy and office by iRad or its associated entities as authorised by SCRS.
- (2) SCRS shall purchase and install certain medical equipment for the operation of iRad at the Premises (the "Equipment"). iRad has an option to purchase the Equipment from SCRS for a nominal price upon expiration of the Term provided there is no material breach of the Studio City Operating Agreement by iRad at the expiration of the Term.
- (3) In satisfaction of certain commitments made to the Macau government in connection with the grant of a gaming concession to Melco Resorts (Macau) Limited, an indirect subsidiary of the Company, SCRS shall support the health care industry of Macau SAR by providing support to iRad (the "Macau SAR Health Care Industry Support") as set out in the Company's announcement dated 16 September 2025 (the "CCT Announcement").

B. Nature of amounts payable in respect of the transactions contemplated by the Studio City Operating Agreement

The following amounts are payable by iRad to SCRS: (i) a monthly base fee which includes a component for the utilisation of the Equipment (the "Base Fee"); (ii) a turnover fee (the "Turnover Fee") of 1.5% of the monthly turnover of iRad derived from its business and activities of any nature conducted at, in front of or upon the Premises; (iii) a monthly management fee (the "Management Fee"); (iv) utilities charges (the "Utilities Payments"); and (v) a refundable security deposit (the "Security Deposit") of MOP35,070,972. SCRS shall provide the Macau SAR Health Care Industry Support to iRad.

Details of the Base Fee, Turnover Fee, Management Fee, Utilities Payments and Security Deposit, the basis for determining each of these fees and further details of the Studio City Operating Agreement are set out in the CCT Announcement. These fees were determined after arm's length negotiations between SCRS and iRad considering that SCRS would grant the right to use fully operational premises for a very specialised usage as a private hospital.

iRad is indirectly held as to approximately 40.63% by Zedra Asia Limited, which is the trustee of a discretionary family trust under which the beneficiaries include Mr. Ho, Lawrence Yau Lung and his family members. Accordingly, iRad is an associate of Mr. Ho, Lawrence Yau Lung, the chairman, chief executive officer and an executive director of the Company, and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the Studio City Operating Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company has set (i) annual caps on the amount receivable by the Group from iRad (excluding the refundable Security Deposit, and the Utilities Payments which are passthrough amounts payable by iRad via SCRS) for the ten years from 2025 to 2034, and (ii) annual caps on the amount payable by the Group to iRad (i.e. Macau SAR Health Care Industry Support) for the eight years from 2025 to 2032, as set out in the CCT Announcement. For the year ended 31 December 2025, the annual cap on the amount receivable by the Group from iRad is MOP3,800,000, and the annual cap on the amount payable by the Group to iRad is MOP6,900,000.

For the year ended 31 December 2025, the aggregate amount in respect of the transactions contemplated under the Studio City Operating Agreement were as follows:

- (1) the aggregate amount received by the Group from iRad (excluding the refundable Security Deposit, and the Utilities Payments which are passthrough amounts paid by iRad via SCRS) amounted to MOP2,084,943, which is within the annual cap of MOP3,800,000; and
- (2) the aggregate amount paid by the Group to iRad: (a) for the Macau SAR Health Care Industry Support, amounted to MOP6,250,000, and (b) for the purchases of goods and services, amounted to MOP397,690, which is within the annual cap of MOP6,900,000.

The continuing connected transactions listed above have been reviewed by all the INEDs, and they confirmed that the transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better (as far as the Company is concerned); and
- (iii) in accordance with the Studio City Operating Agreement governing such transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Deloitte Touche Tohmatsu (“Deloitte”), Certified Public Accountants of Hong Kong, the Company’s independent auditor, was engaged to report on the Company’s continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. Deloitte has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Company in the annual report in accordance with Rule 14A.56 of the Listing Rules.

WAIVER IN RELATION TO CONNECTED TRANSACTIONS

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

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

- (a) Mr. Wu is a connected person only because he is an INED at the subsidiary level;
- (b) the Company will disclose the Waiver in its annual reports as long as the Waiver remains valid and in place; and
- (c) the Company and Mr. Wu will promptly notify the Hong Kong Stock Exchange if they become aware of any material changes in the information provided in the submissions in respect of the Waiver.

As at 31 December 2025, Mr. Wu continues to be an INED of Melco Resorts and therefore a connected person of the Company at the subsidiary level and hence the Waiver remains valid and in place.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered into by the Group during the year ended 31 December 2025, which did not constitute connected transactions under Chapter 14A of the Listing Rules, are disclosed in note 41 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the following persons/corporations had interests in five per cent or more of the issued shares of the Company as recorded in the register required to be kept under Section 336 of the SFO. Details of the interests in the shares and underlying shares of the Company as notified to the Company were as follows:

Long positions in the shares and underlying shares of the Company

Name	Capacity	No. of shares held	No. of underlying shares held	Approximate % of total issued shares ⁽¹⁾	Note(s)
Better Joy Overseas Ltd.	Beneficial owner	452,052,909	-	19.87%	2
Lasting Legend Ltd.	Beneficial owner	183,364,536	-	8.06%	2
	Interest of controlled corporation	452,052,909	-	19.87%	2
Trident Trust Company (Cayman) Limited	Trustee	635,417,445	-	27.93%	3
Black Spade Capital Limited	Beneficial owner	137,167,698	-	6.03%	4
	Interest of controlled corporation	110,385,517	-	4.85%	4
King Dragon Ventures Limited	Interest of controlled corporations	247,553,215	-	10.88%	4
LHT I Limited	Interest of controlled corporations	247,553,215	-	10.88%	4
L3G Holdings Inc.	Beneficial owner	469,842,021	-	20.65%	5
Zedra Trust Company (Cayman) Limited	Trustee	469,842,021	-	20.65%	5
Lucky Life Limited	Beneficial owner	1,075,500	-	0.05%	6
	Person having a security interest in shares	451,499,387	-	19.85%	6
Zedra Asia Limited	Trustee	617,610,364	-	27.15%	7
Mr. Ho, Lawrence Yau Lung	Beneficial owner	36,606,126	58,696,000	4.19%	12
	Interest of controlled corporations	884,536,660	-	38.88%	8
	Others	470,917,521	-	20.70%	9
	Interest of spouse	4,212,102	-	0.19%	10
Ms. Lo Sau Yan, Sharen	Beneficial owner	4,212,102	-	0.19%	-
	Interest of spouse	1,392,060,307	58,696,000	63.77%	11, 12

Notes:

1. As at 31 December 2025, the total number of issued shares of the Company was 2,275,025,632.
2. Better Joy Overseas Ltd. is a company controlled by Lasting Legend Ltd. and, therefore, Lasting Legend Ltd. was deemed to be interested in the 452,052,909 shares held by Better Joy Overseas Ltd. The shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by the person, company and/or trusts associated with Mr. Ho, Lawrence Yau Lung. Out of these shares, 150,684,303 shares and 61,121,512 shares were provided as security by Better Joy Overseas Ltd. and Lasting Legend Ltd. respectively to Lucky Life Limited.
3. The 635,417,445 shares relate to the same block of shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. as referred to in note 2. Trident Trust Company (Cayman) Limited is the trustee of a discretionary family trust which is interested in shares held by Lasting Legend Ltd. and Better Joy Overseas Ltd.
4. Black Spade Capital Limited is wholly owned by King Dragon Ventures Limited which in turn is wholly owned by LHT I Limited and, therefore, King Dragon Ventures Limited and LHT I Limited were deemed to be interested in the 247,553,215 shares held by Black Spade Capital Limited and its wholly-owned subsidiary, Mighty Dragon Developments Limited. The shares held by the aforesaid companies also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by a trust associated with him. Out of these shares, 45,722,566 shares and 36,795,172 shares were provided as security by Black Spade Capital Limited and Mighty Dragon Developments Limited respectively to Lucky Life Limited.
5. L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Trust Company (Cayman) Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to have interests in the shares held by L3G Holdings Inc. by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO. Out of these shares, 157,175,834 shares were provided as security by L3G Holdings Inc. to Lucky Life Limited.
6. Lucky Life Limited is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Asia Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to have interests in the shares held by Lucky Life Limited by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.

The 451,499,387 shares represent the security interests held by Lucky Life Limited, which were provided as securities by the companies to Lucky Life Limited as referred to in notes 2, 4 and 5.
7. The 617,610,364 shares relate to (i) 1,075,500 shares beneficially owned by Lucky Life Limited, (ii) 451,499,387 shares held by Lucky Life Limited as securities and (iii) 247,553,215 shares (of which 82,517,738 shares were provided as security to Lucky Life Limited) held by Black Spade Capital Limited and Mighty Dragon Developments Limited as referred to in note 4.
8. The 884,536,660 shares relate to 452,052,909 shares, 183,364,536 shares, 110,385,517 shares, 137,167,698 shares and 1,566,000 shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.07% of the total issued shares of the Company. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by the aforesaid companies. Out of these shares, a total of 294,323,553 shares were provided as security to Lucky Life Limited as referred to in notes 2 and 4.
9. The 470,917,521 shares relate to (i) 469,842,021 shares (of which 157,175,834 shares were provided as security to Lucky Life Limited as referred to in note 5) held by L3G Holdings Inc. (which is controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 5) and (ii) 1,075,500 shares held by Lucky Life Limited (which is controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 6).
10. Mr. Ho, Lawrence Yau Lung is the spouse of Ms. Lo Sau Yan, Sharen and was deemed to be interested in the shares of the Company through the interest of his spouse under the SFO.
11. Ms. Lo Sau Yan, Sharen is the spouse of Mr. Ho, Lawrence Yau Lung and was deemed to be interested in the shares of the Company through the interest of her spouse under the SFO.
12. The interests of Mr. Ho, Lawrence Yau Lung in the underlying shares of the Company (in respect of the awarded shares granted by the Company) are set out in the "Directors' Interests in Shares, Underlying Shares and Debentures" section of this report.

Save as disclosed above, as at 31 December 2025, the Company has not been notified of any other interests or short positions in the shares and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EQUITY-LINKED AGREEMENTS

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

SUFFICIENCY OF PUBLIC FLOAT

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

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance so as to ensure better transparency and protection of shareholders' interests. Information on the Company's corporate governance practices is set out in the Corporate Governance Report on pages 46 to 69 of this annual report.

REMUNERATION POLICIES

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

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

DONATIONS AND CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2025, donations and charitable contributions by the Group for charitable and other purposes amounted to approximately HK\$149,183,000 (2024: HK\$135,701,000).

AUDIT COMMITTEE

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

The Audit Committee, made up of three INEDs, met four times during the year. At the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Group, the interim and annual reports of the Group and discussed with the internal auditor, external auditor and management the auditing, risk management, internal control and financial reporting matters.

AUDITOR

Deloitte was appointed as auditor of the Company on 28 June 2024 to fill the casual vacancy following the resignation of Ernst & Young on the same date and to hold office until the conclusion of the 2025 annual general meeting of the Company (the "2025 AGM"). For details, please refer to the announcement of the Company dated 28 June 2024. Deloitte has been re-appointed as auditor of the Company at the 2025 AGM. Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

The consolidated financial statements of the Group for the financial year ended 31 December 2025 have been audited by Deloitte, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board

Ho, Lawrence Yau Lung

Chairman and Chief Executive Officer

Hong Kong, 31 March 2026

INDEPENDENT AUDITOR'S REPORT

Deloitte.

TO THE MEMBERS OF MELCO INTERNATIONAL DEVELOPMENT LIMITED

(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Melco International Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 118 to 233, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of non-current non-financial assets of Studio City

We identified the impairment assessment on the recoverable amounts of non-current non-financial assets in respect of hotel and related operations in Studio City, being a single cash-generating unit, as a key audit matter because the estimation of the recoverable amounts of these assets involved significant management judgement and estimation.

As disclosed in Notes 17, 18 and 31 to the consolidated financial statements, as at 31 December 2025, the non-current non-financial assets of Studio City comprise property and equipment, intangible assets (including trademark) and right-of-use assets in respect of hotel and related operations with carrying amounts of HK\$21,002 million, HK\$5,566 million and HK\$2,617 million, respectively.

The management of the Group considered there was indication of reversal of impairment for these assets and prepared a discounted cash flow projection. As disclosed in Note 3 to the consolidated financial statements, the impairment assessment of these assets is performed by comparing the recoverable amount of non-current non-financial assets of Studio City, which is the higher of its value-in-use and its fair value less costs of disposal, to its carrying value as at 31 December 2025. The key assumptions adopted by the management of the Group are the revenue growth rates of table games and pre-tax discount rate in the discounted cash flow projection.

During the year ended 31 December 2025, in the opinion of the directors of the Company, reversal of impairment losses of HK\$639 million, HK\$170 million and HK\$80 million have been recognised on property and equipment, intangible assets (including trademark) and right-of-use assets in respect of the hotel and related operations of Studio City, respectively.

Our procedures in relation to the impairment assessment of non-current non-financial assets in respect of hotel and related operations in Studio City included:

- Understanding the processes performed by the management of the Group in relation to the impairment assessment of non-current non-financial assets of Studio City including the preparation of the discounted cash flow projection;
- Evaluating the reasonableness of key assumptions adopted by the management of the Group on the revenue growth rates of table games applied in the discounted cash flow projection in determining the recoverable amount of non-current non-financial assets in respect of hotel and related operations in Studio City with reference to historical performance and available market data;
- Involving our internal valuation specialists to evaluate the valuation methodology and the reasonableness of the pre-tax discount rate in the impairment assessment applied by the management of the Group; and
- Assessing whether the disclosures in the consolidated financial statements are appropriate and sufficient.

OTHER INFORMATION

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chan Ka Sing (practising certificate number: P06595).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NET REVENUES	5	40,240,892	36,172,972
OPERATING COSTS AND EXPENSES			
Gaming tax and license fees	6	(15,596,065)	(14,185,453)
Employee benefits expenses	7	(7,772,073)	(6,971,953)
Depreciation and amortisation	8	(4,423,536)	(4,478,398)
Other operating expenses, gains and losses, net	9	(6,941,865)	(7,890,212)
Total operating costs and expenses, net		(34,733,539)	(33,526,016)
OPERATING INCOME		5,507,353	2,646,956
NON-OPERATING INCOME/(EXPENSES)			
Interest income		69,431	138,753
Interest expense, net of amounts capitalised	10	(4,035,028)	(4,215,963)
Gain/(loss) on modification and extinguishment of debts, net		18,596	(7,818)
Other financing costs		(54,831)	(61,181)
Foreign exchange gains/(losses), net		50,334	(92,567)
Other income/(expenses), net	11	21,326	(42,063)
Share of profit/(loss) of a joint venture	21	70	(162)
Share of loss of an associate	22	-	(1,131)
Total non-operating expenses, net		(3,930,102)	(4,282,132)
PROFIT/(LOSS) BEFORE INCOME TAX		1,577,251	(1,635,176)
Income tax expense	14	(39,777)	(48,561)
PROFIT/(LOSS) FOR THE YEAR		1,537,474	(1,683,737)

	Note	2025 HK\$'000	2024 HK\$'000
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		204,666	171,828
Fair value loss on derivative financial instruments, net	29	(5,793)	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Other		78	92
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		198,951	171,920
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		1,736,425	(1,511,817)
Profit/(loss) for the year attributable to:			
Owners of the Company		1,058,309	(784,603)
Non-controlling interests		479,165	(899,134)
		1,537,474	(1,683,737)
Total comprehensive income/(loss) for the year attributable to:			
Owners of the Company		1,165,992	(744,438)
Non-controlling interests		570,433	(767,379)
		1,736,425	(1,511,817)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	Note	2025	2024 (Restated)
Basic	16	HK\$0.50	HK\$(0.40)
Diluted		HK\$0.48	HK\$(0.40)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property and equipment	17	41,305,369	41,978,077
Right-of-use assets	31	4,909,570	5,073,287
Intangible assets	18	18,974,427	19,053,015
Goodwill	19	5,299,451	5,299,451
Investment in a joint venture	21	55,659	53,046
Prepayments, deposits and other receivables	25	1,028,887	1,035,366
Restricted cash	26	972,349	974,404
Total non-current assets		72,545,712	73,466,646
CURRENT ASSETS			
Inventories	23	287,273	251,940
Trade receivables	24	983,582	1,119,583
Prepayments, deposits and other receivables	25	647,740	811,957
Tax recoverable		1,812	1,252
Restricted cash	26	113,583	68,972
Cash and bank balances	27	8,119,084	9,029,153
Total current assets		10,153,074	11,282,857
CURRENT LIABILITIES			
Trade payables	28	201,613	192,485
Other payables, accruals and deposits received	29	8,438,647	8,250,163
Tax payable		227,275	295,829
Interest-bearing borrowings	30	1,000	9,483,349
Lease liabilities	31	436,961	424,737
Total current liabilities		9,305,496	18,646,563
NET CURRENT ASSETS/(LIABILITIES)		847,578	(7,363,706)
TOTAL ASSETS LESS CURRENT LIABILITIES		73,393,290	66,102,940

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Other payables, accruals and deposits received	29	2,430,321	2,458,289
Interest-bearing borrowings	30	57,135,789	51,204,349
Lease liabilities	31	1,880,359	1,999,531
Deferred tax liabilities	32	2,235,111	2,234,250
Total non-current liabilities		63,681,580	57,896,419
Net assets		9,711,710	8,206,521
EQUITY			
Share capital	33	6,473,857	5,701,853
Deficit		(4,568,753)	(5,655,923)
Equity attributable to owners of the Company		1,905,104	45,930
Non-controlling interests		7,806,606	8,160,591
Total equity		9,711,710	8,206,521

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

The consolidated financial statements on pages 118 to 233 were approved and authorised for issue by the board of Directors on 31 March 2026 and are signed on its behalf by:

Ho, Lawrence Yau Lung
Director

Evan Andrew Winkler
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

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

	Attributable to owners of the Company												Total equity HK\$'000
	Share capital HK\$'000 (Note 33)	Capital reserve HK\$'000	Special reserve HK\$'000 (Note a)	Legal reserve HK\$'000 (Note b)	Other revaluation reserve HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Shares held under share award schemes HK\$'000	Share award reserve HK\$'000	(Accumulated losses)/ retained profits HK\$'000	Sub-total HK\$'000	Non-controlling interests HK\$'000	
As at 1 January 2025	5,701,853	7,053	(4,954,720)	286,453	(2,084)	(292,692)	14,755	(204)	136,500	(850,984)	45,930	8,160,591	8,206,521
Exchange differences on translation of foreign operations	-	-	-	-	-	111,190	-	-	-	-	111,190	93,476	204,666
Other	-	-	-	-	(110)	-	-	-	-	-	(110)	188	78
Fair value loss on derivative financial instruments, net (Note 29)	-	-	-	-	(3,397)	-	-	-	-	-	(3,397)	(2,396)	(5,793)
Other comprehensive (loss)/ income for the year	-	-	-	-	(3,507)	111,190	-	-	-	-	107,683	91,268	198,951
Profit for the year	-	-	-	-	-	-	-	-	-	1,058,309	1,058,309	479,165	1,537,474
Total comprehensive (loss)/ income for the year	-	-	-	-	(3,507)	111,190	-	-	-	1,058,309	1,165,992	570,433	1,736,425
Issuance of shares under rights issue (Note 33)	780,030	-	-	-	-	-	-	-	-	-	780,030	-	780,030
Transaction costs attributable to rights issue (Note 33)	(8,026)	-	-	-	-	-	-	-	-	-	(8,026)	-	(8,026)
Recognition of share-based payments	-	-	145,257	-	-	-	90	-	99,375	-	244,722	90,199	334,921
Shares vested under the share award schemes	-	-	-	-	-	-	-	-	(4,794)	4,794	-	-	-
Reclassification of share award schemes from equity-settled to cash-settled	-	-	-	-	-	-	-	-	(6,462)	-	(6,462)	-	(6,462)
Transfer to legal reserve	-	-	-	182,916	-	-	-	-	-	(182,916)	-	-	-
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(37,024)	(37,024)
Disposal of assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	(3,580)	(3,580)
Change in ownership interests of certain subsidiaries (Note 36)	-	-	(317,082)	-	-	-	-	-	-	-	(317,082)	(974,013)	(1,291,095)
	772,004	-	(171,825)	182,916	-	-	90	-	88,119	(178,122)	693,182	(924,418)	(231,236)
As at 31 December 2025	6,473,857	7,053*	(5,126,545)*	469,369*	(5,591)*	(181,502)*	14,845*	(204)*	224,619*	29,203*	1,905,104	7,806,606	9,711,710

* These reserve accounts comprise the consolidated deficit of HK\$4,568,753,000 (2024: HK\$5,655,923,000) in the consolidated statement of financial position.

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

Notes:

- (a) The special reserve mainly represents (1) the difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid to acquire additional interest in a subsidiary; (2) the difference by which the non-controlling interests were adjusted and the fair value of consideration received in relation to the disposal of a partial interest of a subsidiary; (3) the deemed disposal of a partial interest in a subsidiary in relation to the exercise of share options by non-controlling interests; (4) share of net asset changes of a subsidiary resulting from the share repurchase or issuance by the subsidiary, which changed the Group's effective ownership therein; (5) the difference between the cash consideration and net assets acquired for privatisation of a subsidiary; and (6) share of net asset change of subsidiaries in relation to their share-based compensation.
- (b) Subsidiaries of the Company incorporated in the Macau Special Administrative Region of the People's Republic of China ("Macau") are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve sets aside an amount from the Macau incorporated subsidiaries' statements of operations and is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the Macau incorporated subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries. As at 31 December 2025, the aggregate balance of the legal reserves amounted to Hong Kong dollars ("HK\$") 469,369,000 (2024: HK\$286,453,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before income tax		1,577,251	(1,635,176)
Adjustments for:			
Depreciation and amortisation	8	4,423,536	4,478,398
Loss on disposal of property and equipment	9	18,376	12,640
Loss on disposal of intangible asset		3,580	-
(Reversal of impairment)/impairment of non-current non-financial assets, net	9	(238,497)	949,652
Impairment of investments in associates	11	-	17,341
Impairment of investment in a joint venture	11	-	104,171
Allowances for credit losses, net	9	100,365	30,476
(Gain)/loss on lease modifications	9	(2,460)	469
Share-based compensation	7	346,029	318,191
Interest income		(69,431)	(138,753)
Interest expense, net of amounts capitalised	10	4,035,028	4,215,963
(Gain)/loss on modification and extinguishment of debts, net		(18,596)	7,818
Share of (profit)/loss of a joint venture	21	(70)	162
Share of loss of an associate	22	-	1,131
Fair value loss on derivative financial instruments, net	11	22,581	-
Loss on disposal of assets classified as held for sale	9	1,329	-
		10,199,021	8,362,483
Changes in working capital:			
Increase in inventories		(35,910)	(22,128)
Decrease/(increase) in trade receivables		39,145	(421,105)
Decrease in prepayments, deposits and other receivables		109,490	270,022
Increase in trade payables		9,128	100,678
Increase in other payables, accruals and deposits received		33,845	517,658
Cash generated from operations		10,354,719	8,807,608
Income tax paid, net of refunds		(107,781)	(79,728)
Net cash generated from operating activities		10,246,938	8,727,880

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments and deposits for property and equipment		(2,508,475)	(2,028,925)
Payments for intangible and other assets		(146,980)	(306,408)
Payments for right-of-use assets		-	(23,505)
Proceeds from disposal of property and equipment		1,607	2,965
Interest received		70,969	139,097
Net cash outflow on disposal of assets classified as held for sale		(10,386)	-
Net cash used in investing activities		(2,593,265)	(2,216,776)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of interest-bearing borrowings		(16,921,936)	(9,144,543)
Interest paid	37	(3,443,408)	(3,624,880)
Repurchase of shares of subsidiaries	36	(1,291,095)	(882,616)
Payments of lease liabilities (including associated interest)	37	(455,858)	(463,711)
Repayments of shareholder loans	41(c)	(303,843)	-
Payments of intangible assets liabilities (including associated interest)	37	(264,533)	(258,580)
Payments of financing costs		(68,826)	(289,712)
(Increase)/decrease in restricted cash		(43,852)	10,259
Dividends paid to non-controlling shareholders		(31,675)	(2,674)
Payments arising from net settlement of derivative financial instruments		(17,191)	-
Transaction costs attributable to rights issue		(8,026)	-
Purchase of shares for the share award schemes		-	(92,688)
Proceeds from exercise of share options of a subsidiary		5,333	-
Proceeds from shareholder loans	41(c)	506,597	-
Proceeds from rights issue	33, 37	576,049	-
Proceeds from interest-bearing borrowings		13,159,668	6,651,509
Net cash used in financing activities		(8,602,596)	(8,097,636)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(948,923)	(1,586,532)
Cash and cash equivalents at beginning of year		9,029,153	10,765,478
Effect of foreign exchange rate changes, net		38,854	(149,793)
CASH AND CASH EQUIVALENTS AT END OF YEAR		8,119,084	9,029,153
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	27	8,119,084	9,029,153

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. ORGANISATION AND BUSINESS

(a) Corporate and group information

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

The Company together with its subsidiaries (collectively referred to as the “Group”) is a developer, owner and operator of integrated resort facilities in Asia and Europe. The Group operates its gaming business through Melco Resorts & Entertainment Limited (“Melco Resorts”), a majority-owned subsidiary of the Company and its American depository shares (“ADSs”) are listed on the Nasdaq Global Select Market in the United States of America (the “U.S.”). In Macau, a subsidiary of Melco Resorts holds a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on 1 January 2023 and ends on 31 December 2032 (the “Concession”) and currently operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively. As part of Melco Resorts’ development strategy and in accordance with Macau gaming law, Grand Dragon Casino, a casino located in Taipa, Macau, and three of the six Mocha Clubs, which comprise non-casino based operations of electronic gaming machines in Macau, ceased operations between the period from September to December 2025. Following these closures, the gaming tables and electronic gaming machines were reallocated to the Group’s other gaming areas in Macau. The Group has submitted relevant application for the continuing operations of the remaining three Mocha Clubs, namely Mocha Inner Harbour, Mocha Hotel Sintra and Mocha Golden Dragon beyond 31 December 2025, and such application has been approved by the Macau government. On 10 February 2026, the Group entered into an amendment agreement to the concession agreement to reflect the permanent cessation of operations of the Grand Dragon Casino and three Mocha Clubs effective from 1 January 2026. Melco Resorts, through its subsidiaries, including Studio City International Holdings Limited (“SCIH”), which is majority-owned by Melco Resorts and its ADSs are listed on the New York Stock Exchange in the U.S., also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco Resorts operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco Resorts, through its majority-owned subsidiaries, operates City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus (“Cyprus”), and licensed satellite casinos in Cyprus (collectively, the “Cyprus Operations”). In South Asia, a subsidiary of Melco Resorts currently holds a casino license granted by the government of the Democratic Socialist Republic of Sri Lanka (“Sri Lanka”) (the “Sri Lanka License”) for a term of 20 years effective from 1 April 2024, to operate a casino business (the “Sri Lanka Casino”) which had an initial opening on 1 August 2025, in an integrated resort branded as “City of Dreams Sri Lanka” in Colombo, Sri Lanka, developed by a subsidiary of John Keells Holdings PLC (“John Keells”), an independent third party.

