

26 May 2025

The Board of Directors

Melco International Development Limited

38th Floor
The Centrium
60 Wyndham Street
Central
Hong Kong

Dear Sirs,

We refer to the prospectus dated 26 May 2025 (the "Prospectus") issued by Melco International Development Limited (the "Company") in connection with the rights issue on the basis of one (1) rights share for every two (2) existing shares held on the Record Date (as defined in the Prospectus), a copy of which is attached and initialled by us on its front cover for the purpose of identification.

We hereby consent to the inclusion of our independent reporting accountants' assurance report on the compilation of unaudited pro forma financial information of the Company and its subsidiaries dated 26 May 2025 in the Prospectus, and the references to our name in the form and context in which they are included.

Yours faithfully,



Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Melco International Development Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "12. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Warning of the Risks of Dealing in Shares and Nil-paid Rights Shares" in the "Letter from the Board" in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which Melco International Development Limited will not accept any liability.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed "Rights of the Overseas Shareholders" in the "Letter from the Board" in this Prospectus.

The securities referred to in this document have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States, except in a transaction exempt from the registration requirements of the Securities Act. The nil-paid Rights Shares and the fully-paid Rights Shares are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the Securities Act to existing shareholders of the Company located in jurisdictions where such offer and sale of the securities is permitted under laws of such jurisdictions and (ii) in the United States to existing shareholders of the Company who are "qualified institutional buyers" (as defined in Rule 144A under the Securities Act, "QIBs") pursuant to Section 4(a)(2) of the Securities Act or other exemptions from the registration requirements of the Securities Act. The offering to which this document relates is not, and under no circumstances is to be construed as, an offering of any securities for sale or as a solicitation of an offer to buy any of such securities in the United States, except in each case to persons in the United States who are QIBs.



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

Financial adviser to the Company

ANGLO CHINESE
CORPORATE FINANCE, LIMITED

英
高

Anglo Chinese Corporate Finance, Limited

Unless the context otherwise requires, capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

The Rights Issue is conditional upon the fulfilment of the conditions as set out in the section headed "Letter from the Board – Rights Issue – Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Pursuant to the articles of the association of the Company and the Companies (WUMP) Ordinance, there are no requirements for minimum levels of subscription. Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

The Shares have been dealt in on an ex-rights basis since Friday, 16 May 2025. Dealings in the nil-paid Rights Shares will take place from Wednesday, 28 May 2025 to Wednesday, 4 June 2025 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled on or before 4:00 p.m. on Monday, 9 June 2025 (or such later date as may be determined by the Company), the Rights Issue will not proceed. Any persons contemplating buying or selling Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the nil-paid Rights Shares between Wednesday, 28 May 2025 to Wednesday, 4 June 2025 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

The Latest Time for Acceptance is 4:00 p.m. on Monday, 9 June 2025. Further details on the expected timetable for the Rights Issue are set out in the section headed "Expected timetable" in this Prospectus. The procedures for acceptance and payment and/or transfer of the nil-paid Rights Shares are set out in the section headed "Letter from the Board – Rights Issue – Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares" in this Prospectus.

26 May 2025

CONTENTS

	<i>Page</i>
Notices	ii
Expected timetable	xii
Definitions	xiv
Letter from the Board	1
Appendix I – Financial information of the Group	25
Appendix II – Unaudited pro forma financial information of the Group	31
Appendix III – General information	36

NOTICES

The Rights Issue is conditional upon the fulfillment of the conditions as described in the section headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this Prospectus. Accordingly, the Rights Issue may or may not proceed. If any of the conditions of the Rights Issue is not fulfilled, the Rights Issue will not proceed. It should be noted that existing Shares have been dealt in on an ex-rights basis from Friday, 16 May 2025. The Rights Shares in their nil-paid form are expected to be dealt in from Wednesday, 28 May 2025 to Wednesday, 4 June 2025 (both days inclusive).

The contents of this Prospectus are not to be construed as legal, business, financial or tax advice. None of the Company or any of its representatives, is making any representation to any person regarding the legality of an investment in the Rights Shares by such person under the laws applicable to such person. Each prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the Rights Issue or the purchase of the Rights Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

Investors also acknowledge that: (i) they have relied only on the information contained in this Prospectus in making their relevant decision; and (ii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Rights Issue (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid forms is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

NOTICES

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF have been or will be registered or filed under the securities laws of any jurisdiction or with any securities commission or similar regulatory authority in any jurisdiction other than in Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exemptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than in Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the section headed “Letter from the Board – Rights Issue – Rights of the Overseas Shareholders” in this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he/she is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

NOTICE TO THE PRC SOUTHBOUND TRADING INVESTORS

The PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. They can subscribe for their pro rata entitlements but cannot participate in the excess application of the Rights Issue. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC in accordance with the CSRC Notice. For the avoidance of doubt, the Company will comply with the relevant filing requirements stipulated in the CSRC Notice.

NOTICES

NOTICE TO OVERSEAS INVESTORS

Based on the legal advice of the Company's legal advisers in relation to the laws of the relevant overseas jurisdictions, the following notices are set out for the attention of the overseas investors in the relevant jurisdictions.

NOTICE TO INVESTORS IN THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS)

The Rights Shares in nil-paid or fully-paid form shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to the PRC Southbound Trading Investors' rights to participate in the Rights Issue as explained in this Prospectus), or such person or entity has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

NOTICE TO INVESTORS IN MACAU

The nil-paid Rights Shares and the Rights Shares are not required to be registered with the Macau Monetary Authority or with any other authority under the laws and regulations of Macau and this Prospectus may be despatched to Overseas Shareholders with registered addresses in Macau without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to Overseas Shareholders with registered addresses in Macau, and such Overseas Shareholders are Qualifying Shareholders.

NOTICE TO INVESTORS IN CANADA

Neither the nil paid rights nor the Rights Shares have been qualified for distribution by prospectus under the securities laws of any province or territory of Canada. Subject to certain limited exceptions, persons resident in any province or territory of Canada who are either registered or beneficial owners of the Company's shares be excluded from the Rights Issue, shall constitute Non-Qualifying Shareholders as defined herein, and shall not be entitled to take up any nil paid rights or subscribe for any Rights Shares under the Rights Issue.

NOTICES

Notwithstanding the foregoing, the Company reserves the right to permit certain registered or beneficial owners of the Company's shares that are resident in Canada to take up their rights under the Rights Issue and to subscribe for Rights Shares by demonstrating compliance with certain eligibility requirements, delivering a prescribed form of certification of eligibility and providing certain additional information necessary to permit compliance with applicable Canadian securities laws, all as may be determined by the Company in its absolute discretion. The foregoing restrictions on participation in the Rights Issue do not apply to account managers outside Canada who are acting on a fully discretionary basis on behalf of beneficial owner(s) resident in Canada, provided that those beneficial owner(s) is/are not involved in the decision to participate in the Rights Issue or any other acts in furtherance of the Rights Issue.

NOTICE TO INVESTORS IN UNITED KINGDOM

Neither this Prospectus nor any other document relating to the Rights Issue has been approved by the Financial Conduct Authority in the United Kingdom. No prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) has been published or is intended to be published in relation to the Rights Issue. Accordingly the nil-paid Rights Shares and the Rights Shares referred to in this Prospectus may not be, and are not being, offered to the public in the United Kingdom under section 85(1) FSMA, except in circumstances where section 86(1) FSMA applies. Any Shareholder or beneficial owner in the United Kingdom who takes up Rights Shares shall be deemed to represent and warrant that he/she/it is not taking up those Rights Shares on behalf of other persons in the United Kingdom. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

This Prospectus and any associated documents are directed only at Shareholders in the United Kingdom who are: (a) "qualified investors" as defined under Article 2 of Prospectus Regulation (2017/1129) as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"); and (b) to fewer than 150 natural or legal persons (other than qualified investors) as per article 1(4) of the UK Prospectus Regulation.

This Prospectus is not a financial promotion to which section 21(1) FSMA applies since article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), as amended, removes the financial promotion restriction from communications (which are communicated by a body corporate to its members) which relate to shares in the share capital of the body corporate. Accordingly, in addition to the requirements above, the investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, persons within the United Kingdom (i) who fall within article 43 of the Order, as amended, or (ii) to whom it may otherwise be lawfully communicated (the "**relevant persons**"). Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

NOTICES

NOTICE TO INVESTORS IN THE UNITED STATES

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE NIL-PAID RIGHTS SHARES, THE FULLY-PAID RIGHTS SHARES OR ANY ENTITLEMENTS TO ANY NIL-PAID RIGHTS SHARES OR FULLY-PAID RIGHTS SHARES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities referred to in this Prospectus have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States, except in a transaction exempt from the registration requirements of the Securities Act. The nil-paid Rights Shares and the fully-paid Rights Shares are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the Securities Act to existing shareholders of the Company located in jurisdictions where such offer and sale of the securities is permitted under laws of such jurisdictions and (ii) in the United States to existing shareholders of the Company who are QIBs pursuant to Section 4(a)(2) of the Securities Act or other exemptions from the registration requirements of the Securities Act. The offering to which this document relates is not, and under no circumstances is to be construed as, an offering of any securities for sale or as a solicitation of an offer to buy any of such securities in the United States, except in each case to persons in the United States who are QIBs.

The nil-paid Rights Shares and the fully-paid Rights Shares and any beneficial interests therein sold pursuant hereto may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction complying with Rule 904 of Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In the United States, the entitlements to nil-paid Rights Shares and fully-paid Rights Shares may be exercised, and Rights Shares may be purchased, only by QIBs. Each QIB exercising an entitlement and each purchaser of Rights Shares within the United States will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

1. The purchaser is, and at the time of any exercise by it of entitlements will be, a QIB. The purchaser, and any accounts for which it is purchasing, is able to bear the economic risk of investing in the Rights Shares and is able to sustain a complete loss of the investment in the Rights Shares.
2. The purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Rights Shares. The purchaser is authorised to consummate the exercise of the entitlements and the purchase of the Rights Shares in compliance with all applicable laws and regulations.

NOTICES

3. The purchaser understands and acknowledges that neither the entitlements nor the rights of the Rights Shares have been or will be registered under the Securities Act. The offering of the Rights Shares is not being extended to shareholders of the Company or to other investors in the United States, except under limited circumstances designed to avoid an offering that would require registration under the Securities Act. The purchaser acknowledges and agrees that it is not purchasing the new Shares as a result of any general solicitation or general advertising.
4. The purchaser represents that, upon exercise of the rights of the Rights Shares, it will be acquiring the Rights Shares for its own account (or for the account of a QIB for which it is acting as a duly authorised fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the confirmations, acknowledgments, representations, warranties, undertakings, and agreements herein with respect to each such account). In each case, this is for investment purposes and not with a view to any distribution of the Rights Shares in the United States.
5. The purchaser has received a copy of this Prospectus and such other information as it considers necessary in order to make its investment decision. The purchaser acknowledges that neither the Company nor any person representing the Company has made any representation to it with respect to the Company or the offering or sale or the exercise of any entitlements (or Rights Shares issuable upon the exercise of entitlements) other than as set forth in this Prospectus. The purchaser has not relied on financial or other information supplied to it by any person other than information contained in this Prospectus. The purchaser has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to its investment in the Rights Shares. The purchaser acknowledges that it has read and agreed to the matters stated in this section “Notice to Investors in the United States”.
6. The purchaser has not distributed, forwarded, transferred or otherwise transmitted the Prospectus, or any other presentational or other materials concerning the offering or sale or the exercise of any entitlements (or Rights Shares issuable upon the exercise of entitlements) (including electronic copies thereof) to any person within the United States (other than QIBs on behalf of whom it acts), and agrees not to distribute, forward, transfer or otherwise transmit such materials.
7. The purchaser understands and agrees that the entitlements and the Rights Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the entitlements or the Rights Shares are “restricted securities”, it will not reoffer, resell, pledge or otherwise transfer any entitlements or Rights Shares which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Rule 904 of Regulation S or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
8. The purchaser understands that for so long as such Rights Shares issued upon the exercise of entitlements are “restricted securities” within the meaning of Rule 144(a)(3) under the

NOTICES

Securities Act, no such Rights Shares may be deposited into any U.S. depository receipt facility established or maintained by a depository bank, other than a restricted depository receipt facility, and that the Rights Shares will not settle or trade through the facilities of The Depository Trust Company or any other U.S. exchange or clearing system.

9. The purchaser understands that these confirmations, acknowledgments, representations, warranties, undertakings and agreements are required in connection with United States securities laws and that the Company and the financial advisor and their affiliates are entitled to rely on the confirmations, acknowledgments, representations, warranties, undertakings and agreements contained herein. The purchaser authorises the Company to provide a copy of this letter to the financial advisor. The purchaser irrevocably authorises the Company, the financial advisor and their affiliates to produce this letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.
10. The purchaser undertakes promptly, and in any event prior to any attempted exercise of entitlements, to inform the Company if any of the foregoing statements ceases to be true.

The Company reserves the right to treat as invalid any exercise of entitlements by a QIB where the Company believes acceptance of such exercise of entitlements may infringe applicable legal or regulatory requirements, and the Company shall not be bound to issue any Rights Shares in respect of any such exercise of entitlements.

All offers and sales in the United States of the entitlements and the nil-paid Rights Shares and fully-paid Rights Shares have been, and will be, made solely by our Company. The financial advisor is not making, will not make, and will not participate or otherwise be involved in any offers or sales of the entitlements and the nil-paid Rights Shares and fully-paid Rights Shares or any other security with respect to this Rights Issue in the United States.

NOTICE TO INVESTORS IN SINGAPORE

The offer of nil-paid Rights Shares and the Rights Shares by the Company is made only to and directed at, and the nil-paid Rights Shares and Rights Shares are only available to, persons in Singapore who are existing members of the Company pursuant to Section 273(1)(cd) of the Securities and Futures Act, 2001 of Singapore, as modified or amended from time to time (the “SFA”).

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the nil-paid Rights Shares and the Rights Shares will be offered pursuant to exemptions under the SFA. Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any nil-paid Rights Shares or Rights Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an existing member of the Company pursuant to Section 273(1)(cd) of the SFA, or (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

NOTICES

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

NOTICE TO INVESTORS IN TAIWAN

The offer of the nil paid rights and the Rights Shares as described in this Prospectus has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and the nil paid rights and the Rights Shares may not be offered, issued or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering, issuance and sale of the nil paid rights or the Rights Shares in Taiwan.

NOTICE TO INVESTORS IN AUSTRALIA

This Prospectus does not constitute a prospectus, a disclosure document or a product disclosure statement for the purposes of the Corporations Act 2001 (Cth) (Australia) (“**Corporations Act**”) and does not purport to include all the information required for a prospectus, a disclosure document or a product disclosure statement under the Corporations Act. No prospectus, product disclosure statement or other disclosure document under Australian law has been lodged with the Australian Securities and Investments Commission in relation to the offer of the nil paid rights and the Rights Shares.

The nil paid rights and the Rights Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the nil paid rights or the Rights Shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any nil paid rights or the Rights Shares may be distributed in Australia.

We are not licensed to provide financial product advice in relation to the nil paid rights and/or the Rights Shares. There is no cooling-off regime that applies in respect of an acquisition of the nil-paid rights and/or the fully-paid Rights Shares. This Prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice.

NOTICES

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

No offer to the public of the nil-paid rights or Rights Shares which are the subject of the Rights Issue has been or will be made in any member state of the European Economic Area (the “**EEA**”), except that offers to the public of nil-paid rights or Rights Shares in any member state of the EEA are permitted in accordance with the following exceptions under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) if such offering is addressed:

- (a) solely to legal entities which are qualified investors as defined in Article 2 lit. e) of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons per member state of the EEA (other than qualified investors as defined in Article 2 lit. e) of the Prospectus Regulation), subject to obtaining the prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 1 para. 4 of the Prospectus Regulation, provided that no such offer of nil-paid rights or Rights Shares referred to in paragraphs (b) to (c) above shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “offer to the public” in relation to the nil-paid rights or the Rights Shares in any member state of the EEA means a communication to persons in any form and by any means, presenting sufficient information on the terms of the Rights Issue and the nil-paid rights or Rights Shares, so as to enable an investor to decide to purchase or subscribe to the nil-paid rights or the Rights Shares.

NOTICE TO INVESTORS IN SWITZERLAND

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the nil-paid Rights Shares and the fully-paid Rights Shares. The nil-paid Rights Shares and the fully-paid Rights Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the nil-paid Rights Shares and the fully-paid Rights Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the nil-paid Rights Shares and the fully-paid Rights Shares constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the nil-paid Rights Shares and the fully-paid Rights Shares may be publicly distributed or otherwise made publicly available in Switzerland.

NOTICES

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and is subject to change. Further announcement(s) will be made by the Company as and when appropriate should there be any changes to the expected timetable.