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

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries

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

Name	Place of incorporation/ operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company			
				Directly		Indirectly	
				As at 31 December 2025	2024	As at 31 December 2025	2024
Melco Resorts	Cayman Islands	Investment holding	Ordinary shares - United States dollars ("US\$") 13,515,404	-	-	58.65%	54.59%
COD Resorts Limited	Macau	Integrated resort development and related operations	Quota capital - Macau Pataca ("MOP") 1,050,000	-	-	58.65%	54.59%
MCO Cotai Investments Limited	Cayman Islands	Investment holding	Ordinary share - US\$0.01	-	-	58.65%	54.59%
MCO Holdings Limited	Cayman Islands	Investment holding	Ordinary share - US\$0.01	-	-	58.65%	54.59%
MCO International Limited	Cayman Islands	Investment holding	Ordinary shares - US\$4	-	-	58.65%	54.59%
MCO Investments Limited	Cayman Islands/ Hong Kong	Investment holding	Ordinary shares - US\$2.02	-	-	58.65%	54.59%
MCO Nominee One Limited	Cayman Islands/ Hong Kong	Investment holding and financing	Ordinary share - US\$0.01	-	-	58.65%	54.59%
Melco Resorts (Macau) Limited ("MRM")	Macau	Casino operations and investment holding	Ordinary shares - Class A shares ⁽¹⁾ : MOP1,400,000,000 Class B shares ⁽²⁾ : MOP3,600,000,000	-	-	58.65% ⁽³⁾	54.59% ⁽³⁾
Melco Resorts and Entertainment (Philippines) Corporation ("MRP")	The Philippines	Investment holding	Common shares - Philippine Peso ("PHP") 5,689,764,700	-	-	58.43%	54.39%
Melco Resorts Finance Limited ("MRF")	Cayman Islands/ Hong Kong	Investment holding and financing	Ordinary shares - US\$12.02	-	-	58.65%	54.59%
Melco Resorts Leisure (PHP) Corporation ("MRL")	The Philippines	Integrated resort development and related operations	Common shares - PHP2,281,894,500	-	-	58.43%	54.39%
Melco Resorts Services Limited	Hong Kong	Investment holding and provision of management service to group companies	Ordinary shares - HK\$1	-	-	58.65%	54.59%
MPHIL Holdings No.1 Corporation	The Philippines	Investment holding	Ordinary shares - PHP2,281,894,500	-	-	58.43%	54.39%

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation/operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company			
				Directly		Indirectly	
				As at 31 December 2025	2024	As at 31 December 2025	2024
MPHIL Holdings No.2 Corporation	The Philippines	Investment holding	Ordinary shares - PHP2,281,894,500	-	-	58.43%	54.39%
MSC Cotai Limited ("MSC Cotai")	The British Virgin Islands ("BVI")	Investment holding	Ordinary shares - US\$77,035.27	-	-	32.26%	30.03%
SCP Holdings Limited	BVI	Investment holding	Ordinary share - US\$1 A share* - US\$1	-	-	32.26%	30.03%
SCP One Limited	BVI	Investment holding	Ordinary share - US\$1 A share* - US\$1	-	-	32.26%	30.03%
SCP Two Limited	BVI	Investment holding	Ordinary share - US\$1 A share* - US\$1	-	-	32.26%	30.03%
Studio City Company Limited ("SCC")	BVI/Hong Kong	Investment holding and financing	Ordinary shares - US\$3	-	-	32.26%	30.03%
Studio City Developments Limited	Macau	Integrated resort development and related operations	Quota capital - MOP6,002,000	-	-	32.26%	30.03%
Studio City Finance Limited ("SCF")	BVI/Hong Kong	Investment holding and financing	Ordinary shares - US\$3	-	-	32.26%	30.03%
Studio City Holdings Limited	BVI	Investment holding	Ordinary share - US\$1	-	-	32.26%	30.03%
Studio City Holdings Two Limited	BVI	Investment holding	Ordinary share - US\$1 A share* - US\$1	-	-	32.26%	30.03%
SCIH	Cayman Islands	Investment holding	Ordinary shares - Class A shares ⁽⁴⁾ : US\$77,035.27 Class B shares ⁽⁴⁾ : US\$7,251.18	0.09%	0.09%	32.17%	29.94%

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

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

Name	Place of incorporation/operation	Principal activities	Particulars of issued share capital	Proportion of ownership interest and voting rights held by the Company			
				Directly		Indirectly	
				As at 31 December 2025	2024	As at 31 December 2025	2024
Studio City Investments Limited	BVI/Hong Kong	Investment holding	Ordinary shares - US\$3	-	-	32.26%	30.03%
ICR Cyprus Holdings Limited	Cyprus	Investment holding	Ordinary shares - Euro ("EUR") 1,000,000	-	-	43.98%	40.94%
Integrated Casino Resorts Cyprus Limited	Cyprus	Operation of gaming business in an integrated resort and satellite casinos	Ordinary shares - EUR11,001 Redeemable preference share - EUR100	-	-	43.98%	40.94%
ICR Cyprus Resort Development Co Limited ("ICRD")	Cyprus	Integrated resort development and related operations	Ordinary shares - EUR11,002	-	-	43.98%	40.94%
Melco Leisure and Entertainment Group Limited	BVI/Hong Kong	Investment holding	Ordinary share - US\$1	100%	100%	-	-
Melco Services Limited	BVI/Hong Kong	Provision of management service to group companies	Ordinary share - US\$1	100%	100%	-	-
Melco Investment Resources Limited	BVI/Hong Kong	Financing	Ordinary share - US\$1	100%	100%	-	-

* Class A share has no voting right.

Notes:

- (1) The holders of the Class A shares of MRM, as a group, are entitled to an annual dividend in an amount in the aggregate of up to MOP1 (the "Class A Dividend") and a distribution in the event of liquidation of MRM or return of capital to the Class A shares in an amount in the aggregate of up to MOP1 (the "Class A Capital Distribution"), and shall be entitled to no other dividends, distributions, return of capital, liquidation proceeds, return of par value, or other sum of any type from MRM.
- (2) The Class B shares of MRM in the aggregate represent the entire rights to receive dividends and other distributions from, and capital of, MRM, after payment of the Class A Dividend and the Class A Capital Distribution in respect of Class A shares. The holders of the Class B shares, in proportion to their ownership thereof, shall be entitled to receive any dividends, distributions, capital, liquidation proceeds, par value, or other emoluments that may at any time be paid to or received by the holders of the Class A shares, except the Class A Dividend and the Class A Capital Distribution.

1. ORGANISATION AND BUSINESS (continued)

(a) Corporate and group information (continued)

Information about subsidiaries (continued)

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

Notes: (continued)

- (3) Certain Macau laws require companies limited by shares (sociedade anónima) incorporated in Macau to have a minimum of three shareholders, and all gaming concessionaires to be managed by a Macau permanent resident, the managing director, who must hold at least 15% of the share capital of the concessionaire. In accordance with such Macau laws, 85% of the share capital of MRM is indirectly owned by Melco Resorts. While the Group complies with the Macau laws, MRM is considered an indirectly 58.65% (2024: 54.59%) owned subsidiary of the Company for purposes of the consolidated financial statements of the Company as at 31 December 2025 because the economic interest of the 15% (2024: 15%) holding of the managing director is limited to, in aggregate with other Class A shareholders, MOP1 on the winding up or liquidation of MRM and to receive an aggregate annual dividend of MOP1.
- (4) Each Class A ordinary share and each Class B ordinary share entitles its holder to one vote on all matters to be voted on by shareholders generally and holders of Class A ordinary shares and Class B ordinary shares will vote together as a single class on all matters presented to the shareholders for their vote or approval, except as otherwise required by applicable law or the memorandum of association and articles of association. The Class A ordinary shares and the Class B ordinary shares have the same rights, except that holders of the Class B ordinary shares only have voting and no economic rights to receive dividends or distribution upon the liquidation or winding up of SCIH. In addition, pursuant to the terms of a participation agreement ("Participation Agreement") signed in 2018 among SCIH, MSC Cotai, a subsidiary of SCIH, and New Cotai, LLC ("New Cotai"), the holders of all outstanding Class B ordinary shares, New Cotai has a non-voting, non-shareholding economic participation interest in MSC Cotai, which entitles New Cotai to receive from MSC Cotai an amount equal to a certain percentage of the MSC Cotai's distribution, subject to adjustments, exceptions and conditions as set out in the Participation Agreement. The Participation Agreement also provides that New Cotai is entitled to exchange all or a portion of its participation interest for a number of Class A ordinary shares subject to adjustments, exceptions and conditions as set out in the Participation Agreement and a proportionate number of Class B ordinary shares will be deemed surrendered and automatically cancelled for no consideration as set out in the Participation Agreement when New Cotai exchanges all or a portion of the participation interest for Class A ordinary shares.

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

MRF, SCF and SCC, subsidiaries of the Company, had issued debt securities of HK\$29,853,289,000, HK\$12,419,559,000 and HK\$2,711,001,000, respectively, at the end of the year, as disclosed in Note 30, in which the Group has no interest.

(b) Recent developments related to business operations

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

In July 2025, a subsidiary of Melco Resorts, as a hotel manager, entered into a management agreement (effective as at 15 July 2025) with a subsidiary of John Keells, owner of the hotel property, to provide management services to operate the top five floors of the hotel tower at City of Dreams Sri Lanka, as a "Nüwa" hotel ("Nüwa Sri Lanka"), which opened to the public on 15 July 2025.

2.1 BASIS OF PREPARATION

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

The consolidated financial statements have been prepared under the historical cost convention except for the derivative financial instruments and financial liabilities for cash-settled share-based payments, which have been measured at fair value. These consolidated financial statements are presented in HK\$ except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Group. Control is achieved when the Company (i) has power over the investee; (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and (iii) has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 *Lack of Exchangeability*

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

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS

The Group has not early applied the following new and amendments to the HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
Amendments to HKFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards Volume 11</i> ²
HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

2.3 ISSUED BUT NOT YET EFFECTIVE HKFRS ACCOUNTING STANDARDS (continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (continued)

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosures* in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. As a result of the clarification made by the amendments on the derecognition of financial assets and liabilities, the Group can only derecognise financial assets and financial liabilities settled via cheques on the date the cheques have been cleared in the bank account. The Group is in the process of assessing the detailed impact of the amendments on the Group’s consolidated financial statements.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates and joint ventures

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any accumulated impairment. Adjustments are made to bring in line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment, and irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of CGUs). An impairment recognised for goodwill is not reversed in a subsequent period.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of non-financial assets, investments in joint venture and associates

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or CGU's value-in-use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs. In testing a CGU for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual CGU if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of CGUs.

An impairment is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value-in-use (if determinable) and zero. An impairment is recognised in profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment been recognised for the asset in prior years. A reversal of such an impairment is credited to profit or loss in the period in which it arises.

Property and equipment and depreciation

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Property and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. Estimated useful lives are as follows:

Freehold land	Not depreciated
Land improvements	5 years
Buildings and improvements	4 to 40 years
Gaming equipment	18 months to 5 years
Leasehold improvements	Over the shorter of the lease terms or 3 to 19 years
Furniture, fixtures and equipment	2 to 15 years
Transportation	5 to 10 years

Where parts of an item of property and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Generally, any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any accumulated impairment, and is not depreciated. It is reclassified to the appropriate category of property and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. The Group's finite-lived intangible assets consist of gaming concession and licenses, trademarks of Mocha Clubs, internal-use software and proprietary rights (refer to Note 18 for details). Intangible assets with finite useful lives are subsequently amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that they may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

All research costs are charged to profit or loss as incurred. Expenditure incurred on projects to develop new software is capitalised when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Development expenditure which does not meet these criteria is expensed when incurred.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Non-lease components are separated from lease components and are accounted for by applying other applicable standards.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group recognises a right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any accumulated impairment, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets are subject to impairment, if applicable.

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

Group as a lessee (continued)

(c) Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

(d) Short-term leases

The Group applies the short-term lease recognition exemption to all leases that have lease terms of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases and is recognised in entertainment, retail and other revenues.

Rental income of operating leases includes minimum operating lease income and variable lease income and is recognised in entertainment, retail and other revenues. Minimum operating lease income is accounted for on the straight-line basis over the lease terms. Variable lease income or contingent rent that does not depend on an index or a rate is recognised as income in the accounting period in which it is earned. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as minimum operating lease income.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative standalone selling price basis.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets

Initial recognition and measurement

Financial assets are classified and measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not at fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling the financial assets. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

The Group's financial assets consist of trade and other receivables, deposits, restricted cash, cash and bank balances and derivative financial instruments.

Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial assets at amortised cost are subject to impairment under the general approach for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. At each reporting date, the Group defines a financial asset as credit-impaired, when it meets one or more of the following criteria indicating the debtor is in significant financial difficulty:

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets (continued)

General approach (continued)

- a breach of contract, such as a default or past due event;
- the Group, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the Group would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Where ECL provisions modelled on a collective basis or cater for cases where evidence at the individual instrument level may not be available, the financial instruments are grouped based on shared credit risk characteristics and days past due.

Simplified approach

The Group applies the simplified approach in calculating ECLs for trade receivables. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed using a provision matrix that is based on the Group's historical credit loss experience, adjusted for factors specific to the debtors, general economic conditions forecasts and forward-looking information that is available without undue cost or effort.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified and measured at amortised cost or fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities consist of trade and other payables, interest-bearing borrowings, lease liabilities and derivative financial instruments.

Subsequent measurement

Financial liabilities at amortised cost

Financial liabilities including trade and other payables, interest-bearing borrowings and lease liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest expense in profit or loss.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments including cross-currency swaps and interest rate swaps to manage certain foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

The Group designates interest rate swaps as hedging instruments for cash flow hedges.

At the inception of the hedging relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derivative financial instruments and hedge accounting (continued)

Assessment of hedging relationship and effectiveness

For hedge effectiveness assessment, the Group considers whether the hedging instrument is effective in offsetting changes in cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under other revaluation reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, if any.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Furthermore, if the Group expects that some or all of the loss accumulated in other revaluation reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Shares held under share award schemes

Own equity instruments which are reacquired and held by the Company or the Group are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out, weighted average and specific identification methods. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and bank balances in the consolidated statement of financial position comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term bank deposits with an original maturity of three months or less and carried at cost, which is a reasonable estimate of their fair value. Cash equivalents are placed with financial institutions with high-credit ratings and quality, which are subject to an insignificant risk of changes in value and are not restricted as to use.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Restricted cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Group expects those funds will be released or utilised in accordance with the terms of the respective agreements within the next 12 months, while the non-current portion of restricted cash represents those funds that will not be released or utilised within next 12 months.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the circumstances where no reliable estimate can be made.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition

Revenue from contracts with customers

The Group's revenues from contracts with customers consist of casino wagers, sales of rooms, food and beverage, entertainment, retail and other goods and services.

(a) Casino revenues

Gross casino revenues are measured by the aggregate net difference between gaming wins and losses. The Group accounts for its casino wagering transactions on a portfolio basis versus an individual basis as all wagers have similar characteristics. Commissions rebated to customers and gaming promoters, cash discounts and other cash incentives earned by customers are recorded as a reduction of gross casino revenues. In addition to the wagers, casino transactions typically include performance obligations related to complimentary goods or services provided to incentivise future gaming or in exchange for incentives or points earned under the Group's non-discretionary incentive programs (including loyalty programs).

For casino transactions that include complimentary goods or services provided by the Group to incentivise future gaming, the Group allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided. Complimentary goods or services that are provided under the Group's control and discretion and supplied by third parties are recorded as other operating expenses, gains and losses, net.

The Group operates different non-discretionary incentive programs in certain of its properties which include loyalty programs (the "Loyalty Programs") to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under the Loyalty Programs, the Group defers a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Group-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue when the wagers are settled.

(b) Entertainment and resort facilities revenue

The Group follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of two of its externally managed hotels and concluded that it is the controlling entity and is the principal to these arrangements. For the operations of these two externally managed hotels, as the Group is the owner of the hotel properties, the hotel managers operate the respective hotels under management agreements providing management services to the Group, and the Group receives all rewards and takes substantial risks associated with the hotel businesses. The Group is the principal and the transactions are, therefore, recognised on a gross basis. When accounting for the operation of the Nüwa Sri Lanka, the subsidiary operates as a hotel manager under a management agreement which is not considered as the controlling entity, but an agent and the transactions are, therefore, recognised on a net basis.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Entertainment and resort facilities revenue (continued)

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 Group are excluded from revenues. Advance deposits on rooms and convention space and advance ticket sales are performance obligations that are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Group are allocated to each good or service based on its relative standalone selling price.

(c) Fee business/management, licensing and related fee

For the hotel property that the Group acts as the hotel manager but not the controlling entity, the Group has performance obligations to provide hotel management services to the owner of the hotel property, and is entitled to receive quarterly base management fees which are a percentage of the revenues of the hotel, and quarterly incentive management fees which are based on a measure of hotel profitability. These fees are variable consideration, as the transaction price is based on percentages of revenue or profit, as defined in the agreements. Base management fees are recognised over the term of the agreement as the hotel revenues occur and incentive management fees are recognised over the term of the agreement based on hotel's financial results, provided that there is no expectation of a subsequent significant reversal due to projected future hotel performance. Both base management and incentive management fees are included in entertainment, retail and other revenues. The Group is also entitled to be reimbursed quarterly for costs incurred by the Group in providing certain administrative and support services to the hotel operation, with no added mark-up. These reimbursements are included in entertainment, retail and other revenues and recognised over the period the cost incur.

Licensing fees income earned by the Group in granting a third party use of certain Group owned trademarks in the branding of an integrated resort, which represent a percentage of certain revenues of the integrated resort, are included in entertainment, retail and other revenues and recognised over the term of the agreement as services are provided.

Revenue from other sources

Rental income for operating leases and finance income for finance leases are included in entertainment, retail and other revenues and are recognised in accordance with HKFRS 16. See Leases for the accounting policy.

Contract and contract-related liabilities

A contract and contract-related liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract and contract-related liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract and contract-related liabilities are recognised as revenue when the Group performs under the contract.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Share-based payments

Equity-settled share options/share awards granted to employees

The Group operates share option and share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the Black-Scholes valuation model or with reference to the market closing prices of the shares, further details of which are given in Note 34.

The cost of equity-settled transactions is recognised in employee benefits expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the awarded shares granted under the Share Purchase Scheme (as defined in Note 34) are vested, the amount previously recognised in share award reserve will be transferred to shares held under share award schemes. The difference between the amount previously recognised in share award reserve and the corresponding cost of acquiring the vested awarded shares held under share award schemes will be transferred to retained profits/accumulated losses.

When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits/accumulated losses.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share-based payments (continued)

Equity-settled share options/share awards granted to employees (continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options and awarded shares is reflected as additional share dilution in the computation of earnings per share.

Equity-settled share options/share awards granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair values of the services received, unless that fair value cannot be reliably measured, in which case they are measured by reference at the fair value of the equity instrument granted measured at the date the counterparty renders the service. The fair values of the services received are recognised as expenses, with a corresponding increase in equity, when the counterparties render services, unless the services qualify for recognition as assets.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at the grant date and at each reporting date up to and including the settlement date. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The cumulative expense recognised for cash-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of awards that will ultimately vest.

Other employee benefits

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Foreign currencies

These consolidated financial statements are presented in HK\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than HK\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into HK\$ at the exchange rates prevailing at the end of the reporting period and their profits or losses are translated into HK\$ at the average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Useful lives of trademarks

Certain trademarks of the Group were acquired through the deemed acquisition of Melco Resorts on 9 May 2016 which have legal lives of 7 to 10 years and are renewable for the same consecutive period upon expiry at minimal cost. Except for the trademarks of Mocha Clubs as described below, the Group is of the opinion that the Group will renew the trademarks continuously and has the ability to do so. Such trademarks are considered by the Group to have indefinite useful lives because they are expected to contribute to net cash inflows and will not be amortised until their useful lives are determined to be finite. Instead they will be tested for impairment annually and/or whenever there is an indication that they may be impaired. Effective from 9 June 2025, the estimated useful lives of the trademarks of Mocha Clubs were changed from indefinite useful lives to finite useful lives and such carrying amount is amortised on a straight-line basis over the remaining period of the Concession (Note 18(ii)).

Lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise or not to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment assessment of non-current non-financial assets (other than goodwill)

The Group performs an impairment test on all non-current non-financial assets, where an indication of impairment exists or when annual impairment testing for an asset is required. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its value-in-use and its fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management estimates the expected future cash flows including revenue growth rates from the asset or the CGU and chooses a suitable pre-tax discount rate in order to calculate the present value of those cash flows. During the year ended 31 December 2025, the Group recognised a net reversal of impairment of non-current non-financial assets of HK\$238,497,000 (2024: impairment of HK\$949,652,000) (Notes 17 and 18).