Event	Time and Date (Hong Kong time)
First day for dealings in nil-paid Rights Shares	Wednesday, 28 May 2025
Latest time for splitting PALs	4:30 p.m. on Friday, 30 May 2025
Last day for dealings in nil-paid Rights Shares	Wednesday, 4 June 2025
Latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares	4:00 p.m. on Monday, 9 June 2025
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Monday, 16 June 2025
Despatch of Share certificates for fully-paid Rights Shares and/or refund cheques	Tuesday, 17 June 2025
Commencement of dealings in fully-paid Rights Shares	Wednesday, 18 June 2025
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Wednesday, 18 June 2025
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares	4:00 p.m. on Tuesday, 8 July 2025

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 9 June 2025. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 9 June 2025. Instead, the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Monday, 9 June 2025, the dates mentioned in the timetable section above may be affected. The Company will notify the Shareholders by way of announcement of any change to the timetable as soon as practicable.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“2012 Share Option Scheme”	the share option scheme of the Company adopted on 30 May 2012 which has expired on 29 May 2022
“2022 Share Option Scheme”	the share option scheme of the Company adopted on 7 June 2022, which is replaced by the 2024 Share Scheme
“2024 Share Scheme”	the combined share scheme adopted by the Company on 13 June 2024, in replacement and to the exclusion of (a) the 2022 Share Option Scheme; and (b) the Share Subscription Scheme
“Announcement”	the announcement of the Company dated 25 April 2025 in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday or a day on which a tropical cyclone warning Number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m. on which banks are ordinarily open for the transaction of normal banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Company”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and having its shares listed and traded on the Main Board of the Stock Exchange
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“Director(s)”	the directors of the Company
“EAFs”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares
“Excess Rights Share(s)”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking dated 25 April 2025 given by the Committed Shareholder in favour of the Company
“Latest Practicable Date”	16 May 2025, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining information contained herein
“Last Trading Day”	25 April 2025, being the last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Monday, 9 June 2025, or such later time or date as may be determined by the Company, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents

DEFINITIONS

“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. Ho” or “Committed Shareholder”	Mr. Ho, Lawrence Yau Lung, the executive director, chairman and chief executive officer of the Company
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Share Option(s)”	outstanding and vested share options granted to subscribe for 2,017,000 Shares pursuant to the 2012 Share Option Scheme that are exercisable on or before the Record Date
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China for the purpose of this Prospectus and for geographical reference only, except where the context requires, references in this Prospectus to the “PRC” do not apply to Hong Kong, Macau and Taiwan
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect
“Prospectus”	the prospectus to be issued by the Company to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus Document(s)”	the Prospectus, the PAL and the EAF issued by the Company

DEFINITIONS

“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Friday, 23 May 2025, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar of Companies”	Registrar of Companies in Hong Kong
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions of the Prospectus Documents
“Rights Share(s)”	The new Share(s) to be allotted and issued under the Rights Issue, being not less than 758,341,877 Rights Shares (assuming no change in the total number of issued Shares on or before the Record Date) and not more than 759,350,377 Rights Shares (assuming Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended or supplemented from time to time
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) in issue
“Share Purchase Scheme”	the share incentive award scheme of the Company adopted on 18 October 2007, as amended from time to time
“Share Subscription Scheme”	the share incentive award scheme of the Company adopted on 18 October 2007, which is replaced by the 2024 Share Scheme

DEFINITIONS

“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.0286 for each Rights Share under the Rights Issue
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Undertaken Share(s)”	no less than 413,000,000 Rights Shares, being the number of Rights Shares for which the Committed Shareholder have undertaken to take up (or procure to take up) and to apply for pursuant to the Irrevocable Undertaking
“%”	per cent.

In this Prospectus, except for the figures in Appendix I or where indicated which are translated based on the Company’s group exchange rates for the relevant periods, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80. Percentages and figures expressed have been rounded.

LETTER FROM THE BOARD



Melco International Development Limited

(Incorporated in Hong Kong with limited liability)

Website: www.melco-group.com

(Stock Code: 200)

Executive Directors:

Mr. Ho, Lawrence Yau Lung

(Chairman and Chief Executive Officer)

Mr. Evan Andrew Winkler

(President and Managing Director)

Mr. Chung Yuk Man

Registered Office:

38th Floor

The Centrium

60 Wyndham Street

Central

Hong Kong

Independent Non-executive Directors:

Mr. Tsui Che Yin, Frank

Ms. Karuna Evelyne Shinsho

26 May 2025

*To the Qualifying Shareholders and, for information only,
the Non-Qualifying Shareholders*

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue. The Rights Issue is conditional upon the fulfilment of the conditions as set out in the section headed “Letter from the Board – Rights Issue – Conditions of the Rights Issue” in this Prospectus.

The purpose of this Prospectus is to provide you with further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

The principal terms of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price:	HK\$1.0286 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	1,516,683,755 Shares
Maximum number of Rights Shares to be issued under the Rights Issue (assuming the Rights Issue is fully subscribed):	Up to 758,341,877 Rights Shares ^(Note 1) or up to 759,350,377 Rights Shares ^(Note 2)
Undertaken Shares:	No less than 413,000,000 Rights Shares, being the aggregate number of Rights Shares for which the Committed Shareholder has undertaken to subscribe pursuant to the Irrevocable Undertaking
Total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming the Rights Issue is fully subscribed):	Up to 2,275,025,632 Shares ^(Note 1) or up to 2,278,051,132 Shares ^(Note 2)
Maximum amount to be raised before expenses (assuming the Rights Issue is fully subscribed):	Up to approximately HK\$780.03 million ^(Note 1) and not more than approximately HK\$781.07 million ^(Note 2)
Rights of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

Notes:

1. Assuming no change in the total number of issued Shares on or before the Record Date.
2. Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date.

LETTER FROM THE BOARD

Under the Rights Issue, the Company proposes to provisionally allot (i) 758,341,877 nil-paid Rights Shares (assuming no change in the total number of issued Shares on or before the Record Date), representing approximately 50.00% of the existing issued Shares and approximately 33.33% of the issued Shares as enlarged by the Rights Shares as at the Latest Practicable Date; or (ii) 759,350,377 nil-paid Rights Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date), representing approximately 50.00% of the existing issued Shares (taking into account the new Shares to be issued pursuant to the full exercise of the Outstanding Share Options) and approximately 33.33% of the issued Shares as enlarged by the Rights Shares as at the Latest Practicable Date.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued on or before the Record Date pursuant to the exercise of the Outstanding Share Options. As at the Latest Practicable Date, there are 2,017,000 Outstanding Share Options under the 2012 Share Option Scheme. Assuming exercise of all the Outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued under the 2012 Share Option Scheme on or before the Record Date would be 2,017,000 Shares, which would result in the issue and allotment of 1,008,500 additional nil-paid Rights Shares.

In addition, as at the Latest Practicable Date, (a) 32,566,000 unvested awarded shares have been granted by the Company under the Share Purchase Scheme; and (b) no share options nor awarded shares have been granted by the Company under the 2024 Share Scheme. The trustee of the Share Purchase Scheme will not participate in the Rights Issue for any unvested awarded shares it holds.

Save as disclosed above, as at the Latest Practicable Date, the Company (a) has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in the Rights Issue; and (b) has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

The Directors do not expect any exercise of the Outstanding Share Options on or before the Record Date.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

LETTER FROM THE BOARD

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PAL(s) or apply for Excess Rights Share(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code, or may result in the non-compliance by the Company of the public float requirement under Rule 8.08 of the Listing Rules. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the PAL(s) or for Excess Rights Share(s) under the EAF will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and/or (ii) does not result in the non-compliance of the public float requirement under Rule 8.08 of the Listing Rules on the part of the Company.

Subscription Price

The Subscription Price of HK\$1.0286 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for Excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 73.21% to the closing price of HK\$3.84 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 72.93% to the closing price of HK\$3.80 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 71.03% to the average closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$3.55 per Share;
- (iv) a discount of approximately 70.86% to the average closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$3.53 per Share;
- (v) a discount of approximately 64.28% to the theoretical ex-rights price of approximately HK\$2.88 per Share based on the closing price of HK\$3.80 per Share as quoted on the Stock Exchange on the Last Trading Day and 1,516,683,755 Shares in issue as at the date of the Announcement;

LETTER FROM THE BOARD

- (vi) a premium of approximately 3,328.67% to the latest published audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2024 of approximately HK\$0.03 (based on the consolidated net asset value of the Group attributable to the Shareholders as at 31 December 2024 of approximately HK\$45.93 million as disclosed in the announcement of the Company dated 28 March 2025 in relation to the annual results for the year ended 31 December 2024 and 1,516,683,755 Shares in issue as at the date of the Announcement); and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.31%, represented by the theoretical diluted price of approximately HK\$2.88 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$3.80 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the Last Trading Day of approximately HK\$3.47 per Share) of approximately HK\$3.80 per Share.

The net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares is estimated to be approximately HK\$1.016 (assuming no change in the total number of issued Shares on or before the Record Date); or approximately HK\$1.016 (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date). Since the Company is incorporated in Hong Kong, the Rights Shares have no nominal value.

The Board is of the view that the Subscription Price, which is at a significant discount to the last trading price, is fair and reasonable, as the Subscription Price was determined by the Company with reference to, among others, (i) recent performance of the Share price compared with that of the overall market; (ii) the amount of funds the Company intends to raise under the Rights Issue; and (iii) the intention to provide an opportunity for all Shareholders to take part in the Rights Issue at a relatively low cost, with the objective of increasing the participation and securing the maximum gross proceeds of the Rights Issue. The Board is of the view that the audited consolidated net asset value per Share attributable to the Shareholders is not a meaningful reference because the Shares have traded at an average premium of 3,581.7% to the net asset value per Share attributable to Shareholders during the six months up to and including the Last Trading Day.

The overall market has experienced significant volatility, but a general increasing trend year-to-date in 2025 with the Hang Seng Index reaching its lowest point of 18,874.14 on 13 January 2025, then rising 31.24% to its highest point of 24,771.14 on 19 March 2025 before dropping close to 20% to 19,828.30 on 7 April 2025. Since then the Hang Sang Index has risen by 10.86% closing at 21,980.74 on the Last Trading Day. The Directors observed that the Share price experienced a drop and underperformed the Hang Seng Index during the same period, dropping to its lowest point of HK\$3.29 per Share on 7 April 2025, and recorded a decrease of approximately 13.04% from HK\$4.37 per Share on 2 January 2025 to HK\$3.80 per Share as of the Last Trading Day.

Given that the Company intends to raise gross proceeds of approximately HK\$780.03 million from the Rights Issue and the relative weakness and volatility in Share price performance, the Directors believe that the Subscription Price would require a relatively substantial discount to the last trading price to encourage Shareholders to participate in the Rights Issue.

In addition, the Subscription Price was set with an intention that all Shareholders can take part in the Rights Issue at a relatively low cost so that all Shareholders can maintain their shareholding and continue to participate in the future growth and development of the Group.

LETTER FROM THE BOARD

After taking into consideration the factors stated above, the Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders outside of the United States for information purposes only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Shareholders with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee(s) (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company by the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 19 May 2025. The last day for dealing in the Shares on a cum-rights basis is Thursday, 15 May 2025.

LETTER FROM THE BOARD

Holders of Outstanding Share Options who wish to participate in the Rights Issue should exercise their Outstanding Share Options in accordance with the terms and conditions of the 2012 Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs has been set out in the paragraph headed "Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares" below and in the paragraph headed "Procedure for Acceptance and Payment" in the PAL.

The Prospectus is being made available and/or despatched (subject to Shareholders' election to receive physical copies) to the Shareholders. Copies of the Prospectus Documents are also available on the websites of the Company (www.melco-group.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) is being made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders for their information purpose only. The Company is sending PALs and EAFs to the Qualifying Shareholders individually in printed form. The Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of PRC Southbound Trading Investors

According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website, as at the Latest Practicable Date, China Clear held 73,653,000 Shares, representing approximately 4.84% of the total number of issued Shares.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

LETTER FROM THE BOARD

However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The Company will file the Prospectus Documents with the CSRC in accordance with the CSRC Notice and after the Company completes such filing (which is expected to be completed on or before the first day for dealings in nil-paid Rights Shares (i.e. 28 May 2025)), the PRC Southbound Trading Investors may participate in the Rights Issue through China Clear.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “EXPECTED TIMETABLE” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

LETTER FROM THE BOARD

Rights of the Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, the Overseas Shareholders were as follows:

Jurisdiction of the registered address of the Overseas Shareholders	Number of Overseas Shareholders	Number of Shares held	Approximate % of issued Shares
Macau	36	128,658	0.0084828%
Canada	6	920	0.0000607%
Denmark	1	114	0.0000075%
United Kingdom	5	174,966	0.0115361%
United States	8	2,742	0.0001808%
Singapore	3	2,370	0.0001563%
Taiwan	1	60	0.0000040%
Switzerland	1	9,596	0.0006327%
Australia	4	116	0.0000076%
France	1	8	0.0000005%
PRC	1	2,000	0.0001319%
Germany	1	2,200	0.0001451%

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders.

(a) For the PRC, Singapore, Denmark, France, Germany, the United States, the United Kingdom, Taiwan, Switzerland and Macau

The Company has obtained advice from legal advisers in the PRC, Singapore, Denmark, France, Germany, the United States, the United Kingdom, Taiwan, Switzerland and Macau, and has been advised that under the applicable legislations and based on the current composition of the Shareholders in the aforementioned EEA member states as at the Latest Practicable Date as set out above (where applicable), either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions. The foregoing legal advice did not pass on whether the nil-paid rights or Rights Shares may be reoffered or resold in those jurisdictions.

LETTER FROM THE BOARD

However, it should be noted that in respect of the offer to Overseas Shareholders with registered addresses located in Singapore, the offer of the Rights Shares by the Company is made only to and directed at, and the Rights Shares are only available to, persons in Singapore who are existing holders of the Shares as at the Record Date. The Prospectus Documents have not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares may not be circulated or distributed, nor may the Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) existing holders of the Shares under Section 273(1)(cd) of the SFA or (ii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(b) For Australia and Canada

Based on the advice of the Company's legal advisers in Australia and Canada, and having considered the circumstances, the Directors have formed the view that it is necessary or expedient not to offer the nil paid rights or the Rights Shares to Overseas Shareholders in these jurisdictions due to the time and costs involved in the registration or filing of the Prospectus Documents and/or approval required by the relevant authorities in these jurisdictions and/or additional steps the Company and/or Overseas Shareholders need to take to comply with the local legal requirements and/or other requirements to be satisfied in order to comply with relevant local legal or regulatory requirements in these jurisdictions.

Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in the PRC, Singapore, Denmark, France, Germany, the United States, the United Kingdom, Taiwan, Switzerland and Macau only and such Overseas Shareholders are Qualifying Shareholders.

Notwithstanding any other provision in this Prospectus or any other Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid, the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

No fractional entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs.

Odd lot arrangement

Upon completion of the Rights Issue, the board lots of the Company will remain as 1,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, BOCI Securities Limited has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Wednesday, 18 June 2025 to Tuesday, 8 July 2025 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot, may directly or through their broker, contact Ng, Yiu Kwan at (852) 2718 9663 of BOCI Securities Limited during such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof.

LETTER FROM THE BOARD

Completion and return of the PAL(s) and/or EAF(s) by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions in connection with the PAL and/or the EAF(s) and any acceptance of the PAL, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application or subscription for or transfer of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation.

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

A PAL is sent to each Qualifying Shareholder which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown thereon. If a Qualifying Shareholder(s) wish(es) to take up his/her/their right to subscribe for any or all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than the Latest Time for Acceptance. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "TRICOR INVESTOR SERVICES LIMITED – A/C NO. 061" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by the Latest Time for Acceptance, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be made available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged but may, at its absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately upon receipt and any interests earned on such monies will be retained for the benefit of the Company. Completion and lodgement of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

If the conditions of the Rights Issue are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the nil-paid Rights Shares have been validly transferred) without interest, by means of cheques to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk.

Transfer and “Splitting” of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Friday, 30 May 2025 with the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Company’s share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by no later than the Latest Time for Acceptance.

The PAL contains further information regarding the procedures to be followed for transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a beneficial owner whose Shares are registered in the name of a registered Shareholder and you wish to subscribe for the Rights Shares provisionally allotted to such registered Shareholder, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the registered Shareholder and provide the registered Shareholder with instructions or make arrangements with the registered Shareholder in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus in order to provide the registered Shareholder with sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should (unless you are a CCASS participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the acceptance, transfer and/or “splitting” of the nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance and before the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your intermediary in order to provide your intermediary with sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other requirements of CCASS.

Beneficial owners who are CCASS participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such beneficial owners’ interests in nil-paid Rights Shares should be dealt with.

Application for Excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply, by way of excess application under the EAF(s) for additional Rights Share(s) in excess of their assured entitlements. The Excess Rights Shares will comprise:

- (i) any Rights Shares which would have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders;

LETTER FROM THE BOARD

- (ii) any Rights Shares provisionally allotted to but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Rights Shares in nil-paid form; and
- (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form.

Pursuant to Rule 7.21(3)(a) of the Listing Rules, the Company will allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application.

In applying the above principles, reference will only be made to the number of Excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Application for Excess Rights Shares can be made only by Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Company's share registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:00 p.m. on Monday, 9 June 2025 or such later date as the Company may determine. (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable – Effect of Bad Weather or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares and for Application and Payment for Excess Rights Shares" in this Prospectus). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, licensed banks in Hong Kong and made payable to "TRICOR INVESTOR SERVICES LIMITED – A/C NO. 056" account and crossed "Account Payee Only".