Impairment assessment of goodwill

Determining whether goodwill is impaired requires estimations of the recoverable amounts of the group of CGUs to which goodwill has been allocated, which are the higher of the value-in-use and fair value less costs of disposal. The value-in-use calculation requires the Group to estimate the future cash flows including revenue growth rates expected to arise from the group of CGUs and a suitable pre-tax discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or changes in facts and circumstances result in a downward revision of future cash flows, a material impairment/further impairment may arise. As at 31 December 2025, the carrying amount of goodwill was HK\$5,299,451,000 (2024: HK\$5,299,451,000). Details of the impairment and recoverable amount calculation are disclosed in Note 20.

Allowance for ECLs on trade receivables

The Group applies the HKFRS 9 *Financial Instruments* simplified approach in calculating ECLs for its trade receivables. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure ECLs. The provision rates are based on aging for groupings of various customer segments with similar loss patterns and adjusted for factors specific to the debtors, general economic conditions forecasts and forward-looking information that is available without undue cost or effort. Should there be any change in such estimates, it could have a material effect to the carrying amount of trade receivables.

The information about the ECLs on the Group's trade receivables is disclosed in Note 24.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Assessment of economic useful lives

Property and equipment and intangible assets (other than goodwill and indefinite-lived intangible assets) are depreciated or amortised over their estimated useful lives. The assessment of estimated useful lives is based on the nature of the assets, the experience of the Group, taking into account factors such as the expectation of the success in obtaining a new concession upon expiry of the Concession, technological progress, changes in market demand, expected usage and physical wear and tear and legal considerations, such as contractual life. Useful lives are periodically reviewed for continued appropriateness. Due to the long lives of the assets, changes to the estimates used can result in variations in their carrying values. Effective from 9 June 2025, the estimated useful lives of the trademarks of Mocha Clubs were changed from indefinite useful lives to finite useful lives (Note 18(ii)).

The carrying amounts of property and equipment and intangible assets (other than goodwill and indefinite-lived intangible assets) as at 31 December 2025 were HK\$41,305,369,000 (2024: HK\$41,978,077,000) and HK\$2,243,982,000 (2024: HK\$2,210,269,000), respectively.

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two operating and reportable segments as follows:

- (a) the "Casino and Hospitality" segment, which comprises the operation of casinos and the provision of hospitality services and facilities through Melco Resorts; and
- (b) the "Other" segment comprises investments in a joint venture and associates and other.

Management monitors the results of the Group's operating and reportable segments separately for the purpose of making decisions about resource allocations and performance assessments. Segment performance is evaluated based on Adjusted EBITDA, which is a non-HKFRS Accounting Standards financial measure and the segment results of the Group, is the profit/loss for the year before interest, income tax, depreciation and amortisation, share-based compensation expenses, pre-opening costs, development costs, property charges and other, payments to the Philippine Parties (as defined in Note 38), integrated resort and casino rent*, corporate expenses, share of profit/loss of a joint venture, share of loss of an associate and other non-operating income and expenses. This is the measure reported to the chief operating decision-maker for the purposes of resource allocations and performance assessments. Not all companies calculate Adjusted EBITDA in the same manner. As a result, Adjusted EBITDA as presented by the Group may not be directly comparable to other similarly titled measures presented by other companies.

Segment assets exclude other corporate unallocated assets which are managed on a group basis.

Segment liabilities exclude those borrowings, dividends payable, deferred tax liabilities and other corporate unallocated liabilities which are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made and services provided to third parties at the prevailing market prices.

* Integrated resort and casino rent represents variable lease costs to Belle Corporation ("Belle") (Note 38) for City of Dreams Manila.

4. SEGMENT INFORMATION (continued)

Segment net revenues and results

For the year ended 31 December 2025

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
Segment net revenues			
Sales to external customers (Note 5)	40,240,892	-	40,240,892
Intersegment sales	13,760	-	13,760
	40,254,652	-	40,254,652
Elimination of intersegment sales	(13,760)	-	(13,760)
Total segment net revenues	40,240,892	-	40,240,892
Segment expenses			
Gaming tax and license fees ⁽¹⁾	(15,588,447)	-	
Employee benefits expenses ⁽²⁾	(7,260,004)	-	
Other operating expenses, gains and losses, net ⁽³⁾	(6,767,618)	(4,854)	
Adjusted EBITDA	10,624,823	(4,854)	10,619,969
Other operating costs and expenses			
Depreciation and amortisation			(4,423,536)
Share-based compensation expenses			(346,029)
Pre-opening costs			(361,280)
Development costs			(58,817)
Property charges and other			414,952
Payments to the Philippine Parties			(289,918)
Corporate expenses			(47,988)
Operating income			5,507,353
Non-operating income/(expenses)			
Interest income			69,431
Interest expense, net of amounts capitalised			(4,035,028)
Gain on modification and extinguishment of debts, net			18,596
Other financing costs			(54,831)
Foreign exchange gains, net			50,334
Other income, net			21,326
Share of profit of a joint venture			70
Total non-operating expenses, net			(3,930,102)
Profit before income tax			1,577,251
Income tax expense			(39,777)
PROFIT FOR THE YEAR			1,537,474

4. SEGMENT INFORMATION (continued)

Segment net revenues and results (continued)

For the year ended 31 December 2024

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
Segment net revenues			
Sales to external customers (Note 5)	36,172,972	-	36,172,972
Intersegment sales	13,291	-	13,291
	36,186,263	-	36,186,263
Elimination of intersegment sales	(13,291)	-	(13,291)
Total segment net revenues	36,172,972	-	36,172,972
Segment expenses			
Gaming tax and license fees ⁽¹⁾	(14,174,858)	-	
Employee benefits expenses ⁽²⁾	(6,536,422)	-	
Other operating expenses, gains and losses, net ⁽³⁾	(6,417,485)	(13,471)	
Adjusted EBITDA	9,044,207	(13,471)	9,030,736
Other operating costs and expenses			
Depreciation and amortisation			(4,478,398)
Share-based compensation expenses			(318,191)
Pre-opening costs			(138,154)
Development costs			(42,188)
Property charges and other			(1,027,199)
Payments to the Philippine Parties			(327,045)
Integrated resort and casino rent			(9,228)
Corporate expenses			(43,377)
Operating income			2,646,956
Non-operating income/(expenses)			
Interest income			138,753
Interest expense, net of amounts capitalised			(4,215,963)
Loss on extinguishment of debts			(7,818)
Other financing costs			(61,181)
Foreign exchange losses, net			(92,567)
Other expenses, net			(42,063)
Share of loss of a joint venture			(162)
Share of loss of an associate			(1,131)
Total non-operating expenses, net			(4,282,132)
Loss before income tax			(1,635,176)
Income tax expense			(48,561)
LOSS FOR THE YEAR			(1,683,737)

4. SEGMENT INFORMATION (continued)

Segment net revenues and results (continued)

Notes:

- (1) Gaming tax and license fees of HK\$7,618,000 (2024: HK\$10,595,000) are included in pre-opening costs during the year ended 31 December 2025.
- (2) Employee benefits expenses of HK\$21,251,000 (2024: HK\$21,932,000) are included in the corporate expenses and HK\$490,818,000 (2024: HK\$413,599,000) are included in pre-opening costs, property charges and other, share-based compensation expenses and development costs during the year ended 31 December 2025.
- (3) Other operating expenses, gains and losses, net of HK\$26,737,000 (2024: HK\$21,445,000) are included in corporate expenses and HK\$142,656,000 (2024: HK\$1,437,811,000) are included in pre-opening costs, development costs, property charges and other, payments to the Philippine Parties and integrated resort and casino rent during the year ended 31 December 2025.

As at 31 December 2025

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	82,340,928	55,659	82,396,587
Corporate and other unallocated assets			302,199
Total assets			82,698,786
Segment liabilities	68,279,050	-	68,279,050
Corporate and other unallocated liabilities			4,708,026
Total liabilities			72,987,076

As at 31 December 2024

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
Segment assets	84,478,079	151,801	84,629,880
Corporate and other unallocated assets			119,623
Total assets			84,749,503
Segment liabilities	71,359,354	2,217	71,361,571
Corporate and other unallocated liabilities			5,181,411
Total liabilities			76,542,982

4. SEGMENT INFORMATION (continued)

Other segment information

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
For the year ended 31 December 2025			
Capital expenditures	2,713,493	-	2,713,493
Reversal of impairment of non-current non-financial assets, net	238,497	-	238,497
Share of profit of a joint venture	-	70	70

As at 31 December 2025			
Investment in a joint venture	-	55,659	55,659

	Casino and Hospitality HK\$'000	Other HK\$'000	Total HK\$'000
For the year ended 31 December 2024			
Capital expenditures	2,042,744	-	2,042,744
Impairment of non-current non-financial assets, net	949,652	-	949,652
Impairment of investment in a joint venture	-	104,171	104,171
Impairment of investments in associates	-	17,341	17,341
Share of loss of a joint venture	-	162	162
Share of loss of an associate	-	1,131	1,131

As at 31 December 2024			
Investment in a joint venture	-	53,046	53,046

Geographical information

The Group's operations are mainly located in Macau, the Philippines and Cyprus. Information about the Group's net revenues is presented based on the locations of the operations of the relevant group entities. Information about the Group's non-current segment assets is presented based on the locations of the assets and for investments in a joint venture and associates, by location of their head offices.

4. SEGMENT INFORMATION (continued)

Geographical information (continued)

Net revenues from external customers

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Casino and Hospitality		
Macau	34,597,406	30,651,258
The Philippines	3,205,494	3,683,988
Cyprus	2,340,574	1,837,726
Other	97,418	-
Total	40,240,892	36,172,972

Non-current segment assets

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Macau	64,687,708	65,675,996
Cyprus	4,447,081	4,720,298
The Philippines	839,904	869,969
Other	1,419,112	1,117,971
Total	71,393,805	72,384,234

Net revenues from major products and services

The Group's net revenues from major products and services are disclosed in Note 5.

Information about major customers

During the years ended 31 December 2025 and 2024, no individual customer contributed over 10% of the total net revenues of the Group.

5. NET REVENUES

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Casino revenues	33,115,068	29,432,330
Entertainment and resort facilities revenues:		
Rooms	3,461,879	3,296,635
Food and beverage	2,266,643	2,230,663
Entertainment, retail and other	1,397,302	1,213,344
Sales to external customers (Note 4)	40,240,892	36,172,972

For the year ended 31 December 2025, entertainment, retail and other included rental income for operating leases and finance income for the finance lease of HK\$402,101,000 (2024: HK\$449,281,000) and HK\$544,000 (2024: nil), respectively.

For the year ended 31 December 2025, the revenue from contracts with customers was HK\$39,838,247,000 (2024: HK\$35,723,691,000).

Contract and contract-related liabilities

In providing goods and services to its customers, there may be a timing difference between cash receipts from customers and recognition of revenue, resulting in a contract or contract-related liability.

The Group primarily has three types of liabilities related to contracts with customers: (1) outstanding gaming chips, which represent the amounts owed in exchange for gaming chips held by customers and gaming promoters; (2) loyalty program liabilities, which represent the deferred allocation of revenues relating to incentives earned from the Loyalty Programs; and (3) advance deposits and ticket sales, which represent casino front money deposits that are funds deposited by customers and gaming promoters before gaming play occurs and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms and convention space. These liabilities are generally expected to be recognised as revenues within one year of being purchased, earned or deposited and are recorded as other payables, accruals and deposits received in the consolidated statement of financial position. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers and gaming promoters, increases in unredeemed incentives relating to the Loyalty Programs and additional deposits made by customers and gaming promoters.

Details of contract and contract-related liabilities are as follows:

	Outstanding gaming chips		Loyalty program liabilities		Advance deposits and ticket sales	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance as at 1 January	647,581	648,473	303,614	281,225	1,966,787	1,960,406
Balance as at 31 December	660,260	647,581	246,911	303,614	2,088,107	1,966,787
Increase/(decrease)	12,679	(892)	(56,703)	22,389	121,320	6,381

6. GAMING TAX AND LICENSE FEES

The Group is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees included the franchise tax under the Regular License (as defined in Note 18) in the Philippines. Further details on the commitments under the gaming concession and licenses are disclosed in Note 40.

7. EMPLOYEE BENEFITS EXPENSES

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Wages, salaries and staff welfare	5,591,927	5,084,961
Discretionary bonus	982,882	759,302
Share-based compensation	346,029	318,191
Defined contribution plans and social security funds	323,937	279,960
Other	527,298	529,539
Total employee benefits expenses (including directors' emoluments)	7,772,073	6,971,953

8. DEPRECIATION AND AMORTISATION

	Notes	For the year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Depreciation of property and equipment	17	3,818,491	3,870,559
Depreciation of right-of-use assets	31	327,469	351,665
Less: capitalised in construction in progress	31	(7,079)	(5,092)
Amortisation of intangible assets	18	284,655	261,266
		4,423,536	4,478,398

9. OTHER OPERATING EXPENSES, GAINS AND LOSSES, NET

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Advertising and promotions	1,671,925	1,704,277
Repairs and maintenance	991,654	863,069
Costs of inventories	868,454	830,355
Other gaming operations expenses	836,867	843,533
Utilities and fuel	655,022	670,779
Payments to the Philippine Parties	289,918	327,045
Operating supplies	273,711	249,302
Legal and professional fees	268,149	198,098
Transportation expenses	170,230	135,141
Insurance	161,626	169,088
Other taxes and licenses	110,953	128,744
Allowances for credit losses, net	100,365	30,476
Rental and other expenses	67,279	69,593
Auditor's remuneration		
- Audit services to the Company	1,540	1,334
- Audit services to subsidiaries	20,073	20,116
Loss on disposal of property and equipment	18,376	12,640
Loss on disposal of assets classified as held for sale (Note)	1,329	-
(Gain)/loss on lease modifications	(2,460)	469
(Reversal of impairment)/impairment of non-current non-financial assets, net (Notes 17 and 18)	(238,497)	949,652
Other	675,351	686,501
	6,941,865	7,890,212

Note:

On 4 July 2025, the Group entered into a sale and purchase agreement to sell its entire 86.68% equity interest in Aberdeen Restaurant Enterprises Limited, a subsidiary of the Company, to an independent third party (the "Transaction"). The assets and liabilities of the subsidiary were classified as held for sale and the Group recorded a loss on disposal of assets classified as held for sale of HK\$1,329,000 upon completion of the Transaction on 30 September 2025.

10. INTEREST EXPENSE, NET OF AMOUNTS CAPITALISED

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Interest on:		
Interest-bearing borrowings	3,403,251	3,634,700
Lease liabilities	269,389	244,244
Intangible assets liabilities	203,315	205,682
Shareholder loans (Note 41(c))	7,160	-
Amortisation of deferred financing costs	177,450	153,588
	4,060,565	4,238,214
Less: interest capitalised (Note)	(41,500)	(22,251)
	4,019,065	4,215,963
Fair value loss reclassified from equity to profit or loss on interest rate swaps designated as cash flow hedges for variable-rate borrowings	15,963	-
	4,035,028	4,215,963

Note:

Borrowing costs capitalised during the year ended 31 December 2025 were calculated by applying a capitalisation rate of 5.61% (2024: 5.93%) to expenditures on qualifying assets.

11. OTHER INCOME/(EXPENSES), NET

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Fair value loss on derivative financial instruments, net (Note 29)	(22,581)	-
Impairment of investment in a joint venture (Note 21)	-	(104,171)
Impairment of investments in associates (Note 22)	-	(17,341)
Other	43,907	79,449
	21,326	(42,063)

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eight directors for the year ended 31 December 2025 (2024: six) were as follows:

For the year ended 31 December 2025

	Mr. Ho, Lawrence Yau Lung	Mr. Evan Andrew Winkler	Mr. Chung Yuk Man, Clarence	Mr. Geoffrey Stuart Davis	Mr. Tsui Che Yin, Frank	Ms. Karuna Evelyne Shinsho	Mr. Ko Chun Fung, Henry	Mr. John William Crawford	Total
	HK\$'000 (Note a)	HK\$'000 (Note a)	HK\$'000 (Note a)	HK\$'000 (Notes a&c)	HK\$'000 (Note b)	HK\$'000 (Note b)	HK\$'000 (Notes b&c)	HK\$'000 (Note d)	HK\$'000
Fees	-	-	2,339	-	380	380	217	801	4,117
Other emoluments:									
Salaries and other benefits	18,834	15,593	4,488	7,772	-	-	-	-	46,687
Discretionary bonus (Note e)	42,952	17,897	7,845	8,911	-	-	-	-	77,605
Pension costs - defined contribution plans	36	1,559	18	722	-	-	-	-	2,335
Share-based compensation	152,355	17,070	8,250	9,258	399	393	149	2,200	190,074
Total emoluments	214,177	52,119	22,940	26,663	779	773	366	3,001	320,818

For the year ended 31 December 2024

	Mr. Ho, Lawrence Yau Lung	Mr. Evan Andrew Winkler	Mr. Chung Yuk Man, Clarence	Mr. Tsui Che Yin, Frank	Ms. Karuna Evelyne Shinsho	Mr. John William Crawford	Total
	HK\$'000 (Note a)	HK\$'000 (Note a)	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000 (Note b)	HK\$'000 (Note d)	HK\$'000
Fees	-	-	2,338	380	380	2,133	5,231
Other emoluments:							
Salaries and other benefits	18,834	15,613	4,488	-	-	-	38,935
Discretionary bonus (Note e)	37,283	15,535	5,930	-	-	-	58,748
Pension costs - defined contribution plans	36	2,343	18	-	-	-	2,397
Share-based compensation	157,398	7,952	8,854	450	434	1,654	176,742
Total emoluments	213,551	41,443	21,628	830	814	3,787	282,053

Notes:

- The individuals represent the Executive Directors of the Company and directors of certain subsidiaries of the Company. The Executive Directors' emoluments shown above were for their services in connection with management of the affairs and as director of the Company and the Group.
- The individuals represent the Independent Non-executive Directors of the Company. The Independent Non-executive Directors' emoluments shown above were for their services as directors of the Company.
- Mr. Geoffrey Stuart Davis and Mr. Ko Chun Fung, Henry were appointed as an Executive Director and Independent Non-executive Director of the Company, respectively, with effect from 6 June 2025.
- Mr. John William Crawford, a former Independent Non-executive Director of the Company, passed away on 13 May 2025. The Independent Non-executive Directors' emoluments shown above were for his services as directors of the Company and certain subsidiaries of the Company.
- The discretionary bonus was determined based on the Group's financial performance for the years ended 31 December 2025 and 2024.

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes: (continued)

Mr. Ho, Lawrence Yau Lung ("Mr. Ho") is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

Except for one director who waived emoluments of approximately HK\$1,200,000 (2024: HK\$1,200,000), no other directors waived any emoluments for the years ended 31 December 2025 and 2024.

During both years ended 31 December 2025 and 2024, all directors were granted share-based awards in respect of their services to the Group under the long-term incentive schemes set out in Note 34.

No emoluments were paid to any Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2025 (2024: nil).

13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included four (2024: three) directors, details of whose remuneration are set out in Note 12 above. Details of the remuneration for the year of the remaining one (2024: two) highest paid employee and one senior management prior to appoint as a director of the Company during the year, who are neither a director nor the Chief Executive of the Company are as follows:

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Basic salaries, housing allowances, other allowances and benefits in kind	14,072	16,591
Discretionary bonus	14,299	13,692
Pension costs - defined contribution plans	1,024	1,035
Share-based compensation	10,944	15,996
	40,339	47,314

The number of the highest paid employees (excluding directors and the Chief Executive) whose remuneration fell within the following bands are as follows:

	Number of employees For the year ended 31 December	
	2025	2024
HK\$16,000,001 to HK\$16,500,000	1	-
HK\$19,500,001 to HK\$20,000,000	-	1
HK\$24,000,001 to HK\$24,500,000	1	-
HK\$27,500,001 to HK\$28,000,000	-	1
	2	2

During both years, all highest paid employees (excluding directors and the Chief Executive) were granted share-based awards, in respect of their services to the Group under the long-term incentive schemes set out in Note 34.

No emoluments were paid to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 December 2025 (2024: nil).

14. INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Macau Complementary Tax has been provided at the rate of 12% (2024: 12%) on the estimated taxable income earned in or derived from Macau during the year, if applicable. Pursuant to a Dispatch of the Chief Executive of Macau dated 29 January 2024, MRM, a subsidiary of the Company and a holder of the Concession, 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 1 January 2023. Studio City Entertainment Limited ("SCE"), a subsidiary of the Company, applied for an extension of the Macau Complementary Tax exemption on profits generated from income from MRM for 2022 under the previous gaming subconcession and for the period of 10 years from 2023 to 2032 under the Concession to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. These applications are subject to the discretionary approval of the Macau government. The application for the Macau Complementary Tax exemption for 2023 to 2032 was confirmed to be rejected in September 2024. The dividend distributions of SCE from income tax exempted profits to its shareholders continue to be subject to the Macau Complementary Tax.

In February 2024, MRM entered into an agreement with the Macau government in relation to payments in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of MRM on dividend distributions from gaming profits for the period from 1 January 2023 to 31 December 2025 under the Concession. Such payments are required regardless of whether dividends are actually distributed or whether MRM has distributable profits in the relevant year. During the year ended 31 December 2025, an estimated amount of HK\$61,165,000 (2024: HK\$54,709,000) was provided for such arrangement. In October 2025, MRM submitted an application for an extension to the agreement for an annual payment for the period from 2026 through 2027, and such application is currently under review by the Macau government.

In the Philippines, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") took effect on 11 April 2021. CREATE reduced the corporate income tax rate in the Philippines from 30% to 25% starting 1 July 2020. The gaming operations of MRL, the operator of City of Dreams Manila, are exempt from Philippine Corporate Income Tax, among other taxes, pursuant to the Philippine Amusement and Gaming Corporation ("PAGCOR") charter as a result of its payment of the 5% franchise tax based on gross gaming revenue in the Philippines, in lieu of all other taxes.

The Cyprus Corporate Income Tax rate is 12.5% (2024: 12.5%). On 31 December 2025, the Cyprus government enacted a change in the Cyprus Corporate Income Tax rate from 12.5% to 15%, effective from 1 January 2026. No provision for Cyprus Corporate Income Tax was made for the years ended 31 December 2025 and 2024 as the subsidiaries operating in Cyprus either had no taxable profits or utilised tax losses against the taxable profits.

14. INCOME TAX EXPENSE (continued)

The subsidiaries incorporated in Sri Lanka are subject to Sri Lanka corporate income tax of 40%, which is increased to 45% with effect from 1 April 2025 on profits from betting and gaming activities while profits of other businesses are subject to tax of 30% on profit earned in or derived from Sri Lanka and abroad.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries (or jurisdictions) in which the Group operates.

Certain jurisdictions in which the Group operates have enacted Global Anti-Base Erosion Model Rules ("Pillar Two") that became effective on 1 January 2024. The Group is in scope of the enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes, which is based on the most recent tax filings, country-by-country reporting and financial information for the constituent entities of the Group. Based on management's best estimate, the Group does not have exposure to Pillar Two top-up taxes for the years ended 31 December 2025 and 2024.

The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the Pillar Two rules and accounts for it as a current tax expense when incurred.

An analysis of the income tax expense for the year is as follows:

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Current tax:		
Macau Complementary Tax	59,847	60,563
Payments in lieu of Macau Complementary Tax on dividends	61,165	54,709
Philippine withholding tax on dividends	46,299	42,971
Hong Kong Profits Tax	1,497	1,514
Philippine Corporate Income Tax	221	-
Income tax in other jurisdictions	279	245
Sub-total	169,308	160,002
(Over)/under provision in prior years:		
Macau Complementary Tax	(49,666)	361
Payments in lieu of Macau Complementary Tax on dividends	(53)	(112)
Hong Kong Profits Tax	(80,929)	(8,059)
Philippine Corporate Income Tax	3	3,737
Income tax in other jurisdictions	(112)	(1,766)
Sub-total	(130,757)	(5,839)
Deferred tax (Note 32)	1,226	(105,602)
Total	39,777	48,561

14. INCOME TAX EXPENSE (continued)

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

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Profit/(loss) before income tax	1,577,251	(1,635,176)
Tax at the Macau Complementary Tax rate of 12% (2024: 12%)	189,270	(196,221)
Effect of different tax rates of the Company and subsidiaries operating in other jurisdictions	(113,362)	(147,261)
Effect of tax exemption granted by the government	(851,400)	(722,438)
Effect of income not taxable for income tax purposes	(399,161)	(241,821)
Effect of expenses not deductible for income tax purpose	763,962	828,246
Effect of tax losses and temporary differences not recognised	633,504	500,749
Utilisation of tax losses previously not recognised	(23,250)	(21,563)
Payments in lieu of Macau Complementary tax on dividends	61,165	54,709
Overprovision in prior years	(130,757)	(5,839)
Change in income tax rate	(90,194)	-
Income tax expense for the year	39,777	48,561

15. DIVIDENDS

The board of directors of the Company (the "Board") does not recommend the payment of any dividends for the years ended 31 December 2025 and 2024.

16. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

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

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Profit/(loss) for the year		
Profit/(loss) attributable to owners of the Company for the purpose of basic earnings/(loss) per share	1,058,309	(784,603)
Effect of dilutive potential ordinary shares:		
Adjustment in relation to restricted shares issued by a subsidiary of the Company	(8,179)	-
Profit/(loss) attributable to owners of the Company for the purpose of diluted earnings/(loss) per share	1,050,130	(784,603)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	2,134,930	1,957,620
Effect of dilutive potential ordinary shares:		
Adjustment in relation to awarded shares issued by the Company	32,953	-
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	2,167,883	1,957,620
Earnings/(loss) per share attributable to owners of the Company		
Basic	HK\$0.50	HK\$(0.40)
Diluted	HK\$0.48	HK\$(0.40)

16. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

The weighted average number of shares for the purpose of basic and diluted earnings/(loss) per share attributable to owners of the Company for the year ended 31 December 2025 has been adjusted and for the year ended 31 December 2024 has been restated to reflect the bonus element of the Rights Issue (as defined in Note 33) on 17 June 2025, and have been derived by excluding the shares of the Company held under trust arrangements for the Company's share award schemes.

Diluted earnings/(loss) per share attributable to owners of the Company is calculated by adjusting the weighted average number of ordinary shares outstanding and assumed conversion of all dilutive potential ordinary shares, and the profit/(loss) as adjusted to reflect the dilution effect of the share options and restricted shares issued by a subsidiary of the Company. For the year ended 31 December 2025, adjustments were made as certain restricted shares issued by a subsidiary of the Company and awarded shares issued by the Company would have dilutive effect on the earnings per share. For the year ended 31 December 2024, no adjustment was made to the basic loss per share amount presented in respect of a dilution as the impact of the share options and restricted shares issued by a subsidiary of the Company and the share options and awarded shares issued by the Company had an anti-dilutive effect on the basic loss per share attributable to owners of the Company amount presented.

17. PROPERTY AND EQUIPMENT

	Freehold land HK\$'000	Land improvements HK\$'000	Buildings and improvements HK\$'000	Gaming equipment HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Transportation HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost:									
As at 1 January 2024	456,729	-	55,105,328	1,703,591	7,138,110	7,036,673	1,305,548	11,756	72,757,735
Additions	-	-	75,983	297,467	805,579	623,930	33,372	56,054	1,892,385
Reclassifications	-	17,145	44,520	74	(950)	934	-	(61,723)	-
Disposals and write-off	-	-	(10,653)	(79,661)	(25,421)	(167,100)	(8,049)	(988)	(291,872)
Exchange adjustments	(30,078)	(987)	(216,808)	(47,752)	(135,367)	(107,469)	(1,646)	500	(539,607)
As at 31 December 2024	426,651	16,158	54,998,370	1,873,719	7,781,951	7,386,968	1,329,225	5,599	73,818,641
Additions	-	489	9,171	500,717	1,165,197	900,038	28,377	34,552	2,638,541
Reclassifications	-	-	19,497	(13,440)	(39,433)	54,391	-	(21,015)	-
Derecognition upon commencement of finance lease	-	-	-	-	-	(13,869)	-	-	(13,869)
Disposals and write-off	-	-	(15,512)	(100,815)	(93,566)	(199,310)	(8,952)	(2,880)	(421,035)
Exchange adjustments	56,890	2,164	412,012	12,188	(38,962)	75,506	1,286	671	521,755
As at 31 December 2025	483,541	18,811	55,423,538	2,272,369	8,775,187	8,203,724	1,349,936	16,927	76,544,033
Accumulated depreciation and impairment:									
As at 1 January 2024	-	-	14,827,637	1,361,013	5,884,173	4,894,901	800,962	-	27,768,686
Provided for the year	-	1,350	2,417,023	136,767	593,560	621,208	100,651	-	3,870,559
Impairment, net	-	-	629,563	-	41,419	30,176	-	-	701,158
Disposals and write-off	-	-	(6,116)	(76,915)	(23,313)	(161,874)	(8,049)	-	(276,267)
Exchange adjustments	-	(49)	(13,321)	(35,799)	(102,762)	(70,495)	(1,146)	-	(223,572)
As at 31 December 2024	-	1,301	17,854,786	1,385,066	6,393,077	5,313,916	892,418	-	31,840,564
Provided for the year (Reversal of impairment)/ impairment, net	-	3,666	2,372,569	207,858	436,151	691,609	106,638	-	3,818,491
Disposals and write-off	-	-	(9,188)	(99,923)	(91,137)	(191,852)	(8,952)	-	(401,052)
Exchange adjustments	-	302	40,482	7,531	(18,823)	34,939	872	-	65,303
As at 31 December 2025	-	5,269	20,116,272	1,514,294	6,735,369	5,876,484	990,976	-	35,238,664
Net carrying values:									
As at 31 December 2025	483,541	13,542	35,307,266	758,075	2,039,818	2,327,240	358,960	16,927	41,305,369
As at 31 December 2024	426,651	14,857	37,143,584	488,653	1,388,874	2,073,052	436,807	5,599	41,978,077

17. PROPERTY AND EQUIPMENT (continued)

The net carrying amount of property and equipment pledged to secure against the Group's interest-bearing borrowings as at 31 December 2025 was HK\$35,327,722,000 (2024: HK\$36,043,664,000) (Note 30).

Studio City Impairment Assessment

During the year ended 31 December 2024, due to the longer than expected ramp up of operations following the opening of Studio City Phase 2 starting in April 2023, the Group recognised an impairment of non-current non-financial assets of HK\$931,251,000 for Studio City, as a CGU (the "Studio City CGU") under the Casino and Hospitality segment (the "Studio City Impairment"). The Studio City Impairment included impairment of property and equipment, intangible assets (including trademark) and right-of-use assets of HK\$676,845,000, HK\$171,847,000 (Note 18(i)(a) and (ii)) and HK\$82,559,000 (Note 31), respectively, which was determined based on the estimated recoverable amount of HK\$27,951,839,000 as at 31 December 2024 using the value-in-use calculation by discounting the forecasted cash flows of the Studio City CGU at 10.0% on a pre-tax basis and reflected specific risks relating to the Studio City CGU. After impairment, the carrying amounts of property and equipment, intangible assets (including trademark), right-of-use assets and other net liabilities included in the Studio City CGU were HK\$21,500,725,000, HK\$5,458,937,000, HK\$2,622,580,000 and HK\$1,630,403,000 as at 31 December 2024, respectively.

During the year ended 31 December 2025, as a result of the operating performance improvement of the Studio City CGU and the Studio City Phase 2 ramp up acceleration based on improved market condition, the Group recognised a reversal of impairment of non current non-financial assets of HK\$888,978,000 for the Studio City CGU, which included reversal of impairment of property and equipment, intangible assets (including trademark) and right-of-use assets of HK\$639,320,000, HK\$169,778,000 (Note 18(i)(a) and (ii)) and HK\$79,880,000 (Note 31), respectively, which were determined based on the estimated recoverable amount of HK\$28,979,437,000 as at 31 December 2025 using the value-in-use calculation by discounting the forecasted cash flows of the Studio City CGU at 10.0% on a pre-tax basis and reflected specific risks relating to the Studio City CGU. After the reversal of impairment, the carrying amounts of property and equipment, intangible assets (including trademark), right-of-use assets and other net liabilities included in the Studio City CGU were HK\$21,002,417,000, HK\$5,566,119,000, HK\$2,616,719,000 and HK\$1,987,853,000 as at 31 December 2025, respectively.

Cyprus Impairment Assessment

During the year ended 31 December 2025, the performance of the Cyprus Operations was negatively impacted by the on-going regional military conflicts and restrictions on the ability to accept certain customers from Russia, which led to the longer than expected ramp up of operations following the opening of City of Dreams Mediterranean, the Group recognised an impairment of non-current non-financial assets of HK\$591,663,000 for the Cyprus Operations, as a CGU (the "Cyprus CGU") under the Casino and Hospitality segment (the "Cyprus Impairment"). The Cyprus Impairment included impairment of property and equipment and intangible assets of HK\$522,974,000 and HK\$68,689,000 (Note 18(i)(b)), respectively, which was determined based on the estimated recoverable amounts of HK\$3,526,428,000 as at 31 December 2025 using the value-in-use calculation by discounting the forecasted cash flows of the Cyprus CGU at 11.6% on a pre-tax basis and reflected specific risks relating to the Cyprus CGU.

17. PROPERTY AND EQUIPMENT (continued)

Altira Impairment Assessment

During the years ended 31 December 2025 and 2024, the performance of Altira Macau, as a CGU (the "Altira CGU") had not improved, the Group recognised a further impairment of non-current non-financial assets of HK\$26,976,000 and HK\$18,401,000, respectively, for the Altira CGU under the Casino and Hospitality segment (the "Altira Impairment"). During the year ended 31 December 2025, the Altira Impairment of HK\$26,976,000 (2024: HK\$18,401,000), included (i) the impairment of certain property and equipment of HK\$31,704,000 (2024: HK\$24,313,000), which was determined based on the estimated recoverable amount of HK\$76,737,000 (2024: HK\$43,781,000) of the individual assets at the end of the reporting period. The estimated recoverable amount was estimated by their fair values less costs of disposal using the cost approach with certain key assumptions including asset useful lives of 18 months to 7 years (2024: 2 years to 7 years), and were considered as level 3 inputs under the fair value hierarchy; and (ii) the net reversal of impairment of intangible assets of HK\$4,728,000 (2024: HK\$5,912,000) (Note 18(i)(a)).

All impairments and reversals of impairment of non-current non-financial assets are included in other operating expenses, gains and losses, net in the consolidated statement of profit or loss and other comprehensive income.

In accordance with the Macau gaming law, the Reversion Assets (as defined in Note 18) that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Effective as at 1 January 2023, the Reversion Assets were transferred by the Macau government to MRM for the duration of the Concession, in return for annual payments for the right to use and operate the Reversion Assets as part of the Concession. As the Group continues to be operated in and with the Reversion Assets in the same manner as under the previous gaming subconcession, to operate a gaming business in Macau which expired on 31 December 2022, and obtains substantially all of the economic benefits and bears all of the risks arising from the operation of these assets, and assuming it will be successful in obtaining a new concession upon expiry of the Concession, the Group continues to recognise these Reversion Assets as property and equipment over their remaining estimated useful lives.

18. INTANGIBLE ASSETS

	Notes	As at 31 December	
		2025	2024
		HK\$'000	HK\$'000
Concession and licenses	(i)	1,765,659	1,944,732
Trademarks	(ii)	16,942,932	16,837,166
Other intangible assets	(iii)	265,836	271,117
		18,974,427	19,053,015

(i) Concession and licenses

	Concession	Cyprus License	Sri Lanka License	Regular License	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note a)	(Note b)	(Note c)	(Note d)	
Cost:					
As at 1 January 2024	1,877,704	588,280	-	21,709	2,487,693
Additions	6,884	-	129,880	-	136,764
Exchange adjustments	-	(38,743)	2,790	-	(35,953)
As at 31 December 2024	1,884,588	549,537	132,670	21,709	2,588,504
Additions	235	-	-	-	235
Exchange adjustments	-	73,275	(7,180)	-	66,095
As at 31 December 2025	1,884,823	622,812	125,490	21,709	2,654,834
Accumulated amortisation and impairment:					
As at 1 January 2024	425,521	12,462	-	9,631	447,614
Charge for the year	162,174	23,890	-	1,261	187,325
Impairment, net	10,643	-	-	-	10,643
Exchange adjustments	-	(1,810)	-	-	(1,810)
As at 31 December 2024	598,338	34,542	-	10,892	643,772
Charge for the year	161,309	25,033	2,845	1,260	190,447
(Reversal of impairment)/ impairment, net	(19,214)	68,689	-	-	49,475
Exchange adjustments	-	5,525	(44)	-	5,481
As at 31 December 2025	740,433	133,789	2,801	12,152	889,175
Net carrying values:					
As at 31 December 2025	1,144,390	489,023	122,689	9,557	1,765,659
As at 31 December 2024	1,286,250	514,995	132,670	10,817	1,944,732

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(a) Concession

On 16 December 2022, the Macau government awarded the Concession to MRM. The term of the Concession commenced on 1 January 2023 and ends on 31 December 2032 and MRM is authorised to operate the City of Dreams Casino, the Altira Casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. On 10 February 2026, MRM entered into an amendment agreement to the concession agreement to reflect the permanent cessation of operations of the Grand Dragon Casino and three Mocha Clubs effective from 1 January 2026. Under the Concession, MRM is obligated to pay the Macau government a fixed annual premium of MOP30,000,000 (equivalent to approximately HK\$29,126,000) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by MRM. The variable annual premium is MOP300,000 (equivalent to approximately HK\$291,000) for each gaming table reserved exclusively to certain kinds of games or players, MOP150,000 (equivalent to approximately HK\$146,000) for each gaming table not so exclusively reserved and MOP1,000 (equivalent to approximately HK\$971) for each electronic gaming machine.

On 30 December 2022, in accordance with the obligations under the letters of undertakings dated 23 June 2022, MRM and certain subsidiaries of Melco Resorts, which hold the land lease rights for the properties on which the City of Dreams Casino, the Altira Casino and the Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the City of Dreams Casino, 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 at 1 January 2023, the Reversion Assets were transferred by the Macau government to MRM for use in its operations during the Concession for a fee of MOP750 (equivalent to approximately HK\$730) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2,500 (equivalent to approximately HK\$2,400) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the "Fee").

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(a) Concession (continued)

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

During the year ended 31 December 2025, the Group recognised a net reversal of impairment of Concession of HK\$19,214,000 (2024: net impairment of HK\$10,643,000), which included (i) the reversal of impairment for the Studio City CGU of HK\$14,486,000 (2024: impairment of HK\$16,555,000); (ii) impairment of HK\$508,000 (2024: HK\$1,529,000) regarding the Altira Impairment as disclosed in Note 17; and (iii) reversal of impairment of HK\$5,236,000 (2024: HK\$7,441,000) as a result of certain gaming tables and electronic gaming machines were transferred from the Altira CGU to other CGUs during the year. Particulars regarding impairment testing are disclosed in Note 17.

(b) Cyprus License

On 26 June 2017, the Cyprus government granted a gaming license (the "Cyprus License") to a subsidiary of Melco Resorts in Cyprus (the "Cyprus Subsidiary") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of City of Dreams Mediterranean, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of City of Dreams Mediterranean, the temporary casino) and any operating satellite casinos (the "Cyprus License Fee"). The annual license fee for the integrated casino resort is EUR2,500,000 (equivalent to approximately HK\$22,887,000) for the first four years, and EUR5,000,000 (equivalent to approximately HK\$45,774,000) for the next four years. Upon the completion of the first eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000,000 (equivalent to approximately HK\$45,774,000) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period. Pursuant to the letter from the Cyprus government dated 26 August 2025, the annual gaming license fee for the integrated casino resort remains EUR5,000,000 (equivalent to approximately HK\$45,774,000) per year until the twelfth year following the date of grant of the Cyprus License.

18. INTANGIBLE ASSETS (continued)

(i) Concession and licenses (continued)

(b) Cyprus License (continued)

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

During the year ended 31 December 2025, the Group recognised an impairment of the Cyprus License of HK\$68,689,000 (2024: nil), regarding the Cyprus Impairment disclosed in Note 17.

(c) Sri Lanka License

On 27 March 2024, the Sri Lanka government granted the Sri Lanka License to a subsidiary of Melco Resorts in Sri Lanka (the "Sri Lanka Subsidiary"), for a term of 20 years effective from 1 April 2024, to operate the Sri Lanka Casino in City of Dreams Sri Lanka developed by a subsidiary of John Keells which had an initial opening on 1 August 2025. Upon signing of a lease agreement between the Sri Lanka Subsidiary and a subsidiary of John Keells (the "Sri Lanka Lease Agreement") on 10 July 2024 which ends upon the expiry of the Sri Lanka License for the purpose of operating the Sri Lanka Casino, the Group recognised an intangible asset of Sri Lankan Rupees ("LKR") 5,000,000,000 (equivalent to approximately HK\$129,880,000), representing the casino license fee for the Sri Lanka License, and is amortised on a straight-line basis over the period from the commencement date of the operation of the Sri Lanka Casino on 1 August 2025, to the date of the expiry of the Sri Lanka License.

(d) Regular License

Regular License is a casino gaming license issued by PAGCOR in the Philippines on 29 April 2015 and expires on 11 July 2033 to operate City of Dreams Manila in the Philippines. Further details of the terms and commitments under the Regular License are included in Notes 38 and 40, respectively.

18. INTANGIBLE ASSETS (continued)

(ii) Trademarks

	2025	2024
	HK\$'000	HK\$'000
Cost:		
As at 1 January and 31 December	16,992,458	16,992,458
Accumulated amortisation and impairment:		
As at 1 January	155,292	-
Amortisation	17,684	-
(Reversal of impairment)/impairment, net	(123,450)	155,292
As at 31 December	49,526	155,292
Net carrying values:		
As at 31 December	16,942,932	16,837,166

Certain trademarks of the Group recognised through the deemed acquisition of Melco Resorts in 2016 which have legal lives of 7 to 10 years and are renewable for the same consecutive period upon expiry at minimal cost. These trademarks are considered by the Group to have indefinite useful lives, except for the trademarks of Mocha Clubs, a CGU under the Casino and Hospitality segment (the "Mocha Clubs CGU"). Effective from 9 June 2025, the date which Melco Resorts announced the development of Mocha Clubs as disclosed in Note 1, the estimated useful lives of Mocha Clubs trademarks were changed from indefinite useful lives to finite useful lives. Accordingly, the carrying amount is amortised 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 the profit for the year ended 31 December 2025.

During the year ended 31 December 2025, the Group recognised a net reversal of impairment of trademarks of HK\$123,450,000 (2024: impairment of HK\$155,292,000), which included (i) the reversal of impairment for the Studio City CGU of HK\$155,292,000 (2024: impairment of HK\$155,292,000); and (ii) the impairment for the Mocha Clubs CGU of HK\$31,842,000 (2024: nil), as a result of three Mocha Clubs ceased operations between the period from September to December 2025 and the remaining three Mocha Clubs to operate until the expiry of the Concession as disclosed in Note 1, based on the estimated recoverable amount of HK\$256,690,000 of the Mocha Clubs CGU as at 31 December 2025 using the value-in-use calculation.

18. INTANGIBLE ASSETS (continued)

(iii) Other intangible assets

	Club membership HK\$'000	Internal-use software HK\$'000	Proprietary rights HK\$'000	Total HK\$'000
Cost:				
As at 1 January 2024	5,580	566,788	93,133	665,501
Additions	-	20,562	-	20,562
Disposal	-	(69,492)	-	(69,492)
Exchange adjustments	-	(800)	-	(800)
As at 31 December 2024	5,580	517,058	93,133	615,771
Additions	-	40,461	34,256	74,717
Disposal	(3,580)	-	-	(3,580)
Exchange adjustments	-	271	-	271
As at 31 December 2025	2,000	557,790	127,389	687,179
Accumulated amortisation:				
As at 1 January 2024	-	311,500	29,388	340,888
Charge for the year	-	64,628	9,313	73,941
Disposal	-	(69,492)	-	(69,492)
Exchange adjustments	-	(683)	-	(683)
As at 31 December 2024	-	305,953	38,701	344,654
Charge for the year	-	67,151	9,373	76,524
Exchange adjustments	-	165	-	165
As at 31 December 2025	-	373,269	48,074	421,343
Net carrying values:				
As at 31 December 2025	2,000	184,521	79,315	265,836
As at 31 December 2024	5,580	211,105	54,432	271,117

The club membership has indefinite useful life because the membership has no expiry date and the internal-use software which has finite useful lives of 3 to 15 years is amortised on a straight-line basis. The proprietary rights are related to an entertainment show in City of Dreams acquired by the Group in 2020 for a cash consideration of US\$12,000,000 (equivalent to approximately HK\$93,133,000) with an estimated useful life of 10 years (the "2020 Proprietary Rights"). During the year ended 31 December 2025, the Group acquired additional trademark in relation to the proprietary rights of the entertainment show for a cash consideration of US\$4,400,000 (equivalent to approximately HK\$34,256,000) and is amortised on a straight-line basis over 10 years after the commencement of show in May 2025. The estimated useful life of the 2020 Proprietary Rights was adjusted during the year ended 31 December 2025 to be amortised on a straight-line basis over 10 years after the commencement of show in May 2025. This change in estimate had no material impact to profit for the year ended 31 December 2025.

18. INTANGIBLE ASSETS (continued)

All impairments and reversals of impairment for intangible assets are included in other operating expenses, gains and losses, net in the consolidated statement of profit or loss and other comprehensive income. Particulars regarding impairment testing are disclosed in Notes 17 and 20.

19. GOODWILL

	2025	2024
	HK\$'000	HK\$'000
As at 1 January and 31 December	5,299,451	5,299,451

The goodwill arose from the deemed acquisition of Melco Resorts in 2016 which was allocated to a group of CGUs under Melco Resorts. Melco Resorts belongs to the "Casino and Hospitality" segment.

Particulars regarding impairment testing on goodwill are disclosed in Note 20.

20. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS

(a) Goodwill

For the purpose of impairment testing on goodwill, the recoverable amount of the group of CGUs under Melco Resorts has been determined based on value-in-use calculations. The value-in-use calculations used cash flow projections based on financial budgets approved by management covering a five-year period. The rate used to discount the forecast cash flows from the group of CGUs under Melco Resorts was 9.8% (2024: 10.2%). The discount rate used was pre-tax and reflected specific risks relating to the group of CGUs under Melco Resorts. The cash flow projections beyond the five-year period for the group of CGUs under Melco Resorts were extrapolated with growth rates ranging from 2.0% to 3.0% (2024: 2.5% to 3.0%). The result of the goodwill impairment test indicated that the excess of the recoverable amount of the group of CGUs under Melco Resorts over its corresponding carrying amount was not less than 50% (2024: 35%).

(b) Trademarks

For the purpose of impairment testing, trademarks as set out in Note 18(ii) were allocated to four individual CGUs operating in the "Casino and Hospitality" segment. The carrying amounts of trademarks as at 31 December 2025 and 2024 allocated to these CGUs are as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
City of Dreams	11,184,643	11,184,643
Studio City	5,088,329	4,933,037
City of Dreams Manila	455,473	455,473
Mocha Clubs	214,487	264,013
	16,942,932	16,837,166

20. IMPAIRMENT TESTING ON GOODWILL AND TRADEMARKS (continued)

(b) Trademarks (continued)

The basis of the recoverable amounts of the above CGUs and their key underlying assumptions are summarised below:

The recoverable amounts of each of the CGUs above were determined on the basis of value-in-use calculations. Their recoverable amounts were based on certain similar key assumptions. All value-in-use calculations used cash flow projections based on financial budgets approved by management covering a five-year period. Cash flow projections beyond the five-year period were extrapolated with a growth rate of 2.0% to 3.0% (2024: 3.0%). The rates used to discount the forecasted cash flows from City of Dreams, Studio City, City of Dreams Manila and Mocha Clubs are 9.5%, 10.0%, 10.6% and 13.2% (2024: 9.9%, 10.0%, 11.4% and 10.5%), respectively. The discount rates used were pre-tax and reflected specific risks relating to the CGUs.

During the year ended 31 December 2024, the Group recognised an impairment of trademark for the Studio City CGU of HK\$155,292,000. Such impairment was reversed during the year ended 31 December 2025. In addition, the Group recognised an impairment of trademarks for the Mocha Clubs CGU of HK\$31,842,000 during the year ended 31 December 2025 (2024: nil).

In 2024, other than the Studio City CGU, the results of impairment tests indicated that the excess of the recoverable amounts over the carrying amounts, for each of the CGUs as above, was not less than 100% as at 31 December 2024. In 2025, other than the Mocha Clubs CGU, the results of impairment tests indicated that the excess of the recoverable amounts over the carrying amounts was not less than 5% for the Studio City CGU and was not less than 100% for each of the other CGUs as above as at 31 December 2025.

Cash flow projections during the budget period for CGUs or group of CGUs are based on management's estimation of cash inflows/outflows including gross revenue, gross margin, operating expenses, capital expenditure and working capital requirements during the budget period. The assumptions and estimations are based on the CGU's past performance, management's expectations of the market development and the success of the cost cutting strategy implemented by the Group.

Other than impairment of trademarks for the Studio City CGU in 2024 and the Mocha Clubs CGU in 2025 as disclosed above, during the years ended 31 December 2025 and 2024, management determined that there was no impairment of its CGUs or group of CGUs containing goodwill and trademarks. Management believes that any reasonably possible change in any of these assumptions would not cause the recoverable amounts of the CGUs or group of CGUs to fall below the carrying amounts of the CGUs or group of CGUs.

21. INVESTMENT IN A JOINT VENTURE

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cost of investment in a joint venture	180,150	180,150
Share of loss	(3,055)	(3,125)
Share of changes in exchange reserve	(17,265)	(19,808)
Impairment recognised	(104,171)	(104,171)
	55,659	53,046

Particulars of the Group's joint venture as at 31 December 2025 and 2024 are as follows:

Name	Particulars of registered capital	Place of registration and business	Percentage of		
			Ownership interest (Note)	Voting power	Principal activity
Zhongshan Melco Yachuang Real Estate Development Co., Ltd.* 中山新濠雅創房地產開發有限公司 ("JV Company")	Renminbi 1,000,000,000	Mainland China	51%	50%	Property development

* for identification purposes only

Note:

Notwithstanding that the above joint venture is held as to 51% by the Group, under the Joint Venture Cooperation Agreement as defined below, the Group is solely entitled to all profits or losses arising from its ownership and operation of a theme park to be developed therein.

A notice dated 13 July 2022 from the Group was served to the joint venture partner to terminate a cooperation agreement and its supplemental agreements (collectively, the "Joint Venture Cooperation Agreement") because certain provisions in the Joint Venture Cooperation Agreement were not met by the joint venture partner (the "JV Termination"). On 30 June 2023, the Group entered into a framework agreement, as further supplemented on 29 November 2023, with the joint venture partner for the separation plan regarding the JV Termination. In September 2024, the Group commenced arbitration at the China International Economic and Trade Arbitration Commission against the joint venture partner, the JV Company and Agile Group Holdings Limited (collectively referred to as the "Agile and JV Parties"), in order to seek compensation from the Agile and JV Parties. The arbitration was concluded on 25 September 2025 and the Agile and JV Parties are jointly liable to pay for a total of approximately HK\$147,494,000 to the Group (the "Arbitral Award").

The Agile and JV Parties failed to satisfy the Arbitral Award. On 8 December 2025, the Group has filed a winding-up petition against Agile Group Holdings Limited to the High Court of Hong Kong on the basis of the unsatisfied Arbitral Award. The hearing is adjourned to 29 June 2026. In addition, the Group has applied for enforcement of the Arbitral Award against the Agile and JV Parties before the Zhongshan Intermediate People's Court in December 2025.

21. INVESTMENT IN A JOINT VENTURE (continued)

During the year ended 31 December 2024, an impairment of HK\$104,171,000 for the cost of investment was recognised in light of the liquidity pressure faced by the joint venture partner. Management considered that the realisation of income resulting from the arbitration is not certain and the winding-up petition is ongoing, thus, the Group did not reverse any impairment made in 2024 or recognise any contingent gain during the year ended 31 December 2025.

Information of the joint venture that is not material to the Group

	2025 HK\$'000	2024 HK\$'000
The Group's share of profit/(loss) for the year	70	(162)
The Group's share of other comprehensive income/(loss) for the year	2,543	(4,481)
The Group's share of total comprehensive income/(loss) for the year	2,613	(4,643)

22. INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Cost of investments in associates		
Unlisted in the U.S.	52,517	52,517
Share of losses	(15,418)	(15,418)
Net changes in investments in associates	(317)	(317)
Share of changes in exchange reserve	196	196
Impairment recognised (Notes a and b)	(36,978)	(36,978)
	-	-

Particulars of the associates at the end of the reporting period are as follows:

Name	Place of incorporation/ operation	Proportion of ownership interest and voting rights held by the Group		Principal activities
		As at 31 December 2025	2024	
CleanRobotics Technologies, Inc ("CleanRobotics") (Note a)	The U.S.	28.85%	28.85%	Waste management
Metalmark Innovations, PBC ("Metalmark") (Note b)	The U.S.	15.63%	15.49%	Air purification solutions

22. INVESTMENTS IN ASSOCIATES (continued)

Notes:

- (a) On 17 August 2021, the Group acquired preferred stocks issued by CleanRobotics, a private company, for an aggregate consideration of US\$4,000,000 (equivalent to approximately HK\$31,084,000). The preferred stocks shall vote together with the common stocks of CleanRobotics on an as-converted basis and the Group is entitled to appoint one director to the board of CleanRobotics in accordance with the terms of the agreements. CleanRobotics became an associate of the Group on 17 August 2021. During the year ended 31 December 2023, full impairment of US\$2,510,000 (equivalent to approximately HK\$19,637,000) (including goodwill on acquisition of US\$2,337,000 (equivalent to approximately HK\$18,251,000) included in the cost of investment) was recognised due to continuous loss-making and liquidity position of CleanRobotics. In March 2024, a representative of the Group resigned as director of the board of CleanRobotics.
- (b) On 17 February 2022, the Group acquired shares of preferred stock issued by Metalmark, a private company, for an aggregate consideration of approximately US\$2,750,000 (equivalent to approximately HK\$21,433,000). The shares of preferred stock shall vote together with the shares of common stock of Metalmark on an as-converted basis and the Group is entitled to appoint one director to the board of Metalmark in accordance with the terms of the agreements. Metalmark became an associate of the Group on 17 February 2022. During the year ended 31 December 2024, full impairment of US\$2,231,000 (equivalent to approximately HK\$17,341,000) (including goodwill on acquisition of US\$1,308,000 (equivalent to approximately HK\$10,165,000) included in the cost of investment) was recognised due to continuous loss-making and liquidity position of Metalmark.

Aggregate information of the associates that are not individually material

	2025	2024
	HK\$'000	HK\$'000
The Group's share of loss for the year	-	(1,131)
The Group's share of other comprehensive loss for the year	-	(84)
The Group's share of total comprehensive loss for the year	-	(1,215)
Aggregate carrying amount of the Group's investments in associates	-	-
Unrecognised share of losses of the associates for the year	(927)	(368)
Cumulative unrecognised share of losses of the associates	(1,295)	(368)

23. INVENTORIES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Finished goods	192,332	157,120
Food and beverages	94,941	94,820
	287,273	251,940

24. TRADE RECEIVABLES

In relation to the gaming operations from the Casino and Hospitality segment, the Group issues credit pursuant to gaming credit facilities entered into with casino customers following a review of their creditworthiness, typically with a credit period of 14 to 28 days. An extended repayment term of up to 90 days may be offered to casino customers with large gaming losses and established credit history. Credit is/can be given to gaming promoters in the Philippines and Cyprus. When credit is granted, the Group typically issues markers to gaming promoters with a credit period of 30 days. Credit lines granted to all approved casino customers and gaming promoters are subject to monthly review and settlement procedures.

The Group currently has a legally enforceable right to offset the commissions payable and front money deposits against the casino receivables which it intends to settle on a net basis. As at 31 December 2025, the gross amounts of casino receivables are HK\$2,253,358,000 (2024: HK\$2,363,944,000) and the aggregate amounts of the commissions payable and front money deposits are HK\$398,351,000 (2024: HK\$297,050,000).

The Group's trade receivables related to the rooms, food and beverage, entertainment and retail from the Casino and Hospitality segment are largely operated on cash on delivery or due immediately on the date of billing, except for those well-established customers to whom credit terms of 30 to 60 days may be granted.

As at 1 January 2024, trade receivables from contracts with customers amounted to HK\$715,857,000.

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current	340,034	339,455
Past due:		
Within 1 month	164,274	508,621
More than 1 month but within 3 months	323,175	111,873
More than 3 months but within 6 months	44,839	28,847
More than 6 months	1,036,743	1,112,464
	1,909,065	2,101,260
Allowances for credit losses	(925,483)	(981,677)
	983,582	1,119,583

Movement in the allowances for credit losses

	2025	2024
	HK\$'000	HK\$'000
As at 1 January	981,677	1,153,041
Allowances for credit losses, net	96,856	19,825
Write-off	(153,050)	(191,189)
As at 31 December	925,483	981,677

24. TRADE RECEIVABLES (continued)

For the year ended 31 December 2025, allowances for credit losses, net, of HK\$96,856,000 (2024: HK\$19,825,000) was recognised in profit or loss and included in the Casino and Hospitality segment.

As at 31 December 2025, the Group has provided allowances for credit losses of HK\$838,177,000 (2024: HK\$930,522,000) on certain trade receivables which are considered as credit-impaired with corresponding gross carrying amount of HK\$1,004,122,000 (2024: HK\$1,127,017,000).

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	ECL rate	Gross carrying amount HK\$'000	ECLs HK\$'000
Current	2.8%	340,034	9,377
Past due:			
Within 1 month	4.8%	164,274	7,893
More than 1 month but within 3 months	12.5%	323,175	40,343
More than 3 months but within 6 months	26.1%	44,839	11,707
More than 6 months	82.6%	1,036,743	856,163
	48.5%	1,909,065	925,483

As at 31 December 2024

	ECL rate	Gross carrying amount HK\$'000	ECLs HK\$'000
Current	3.3%	339,455	11,191
Past due:			
Within 1 month	7.5%	508,621	38,146
More than 1 month but within 3 months	13.4%	111,873	15,009
More than 3 months but within 6 months	31.9%	28,847	9,208
More than 6 months	81.6%	1,112,464	908,123
	46.7%	2,101,260	981,677

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current assets		
Prepayments and other assets	373,562	554,180
Other receivables	184,158	204,610
Deposits	65,003	53,167
Cross-currency swap assets (Note 29)	23,245	-
Finance lease receivables (Note 31)	1,738	-
Interest rate swap assets (Note 29)	34	-
	647,740	811,957
Non-current assets		
Prepayments and other assets	791,983	803,341
Deposits for acquisition of property and equipment	84,371	143,909
Rental, utilities and other deposits	71,117	86,405
Other receivables	69,677	1,711
Finance lease receivables (Note 31)	11,739	-
	1,028,887	1,035,366

Note:

During the year ended 31 December 2025, impairment of other receivables of HK\$3,509,000 (2024: HK\$5,532,000) and other assets of nil (2024: HK\$5,119,000) were recognised in profit or loss and included in the Casino and Hospitality segment.

26. RESTRICTED CASH

Restricted cash mainly consists of cash deposited in (i) collateral bank accounts for bank guarantees (as disclosed below); and (ii) collateral bank accounts associated with borrowings under credit facilities.

On 9 December 2022, as required under the Concession, MRM provided a bank guarantee in favour of the Macau government of MOP1,000,000,000 (equivalent to approximately HK\$970,874,000) to secure the fulfilment of performance of certain of its legal and contractual obligations, including labour obligations. As stipulated in the bank guarantee contract, MOP1,000,000,000, or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As at 31 December 2025 and 2024, HK\$970,874,000 (equivalent to MOP1,000,000,000) held in the cash collateral bank account was included in the non-current portion of restricted cash in the consolidated statement of financial position.

27. CASH AND BANK BALANCES

Cash and bank balances comprise cash held by the Group and short-term bank deposits, with original maturities of three months or less, carrying prevailing deposit interest rate.

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cash	7,124,357	7,648,496
Cash equivalents	994,727	1,380,657
	8,119,084	9,029,153

28. TRADE PAYABLES

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Within 1 month	150,700	135,596
More than 1 month but within 3 months	42,358	39,399
More than 3 months but within 6 months	3,494	4,981
More than 6 months	5,061	12,509
	201,613	192,485

The trade payables are non-interest-bearing and are normally settled on credit terms of 15 to 45 days.

29. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

		As at 31 December	
		2025	2024
	Note	HK\$'000	HK\$'000
Current liabilities			
Advance deposits and ticket sales	5	2,088,107	1,966,787
Accrued operating expenses and other liabilities		1,322,900	1,349,259
Gaming tax and license fee payables		1,263,882	1,327,666
Accrued employee benefits expenses		1,069,844	959,106
Interest expense payables		902,861	925,273
Outstanding gaming chips	5	660,260	647,581
Property and equipment payables		497,908	520,368
Intangible assets liabilities		379,453	247,566
Loyalty program liabilities	5	246,911	303,614
Interest rate swap liabilities (Note)		3,988	-
Dividends payable		2,533	2,943
		8,438,647	8,250,163
Non-current liabilities			
Intangible assets liabilities		1,982,782	2,100,516
Other liabilities		244,803	217,987
Accrued employee benefits expenses		90,882	75,666
Deposits received		64,191	64,120
Cross-currency swap liabilities (Note)		45,824	-
Interest rate swap liabilities (Note)		1,839	-
		2,430,321	2,458,289

Note:

In June 2025, the Group entered into four floating-for-fixed interest rate swap arrangements to manage interest rate risk on its loans drawn under the MN1 2020 Revolving Facilities (as defined in Note 30(d)). 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, the Group pays fixed interest rates and receives variable interest based on the notional amounts. As at 31 December 2025, the aggregate notional amount of the outstanding interest rate swaps amounted to HK\$5,880,000,000.

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 to the profit or loss from changes in the fair value of the hedging instruments. Instead, the fair values of the hedging instruments are recorded as assets or liabilities on the consolidated statement of financial position, with an offsetting adjustment to accumulated other comprehensive income until the hedged interest expenses are recognised in profit or loss.

29. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED (continued)

Note: (continued)

For the year ended 31 December 2025, fair value loss on interest rate swaps recognised in other comprehensive income was HK\$21,756,000 (2024: nil) with HK\$15,963,000 (2024: nil) reclassified to profit or loss (refer to Note 10 for details). As at 31 December 2025, the net fair values of interest rate swaps were recorded as liabilities, of which HK\$34,000 were included in prepayments, deposits and other receivables and HK\$5,827,000 were included in current and non-current portions of other payables, accruals and deposits received. The cash flow impact of the interest rate swaps is included in financing activities in the accompanying consolidated statement of cash flows.

In September 2025, a subsidiary of the Company entered into two cross-currency swap arrangements to manage the foreign currency exchange rate risk associated with the interest and principal payments under the outstanding 2033 MRF Senior Notes (as defined in Note 30(b)) which are denominated in US\$. The cross-currency swap exchange predetermined amounts of HK\$ for US\$ at contractual spot rates based on the aggregate notional amount of US\$500,000,000 (equivalent to approximately HK\$3,890,597,000). The fair values of the cross-currency swaps are recorded as assets or liabilities in the accompanying consolidated statement of financial position, with the changes in fair value recognised as other income, net, as cross-currency swaps are not designated as hedges. As at 31 December 2025, the net fair values of cross-currency swaps were recorded as liabilities, of which HK\$23,245,000 were included in prepayments, deposits and other receivables and HK\$45,824,000 were included in non-current portion of other payables, accruals and deposits received. Fair value loss on cross-currency swaps, net of HK\$22,581,000 for the year ended 31 December 2025 was reported as an adjustment of cashflow from operating activities in accompanying consolidated statement of cash flows.

30. INTEREST-BEARING BORROWINGS

		As at 31 December	
	Notes	2025	2024
		HK\$'000	HK\$'000
Senior notes:			
Secured	a	2,711,001	2,695,005
Unsecured	b	42,272,848	51,655,302
		44,983,849	54,350,307
Non-current portion		(44,983,849)	(44,866,958)
Current portion		-	9,483,349
Bank loans:			
Secured	c	5,253,940	5,108,391
Unsecured	d	6,899,000	1,229,000
		12,152,940	6,337,391
Non-current portion		(12,151,940)	(6,337,391)
Current portion		1,000	-
Total:			
Non-current portion		57,135,789	51,204,349
Current portion		1,000	9,483,349
		57,136,789	60,687,698
Analysed into borrowings repayable:			
Senior notes:			
Within one year or on demand		-	9,484,054
In the second year		7,392,133	3,881,747
In the third to fifth years, inclusive		28,012,295	35,323,893
After five years		9,726,492	5,822,620
		45,130,920	54,512,314
Less: deferred financing costs and original issue premiums, net		(147,071)	(162,007)
		44,983,849	54,350,307
Bank loans:			
Within one year or on demand		1,000	-
In the second year		7,292,666	5,114,036
In the third to fifth years, inclusive		4,887,156	1,230,000
		12,180,822	6,344,036
Less: deferred financing costs and adjustments on modification of debts, net		(27,882)	(6,645)
		12,152,940	6,337,391

30. INTEREST-BEARING BORROWINGS (continued)

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Fixed-rate borrowings	44,983,849	54,350,307
Variable-rate borrowings	12,152,940	6,337,391
	57,136,789	60,687,698

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

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
US\$	49,613,789	59,456,698
HK\$	7,523,000	1,231,000
	57,136,789	60,687,698

During the year ended 31 December 2025, the Group obtained new interest-bearing borrowings of HK\$13,159,668,000 (2024: HK\$6,651,509,000) and repaid interest-bearing borrowings of HK\$16,921,936,000 (2024: HK\$9,144,543,000).

Notes:

(a) Secured senior notes

On 16 February 2022, the Group issued an aggregate principal amount of US\$350,000,000 (equivalent to approximately HK\$2,733,499,000) 7.00% secured senior notes due 2027 at an issue price of 100% of the principal amount (the "2027 SCC Senior Secured Notes"). Certain subsidiaries of the Company and other future restricted subsidiaries as defined in the 2027 SCC Senior Secured Notes are guarantors to guarantee the indebtedness under the 2027 SCC Senior Secured Notes.

The indenture governing the secured notes contains certain covenants, subject to certain exceptions and conditions, that limit the ability of the issuer, one of the subsidiary as parent guarantor and restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The indenture governing the secured notes also contains conditions and provides for customary events of default for such financings as well as early redemption options available to the issuer during certain time periods and redemption options available to the secured notes holders in certain events. There are provisions under the indenture that limit or prohibit certain payments of dividends and other distributions by certain restricted subsidiaries of the Company, subject to certain exceptions and conditions.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(b) Unsecured senior notes

As at 31 December 2025, the unsecured notes bear interest rates ranging from 5.000% to 7.625% (2024: 4.875% to 7.625%) per annum and are repayable at maturities from 2027 to 2033 (2024: from 2025 to 2032). The unsecured notes are denominated in US\$. Certain unsecured notes are guaranteed by certain subsidiaries of the Company.

On 8 April 2024, the Group initiated a cash tender offer (the "2025 SCF Senior Notes Tender Offer (2024)") which expired on 6 May 2024, subject to the terms and conditions, to purchase for up to an aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$782,601,000) of the outstanding US\$500,000,000 (equivalent to approximately HK\$3,901,861,000) in an aggregate principal amount of 6.000% unsecured senior notes due 2025 (the "2025 SCF Senior Notes") and was subsequently amended to increase to US\$100,029,000 (equivalent to approximately HK\$782,828,000) (the maximum tender amount). The Group purchased an aggregate principal amount of US\$100,029,000 (equivalent to approximately HK\$782,828,000) of the 2025 SCF Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2025 SCF Senior Notes Tender Offer (2024), as amended, and settled the transaction on 24 April 2024. Other than the 2025 SCF Senior Notes Tender Offer (2024), the Group repurchased an aggregate principal amount of US\$75,349,000 (equivalent to approximately HK\$586,715,000) of the 2025 SCF Senior Notes during the year ended 31 December 2024. In connection with the 2025 SCF Senior Notes Tender Offer (2024) and the repurchases of the 2025 SCF Senior Notes, the Group recorded loss on extinguishment of debt of HK\$7,818,000 during the year ended 31 December 2024. The 2025 SCF Senior Notes Tender Offer (2024) and repurchases of the 2025 SCF Senior Notes during the year ended 31 December 2024 included certain amounts purchased from a related party as disclosed in Note 41(d). On 15 July 2025, the Group fully redeemed the outstanding principal amount of US\$221,622,000 (equivalent to approximately HK\$1,739,699,000) of the 2025 SCF Senior Notes at maturity with funds drawn from the SCC 2021 Revolving Facilities and the SCC 2024 Revolving Facilities (as defined at Note (c) below) and cash on hand.

On 17 April 2024, the Group issued an aggregate principal amount of US\$750,000,000 (equivalent to approximately HK\$5,869,509,000) 7.625% unsecured senior notes due 2032 at an issue price of 100% of the principal amount (the "2032 MRF Senior Notes"). The net proceeds from the offering of the 2032 MRF Senior Notes were used to partially repay the principal amount outstanding under the MN1 2020 Revolving Facilities (as defined at Note (d) below).

On 6 June 2025, the Group fully redeemed an aggregate principal amount of US\$1,000,000,000 (equivalent to approximately HK\$7,849,602,000) 4.875% unsecured senior notes (the "2025 MRF Senior Notes") at maturity with drawdowns from the MN1 2020 Revolving Facilities as disclosed in Note (d) below.

On 15 September 2025, the Group initiated a conditional cash tender offer (the "2026 MRF Senior Notes Tender Offer") which expired on 19 September 2025, subject to the terms and conditions, to purchase any or all of its outstanding aggregate principal amount of US\$500,000,000 (equivalent to approximately HK\$3,891,172,000) 5.250% unsecured senior notes which would have been due on 2026 at an issue price of 100% of the principal amount (the "2026 MRF Senior Notes"). The Group purchased an aggregate principal amount of US\$142,060,000 (equivalent to approximately HK\$1,105,560,000) of the 2026 MRF Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2026 MRF Senior Notes Tender Offer, and settled the transaction on 24 September 2025. The remaining 2026 MRF Senior Notes with aggregate principal amount of US\$357,940,000 (equivalent to approximately HK\$2,780,937,000) were redeemed in full on 25 October 2025. In connection with the 2026 MRF Senior Notes Tender Offer and the redemption of the 2026 MRF Senior Notes, the Group recorded a loss on extinguishment of debt of HK\$5,882,000 during the year ended 31 December 2025.

On 24 September 2025, the Group issued an aggregate principal amount of US\$500,000,000 (equivalent to approximately HK\$3,891,172,000) 6.500% unsecured senior notes due 2033 at an issue price of 100% of the principal amount (the "2033 MRF Senior Notes"). The net proceeds from the offering of the 2033 MRF Senior Notes were used to settle the 2026 MRF Senior Notes Tender Offer and to early redeem the remaining 2026 MRF Senior Notes as described above. In September 2025, the Group entered into two cross-currency swap arrangements to manage the foreign currency exchange rate risk associated with the outstanding U.S. dollar denominated 2033 MRF Senior Notes. The Group's outstanding cross-currency swap arrangements as at 31 December 2025 are disclosed in Note 29.

The 2025 SCF Senior Notes and 2025 MRF Senior Notes were due within next 12 months after the year ended 31 December 2024, the net carrying amount of HK\$1,718,594,000 and HK\$7,764,755,000, respectively, were classified as current liabilities as at 31 December 2024.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(b) Unsecured senior notes (continued)

Certain indentures governing the respective unsecured notes contain certain covenants, subject to certain exceptions and conditions, that limit the ability of the issuers and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the ability of the restricted subsidiaries of relevant borrowing groups to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with affiliates; and (viii) effect a consolidation or merger. The respective indentures governing the unsecured notes also contain conditions and provide for customary events of default for such financings as well as early redemption options available to the issuers during certain time periods and redemption options available to the senior notes holders in certain events. There are provisions under certain indentures that limit or prohibit certain payments of dividends and other distributions by certain restricted subsidiaries of the Company, subject to certain exceptions and conditions.