LETTER FROM THE BOARD

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders should consult their professional advisers if they are in any doubt as to their status. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Company's share registrar, Tricor Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 19 May 2025.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Application for listing

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid Rights Shares and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 1,000 Rights Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in on any stock exchange other than the Stock Exchange. No new class of securities is to be issued.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangement and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment or waiver (as applicable) of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Tuesday, 17 June 2025. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be despatched on or before Tuesday, 17 June 2025 to the applicants without interest at their registered addresses by ordinary post at their own risks.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or applications for Excess Rights Shares (if any) will be refunded to the Qualifying Shareholders or such other person to whom the Rights Shares in nil-paid form have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risks of such Qualifying Shareholders or such other person to their registered addresses by the Company's share registrar, Tricor Investor Services Limited, on or before Tuesday, 17 June 2025.

IRREVOCABLE UNDERTAKING BY THE COMMITTED SHAREHOLDER

As at the Latest Practicable Date, the Committed Shareholder is beneficially interested, or otherwise by virtue of the SFO deemed to be interested, in 931,862,970 issued Shares, representing approximately 61.44% of the total number of issued Shares.

Pursuant to the Irrevocable Undertaking, the Committed Shareholder has irrevocably undertaken and warranted to the Company, among other things:

- (i) to take up or procure his spouse and/or certain related entities to take up no less than 413,000,000 Rights Shares to be provisionally allotted to the Committed Shareholder, his spouse and/or certain related entities at the Subscription Price; and
- (ii) not to, and to the best of his ability, procure his spouse and his related entities not to, sell, dispose of, transfer, or agree to sell, dispose of or transfer any of the issued Shares held by the Committed Shareholder, his spouse and his related entities from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company has been closed from Tuesday, 20 May 2025 to Friday, 23 May 2025 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares has been registered.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (i) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than 26 May 2025 of the Prospectus Documents and other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Listing Rules and the Companies (WUMP) Ordinance;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders on 26 May 2025; and
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) before the first day of dealings of the Rights Shares in their nil-paid forms, i.e. Wednesday, 28 May 2025.

None of the above conditions can be waived. As at the Latest Practicable Date, none of the above conditions has been fulfilled.

If all of the above conditions are not fulfilled by Monday, 9 June 2025 (or such later time or date as may be determined by the Company), the Rights Issue will not proceed.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective entitlements of the Rights Shares in full; and (iii) immediately after completion of the Rights Issue assuming no Qualifying Shareholders take up any of the Rights Shares (other than the Committed Shareholder who shall take up the Rights Shares in respect of the Undertaken Shares pursuant to the Irrevocable Undertaking), assuming no change in the total number of issued Shares on or before the Record Date:

LETTER FROM THE BOARD

(a) assuming no change in the total number of issued Shares on or before the Record Date

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of the Rights Shares in full		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than the Committed Shareholder who shall take up the Rights Shares in respect of the Undertaken Shares pursuant to the Irrevocable Undertaking))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Mr. Ho ⁽¹⁾	931,862,970	61.44%	1,397,794,455	61.44%	1,344,862,970	69.69%
Directors ⁽²⁾	19,593,172	1.29%	29,389,758	1.29%	19,593,172	1.02%
Other Shareholders	565,227,613	37.27%	847,841,419	37.27%	565,227,613	29.29%
Total	1,516,683,755	100.00%	2,275,025,632	100.00%	1,929,683,755	100.00%

Notes:

- (1) the 931,862,970 Shares held by Mr. Ho represent:
 - (a) 24,054,574 Shares held by Mr. Ho directly;
 - (b) 590,213,107 Shares held by Black Spade Capital Limited (91,445,132 Shares), Mighty Dragon Developments Limited (73,590,345 Shares), Maple Peak Investments Inc. (1,566,000 Shares), Lasting Legend Ltd. (122,243,024 Shares) and Better Joy Overseas Ltd. (301,368,606 Shares), all of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho. By virtue of the SFO, Mr. Ho was deemed to be interested in the Shares held by the aforesaid companies;
 - (c) 313,383,187 Shares held by L3G Holdings Inc. (312,666,187 Shares) and Lucky Life Limited (717,000 Shares), respectively, each of which is controlled by a discretionary family trust with beneficiaries including Mr. Ho and his family members. Mr. Ho was deemed to be interested in the Shares held by L3G Holdings Inc. and Lucky Life Limited by virtue of him being one of the beneficiaries of the discretionary family trusts for the purpose of the SFO; and
 - (d) 4,212,102 Shares held by Ms. Lo Sau Yan, Sharen (“Ms. Lo”). Mr. Ho is the spouse of Ms. Lo and was deemed to be interested in the Shares through the interest of his spouse under the SFO.
- (2) The Shares held by the Directors comprise the Shares beneficially held by Mr. Evan Andrew Winkler, Mr. Chung Yuk Man, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyn Shinsho.
- (3) The above percentage figures are subject to rounding adjustments.

LETTER FROM THE BOARD

- (b) assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date

Shareholder	As at the Latest Practicable Date		Immediately after full exercise of all Outstanding Share Options but otherwise no other change to the number of issued Shares up to the Record Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of the Rights Shares in full		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than the Committed Shareholder who shall take up the Rights Shares in respect of the Undertaken Shares pursuant to the Irrevocable Undertaking))	
	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%
Mr. Ho ⁽¹⁾	931,862,970	61.44%	931,862,970	61.36%	1,397,794,455	61.36%	1,344,862,970	69.62%
Directors ⁽²⁾	19,593,172	1.29%	19,593,172	1.29%	29,389,758	1.29%	19,593,172	1.01%
Other Shareholders	565,227,613	37.27%	567,244,613	37.35%	850,866,919	37.35%	567,244,613	29.37%
Total	1,516,683,755	100.00%	1,518,700,755	100.00%	2,278,051,132	100.00%	1,931,700,755	100.00%

Notes:

- (1) the 931,862,970 Shares held by Mr. Ho represent:
- (a) 24,054,574 Shares held by Mr. Ho directly;
 - (b) 590,213,107 Shares held by Black Spade Capital Limited (91,445,132 Shares), Mighty Dragon Developments Limited (73,590,345 Shares), Maple Peak Investments Inc. (1,566,000 Shares), Lasting Legend Ltd. (122,243,024 Shares) and Better Joy Overseas Ltd. (301,368,606 Shares), all of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho. By virtue of the SFO, Mr. Ho was deemed to be interested in the Shares held by the aforesaid companies;
 - (c) 313,383,187 Shares held by L3G Holdings Inc. (312,666,187 Shares) and Lucky Life Limited (717,000 Shares), respectively, each of which is controlled by a discretionary family trust with beneficiaries including Mr. Ho and his family members. Mr. Ho was deemed to be interested in the Shares held by L3G Holdings Inc. and Lucky Life Limited by virtue of him being one of the beneficiaries of the discretionary family trusts for the purpose of the SFO; and
 - (d) 4,212,102 Shares held by Ms. Lo. Mr. Ho is the spouse of Ms. Lo and was deemed to be interested in the Shares through the interest of his spouse under the SFO.
- (2) The Shares held by the Directors comprise the Shares beneficially held by Mr. Evan Andrew Winkler, Mr. Chung Yuk Man, Mr. Tsui Che Yin, Frank and Ms. Karuna Evelyne Shinsho.
- (3) The above percentage figures are subject to rounding adjustments.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

LETTER FROM THE BOARD

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE

The Company, through its subsidiaries, is principally engaged in leisure, gaming and entertainment, and other investments.

As disclosed in the annual report of the Company for the year ended 31 December 2024, the Group's total assets amounted to approximately HK\$84.75 billion, while interest-bearing borrowings outstanding, net of deferred financing costs and adjustments of modification of debts amounted to approximately HK\$60.69 billion resulting in a gearing ratio of 71.6%, a considerable increase compared to the gearing ratio of 42.4% as of 30 June 2019. Out of the HK\$60.69 billion in borrowings outstanding, net of deferred financing costs and adjustments of modification of debts as of 31 December 2024, the current portion amounted to approximately HK\$9.48 billion. This amount is attributable to the aggregate total of two outstanding senior unsecured notes due in June and July 2025, respectively (the "**Senior Notes**") which were issued by two respective subsidiaries of the Company. It is expected that the Group will be able to fulfill the repayment obligations of the Senior Notes (having taken into account the committed revolving credit facilities). As of Latest Practicable Date, the Group had approximately HK\$15.99 billion of availability to draw down, subject to certain conditions, under committed revolving credit facilities, which is more than sufficient to cover potential refinancing of the Senior Notes. In addition, as of Latest Practicable Date, the principal amount and the accrued but unpaid interest amount of approximately HK\$4.68 billion in borrowings outstanding is attributable to the Group under a US\$1.0 billion 5-year secured credit facility agreement entered into in June 2021 (the "**2021 Credit Facilities**"), net of deferred financing costs and adjustments of modification of debts. On 8 April 2025, the Group repaid US\$10.00 million (equivalent to approximately HK\$78.00 million) in principal amount of the revolving credit facility drawn under the 2021 Credit Facilities. The 2021 Credit Facilities is due in June 2026.