(c) Secured bank loans

As at 31 December 2025 and 2024, the outstanding secured bank loans are denominated in US\$ or HK\$. Borrowings denominated in US\$ bear interest at the term Secured Overnight Financing Rate ("SOFR") plus an applicable credit adjustment spread, if any, ranging from 0.06% to 0.20% per annum and a margin ranging from 1.95% to 2.55% per annum; and borrowings denominated in HK\$ bear interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus an applicable margin ranging from 1.00% to 2.55% per annum. The secured bank loans consisted of term loan facilities and revolving credit facilities. As at 31 December 2025, the term loan facilities are repayable quarterly and/or at maturity within the period from 2026 to 2029 (2024: repayable at maturity from 2026 to 2029) and the revolving credit facilities are repayable on the last day of an agreed upon interest period or rolled over subject to compliance with certain covenants and satisfaction of conditions precedent. The secured bank loans are guaranteed by certain subsidiaries of the Company and one of the secured bank loans is also guaranteed by the Company.

On 6 June 2024, the maturity date and the applicability of the waiver obtained in April 2020 on various undertakings and covenants of a secured credit facility of HK\$2,000,000 was extended from 24 June 2024 to 24 June 2026.

On 29 November 2024, the Group entered into a senior secured revolving credit facility agreement with a syndicate of banks (the "SCC 2024 Revolving Facilities") for HK\$1,945,000,000 with a term of five years and maturity date of 29 November 2029, with an option to increase the commitments in an amount not exceeding US\$100,000,000 (equivalent to approximately HK\$778,198,000), subject to satisfaction of conditions precedent. The SCC 2024 Revolving Facilities are available up to the date that is one month prior to the maturity date. Borrowings under the SCC 2024 Revolving Facilities can be denominated in US\$ which bear interest at term SOFR or HK\$ which bear interest at HIBOR, in both case plus an applicable margin ranging from 1.95% to 2.55% per annum as adjusted in accordance with the leverage ratio. The Group may select an interest period for borrowings under the SCC 2024 Revolving Facilities ranging from one to six months or any other agreed period. On 11 July 2025, the Group drew down HK\$1,104,000,000 from the SCC 2024 Revolving Facilities for full redemption of the 2025 SCF Senior Notes as disclosed at Note (b) above. As at 31 December 2025, the outstanding principal amount of the SCC 2024 Revolving Facilities was HK\$389,000,000 (2024: nil).

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(c) Secured bank loans (continued)

On 29 November 2024, the Group amended and restated a secured credit facility in aggregate amount of HK\$234,000,000 (the "SCC 2021 Credit Facilities"), which consists of a HK\$233,000,000 revolving credit facility (the "SCC 2021 Revolving Facilities") and a HK\$1,000,000 term loan facility. The maturity of the facility is extended from 15 January 2028 to 29 August 2029. Borrowings denominated in US\$, if any, bear interest at term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin of 2.25% per annum; and borrowings denominated in HK\$ bear interest at HIBOR plus an applicable margin of 2.25% per annum, which was amended from HIBOR plus an applicable margin of 4.00% per annum. On 11 July 2025, the Group drew down HK\$233,000,000 from the SCC 2021 Revolving Facilities for full redemption of the 2025 SCF Senior Notes as disclosed at Note (b) above. As at 31 December 2025, the outstanding principal amount of the SCC 2021 Credit Facilities was HK\$234,000,000 (2024: HK\$1,000,000).

During the year ended 31 December 2025, the Group obtained consents from the majority of lenders in an US\$1,000,000,000 (equivalent to approximately HK\$7,781,193,000) 5-year secured credit facility (the "MIDL 2021 Credit Facilities") (i) on 5 February 2025 to waive certain financial covenants from 1 July 2024 to 31 December 2025 (both dates inclusive), subject to certain conditions; and (ii) on 8 April 2025 to amend certain covenants from 8 April 2025 to 30 June 2025 (both dates inclusive), subject to certain conditions (the "April 2025 Amendment"). The Group prepaid US\$10,000,000 (equivalent to approximately HK\$77,587,000) of the outstanding loan principal amount of the revolving credit facility under the MIDL 2021 Credit Facilities on the same date as agreed under the April 2025 Amendment. During the year ended 31 December 2025, the Group also prepaid US\$60,000,000 (equivalent to approximately HK\$470,551,000) of the outstanding loan principal amount of the term loan facility and drew down US\$10,000,000 (equivalent to approximately HK\$78,496,000) of the revolving credit facility under the MIDL 2021 Credit Facilities.

On 31 July 2025, the Group entered into a second amendment and restatement agreement with the facility agent of the MIDL 2021 Credit Facilities (the "MIDL 2021 Credit Facilities Amendments"). Pursuant to the MIDL 2021 Credit Facilities Amendments and with effect from 31 July 2025, the lenders agreed, among other things, to (i) extend the maturity date of the MIDL 2021 Credit Facilities for two years to 5 June 2028; (ii) amend the available facility commitments under the term loan facility and the revolving credit facility to US\$421,600,000 (equivalent to approximately HK\$3,309,496,000) and US\$210,000,000 (equivalent to approximately HK\$1,648,468,000), respectively; (iii) amend the terms of certain financial covenants and waive the requirement of such compliance from 1 July 2024 to 31 December 2025 (both dates inclusive); (iv) resume quarterly repayments of outstanding principal amounts of the term loan from 30 June 2027; and (v) include mandatory prepayment of the term loan related to a portion of the dividends from a subsidiary, with remaining amounts to be deposited into the restricted debt service account (the "Debt Service Account"), in addition to other mandatory prepayment events. As a result of the MIDL 2021 Credit Facilities Amendments, the Group recorded a gain of HK\$24,478,000 on modification of debt during the year ended 31 December 2025. As at 31 December 2025, the outstanding principal amount of the MIDL 2021 Credit Facilities was US\$598,600,000 (equivalent to approximately HK\$4,657,822,000) (2024: US\$658,600,000 (equivalent to approximately HK\$5,113,036,000)).

Certain agreements governing the secured bank loans, as the case may be, contain covenants, subject to certain exceptions and conditions, that limit the ability of respective borrowing groups to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the ability of the restricted subsidiaries of relevant borrowing groups to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The agreements governing the secured bank loans also contain conditions and events of default customary for such financings, and mandatory prepayment requirements in respect of various amounts as specified in the agreements. Certain secured bank loans also contain financial covenants including leverage ratios, gearing ratios, interest cover ratio and minimum net assets requirements with respective applicable test dates of each year until maturity.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

(d) Unsecured bank loans

On 29 April 2020, the Group entered into a senior unsecured credit facilities agreement with a syndicate of banks (the "MN1 2020 Revolving Facilities") for a HK\$14,850,000,000 revolving credit facility with a term of five years. On 8 April 2024, the lenders approved an extension of the maturity date by two years from 29 April 2025 to 29 April 2027. Each loan made under the MN1 2020 Revolving Facilities is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. The Group is also subject to mandatory prepayment requirements in respect of various amounts as specified in the MN1 2020 Revolving Facilities.

As at 31 December 2025 and 2024, the outstanding balance under the MN1 2020 Revolving Facilities are denominated in HK\$. Borrowings under the MN1 2020 Revolving Facilities can be denominated in US\$ which bear interest at term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum, or in HK\$ which bear interest at HIBOR, in both cases plus an applicable margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of certain subsidiaries of the Company. The indebtedness under the MN1 2020 Revolving Facilities is guaranteed by certain subsidiaries of the Company.

On 25 February 2025, pursuant to the terms under the MN1 2020 Revolving Facilities, an incremental facility of HK\$387,500,000 was established to increase the available commitments under the MN1 2020 Revolving Facilities from HK\$14,850,000,000 to HK\$15,237,500,000, subject to the satisfaction of certain conditions precedent.

During the year ended 31 December 2025, the Group drew down a total of HK\$7,853,000,000 from the MN1 2020 Revolving Facilities to primarily fund the redemption of the 2025 MRF Senior Notes as disclosed in Note (b) above. The Group also repaid an aggregate principal amount of HK\$2,183,000,000 under the MN1 2020 Revolving Facilities with cash on hand.

In June 2025, the Group entered into four interest rate swap arrangements to hedge the interest rate exposure on loans under the MN1 2020 Revolving Facilities carried at variable interest rates. The Group's outstanding interest rate swap arrangements as at 31 December 2025 are disclosed in Note 29.

As at 31 December 2025, the outstanding principal amount of the MN1 2020 Revolving Facilities was HK\$6,899,000,000 (2024: HK\$1,229,000,000).

The MN1 2020 Revolving Facilities contain certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of certain subsidiaries of the Company. The MN1 2020 Revolving 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.

- (e) As at 31 December 2025, an unsecured credit facility amounting to PHP2,350,000,000 (equivalent to approximately HK\$310,625,000) (2024: PHP2,350,000,000 (equivalent to approximately HK\$314,479,000)) was available for drawdown (the "MRP Credit Facility"), subject to satisfaction of certain conditions precedent. As at 31 December 2025 and 2024, the available drawdown currencies under the credit facility are PHP and US\$ and the maturity date of each individual drawdown is to be the earlier of: (i) the date which is 360 days from the date of drawdown, and (ii) the date which is 360 days after the end of the availability period. The credit facility availability period was extended from 30 June 2025 to 30 June 2026 during the year ended 31 December 2025, with no changes in the underlying terms and conditions. As at 31 December 2025, borrowings under the MRP Credit Facility bear interest, as amended from time to time, at the higher of: (i) the PHP BVAL Reference Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, and (ii) Philippines Term Deposit Facility Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, such rate to be set one business day prior to the relevant interest period.

30. INTEREST-BEARING BORROWINGS (continued)

Notes: (continued)

- (f) As at 31 December 2025, the Group had unused borrowing capacity of HK\$10,462,905,000 (2024: HK\$17,162,551,000) of which HK\$9,840,143,000 (2024: HK\$16,537,250,000) was available for drawdown, subject to the satisfaction of certain conditions precedent.
- (g) As at 31 December 2025, borrowings in an aggregate principal amount of HK\$8,005,240,000 (2024: HK\$7,832,259,000) were secured by the following assets of the Group:
 - (i) certain property and equipment (Note 17);
 - (ii) certain right-of-use land and all present and future buildings on and fixtures to such land, and land use rights (or equivalent) (Note 31);
 - (iii) certain bank deposits;
 - (iv) receivables and other assets including certain intragroup loans; and
 - (v) issued shares of certain subsidiaries of the Company.

31. LEASES

Group as a lessee

The Group has lease contracts for land, buildings, gaming equipment, transportation assets and furniture, fixtures and equipment used in its operations. The Group leases the land and certain of the building structures for City of Dreams Manila under the MRP Lease Agreement as described in Note 38(d), Cyprus casino sites, Mocha Clubs sites, the Sri Lanka Casino under the Sri Lanka Lease Agreement, office spaces, warehouses, staff quarters, and certain parcels of land in Macau on which City of Dreams, Altira Macau and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractually agreed incremental rates and on the general inflation rate once agreed by the Group and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover or calculated based on certain performance indicators. 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.

31. LEASES (continued)

Group as a lessee (continued)

Set out below are the carrying amounts of the right-of-use assets and lease liabilities and the movements during the year.

	Right-of-use assets					Total	Lease liabilities
	Land	Buildings	Gaming equipment	Transportation	Furniture, fixtures and equipment		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
As at 1 January 2024	4,483,118	575,898	5,620	91	14,646	5,079,373	2,316,256
Additions	-	292,568	-	-	10,024	302,592	279,087
Depreciation	(158,298)	(183,594)	(1,826)	(76)	(7,871)	(351,665)	-
Modification	5,110	141,720	-	-	(5)	146,825	147,318
Impairment	(82,559)	-	-	-	-	(82,559)	-
Interest expense	-	-	-	-	-	-	244,244
Payments	-	-	-	-	-	-	(463,711)
Exchange adjustments	(2,751)	(18,123)	(294)	(3)	(108)	(21,279)	(98,926)
As at 31 December 2024	4,244,620	808,469	3,500	12	16,686	5,073,287	2,424,268
Additions	-	876	15,689	-	28	16,593	16,593
Depreciation	(156,219)	(157,537)	(5,048)	(13)	(8,652)	(327,469)	-
Modification	5,227	70,279	-	-	2,804	78,310	75,850
Reversal of impairment	79,880	-	-	-	-	79,880	-
Interest expense	-	-	-	-	-	-	269,389
Payments	-	-	-	-	-	-	(455,858)
Exchange adjustments	(532)	(11,272)	694	1	78	(11,031)	(12,922)
As at 31 December 2025	4,172,976	710,815	14,835	-	10,944	4,909,570	2,317,320
						As at 31 December 2025	As at 31 December 2024
						HK\$'000	HK\$'000
Analysed of lease liabilities into:							
Current portion						436,961	424,737
Non-current portion						1,880,359	1,999,531
						2,317,320	2,424,268

The maturity analysis of lease liabilities is disclosed in Note 42(b).

31. LEASES (continued)

Group as a lessee (continued)

The following are the amounts recognised in profit or loss in relations to leases:

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets	327,469	351,665
Less: capitalised in construction in progress	(7,079)	(5,092)
Interest expense on lease liabilities	269,389	244,244
(Reversal of impairment)/impairment of right-of-use assets, net (Note 17)	(79,880)	82,559
Expense relating to short-term leases	18,582	8,030
Variable lease payments not included in the measurement of lease liabilities	24,172	32,074
(Gain)/loss on lease modifications	(2,460)	469
Total amount recognised in profit or loss	550,193	713,949

During the year ended 31 December 2025, the Group recognised a reversal of impairment of right-of-use assets of HK\$79,880,000 (2024: impairment of HK\$82,559,000) for the Studio City CGU. Particulars regarding impairment testing are disclosed in Note 17.

The Group has total cash outflows for leases of HK\$502,737,000 during the year ended 31 December 2025 (2024: HK\$528,413,000).

As at 31 December 2025, certain right-of-use land with an aggregate carrying amount of HK\$3,971,771,000 (2024: HK\$4,037,964,000) were pledged to secure against the Group's interest-bearing borrowings (Note 30).

Group as a lessor

Operating lease

The Group entered into non-cancellable operating leases mainly for its mall spaces in the sites of City of Dreams, City of Dreams Manila, Studio City and City of Dreams Mediterranean with various retailers that expire at various dates through June 2037. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover. For the years ended 31 December 2025 and 2024, the Group earned minimum operating lease income of HK\$311,517,000 and HK\$370,555,000, respectively, and variable lease income of HK\$90,584,000 and HK\$78,726,000, respectively.

31. LEASES (continued)

Group as a lessor (continued)

Operating lease (continued)

At the end of the reporting period, undiscounted future minimum lease payments to be received under all non-cancellable operating leases were as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Within one year	219,254	452,429
More than one year but within two years	74,108	247,117
More than two years but within three years	45,722	66,659
More than three years but within four years	17,512	29,257
More than four years but within five years	12,623	8,101
After five years	33,409	14,685
	402,628	818,248

The total future minimum rentals do not include any escalated contingent fee amounts.

Finance lease

During the year ended 31 December 2025, the Group has a finance lease arrangement for the Equipment under the Studio City Operating Agreement as disclosed in Note 41(a). For the year ended 31 December 2025, the Group earned finance income on the net investment in the lease of HK\$544,000 (2024: nil).

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Finance lease receivables comprise:		
Undiscounted minimum lease payments		
Within one year	3,745	-
More than one year but within two years	3,745	-
More than two years but within three years	4,275	-
More than three years but within four years	3,868	-
More than four years but within five years	1,060	-
After five years	4,240	-
Gross investment in the lease	20,933	-
Less: unearned finance income	(7,456)	-
Present value of minimum lease payments	13,477	-
Analysed as:		
Current portion	1,738	-
Non-current portion	11,739	-
	13,477	-

Interest rates implicit in the above finance lease is 16.2% (2024: nil).

32. DEFERRED TAX

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Deferred tax liabilities	2,235,111	2,234,250

The following are the major deferred tax liabilities and (assets) recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation	Right-of- use assets	Lease liabilities	Cyprus License	Cyprus license liabilities	Tax losses	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	2,336,930	68,707	(74,786)	71,977	(71,978)	(35,232)	46,662	2,342,280
(Credit)/charge to profit or loss for the year (Note 14)	(111,934)	93,775	(89,921)	(2,975)	2,975	(1,598)	4,076	(105,602)
Exchange adjustments	(863)	(1,050)	1,266	(4,627)	4,628	851	(2,633)	(2,428)
As at 31 December 2024	2,224,133	161,432	(163,441)	64,375	(64,375)	(35,979)	48,105	2,234,250
Charge/(credit) to profit or loss for the year (Note 14)	8,129	10,118	(7,014)	461	(461)	2,854	(12,861)	1,226
Exchange adjustments	(338)	(4,999)	5,119	8,518	(8,518)	180	(327)	(365)
As at 31 December 2025	2,231,924	166,551	(165,336)	73,354	(73,354)	(32,945)	34,917	2,235,111

At the end of the reporting period, the Group has unused estimated tax losses of approximately HK\$12,674,492,000 (2024: HK\$14,719,327,000). A deferred tax asset has been recognised in respect of HK\$138,355,000 (2024: HK\$148,070,000) of tax losses to the extent that it is probable that future taxable profits or temporary differences will be available against which the temporary differences can be utilised. No deferred tax asset has been recognised in respect of the remaining tax losses of HK\$12,536,137,000 (2024: HK\$14,571,257,000) due to the unpredictability of future profit streams.

Included in unrecognised tax losses are losses of HK\$11,078,304,000 (2024: HK\$13,019,145,000) that are allowed to be carried forward and utilised against the taxable profit which shall not exceed 3 to 20 years (2024: 2.5 to 20 years). Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of approximately HK\$18,430,589,000 (2024: HK\$17,338,181,000). No deferred tax asset has been recognised in relation to these deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, no deferred tax has been recognised for withholding taxes that would be payable upon distribution of undistributed earnings that are subject to withholding taxes of certain subsidiaries as it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised totalled approximately HK\$5,832,704,000 as at 31 December 2025 (2024: HK\$5,832,704,000).

33. SHARE CAPITAL

	Number of ordinary shares	Amount HK\$'000
Issued and fully paid:		
As at 1 January 2024 and 31 December 2024	1,516,683,755	5,701,853
Issuance of shares under Rights Issue	758,341,877	780,030
Transaction costs attributable to Rights Issue	-	(8,026)
As at 31 December 2025	2,275,025,632	6,473,857

On 25 April 2025, the Company announced a proposed rights issue on the basis of one rights share for every two existing shares of the Company at a subscription price of HK\$1.0286 per rights share (the "Rights Issue") and with a prospectus published on 26 May 2025 (the "Prospectus"). On 17 June 2025, the Rights Issue was completed and 758,341,877 rights shares were allotted and issued at HK\$1.0286 per rights share. The rights shares are ranked pari passu in all respects with the existing shares then in issue. The gross proceeds from the Rights Issue amounted to approximately HK\$780,030,000 and the net proceeds from the Rights Issue after transaction costs of approximately HK\$9,514,000, of which HK\$8,026,000 was eligible to capitalise as share capital, were HK\$770,516,000. As disclosed in the Prospectus, the Company drew down HK\$390,000,000 under the Second Shareholder Loan Facilities (as defined in Note 41(c)), which was primarily utilised to repay a portion of the outstanding amounts under the MIDL 2021 Credit Facilities. Approximately HK\$389,934,000 of the amounts drawn under the Second Shareholder Loan Facilities (the "Set Off Amount") was set off against a portion of the subscription monies for the Rights Issue payable by the associates of Mr. Ho. After applying the Set Off Amount, the net proceeds from the Rights Issue after expenses were approximately HK\$380,582,000.

The unutilised net proceeds from the Rights Issue, after satisfying to loan principal amounts outstanding and the interest payable under the MIDL 2021 Credit Facilities (including applying the First Shareholder Loan Facilities of US\$15,000,000 (equivalent to approximately HK\$117,824,000) advanced to prefund the interest payment and prepayment of a certain portion of the loan principal amounts outstanding under the MIDL 2021 Credit Facilities in April 2025, the outstanding loan principal amounts of which were repaid in June 2025 (Note 41(c)) and fees and expenses in relation to the Rights Issue and the MIDL 2021 Credit Facilities), of approximately HK\$202,626,000 were deposited into the Debt Service Account for future debt service payments under the MIDL 2021 Credit Facilities (Note 30(c)) in July 2025.

Immediately before completion of the Rights Issue, there were 2,017,000 outstanding share options under the Company's share option scheme. As a result of the Rights Issue, the exercise price of the share options and the number of shares to be issued upon exercise of the outstanding share options were adjusted with effect from 17 June 2025 pursuant to the terms and conditions of the share option scheme and the Listing Rules, details of which were set out in the announcement of the Company dated 16 June 2025.

During the year ended 31 December 2024, the trustee of the Share Purchase Scheme as defined in Note 34 purchased 17,501,000 ordinary shares of the Company on the Hong Kong Stock Exchange for an aggregate consideration of approximately HK\$92,688,000 which are for future vesting of unvested shares under the Company's Share Purchase Scheme (2025: nil).

As at 31 December 2025, 113,007 issued shares of the Company were held for vesting of awarded shares under the Company's share award schemes.

34. LONG-TERM INCENTIVE SCHEMES

(I) The Company

2024 Share Incentive Scheme

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

During the period from 1 January 2024 to 13 June 2024 (the adoption date of the 2024 Share Incentive Scheme), no share options were granted or outstanding under the 2022 Share Option Scheme and no share awards were granted or outstanding under the 2007 Share Subscription Scheme.

Under the 2024 Share Incentive Scheme, the total number of shares of the Company which may be issued in respect of all share options and share awards available for grant under the scheme mandate limit as at 31 December 2025 was 151,668,375 (2024: 151,668,375), representing 6.67% (2024: 10.00%) of the total number of shares of the Company in issue as at 31 December 2025. No share options or share awards have been granted under the 2024 Share Incentive Scheme since its adoption.

2012 Share Option Scheme

The Company adopted a share option scheme on 30 May 2012, as amended on 5 June 2020 (the "2012 Share Option Scheme") expired on 29 May 2022. After the expiration of the 2012 Share Option Scheme, no further share options could be granted under the scheme but the share options granted during the life of the scheme shall remain valid and exercisable in accordance with their terms of issue and in all other respects the provisions of the scheme shall remain in full force and effect. The share option granted to the participants under the 2012 Share Option Scheme will be settled by issuance of new ordinary shares of the Company and the maximum term of the outstanding share options is 10 years from the date of grant. The outstanding share options generally vest over 1 to 3 years (2024: 1 to 3 years).

The exercise price of a share option grant is determined at the higher of (i) the closing price of the Company's ordinary shares as stated in the daily quotation sheet issued by the Hong Kong Stock Exchange on the date of grant; and (ii) the average closing prices of the Company's shares as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

2012 Share Option Scheme (continued)

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of the Company's ordinary shares trading on the Hong Kong Stock Exchange. Expected life is based upon the vesting term, and expected life adopted by other publicly traded companies. The risk-free interest rate used for each period presented is based on the Hong Kong Government Bond rate at the time of grant for the period equal to the expected life.