The Board has explored various fund-raising options, including equity and debt fund-raising. In light of the Company's current capital structure, the Board considers that it is appropriate to raise new capital in the form of equity to pay down a portion of the Company's existing debt, strengthen its balance sheet and enhance the capital structure for long term development, particularly the gearing ratio reached 71.6% as of 31 December 2024, which substantially increased from 41.2% as of 31 December 2019. With regards to equity fund-raising, while a placing of new Shares would be relatively small in scale and result in immediate dilution of the shareholding of existing shareholders, the Board considers a rights issue and open offer will provide an opportunity for all Shareholders to participate in the future development of the Company on equal terms and maintain their shareholdings in the Company. As for an open offer, while it is similar to a rights issue, offering Qualifying Shareholders to participate, it does not allow free trading of rights entitlements in the open market. As opposed to an open offer, a rights issue will also provide Qualifying Shareholders flexibility to sell their entitlements on the open market for cash realisation, and give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests. Having considered the above, the Board considers that the Rights Issue is currently the preferred means to strengthen the Group's financial position and is in the best interests of the Shareholders as a whole.

LETTER FROM THE BOARD

The estimated net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$770.76 million (assuming no change in the total number of issued Shares on or before the Record Date) or approximately HK\$771.79 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the total number of issued Shares on or before the Record Date). The Company currently estimates that approximately 50% to 60% of the net proceeds will be used to repay a portion of the principal amounts outstanding in the 2021 Credit Facilities, with the remaining 40% to 50% to be utilised primarily for the payment of interest of the 2021 Credit Facilities. The Directors are of the view that the Rights Issue and the subsequent partial repayment of the 2021 Credit Facilities serve as a proactive strategy to enhance the Group's capital structure, reduce in interest expenses and improve liquidity to meet ongoing financial obligations, such as debt servicing and working capital needs. The Company continues to explore its options in relation to the remaining balance of the 2021 Credit Facilities, including refinancing from alternative banking facilities, issuance of notes, and potential amendments to the credit facility, such as an extension of the maturity date, which is currently June 2026, subject to market conditions and the Group's financial situation.

In view of the above, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

On 24 April 2025, the Company entered into certain shareholder loan agreements with the associates of Mr. Ho, pursuant to which the associates of Mr. Ho will provide 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 "Shareholder Loans"), which would be primarily utilised to repay a portion of the principal amounts outstanding under the 2021 Credit Facilities, if drawn down. On 9 May 2025, the Company drew down HK\$390,000,000 from the Shareholder Loans. On 13 May 2025, the Group partially prepaid US\$50,000,000 (equivalent to approximately HK\$387,937,000 based on the Group's exchange rate) of the outstanding loan principal amount under the 2021 Credit Facilities. As at the Latest Practicable Date, the outstanding principal amount of the Shareholder Loans was HK\$390,000,000. The terms of the Shareholder Loans are on normal commercial terms or better, and the Shareholder Loans are not secured by the assets of the Company, and therefore the Shareholder Loans constitute a fully exempted connected transaction under the Listing Rules. The Shareholder Loans include a set-off arrangement allowing all or part of the subscription monies payable by the associates of Mr. Ho under the Rights Issue to be partially set off on a dollar-to-dollar basis against an equivalent amount of any outstanding obligation under the Shareholder Loans (including any accrued interests). To the extent that the Shareholder Loans are drawn prior to the closing of the Rights Issue, the net proceeds will decrease by the amount of the Shareholder Loans that are set off against all or part of the subscription monies payable by the associates of Mr. Ho.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE 2012 SHARE OPTION SCHEME

The Rights Issue will lead to adjustments to be made to the exercise price and/or the number of Shares to be issued upon exercise of the Outstanding Share Options.

LETTER FROM THE BOARD

The Company will notify the holders of such Outstanding Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made pursuant to the terms of the 2012 Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

As at the Latest Practicable Date, no share options are granted by the Company pursuant to the 2024 Share Scheme and therefore no adjustments are required in relation to the 2024 Share Scheme.

The awarded shares granted by the Company under the Share Purchase Scheme will not be adjusted as a result of the Rights Issue.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS FOR THE COMPANY

As the Company has not conducted any rights issue or open offer within the 12-month period prior to the Latest Practicable Date and the Rights Issue will not increase the issued shares or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such, the theoretical dilution impact of the proposed Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Company understands that Mr. Ho will make all applications for Rights Shares in compliance with Appendix C3 to the Listing Rules.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

LETTER FROM THE BOARD

The Shares are expected to be dealt in on an ex-rights basis from Friday, 16 May 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 28 May 2025 to Wednesday, 4 June 2025 (both dates inclusive). Any dealings in the Shares from the date of this Prospectus up to the date on all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Consolidated financial information of the Group (being the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity and consolidated statement of cash flows) for each of the three financial years ended 31 December 2022, 2023 and 2024, together with the relevant notes thereto, are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and/or the Company (<http://www.melco-group.com>), the links to which are shown below for reference:

- (a) annual report of the Company for the year ended 31 December 2022 published on 27 April 2023 (pages 107 to 233) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042705134.pdf>;
- (b) annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (pages 103 to 217) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042603229.pdf>; and
- (c) annual report of the Company for the year ended 31 December 2024 published on 28 April 2025 (pages 114 to 221) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0428/2025042802764.pdf>.

Subsequent Events:

Subsequent to 28 March 2025, the date of issuance of the audited consolidated financial statements of the Group included in the annual report of the Company for the year ended 31 December 2024 (i.e. item (c) above) (the “**2024 Annual Report**”), and up to the Latest Practicable Date, the subsequent events note as disclosed in note 45 to the consolidated financial statements set out in the 2024 Annual Report is further updated as follows:

- (a) During the period from 29 March 2025 through the Latest Practicable Date, Melco Resorts & Entertainment Limited (“**Melco Resorts**”) repurchased 24,715,624 ADSs (equivalent to 74,146,872 ordinary shares) from the open market for an aggregate consideration of approximately US\$124,651,000 (equivalent to approximately HK\$969,341,000) (the “**Share Repurchase**”). The Share Repurchase was funded by cash on hand of Melco Resorts, which is a separately listed company. Assuming (i) the 74,146,872 ordinary shares of Melco Resorts repurchased under the Share Repurchase (including those underlying any repurchased ADSs) have been cancelled or held as treasury shares; and (ii) no other changes to Melco Resorts’ outstanding share capital (being 1,276,540,382 ordinary shares as at the Latest Practicable Date), the Company’s indirect holding of Melco Resorts’ outstanding share capital would be increased from its existing approximately 53.85% to approximately 57.17%;
- (b) On 7 April 2025, the Group drew down US\$10,000,000 (equivalent to approximately HK\$77,587,000) from a shareholder loan facility under the Shareholder Loan Facility Agreements (as disclosed in note 45(a) to the consolidated financial statements set out in the 2024 Annual Report) for prepayment of a portion of the outstanding loan principal amount under the 2021 Credit Facilities as disclosed in sub-paragraph (c) below;

- (c) On 8 April 2025, the Group obtained confirmation that the majority of lenders of the 2021 Credit Facilities consented and agreed to amend certain financial covenants from 8 April 2025 to 30 June 2025 (both dates inclusive), subject to certain conditions (the “**Amendments**”), and the Group partially prepaid US\$10,000,000 (equivalent to approximately HK\$77,587,000) of the outstanding loan principal amount under the 2021 Credit Facilities on the same date to fulfil the terms of the Amendments;
- (d) In April 2025, two non-wholly owned subsidiaries of the Company declared special interim dividends of a total amount of HK\$286,077,000 to their respective shareholders, out of which an aggregate amount of HK\$35,257,000 was attributable to the non-controlling shareholders of the subsidiaries, and the dividends payment were all settled in April 2025 (the “**Subsidiaries Dividends Declaration**”). As a result of the Subsidiaries Dividends Declaration, the net assets and non-controlling interests of the Group decreased by HK\$35,257,000;
- (e) As described in the section headed “Letter from the Board – Rights Issue – Reasons for the Rights Issue and Use of Proceeds of the Rights Issue” in this Prospectus, on 24 April 2025, the Company entered into certain shareholder loan agreements for the Shareholder Loans with 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 Shareholder Loans are unsecured and include a set-off arrangement allowing all or part of the subscription monies payable by the associates of Mr. Ho under the Rights Issue to be partially set off on a dollar-to-dollar basis against an equivalent amount of any outstanding obligation under the Shareholder Loans (including any accrued interests). Principal amounts outstanding under the Shareholder Loans bear interest at 11% per annum and are payable every two months, with outstanding principal amounts payable by the Company on 24 October 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. The interest rate of the Shareholder Loans was determined on an arm’s length basis, considering (a) the limited availability of debt financing options for the Company in the current market environment, taking into account the Company’s financial condition; (b) the market trading levels of the debt securities issued by its subsidiaries Melco Resorts and Studio City, which serve as reference points for the market expectations and/or market reactions regarding the Company; and (c) the Company’s credit profile and cash availability. The Board believes that the interest rate of the Shareholder Loans was based on normal commercial terms and is fair and reasonable. On 9 May 2025, the Company drew down HK\$390,000,000 from the Shareholder Loans. As at the Latest Practicable Date, the outstanding principal amount of the Shareholder Loans was HK\$390,000,000;
- (f) On 7 May 2025, the Group drew down HK\$195,000,000 from a revolving credit facility for general corporate purposes;
- (g) On 13 May 2025, the Group partially prepaid US\$50,000,000 (equivalent to approximately HK\$387,937,000) of the outstanding loan principal amount under the 2021 Credit Facilities; and

- (h) On 13 May 2025, Mr. John William Crawford, J.P., who had been an independent non-executive director of the Company since September 2019, passed away. For further details, please refer to the announcement of the Company dated 15 May 2025.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2025, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this Prospectus, the Group had the following outstanding indebtedness in net carrying amounts:

Interest-bearing borrowings

	31 March 2025
	<i>HK\$'000</i>
Senior notes:	
– Unsecured and unguaranteed	37,631,274
– Unsecured and guaranteed	14,128,964
– Secured and guaranteed	2,702,402
Bank loans:	
– Unsecured and guaranteed	1,229,000
– Secured and guaranteed	5,113,940
Shareholder loan:	
– Unsecured and unguaranteed	38,890
	<u>60,844,470</u>

The secured senior notes and bank loans were secured by the following assets of the Group:

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

Lease liabilities

As at 31 March 2025, the Group had unguaranteed lease liabilities amounting to approximately HK\$2,505,012,000, of which approximately HK\$2,232,440,000 are secured by rental deposits and with the remaining amount of approximately HK\$272,572,000 as unsecured.

Concession and license liabilities

As at 31 March 2025, the Group had concession and license liabilities amounting to approximately HK\$2,301,649,000. These included:–

- (i) secured and guaranteed concession liabilities of approximately HK\$1,720,940,000 in relation to a ten-year concession (the “**Concession**”) granted by the Macau government to a subsidiary of the Company on 16 December 2022 to operate games of fortune and chance in casinos in Macau commenced on 1 January 2023 and ends on 31 December 2032. As required under the terms of the Concession, the Group provided a bank guarantee in favour of the Macau government of Macau Pataca (“**MOP**”) 1,000,000,000 (equivalent to approximately HK\$970,874,000) to secure the fulfilment of performance of certain legal and contractual obligations, including labour obligations. As stipulated in the bank guarantee contract, cash of HK\$970,874,000 (equivalent to MOP1,000,000,000) was held in the collateral bank account to secure the bank guarantee as at 31 March 2025; and
- (ii) unsecured and unguaranteed license liabilities of approximately HK\$580,709,000 in relation to a gaming license granted by the Cyprus government to a subsidiary of the Company on 26 June 2017 to develop, operate and maintain an integrated casino resort in Limassol, Cyprus and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive.

Guarantees

Except for the bank guarantee under the Concession disclosed herein of this statement of indebtedness, the Group made the following significant guarantees as at 31 March 2025:

- (i) A subsidiary of the Company entered into a deed of guarantee with a third party amounting to US\$5,000,000 (equivalent to approximately HK\$38,890,000) to guarantee certain payment obligations of the City of Dreams’ operations;
- (ii) In October 2013, one of the Company’s subsidiaries entered into a trade credit facility agreement for HK\$200,000,000 (“**Trade Credit Facility**”) with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility is guaranteed by another subsidiary of the Company. As at 31 March 2025, approximately HK\$5,000,000 of the Trade Credit Facility had been utilised; and
- (iii) A subsidiary of the Company issued a corporate guarantee of Philippine Peso 100,000,000 (equivalent to approximately HK\$13,557,000) to a bank in respect of a surety bond issued to the Philippine Amusement and Gaming Corporation (“**PAGCOR**”) as required under the terms of the casino gaming license issued by PAGCOR on 29 April 2015 and expires on 11 July 2033 to operate City of Dreams Manila in the Philippines.

Contingent liabilities and litigation

As at 31 March 2025, there is no material change for the commitments and contingencies that disclosed in note 40 to the consolidated financial statements set out in the 2024 Annual Report.

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 a subsidiary of the Company (the “**Respondent**”) initiating an arbitration under the London Court of International Arbitration Rules, principally seeking additional payment for the construction of City of Dreams Mediterranean (the “**Arbitration**”). The Respondent intends to vigorously defend against the claims and believes that the claims are without merit. The Respondent has significant counter claims against the Claimants which the Respondent intends to vigorously pursue. The Arbitration is at an early stage and the Group 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 March 2025, the Group was a party to certain other legal proceedings which relate to matters arising out of the ordinary course of its business. Management believes that the outcomes of such proceedings have been adequately provided for or have no material impact on the Group as at 31 March 2025.

Save as aforesaid or otherwise disclosed herein, apart from intra-group liabilities and normal trade and other payables, the Group did not have any debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase commitments, mortgages, charges, guarantees or material contingent liabilities as at the close of business on 31 March 2025.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Group’s business prospects, internal resources, available facilities and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its requirements for at least twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company operates its business primarily through its subsidiary, Melco Resorts, a developer, owner and operator of integrated resorts in Asia and Europe. As at the Latest Practicable Date, the Company, through its wholly owned subsidiary, held approximately 53.85% of the total number of issued shares of Melco Resorts.

In Macau, Melco Resorts owns and operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively. Its business also includes the Grand Dragon Casino, a casino located in Taipa, Macau and the Mocha Clubs, the largest non-casino-based operator of electronic gaming machines in Macau. Furthermore, it has majority ownership of and operates Studio City, a cinematically themed integrated resort located in Cotai, Macau.

Beyond Macau, a Philippine subsidiary of Melco Resorts operates and manages City of Dreams Manila, an integrated resort at the Entertainment City complex in Manila. In Europe, Melco Resorts holds a 75% equity interest in ICR Cyprus Holdings Limited and, through its subsidiaries, operates City of Dreams Mediterranean in Limassol, Cyprus, as well as three satellite casinos in other cities in Cyprus. Melco Resorts is also in the process of fitting out a gaming area at City of Dreams Sri Lanka. Casino operations are expected to commence in the third quarter of 2025.

The Group is focused on continuing to improve the quality of its services and entertainment offerings as well as upgrading the infrastructure of its properties, with the goal to better cater to customers in Macau and around the world. In pursuit of its vision to establish world-leading hospitality and entertainment in Macau, the Group remains unwavering in its efforts to attract new and high-quality tourism to its properties. In Macau, the iconic attraction, House of Dancing Water re-opened in early May 2025, and is expected to drive traffic into City of Dreams. Studio City Phase 2 opened in April 2023 offering a thrilling indoor and outdoor waterpark, two new hotel towers – Epic Tower and W Macau – as well as the first Dolby Cinema in Macau and Hong Kong with 9 screening houses and 770 seats. In Cyprus, the Group continues to enhance and upgrade its leisure offerings since City of Dreams Mediterranean opened to the public in July 2023, including the opening of the Marcos Baghdatis Tennis Academy.

Continuing its global expansion, the casino at City of Dreams Sri Lanka is slated to open in the third quarter of 2025. City of Dreams Sri Lanka was developed by our partners John Keells Holdings PLC and will be the first integrated resort in Sri Lanka. The project is set to redefine the luxury hospitality, entertainment, and leisure landscape in the region, complementing the Group's existing portfolio of properties. The Group will continue to take a strategic approach to global expansion, actively exploring new opportunities in emerging gaming markets.

Looking ahead, the Group believes that its diversified revenue streams across market segments and geographies with its portfolio of high-quality luxury hotel, F&B and entertainment offerings will provide a strong foundation to the Group's long-term success and development. With growing global demand for premium and tailored travel experiences, for both gaming as well as non-gaming entertainment and leisure offerings, the Group's dedicated management team, solid corporate governance and strong property portfolio are well placed to continue to deliver solid financial growth.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE LIABILITIES ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024 (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible liabilities of the Group attributable to owners of the Company as if the Rights Issue had been completed on 31 December 2024.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024, as extracted from the 2024 Annual Report, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2024 or at any future date.

Audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024 upon completion of the Rights Issue	Unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 31 December 2024 upon completion of the Rights Issue
<i>(Note 1)</i> <i>HK\$'000</i>	<i>(Note 2)</i> <i>HK\$'000</i>	<i>HK\$'000</i>	<i>(Note 3)</i> <i>HK\$</i>
Based on 758,341,877 Rights Shares to be issued at the Subscription Price of HK\$1.0286 per Rights Share	(13,050,981)	770,755	(12,280,226) (5.41)

Notes:

- The audited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK\$13,050,981,000 is calculated based on the consolidated net assets of the Group attributable to owners of the Company of approximately HK\$45,930,000, as extracted from the audited consolidated statement of financial position as at 31 December 2024 set out in the 2024 Annual Report, after deducting audited intangible assets and goodwill of the Group attributable to owners of the Company of approximately HK\$10,203,952,000 and HK\$2,892,959,000, respectively, as at 31 December 2024.