Movements of the share options granted under the 2012 Share Option Scheme are set out below:

	Number of share options	Weighted average exercise price HK\$
Outstanding as at 1 January 2024 and 31 December 2024	2,017,000	9.34
Adjusted after the Rights issue (Note)	585,335	N/A
Outstanding as at 31 December 2025	2,602,335	7.24
Exercisable as at 31 December 2025	2,602,335	7.24
Exercisable as at 31 December 2024	1,706,000	9.71

Note:

Immediately before completion of the Rights Issue, there were 2,017,000 outstanding share options under the Company's share option scheme. As a result of the Rights Issue, the exercise price of the share options and the number of shares to be issued upon exercise of the outstanding share options were adjusted with effect from 17 June 2025 pursuant to the terms and conditions of the 2012 Share Option Scheme and the Listing Rules. Details of the Rights Issue are disclosed in Note 33.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

2012 Share Option Scheme (continued)

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

Range of exercise prices HK\$	As at 31 December			
	2025	Weighted average remaining contractual life (years)	2024	Weighted average remaining contractual life (years)
	Number of share options outstanding		Number of share options outstanding	
5.01 - 6.00	1,788,218	6.27	-	-
7.01 - 8.00	445,119	0.27	1,386,000	7.27
9.01 - 10.00	54,188	4.28	-	-
10.01 - 11.00	-	-	345,000	1.27
11.01 - 12.00	117,409	1.27	-	-
12.01 - 13.00	-	-	42,000	5.28
14.01 - 15.00	-	-	91,000	2.27
15.01 - 16.00	89,024	3.27	-	-
17.01 - 18.00	108,377	2.27	-	-
19.01 - 20.00	-	-	69,000	4.27
23.01 - 24.00	-	-	84,000	3.27
	2,602,335		2,017,000	

Share Purchase Scheme

On 18 October 2007, the Company adopted a share incentive award scheme, namely The Melco Share Purchase Scheme Trust (the "Share Purchase Scheme"), with certain rules of such scheme amended on 12 June 2015, 31 March 2020, 6 April 2022 and 13 June 2024. The shares awarded to the participants under the Share Purchase Scheme will mainly be settled by shares of the Company purchased on the market. The outstanding awarded shares generally vest over 1 to 3 years (2024: 1 to 3 years).

The Share Purchase Scheme has a term of 20 years and the scheme limit under each of the schemes is 3% of the issued shares of the Company from time to time (excluding the shares which have already been transferred to the eligible participants on vesting and providing that the Board and such committee delegated by the Board to administer the relevant schemes may resolve to increase such limit at its sole discretion).

The fair values of the awarded shares are determined with reference to the closing prices of the ordinary shares of the Company as stated in the daily quotation sheets issued by the Hong Kong Stock Exchange at the respective dates of grant or modification, if applicable.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(I) The Company (continued)

Share Purchase Scheme (continued)

As at 31 December 2025, the accrued liability associated with the cash-settled awarded shares was HK\$3,895,000 (2024: HK\$1,338,000). Remeasurement gain of the liability associated with the cash-settled awarded shares of HK\$342,000 (2024: HK\$1,401,000) was recognised for the year ended 31 December 2025.

Movements of the awarded shares granted under the Share Purchase Scheme are set out below:

	Number of awarded shares	Weighted average grant date fair value HK\$
Equity-settled		
Unvested as at 1 January 2024	32,319,051	9.86
Granted	21,156,100	5.21
Vested	(19,507,945)	10.71
Modified to cash-settled	(36,146)	7.10
Unvested as at 31 December 2024 and 1 January 2025	33,931,060	6.48
Granted	31,759,480	3.97
Modified to cash-settled	(1,640,870)	6.89
Unvested as at 31 December 2025	64,049,670	5.22
Cash-settled		
Unvested as at 1 January 2024	2,157,949	7.35
Granted	325,900	5.21
Vested	(2,004,055)	7.23
Modified from equity-settled	36,146	7.10
Unvested as at 31 December 2024 and 1 January 2025	515,940	6.47
Granted	427,520	3.97
Vested	(1,881,000)	6.88
Modified from equity-settled	1,640,870	6.89
Unvested as at 31 December 2025	703,330	4.82
Total unvested awarded shares as at 31 December 2025	64,753,000	5.22
Total unvested awarded shares as at 31 December 2024	34,447,000	6.48

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts

Melco Resorts share incentive plans

Melco Resorts adopted a share incentive plan in 2011 (as amended) (the “Melco Resorts 2011 Share Incentive Plan”) and a share incentive plan in 2021 (the “Melco Resorts 2021 Share Incentive Plan”), effective on 6 December 2021 (also the termination date of the Melco Resorts 2011 Share Incentive Plan). All share incentive plans of Melco Resorts have a term of 10 years. Upon the termination of the Melco Resorts 2011 Share Incentive Plan, no further awards can be granted under the Melco Resorts 2011 Share Incentive Plan but the provisions of such plan shall remain in full force and effect in all other respects for any awards granted prior to the date of the termination of such plan. Under the plans, Melco Resorts may grant various share-based awards, including but not limited to, options, restricted shares, share appreciation rights and other types of awards, subject to certain criteria as defined in the share incentive plans, to eligible participants including directors, employees and consultants of Melco Resorts and its subsidiaries and affiliates (including the Company).

Melco Resorts 2021 Share Incentive Plan was subsequently amended on 13 June 2024 to bring the plan in line with the amended Chapter 17 of the Listing Rules. The maximum term of an award is 10 years from the date of the grant. The outstanding share options and restricted shares generally vest over 1 to 3 years (2024: 1 to 3 years). The maximum aggregate number of ordinary shares to be available for all awards under the Melco Resorts 2021 Share Incentive Plan may be increased from time to time, provided that the maximum aggregate number of Melco Resorts’ ordinary shares which may be issued under the Melco Resorts 2021 Share Incentive Plan shall not be more than 10% of the total number of the issued share capital of Melco Resorts on the date the plan limit is approved by the shareholders of the Company in accordance with the applicable listing rules in Hong Kong. As at 31 December 2025, there were 72,129,000 ordinary shares available for grants under the Melco Resorts 2021 Share Incentive Plan (2024: 90,868,413).

The exercise price of a share option grant is determined at the market closing price of Melco Resorts’ ADSs trading on the Nasdaq Global Select Market on the date of grant.

Melco Resorts uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco Resorts’ ADSs trading on the Nasdaq Global Select Market. Expected life is based upon the vesting term or the historical expected life of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected life.

The fair values of the restricted shares are determined with reference to the market closing prices of Melco Resorts’ ADSs trading on the Nasdaq Global Select Market on the dates of grant or modification, if applicable.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

The fair values of share options granted under the Melco Resorts 2021 Share Incentive Plan were estimated on the dates of grant using the following assumptions:

	Grant date of the share options	
	2 April 2025	3 April 2024
Share price per share at date of grant of share options	US\$1.78	US\$2.52
Exercise price per share	US\$1.78	US\$2.52
Expected volatility	59.67%	60%
Expected life	5.1 years	5.1 years
Risk-free rate	3.97%	4.36%
Expected dividend yield	2.50%	2.50%
Weighted average fair value of share options at the date of grant	US\$0.81	US\$1.16

Share options

(a) Melco Resorts 2011 Share Incentive Plan

Movements of the share options granted under the Melco Resorts 2011 Share Incentive Plan during the years ended 31 December 2025 and 2024 are set out below:

	Number of share options	Weighted average exercise price US\$
Outstanding as at 1 January 2024	2,689,647	5.93
Expired	(394,014)	7.15
Outstanding as at 31 December 2024 and 1 January 2025	2,295,633	5.72
Expired	(198,411)	5.88
Outstanding as at 31 December 2025	2,097,222	5.70
Exercisable as at 31 December 2025	2,097,222	5.70
Exercisable as at 31 December 2024	2,295,633	5.72

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Share options (continued)

(a) Melco Resorts 2011 Share Incentive Plan (continued)

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

Range of exercise prices US\$	As at 31 December			
	2025	Weighted average remaining contractual life (years)	2024	Weighted average remaining contractual life (years)
	Number of share options outstanding		Number of share options outstanding	
4.01 - 5.00	992,088	4.25	1,018,332	5.25
5.01 - 6.00	184,206	0.21	295,830	0.88
6.01 - 7.00	556,428	4.13	588,828	5.13
8.01 - 9.00	241,419	3.25	257,223	4.25
9.01 - 10.00	123,081	2.24	135,420	3.24
	2,097,222		2,295,633	

(b) Melco Resorts 2021 Share Incentive Plan

Movements of the share options granted under the Melco Resorts 2021 Share Incentive Plan during the years ended 31 December 2025 and 2024 are set out below:

	Number of share options	Weighted average exercise price US\$
Outstanding as at 1 January 2024	5,451,327	2.52
Granted	1,815,498	2.52
Forfeited	(76,167)	2.47
Outstanding as at 31 December 2024 and 1 January 2025	7,190,658	2.52
Granted	1,566,207	1.78
Exercised	(276,588)	2.47
Forfeited	(1,714,788)	2.47
Outstanding as at 31 December 2025	6,765,489	2.36
Exercisable as at 31 December 2025	3,935,967	2.52
Exercisable as at 31 December 2024	4,387,266	2.49

The weighted average share price at the date of exercise was US\$3.12 during the year ended 31 December 2025.

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Share options (continued)

(b) Melco Resorts 2021 Share Incentive Plan (continued)

The range of exercise prices and the weighted average remaining contractual term of the above share options outstanding as at the dates indicated are as follows:

	As at 31 December			
	2025		2024	
Range of exercise prices US\$	Number of share options outstanding	Weighted average remaining contractual life (years)	Number of share options outstanding	Weighted average remaining contractual life (years)
1.01 - 2.00	1,566,207	9.25	-	-
2.01 - 3.00	5,040,333	6.98	7,031,709	7.78
4.01 - 5.00	158,949	7.26	158,949	8.26
	6,765,489		7,190,658	

Restricted shares

(a) Melco Resorts 2011 Share Incentive Plan

Movements of the restricted shares granted under the Melco Resorts 2011 Share Incentive Plan during the years ended 31 December 2025 and 2024 are set out below:

	Number of restricted shares	Weighted average grant date fair value US\$
Unvested as at 1 January 2024	1,826,838	6.81
Vested	(1,814,232)	6.81
Forfeited	(12,606)	6.89
Unvested as at 31 December 2024, 1 January 2025 and 31 December 2025	-	-

34. LONG-TERM INCENTIVE SCHEMES (continued)

(II) Melco Resorts (continued)

Melco Resorts share incentive plans (continued)

Restricted shares (continued)

(b) Melco Resorts 2021 Share Incentive Plan

Movements of the restricted shares granted under the Melco Resorts 2021 Share Incentive Plan during the years ended 31 December 2025 and 2024 are set out below:

	Number of restricted shares	Weighted average grant date fair value
		US\$
Unvested as at 1 January 2024	17,087,046	3.08
Granted	12,478,449	2.49
Vested	(8,879,376)	2.82
Forfeited	(432,252)	2.87
Unvested as at 31 December 2024 and 1 January 2025	20,253,867	2.83
Granted	19,717,509	1.78
Vested	(10,364,457)	2.82
Forfeited	(829,515)	2.14
Unvested as at 31 December 2025	28,777,404	2.14

35. EMPLOYEE BENEFIT PLANS

The Group operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the "Defined Contribution Fund Schemes"). The Group either contributes a fixed percentage of the eligible employees' relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Group's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from upon contribution to 10 years from the date of employment. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Group by independent trustees.

Employees employed by the Group in different jurisdictions are members of government-managed social security fund schemes (the "Social Security Fund Schemes"), which are operated by the respective governments, if applicable. The Group is required to pay monthly fixed contributions or certain percentages of employee relevant income and meet the minimum mandatory requirements of the respective Social Security Fund Schemes to fund the benefits.

Forfeited contributions totalling HK\$5,178,000 (2024: HK\$6,342,000) were utilised during the year ended 31 December 2025. As at 31 December 2025, HK\$15,451,000 (2024: HK\$13,285,000) was available to reduce future contributions.

During the year ended 31 December 2025, the Group's contributions into the defined contribution retirement benefits schemes and social security funds were HK\$323,937,000 (2024: HK\$279,960,000).

36. CHANGE IN OWNERSHIP INTERESTS OF CERTAIN SUBSIDIARIES

Melco Resorts

During the year ended 31 December 2025, Melco Resorts repurchased 32,345,223 ADSs (equivalent to 97,035,669 ordinary shares) (2024: 20,712,895 ADSs (equivalent to 62,138,685 ordinary shares)) from the open market for an aggregate consideration of approximately US\$166,010,000 (equivalent to approximately HK\$1,291,095,000) (2024: US\$112,292,000 (equivalent to approximately HK\$876,805,000)), of which nil (2024: 53,138,685) repurchased ordinary shares were cancelled. The Group's ownership interest in Melco Resorts increased as a result.

During the years ended 31 December 2025 and 2024, certain share options and restricted shares under the Melco Resorts share incentive plans were exercised and vested, respectively which decreased the Group's ownership interest in Melco Resorts.

As a net result of the above transactions, the Group's ownership interest in Melco Resorts increased from 52.42% on 1 January 2024 to 54.59% on 31 December 2024 and increased to 58.65% on 31 December 2025. The Group recognised a decrease of HK\$317,082,000 (2024: HK\$214,228,000) in special reserve and a decrease of HK\$974,013,000 (2024: HK\$655,641,000) in non-controlling interests.

The Philippine subsidiaries

During the year ended 31 December 2024, the Group, through a subsidiary, purchased 11.816 common shares of MRP at a total consideration of PHP42,833,000 (equivalent to approximately HK\$5,811,000) from the non-controlling interests, which increased the Group's ownership interest in MRP.

As a net result of the above transaction and aforesaid change in the Group's ownership interest in Melco Resorts, the Group's ownership interest in MRP increased from 52.17% on 1 January 2024 to 54.39% on 31 December 2024. The Group recognised a decrease of HK\$2,406,000 in special reserve and a decrease of HK\$3,405,000 in non-controlling interests during the year ended 31 December 2024.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

As disclosed in Note 41(c), approximately HK\$203,981,000 of the Set Off Amount for successful application of the Rights Issue was set off against a portion of loan principal amount under the Second Shareholder Loan Facilities in June 2025.

During the year ended 31 December 2025, property and equipment amounting to HK\$312,463,000 were purchased from external parties and remained unsettled as at 31 December 2025. During the year ended 31 December 2024, property and equipment amounting to HK\$412,501,000 were purchased from external parties and remained unsettled as at 31 December 2024.

During the year ended 31 December 2025, intangible assets amounting HK\$34,256,000 (2024: nil) were purchased from external parties and remained unsettled.

During the year ended 31 December 2025, property and equipment amounting to HK\$13,869,000 (2024: nil) were transferred to the finance lease receivables included in prepayments, deposits and other receivables.

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities during the years ended 31 December 2025 and 2024

	Interest-bearing borrowings	Interest payables	Lease liabilities	Intangible assets liabilities	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	63,557,455	900,336	2,316,256	2,433,592	69,207,639
New leases	-	-	279,087	-	279,087
Recognition of intangible assets liabilities	-	-	-	6,884	6,884
Net changes of cash flows from financing activities	(2,540,103)	(3,624,880)	(463,711)	(258,580)	(6,887,274)
Exchange adjustments	(380,657)	(3,023)	(98,926)	(39,496)	(522,102)
Other (Note)	51,003	3,652,840	391,562	205,682	4,301,087
As at 31 December 2024	60,687,698	925,273	2,424,268	2,348,082	66,385,321
New leases	-	-	16,593	-	16,593
Recognition of intangible assets liabilities	-	-	-	235	235
Net changes of cash flows from financing activities	(3,818,220)	(3,460,599)	(455,858)	(264,533)	(7,999,210)
Exchange adjustments	217,399	525	(12,922)	75,136	280,138
Other (Note)	49,912	3,437,662	345,239	203,315	4,036,128
As at 31 December 2025	57,136,789	902,861	2,317,320	2,362,235	62,719,205

Note:

"Other" mainly represents the effects of movements in deferred financing costs, modification and extinguishment of debts, lease modification and interest incurred during the year.

38. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

The following agreements related to the development of City of Dreams Manila were entered into by the relevant parties of the Licensees (described below) and certain of its subsidiaries, which became effective on 13 March 2013 and end on the date of expiry of the Regular License, currently expected to be on 11 July 2033, unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) Regular License

On 29 April 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted by PAGCOR as at 13 March 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No.1 Corporation, a subsidiary of MRP, and its subsidiaries including MRL (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with MRL, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license and is valid until 11 July 2033. Further details of the terms and commitments under the Regular License are included in Note 40.

(b) Cooperation Agreement

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, MRL is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in Note 40.

(c) Operating Agreement

The Licensees entered into an operating agreement, as amended (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by MRL. Under the Operating Agreement, MRL is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the operation and management of City of Dreams Manila (including the gaming and non-gaming operations). The Operating Agreement also includes terms of certain monthly payments to PLAI from MRL, based on the performance of gaming operations of City of Dreams Manila, and is included in payments to the Philippine Parties in the consolidated statement of profit or loss and other comprehensive income, and further provides that MRL has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

(d) MRP Lease Agreement

MRL and Belle entered into a lease agreement, as amended from time to time (the "MRP Lease Agreement") under which Belle agreed to lease to MRL the land and certain of the building structures for City of Dreams Manila. The leased property is used by MRL and any of its affiliates exclusively as a hotel, casino and resort complex.

During the year ended 31 December 2022, MRL and Belle entered into supplemental agreements to the MRP Lease Agreement to make certain adjustments to the rental payments paid or payable by MRL from 2022 to 2033.

39. CONTRATUAL COMMITMENTS

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Capital commitments contracted but not provided for in respect of the acquisition of property and equipment	687,680	791,010

40. OTHER COMMITMENTS

Concession - Macau

Under the Concession awarded by the Macau government to MRM on 16 December 2022, in addition to the fixed premium and variable premiums, as well as the Fee disclosed in Note 18, MRM is obligated to pay the Macau government the following:

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

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

Committed investment

In connection with the Concession, MRM has undertaken to carry out investment in the overall amount of MOP11,823,700,000 (equivalent to approximately HK\$11,479,320,000) by December 2032. The investment plan includes gaming and non-gaming related projects in the expansion of foreign market patrons, conventions and exhibitions, entertainment shows, sports events, art and culture, health and well-being, thematic entertainment, gastronomy, community and maritime tourism and others. Out of the total investment amount referred to above, MOP10,008,000,000 (equivalent to approximately HK\$9,716,505,000) is to be applied to non-gaming related projects, with the balance applied to gaming related projects.

40. OTHER COMMITMENTS (continued)

Concession - Macau (continued)

Committed investment (continued)

MRM has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000,000 (equivalent to approximately HK\$1,944,660,000), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000,000 (equivalent to approximately HK\$174,757,282,000) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000,000 (equivalent to approximately HK\$174,757,282,000) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000,000 (equivalent to approximately HK\$1,944,660,000) to MOP12,011,000,000 (equivalent to approximately HK\$11,661,165,000), with the overall investment amount increased to MOP13,826,700,000 (equivalent to approximately HK\$13,423,980,000) to be carried out by December 2032. As at 31 December 2025, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP5,724,193,000 (equivalent to approximately HK\$5,557,469,000).

Regular License - Philippines

Commitments required by PAGCOR under the Regular License are as follows:

- (i) to secure a surety bond in favour of PAGCOR in the amount of PHP100,000,000 (equivalent to approximately HK\$13,218,000) to ensure prompt and punctual remittances/payments of all license fees;
- (ii) license fees and franchise taxes, amounting to with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations must be remitted, with the 5% franchise taxes included in each of the income component charge% above, are in lieu of all other taxes on income from gaming operations. In October 2021, certain terms under the Regular License were amended to include the monthly minimum guarantee fee of PHP300,000 (equivalent to approximately HK\$40,000) on certain games under the 25% non-high roller tables effective on 15 March 2022. This monthly minimum guarantee fee was discontinued in June 2022, but was reinstated on 2 March 2023;
- (iii) the Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR;
- (iv) PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires; and

40. OTHER COMMITMENTS (continued)

Regular License - Philippines (continued)

- (v) grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) the holder has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As at 31 December 2025 and 2024, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement - Philippines

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any losses suffered or incurred by that Licensee arising out of, or in connection with, any breach by the indemnifying Licensee of the Regular License. Also, each of the Philippine Parties and MPHIL Holdings Group agree to indemnify the non-breaching party for any losses suffered or incurred as a result of a breach of any warranties.

Gaming License - Cyprus

Pursuant to the Cyprus License agreement, in addition to the Cyprus License Fee (see Note 18), the Cyprus Subsidiary has committed to pay the Cyprus government a casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

Gaming License - Sri Lanka

Pursuant to the casino business regulation in Sri Lanka and based on the type of the Sri Lanka License granted by the Sri Lanka government to the Sri Lanka Subsidiary on 27 March 2024, the Sri Lanka Subsidiary is required to (i) invest a minimum amount of US\$100,000,000 (equivalent to approximately HK\$776,349,000) in a casino; and (ii) operate such casino in an integrated resort in which a minimum of US\$500,000,000 (equivalent to approximately HK\$3,881,747,000) has been invested, as approved by the Sri Lanka government. Confirmation of the satisfaction of (ii) above was provided to the Sri Lanka government as part of the Sri Lanka Subsidiary's application for the Sri Lanka License.

In accordance with the Sri Lanka Betting and Gaming Levy Act (as amended), the Sri Lanka Subsidiary is subject to (i) an annual levy of LKR500,000,000 (equivalent to approximately HK\$12,549,000) from the fiscal year in which it commences carrying on the business of gaming and (ii) a monthly gross collection levy of 15%, which increased to 18% with effect from 1 January 2026, of total collections from the business of gaming (exempted if monthly gross collections do not exceed LKR1,000,000 (equivalent to approximately to HK\$25,000)).

40. OTHER COMMITMENTS (continued)

Agreement with the Board of Investment of Sri Lanka

On 28 June 2024, the Sri Lanka Subsidiary signed an agreement (the "BOI Agreement") with the Board of Investment of Sri Lanka confirming its investment plan and commitment, in return for certain import and labour-related concessions. Pursuant to the BOI Agreement, the Sri Lanka Subsidiary, subject to the terms and certain conditions, was obligated to create and operate a "recreation centre including a casino and related activities" at City of Dreams Sri Lanka, with an investment amount of US\$100,000,000 (equivalent to approximately HK\$776,349,000) to be invested by the earlier of (i) the date which was 24 months from 28 June 2024; and (ii) the date that the Sri Lanka Casino commenced operation as disclosed in Note 1(a) (the "Investment Commitment"), and which ultimately took place on 1 August 2025. The Investment Commitment was required to be funded by 20% equity and 80% loan capital as foreign direct investment. Before the initial opening of Sri Lanka Casino on 1 August 2025, the Group had made equity and loan investments of LKR7,510,000,000 (equivalent to HK\$191,717,000) and US\$90,000,000 (equivalent to approximately HK\$706,401,000), respectively, for the operation and development of the Sri Lanka Casino, and satisfied the Investment Commitment.

Guarantees

Other than the guarantees disclosed in Note 30 and the bank guarantees under "Concession - Macau" section of this note, the Group had made the following significant guarantees as at 31 December 2025:

- (i) Melco Resorts entered into a deed of guarantee with a third party amounting to US\$5,000,000 (equivalent to approximately HK\$38,906,000) to guarantee certain payment obligations of the City of Dreams' operations;
- (ii) Effective on 31 August 2025, one of the Company's subsidiaries amended the terms of its prior trade credit facility agreements entered into with a bank to meet certain payment obligations of the Studio City project, including a reduction of total facility amount to HK\$25,000,000 and an extension of the maturity date for two years to 31 August 2027 (the "Trade Credit Facilities"). The Trade Credit Facilities are guaranteed by SCC and are supported by a promissory note ("Livrança") of HK\$25,000,000 issued by such subsidiary. As at 31 December 2025, approximately HK\$5,000,000 of the Trade Credit Facilities had been utilised; and
- (iii) MRL issued a corporate guarantee of PHP100,000,000 (equivalent to approximately HK\$13,218,000) to a bank in respect of a surety bond issued to PAGCOR as disclosed above under the Regular License.

40. OTHER COMMITMENTS (continued)

Litigation

City of Dreams Mediterranean arbitration

On 24 July 2024, Avax S.A. & Terna S.A. (the "Claimants", main contractor for the construction of City of Dreams Mediterranean) filed a notice of arbitration against ICRD, a subsidiary of the Company, (the "Respondent") which initiated an arbitration under the London Court of International Arbitration Rules, principally seeking additional payment for the construction of City of Dreams Mediterranean (the "Arbitration"). The Respondent believes that the claims are without merit and intends to continue to vigorously defend against the claims. The Respondent has significant counter claims against the Claimants which the Respondent intends to continue to vigorously pursue. The Respondent has determined that based on the Arbitration progress to date, it is currently unable to determine the outcome of the Arbitration or reasonably estimate the range of possible loss, if any.

General litigation

As at 31 December 2025, the Group continues to be a party to certain other legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impact on the Group's consolidated financial statements as a whole.

41. RELATED PARTY TRANSACTIONS

(a) **The Group entered into the following significant transactions with related parties:**

Related company	Nature of transactions	For the year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
iRad	Revenues (services provided by the Group) Lease and other income	2,787	-
	Costs and expenses (services provided to the Group) Purchase of goods and services	1,354	-

Note:

The Group entered into an operating agreement (the "Studio City Operating Agreement") with iRad Imaging and Diagnostic Medical Center Ltd. ("iRad"), an associate of Mr. Ho, to grant iRad the right to operate a private hospital focused on imaging and diagnostic medical services at Studio City and to utilise certain medical equipment for the operation of iRad at Studio City (the "Equipment"), for an initial period commencing from 1 October 2025 and ending on 30 November 2034, with an option to renew for two further periods of five years each by mutual agreement. As at 31 December 2025, a security deposit of MOP15,652,000 (equivalent to approximately HK\$15,196,000) received from iRad pursuant to the Studio City Operating Agreement, of which MOP3,679,000 (equivalent to approximately HK\$3,572,000) and MOP11,973,000 (equivalent to approximately HK\$11,624,000) were included in current and non-current portion of other payables, accruals and deposits received, respectively. The related party transactions also fall under the definition of continuing connected transaction as defined in Chapter 14A of the Listing Rules.

41. RELATED PARTY TRANSACTIONS (continued)

(b) Compensation of key management personnel

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

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Short-term benefits	57,947	56,239
Discretionary bonus	85,379	67,704
Post-employment benefits	2,712	3,212
Share-based compensation	195,307	186,976
	341,345	314,131

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals, the Group's operating results and market standards.

(c) Shareholder loans

On 9 January 2025, the Company, as borrower, entered into two shareholder loan facility agreements (collectively referred to as the "First Shareholder Loan Facilities"), with Mr. Ho and his controlled company, as lenders. Pursuant to the First Shareholder Loan Facilities, uncommitted revolving loan facilities, in an amount of US\$2,200,000 (equivalent to approximately HK\$17,080,000) and US\$22,800,000 (equivalent to approximately HK\$177,008,000), were granted by Mr. Ho and his controlled company, respectively, to the Company for a period from 9 January 2025 to 2 July 2026, subject to certain conditions precedent. The First Shareholder Loan Facilities are unsecured. Principal amounts outstanding under the First Shareholder Loan Facilities bear interest at 11% per annum and are payable every two months, with outstanding loan principal amounts payable by the Company on 2 July 2026. Notwithstanding the aforesaid, the lenders may demand immediate repayment of all or part of the principal amounts outstanding together with interest accrued by notice to the Company. In January 2025 and April 2025, the Company drew down a total of US\$15,000,000 (equivalent to approximately HK\$116,597,000) from the First Shareholder Loan Facilities for interest payment and prepayment of US\$10,000,000 (equivalent to approximately HK\$77,587,000) on the revolving loan under the MIDL 2021 Credit Facilities on 8 April 2025. On 18 June 2025, the Company fully prepaid the outstanding loan principal amounts of US\$15,000,000 (equivalent to approximately HK\$117,824,000) together with interest accrued under the First Shareholder Loan Facilities. As at 31 December 2025, the outstanding loan principal amount under the First Shareholder Loan Facilities was nil and the available unused borrowing capacity was US\$25,000,000 (equivalent to approximately HK\$194,530,000), subject to the satisfaction of certain conditions precedent.

41. RELATED PARTY TRANSACTIONS (continued)

(c) Shareholder loans (continued)

On 24 April 2025, the Company entered into certain shareholder loan facility agreements with the associates of Mr. Ho, pursuant to which the associates of Mr. Ho provided the shareholders' credit facilities of up to an aggregate principal amount of HK\$451,830,000 to the Company for a period from 24 April 2025 to 24 October 2026 (the "Second Shareholder Loan Facilities"). The Second Shareholder Loan Facilities were unsecured revolving loan facilities which included a set-off arrangement allowing all or part of the subscription monies payable by the associates of Mr. Ho under the Rights Issue (as defined in Note 33) to be partially set off on a dollar-to-dollar basis against an equivalent amount of any outstanding obligation under the Second Shareholder Loan Facilities (including any accrued interests). Principal amounts outstanding under the Second Shareholder Loan Facilities bore interest at 11% per annum and were payable every two months, with outstanding loan principal amounts payable by the Company on 24 October 2026. Notwithstanding the aforesaid, the lenders might demand immediate repayment of all or part of the principal amounts outstanding together with interest accrued by notice to the Company.

On 9 May 2025, the Company drew down HK\$390,000,000 from the Second Shareholder Loan Facilities to fund the prepayment of US\$50,000,000 (equivalent to approximately HK\$392,055,000) outstanding term loan principal amount under the MIDL 2021 Credit Facilities on 13 May 2025. On 9 June 2025, the Company prepaid approximately HK\$66,000 for outstanding loan principal together with its interest accrued under the Second Shareholder Loan Facilities and the associates of Mr. Ho applied the remaining outstanding loan principal amount of approximately HK\$389,934,000 as the Set Off Amount for the subscription monies for the Rights Issue payable by the associates of Mr. Ho. On 17 June 2025, the subscription of Rights Issue of approximately HK\$203,981,000 of the Set Off Amount was successful and the remaining portion of the Set Off Amount of approximately HK\$185,953,000 for the unsuccessful subscription of the Rights Issue by the associate of Mr. Ho was deemed as outstanding loan principal under the Second Shareholder Loan Facilities. On 18 June 2025, the Company fully prepaid the outstanding loan principal amounts together with interest accrued under the Second Shareholder Loan Facilities. On 30 June 2025, the Second Shareholder Loan Facilities were terminated.

During the year ended 31 December 2025, total interest expenses of US\$445,000 (equivalent to approximately HK\$3,460,000) and HK\$3,700,000 were paid to the controlled company and the associates of Mr. Ho in relation to the First Shareholder Loan Facilities and the Second Shareholder Loan Facilities, respectively.

(d) Senior notes held by a controlled entity of Mr. Ho and Mr. Ho

During the year ended 31 December 2024, an aggregate principal amount of US\$30,000,000 (equivalent to approximately HK\$233,746,000) of the 2025 SCF Senior Notes held by Mr. Ho were repurchased by a subsidiary of the Company for a consideration of US\$30,000,000 (equivalent to approximately HK\$233,746,000). After the repurchase, Mr. Ho did not directly hold any senior notes issued by the group companies as at 31 December 2024.

As at 31 December 2025, a controlled entity of Mr. Ho held an aggregate principal amount of US\$30,000,000 (equivalent to approximately HK\$233,436,000) (2024: US\$30,000,000 (equivalent to approximately HK\$232,905,000)) senior notes issued by a subsidiary of the Company, which are unsecured and not convertible or exchangeable. The controlled entity of Mr. Ho purchased the senior notes at their face values.

During the year ended 31 December 2025, total interest expenses of US\$1,500,000 (equivalent to approximately HK\$11,695,000) in relation to the senior notes issued by the subsidiary were paid or payable to the controlled entity of Mr. Ho. During the year ended 31 December 2024, total interest expenses of US\$2,508,000 (equivalent to approximately HK\$19,576,000) in relation to the senior notes issued by the subsidiary were paid or payable to Mr. Ho and his controlled entity.

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Amortised cost:		
Trade receivables	983,582	1,119,583
Financial assets included in prepayments, deposits and other receivables	403,432	345,893
Cash and bank balances	8,119,084	9,029,153
Restricted cash	1,085,932	1,043,376
	10,592,030	11,538,005
Derivative financial instruments	23,279	-
	10,615,309	11,538,005

Financial liabilities

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Amortised cost:		
Trade payables	201,613	192,485
Financial liabilities included in other payables, accruals and deposits received	6,171,649	5,930,807
Interest-bearing borrowings	57,136,789	60,687,698
	63,510,051	66,810,990
Derivative financial instruments	51,651	-
Lease liabilities	2,317,320	2,424,268
	65,879,022	69,235,258

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, restricted cash, cash and bank balances, trade and other payables, interest-bearing borrowings, lease liabilities and derivative financial instruments. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Details of the sensitivity analysis for currency risk and interest rate risk are set out below.

Market risk

(i) Currency risk

The Group operates in various countries in Asia and Europe and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised monetary assets and liabilities denominated in a currency that is not the functional currency of the relevant group entities. The Group has certain cash and bank balances, trade and other receivables, deposits, restricted cash, trade and other payables, interest-bearing borrowings and lease liabilities denominated in currencies other than the functional currencies of the relevant group entities.

The Group has not engaged in hedging transactions with respect to foreign exchange exposure of the revenues and expenses in its day-to-day operations during the years ended 31 December 2025 and 2024. Instead, the Group maintains a certain amount of the operating funds in the same currencies in which the Group has obligations, thereby reducing the exposure to currency fluctuations. However, the Group occasionally enters into foreign exchange transactions as part of financing transactions and capital expenditure programs. In September 2025, the Group entered into two cross-currency swap arrangements to manage the foreign currency exchange rate risk associated with the outstanding U.S. dollar denominated 2033 MRF Senior Notes.

The Group's foreign currency transactions are mainly denominated in US\$.

The carrying amounts of the US\$-denominated monetary assets and monetary liabilities, including intercompany balances, at the end of the reporting period are as follows:

	Assets		Liabilities	
	As at 31 December 2025	As at 31 December 2024	As at 31 December 2025	As at 31 December 2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
US\$	20,665,993	21,458,583	(26,746,228)	(27,898,482)

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to transactions denominated in US\$ against HK\$, which is the functional currency of the relevant group entities.

The following table details the Group's sensitivity on profit or loss to a 1% increase or decrease in HK\$ against US\$ after considering the effect of hedging. 1% is the sensitivity rate used for US\$, when reporting currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis includes only outstanding US\$-denominated monetary items and adjusts their translation at the year end for a 1% change in foreign currency rate.

The number below indicates an increase in profit (2024: a decrease in loss) where the HK\$ strengthens 1% against US\$ and all other variables were held constant. For a 1% weakening of the HK\$ against the relevant US\$ and all other variables were held constant, there would be an equal and opposite impact on the profit (2024: loss).

	US\$ Impact (note) HK\$'000
2025: Profit for the year	60,802
2024: Loss for the year	64,399

Note:

This is mainly attributable to the exposure on outstanding US\$-denominated cash and bank balances, receivables and payables at the end of the reporting period.

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

(ii) Interest rate risk

The Group is primarily exposed to cash flow interest rate risk in relation to the borrowings bearing interest based on floating rates (see Note 30 for details). The Group attempts to manage interest rate risk by managing the mix of long-term fixed-rate borrowings and variable-rate borrowings and may supplement by hedging activities in a manner the Group deems prudent. The Group entered into interest rate swap arrangements to manage interest rate risk on its loans drawn under the MN1 2020 Revolving Facilities.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates after considering the effect of hedging. The analysis is prepared by assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. 50 basis points is the sensitivity rate used for variable-rate borrowings, when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

The following analysis details the Group's sensitivity on profit or loss to a 50 basis points increase or decrease on its variable-rate borrowings after considering the effect of hedging.

The numbers below indicate a decrease in profit (2024: an increase in loss) if the interest rate had been 50 basis points higher and all other variables were held constant. If the interest rate had been 50 basis points lower and all other variables were held constant, there would be an equal and opposite impact on the profit (2024: loss).

	Borrowings HK\$'000
2025: Profit for the year	31,504
2024: Loss for the year	31,720

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk from the financial assets of the Group mainly comprised cash and cash equivalents, restricted cash, trade receivables, deposits and other receivables. The carrying amounts of these financial assets represented the maximum exposure to credit risk.

The Group issues credit in gaming operations pursuant to gaming credit facilities entered into with customers following a review of their creditworthiness. Credit is/can be given to gaming promoters in the Philippines and Cyprus. These receivables can be offset against commissions payable and any other payments due by the Group to customers and gaming promoters. In this regard, the management of the Group considers that the Group's credit risk is adequately monitored. As at 31 December 2025 and 2024, the credit risks associated with certain casino receivables are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related casino receivable.

As at 31 December 2025, the Group has concentration of credit risk as 38.1% (2024: 50.3%) of the Group's trade receivables are due from the Group's five largest customers under the Casino and Hospitality segment. The Group believes that the concentration of its credit risk in trade receivables is mitigated substantially by its credit evaluation processes, credit policies, credit controls and collection procedures, and also believes that no significant credit risk is inherent in the Group's trade receivables not provided with allowances for credit losses as at 31 December 2025 and 2024.

The credit risk on cash and cash equivalents and restricted cash was limited because they were deposited with several banks with high credit ratings assigned by international credit-rating agencies. Management monitors the credit risk of deposits and other receivables on an on-going basis and does not believe that the Group has any other significant exposure not provided for.

The Group applies the general approach for impairment of these financial assets except for trade receivables. For the years ended 31 December 2025 and 2024, other than impairment on certain financial assets, the credit risks for the financial assets that are subject to impairment under the general approach have not increased significantly since initial recognition and for which the loss allowances are measured at an amount equal to 12-month ECLs. The Group applies the simplified approach for impairment of trade receivables (Note 24).

42. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

For management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The Group relies on borrowings as a significant source of liquidity, details of which are set out in Note 30. As at 31 December 2025, the Group had unused borrowing capacity of HK\$10,657,435,000 (2024: HK\$17,162,551,000) of which HK\$10,034,673,000 (2024: HK\$16,537,250,000) was available for drawdown, subject to the satisfaction of certain conditions precedent.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual repayment date or the earliest date that the Group is required to pay. The amounts disclosed are based on undiscounted cash flows that include principal and interest payments.

To the extent that interest flows are at floating rates, the undiscounted amount is derived from the interest rate at the end of the reporting period.

	On demand or less than one year	In the second year	In the third to fifth years	Over five years	Total undiscounted cash flows
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2025					
Trade and other payables	4,291,474	413,711	1,244,116	1,743,768	7,693,069
Borrowings	3,307,333	17,508,238	36,769,923	10,994,968	68,580,462
Lease liabilities	459,370	429,056	1,255,653	1,986,140	4,130,219
	8,058,177	18,351,005	39,269,692	14,724,876	80,403,750
Derivatives settled net:					
Interest rate swaps	(8,778)	(1,296)	-	-	(10,074)
Derivatives settled gross:					
Cross-currency swaps					
Inflow	(252,889)	(252,889)	(4,075,346)	-	(4,581,124)
Outflow	231,614	231,614	4,054,477	-	4,517,705
	(21,275)	(21,275)	(20,869)	-	(63,419)
As at 31 December 2024					
Trade and other payables	3,919,996	413,953	1,225,519	1,991,157	7,550,625
Borrowings	12,754,917	11,712,643	41,204,336	6,842,528	72,514,424
Lease liabilities	448,658	430,389	1,244,671	2,369,069	4,492,787
	17,123,571	12,556,985	43,674,526	11,202,754	84,557,836

42. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

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

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

As at 31 December 2025, the fair values of interest rate swaps and cross-currency swaps approximated the amounts the Group 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 by using level 2 inputs such as interest rate yields and foreign currency exchange rates. Except for the interest rate swaps and cross-currency swaps which carried at fair value, the Group does not have other financial instruments to measure at fair value on a recurring basis as at 31 December 2025 and 2024.

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

The Group considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values with the exception of the senior notes.

The estimated fair value of the senior notes as at 31 December 2025 is HK\$44,914,124,000 (2024: HK\$52,208,655,000). The estimated fair value of the senior notes is based on recent trades, if available, and indicative pricing from market information (level 2 inputs).

43. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of its debt and equity balances. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of debt, which is the interest-bearing borrowings disclosed in Note 30, and equity attributable to owners of the Company, comprised of issued share capital and deficit.

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Debt - interest-bearing borrowings (Note 30)	57,136,789	60,687,698
Equity attributable to owners of the Company	1,905,104	45,930

The Group reviews the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on the directors' assessment, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase as well as the issue of new debt or the redemption of existing debt.

44. NON-WHOLLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of non-wholly-owned subsidiaries that have material non-controlling interests

Name	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		As at 31 December		For the year ended		As at 31 December	
		2025	2024	2025	2024	2025	2024
				HK\$'000	HK\$'000	HK\$'000	HK\$'000
Melco Resorts Group	Cayman Islands/Macau/ the Philippines/Cyprus	41.35%	45.41%	479,359	(906,207)	7,806,606	8,121,557
Individually immaterial subsidiaries with non-controlling interests				(194)	7,073	-	39,034
				479,165	(899,134)	7,806,606	8,160,591

The summarised financial information of Melco Resorts Group below represents amounts before intragroup eliminations.

Melco Resorts Group

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Current assets	9,880,734	11,101,199
Non-current assets	72,463,026	73,393,705
Current liabilities	9,233,576	18,570,185
Non-current liabilities	59,050,683	52,789,563

44. NON-WHOLLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (continued)

Melco Resorts Group (continued)

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue	40,254,652	36,186,263
Expenses	38,467,593	37,315,377
Profit/(loss) for the year	1,787,059	(1,129,114)
Other comprehensive income for the year	196,067	172,114
Total comprehensive income/(loss) for the year	1,983,126	(957,000)
Dividend to non-controlling shareholders	1,767	1,592

	For the year ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Net cash generated from operating activities	10,081,745	8,649,288
Net cash used in investing activities	(2,587,954)	(2,228,630)
Net cash used in financing activities	(8,469,281)	(7,613,219)
Effect of foreign exchange rate changes, net	188,352	(140,221)
Net cash outflow	(787,138)	(1,332,782)

45. SUBSEQUENT EVENTS

- (a) During the period from 1 January 2026 through 31 March 2026, the date of issuance of these consolidated financial statements, the Group repaid a total outstanding principal amount of HK\$467,000,000 and HK\$78,000,000, along with accrued interests, under the MN1 2020 Revolving Facilities and SCC 2024 Revolving Facilities, respectively.
- (b) During the period from 1 January 2026 through 31 March 2026, the date of issuance of these consolidated financial statements, Melco Resorts repurchased 2,393,604 ADSs (equivalent to 7,180,812 ordinary shares) from the open market for an aggregate consideration of approximately US\$13,154,000 (equivalent to approximately HK\$102,847,000), of which nil shares repurchased were cancelled. The Group's ownership interest in Melco Resorts increased as a result.

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
NON-CURRENT ASSETS		
Investments in subsidiaries	7,205,969	7,205,969
Intangible assets	2,000	5,580
Prepayments, deposits and other receivables	24,411	13,523
Amount due from a subsidiary	4,901,126	5,102,095
Total non-current assets	12,133,506	12,327,167
CURRENT ASSETS		
Prepayments, deposits and other receivables	3,225	2,927
Amounts due from subsidiaries	3,238,597	2,358,076
Cash and bank balances	130,021	20,493
Total current assets	3,371,843	2,381,496
CURRENT LIABILITIES		
Other payables and accruals	5,747	7,068
Amounts due to subsidiaries	944,507	943,155
Loan from a subsidiary	-	177,000
Total current liabilities	950,254	1,127,223
NET CURRENT ASSETS	2,421,589	1,254,273
TOTAL ASSETS LESS CURRENT LIABILITIES	14,555,095	13,581,440
NON-CURRENT LIABILITIES		
Other payables and accruals	539	453
Loan from a subsidiary	1,377,271	1,374,138
Total non-current liabilities	1,377,810	1,374,591
Net assets	13,177,285	12,206,849

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
EQUITY		
Share capital	6,473,857	5,701,853
Reserves (Note)	6,703,428	6,504,996
Total equity	13,177,285	12,206,849

The Company's statement of financial position was approved and authorised for issue by the Board on 31 March 2026 and are signed on its behalf by:

Ho, Lawrence Yau Lung

Director

Evan Andrew Winkler

Director

46. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

	Capital reserve	Share option reserve	Shares held under share award schemes	Share award reserve	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	7,053	29,525	(12,383)	324,345	6,129,985	6,478,525
Profit for the year	-	-	-	-	13,362	13,362
Recognition of share-based payments	-	3,017	-	102,780	-	105,797
Purchase of shares for unvested shares under the share award schemes (Note 33)	-	-	(92,688)	-	-	(92,688)
Shares vested under the share award schemes	-	-	104,867	(290,625)	185,758	-
Transfer of share option reserve upon expiry of share options	-	(17,787)	-	-	17,787	-
As at 31 December 2024	7,053	14,755	(204)	136,500	6,346,892	6,504,996
Profit for the year	-	-	-	-	105,429	105,429
Recognition of share-based payments	-	90	-	99,375	-	99,465
Shares vested under the share award schemes	-	-	-	(4,794)	4,794	-
Reclassification of share award schemes from equity-settled to cash-settled	-	-	-	(6,462)	-	(6,462)
As at 31 December 2025	7,053	14,845	(204)	224,619	6,457,115	6,703,428

FIVE-YEAR FINANCIAL SUMMARY

31 December 2025

CONSOLIDATED RESULTS

	For the year ended 31 December				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net revenues	15,638,846	10,565,657	29,531,635	36,172,972	40,240,892
(Loss)/profit for the year	(7,943,261)	(9,987,317)	(3,494,121)	(1,683,737)	1,537,474
(Loss)/profit for the year attributable to:					
Owners of the Company	(3,808,968)	(5,113,127)	(1,743,932)	(784,603)	1,058,309
Non-controlling interests	(4,134,293)	(4,874,190)	(1,750,189)	(899,134)	479,165
	(7,943,261)	(9,987,317)	(3,494,121)	(1,683,737)	1,537,474

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	94,193,277	97,091,618	89,411,449	84,749,503	82,698,786
Total liabilities	(71,725,269)	(83,705,553)	(79,038,242)	(76,542,982)	(72,987,076)
	22,468,008	13,386,065	10,373,207	8,206,521	9,711,710
Equity attributable to owners of the Company	6,862,667	1,791,305	664,998	45,930	1,905,104
Non-controlling interests	15,605,341	11,594,760	9,708,209	8,160,591	7,806,606
	22,468,008	13,386,065	10,373,207	8,206,521	9,711,710

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

Mr. Tsui Che Yin, Frank
Ms. Karuna Evelyne Shinsho
Mr. Ko Chun Fung, Henry

EXECUTIVE COMMITTEE

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

AUDIT COMMITTEE

Mr. Tsui Che Yin, Frank (*Chairman*)
Ms. Karuna Evelyne Shinsho
Mr. Ko Chun Fung, Henry

REMUNERATION COMMITTEE

Mr. Ko Chun Fung, Henry (*Chairman*)
Mr. Tsui Che Yin, Frank
Ms. Karuna Evelyne Shinsho

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Ms. Karuna Evelyne Shinsho (*Chairman*)
Mr. Tsui Che Yin, Frank
Mr. Ko Chun Fung, Henry
Mr. Leung Hoi Wai, Vincent*

REGULATORY COMPLIANCE COMMITTEE

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

FINANCE COMMITTEE

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

COMPANY SECRETARY

Mr. Leung Hoi Wai, Vincent

REGISTERED OFFICE

38th Floor
The Centrium
60 Wyndham Street
Central
Hong Kong

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor

* non-voting co-opted member

SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

200 (Listed on the Hong Kong Stock Exchange)

WEBSITE

www.melco-group.com

Election of Language or Means of Receipt of Corporate Communications

This annual report is printed in English and Chinese, and is available in the “Investor Relations” section of the Company’s website at www.melco-group.com.

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

www.melco-group.com

HONG KONG
38/F, THE CENTRIUM, 60 WYNDHAM STREET, CENTRAL, HONG KONG
TEL: +852 3151 3777

MACAU
8/F C, 762-840 AVENIDA DA PRAIA GRANDE, CHINA PLAZA, MACAU
TEL: +853 8296 1777