2. The estimated net proceeds from the Rights Issue of approximately HK\$770,755,000 is calculated based on 758,341,877 Rights Shares assuming to be issued upon completion of the Rights Issue (based on 1,516,683,755 Shares in issue as at the Latest Practicable Date by assuming 1,636,088 Rights Shares in respect of 3,272,176 Shares held under trust arrangements for the Company's share award schemes would be subscribed by parties outside of the Group, and assuming no Outstanding Share Options would be exercised during the period after the Latest Practicable Date) at the Subscription Price of HK\$1.0286 per Rights Share and after deduction of estimated related expenses of approximately HK\$9,275,000.
3. The unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company per Share as at 31 December 2024 upon completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible liabilities of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK\$12,280,226,000 divided by 2,271,753,456 Shares, which represents 1,513,411,579 Shares in issue as at 31 December 2024 (after deduction of Shares held under the trust arrangements for the Company's share award schemes) and 758,341,877 Rights Shares assuming to be issued upon completion of the Rights Issue.
4. No other adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report, set out on pages 33 to 35 of Appendix II to the Prospectus, received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Board of Directors of Melco International Development Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Melco International Development Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible liabilities as at 31 December 2024 and related notes as set out on pages 31 to 32 of Appendix II to the prospectus issued by the Company dated 26 May 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 31 to 32 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one (1) rights share for every two (2) existing shares held on the record date on the Group's financial position as at 31 December 2024 as if the proposed rights issue had taken place at 31 December 2024. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2024, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
26 May 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The Company does not have any authorised share capital nor any nominal value in its Shares. The number of issued Shares (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full) are set out as follows:

(i) As at the Latest Practicable Date

Type	Number	Status
Existing Shares	1,516,683,755	Issued and fully paid-up

(ii) Immediately following the completion of the Rights Issue (assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full)

Type	Number	Status
Existing Shares	1,516,683,755	Issued and fully paid-up
Rights Shares	758,341,877	Issued and fully paid-up

Total: 2,275,025,632

All the issued Shares in the capital of the Company rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange. Accordingly, there are no dealing and settlement arrangements securities of the Company between the Stock Exchange and any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are or will be waived or agreed to be waived.

As at the Latest Practicable Date, there are 2,017,000 Outstanding Share Options under the 2012 Share Option Scheme. Assuming exercise of all the Outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued under the 2012 Share Option Scheme on or before the Record Date would be 2,017,000 Shares, which would result in the issue and allotment of 1,008,500 additional nil-paid Rights Shares. In addition, as at Latest Practicable Date, no share options or awarded shares have been granted by the Company under the 2024 Share Scheme.

Save as disclosed above, the Company had no outstanding debt securities, derivatives, warrants, options or convertible securities in issue or similar rights which confer any right to convert into or subscribe for Shares and there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

Particulars of the outstanding share options under the 2012 Share Option Scheme

Details of the outstanding share options (including but not limited to the Outstanding Share Options) held by certain Directors of the Group, other employees/former employees and other participants under the 2012 Share Option Scheme as at the Latest Practicable Date are set out below:

Category of participants	Date of grant	Exercise Price (HK\$)	Exercise Period (note)	Number of outstanding share options
Other employees	8 April 2016	10.24	2	324,000
Other employees	10 April 2017	15.00	3	91,000
Other employees	10 April 2018	23.15	4	84,000
Other employees	10 April 2019	19.90	5	69,000
Other employees	14 April 2020	12.70	6	42,000
Other employees	6 April 2022	7.278	7	933,000
Other employees	6 April 2022	7.278	8	453,000
Service provider ⁽⁹⁾	8 April 2016	10.24	2	21,000

Notes:

- Other employee participants include former directors, and both current and former employees of the Company and/or its subsidiaries.
- The outstanding 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.
- The outstanding 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.
- The outstanding 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.

5. The outstanding 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.
6. The outstanding 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.
7. The outstanding 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.
8. The outstanding 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.
9. The service provider refers to Mr. Lee Siu Hong of Guangzhou Luhui Tourist Country Club, Luhui Park, Lujing Road, Guangzhou, Guangdong, China 510095 (廣州麓湖高爾夫球鄉村俱樂部中國廣東省廣州市麓景路麓湖公園內510095).

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporations

As at the Latest Practicable Date, 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 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 Stock Exchange were as follows:

(i) Long positions in the Shares and underlying Shares

- Ordinary Shares of the Company

Name of Director	Number of ordinary Shares held				Number of underlying Shares held		Approximate % of total issued Shares ⁽¹⁾
	Personal interests ⁽²⁾	Family interests ⁽³⁾	Corporate interests ⁽⁴⁾	Other interests ⁽⁵⁾	Personal interests ⁽²⁾	Total	
Mr. Ho, Lawrence Yau Lung	24,054,574	4,212,102	590,213,107 ⁽⁶⁾	313,383,187 ⁽⁷⁾	413,000,000 ⁽⁸⁾	1,344,862,970	88.67%
Mr. Evan Andrew Winkler	7,272,138	-	-	-	-	7,272,138	0.48%
Mr. Chung Yuk Man	5,739,440	-	-	-	-	5,739,440	0.38%
Mr. Tsui Che Yin, Frank	6,453,660	-	-	-	-	6,453,660	0.43%
Ms. Karuna Evelyne Shinsho	127,934	-	-	-	-	127,934	0.01%

- Awarded shares granted by the Company

Name of Director	Number of awarded shares held ⁽²⁾	Approximate % of total issued Shares ⁽¹⁾
Mr. Ho, Lawrence Yau Lung	30,073,000	1.98%
Mr. Chung Yuk Man	730,000	0.05%
Mr. Tsui Che Yin, Frank	75,000	0.00%
Ms. Karuna Evelyn Shinsho	137,000	0.01%

Notes:

1. Each percentage has been calculated based on 1,516,683,755 Shares in issue as at the Latest Practicable Date.
2. This represents the interests held by the relevant Director as beneficial owner.
3. This represents the interests held by the spouse of the relevant Director.
4. This represents the interests held by the relevant Director through his controlled corporations.
5. This represents the interests held by the relevant Director through discretionary trusts of which the relevant Director is one of the beneficiaries.
6. The 590,213,107 Shares relate to the 301,368,606 Shares, 122,243,024 Shares, 73,590,345 Shares, 91,445,132 Shares and 1,566,000 Shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.10% of the total issued Shares. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the Shares held by the aforesaid companies.
7. In addition to the deemed interests as stated in note 6 above, Mr. Ho, Lawrence Yau Lung was also deemed to be interested in the 717,000 Shares held by Lucky Life Limited and 312,666,187 Shares held by L3G Holdings Inc., representing an aggregate of approximately 20.66% of the total issued Shares, by virtue of him being one of the beneficiaries of discretionary family trusts for the purpose of the SFO. Each of Lucky Life Limited and L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members.
8. Pursuant to the Irrevocable Undertaking, Mr. Ho, Lawrence Yau Lung has irrevocably undertaken and warranted to the Company, among other things: (i) to take up or procure his spouse and/or certain related entities to take up no less than 413,000,000 Rights Shares to be provisionally allotted to Mr. Ho, Lawrence Yau Lung, his spouse and/or certain related entities at the Subscription Price; and (ii) not to, and to the best of his ability, procure his spouse and his related entities not to, sell, dispose of, transfer, or agree to sell, dispose of or transfer any of the issued Shares held by Mr. Ho, Lawrence Yau Lung, his spouse and his related entities from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue. As such, a maximum of 413,000,000 Rights Shares may be issued to Mr. Ho, Lawrence Yau Lung pursuant to the Irrevocable Undertaking upon completion of the Rights Issue.

(ii) *Long positions in the shares and underlying shares of associated corporations of the Company*(A) **Melco Resorts & Entertainment Limited (“Melco Resorts”)** (a listed subsidiary of the Company)

- 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	55.67%
Mr. Evan Andrew Winkler	1,171,635	–	1,171,635	0.09%
Mr. Chung Yuk Man	535,981	–	535,981	0.04%

- Restricted shares and share options granted by Melco Resorts

Name of Director	Number of restricted shares held ⁽²⁾	Number of share options held ⁽²⁾	Total	Approximate % of total issued shares ⁽¹⁾
Mr. Ho, Lawrence Yau Lung	7,214,295	–	7,214,295	0.57%
Mr. Evan Andrew Winkler	1,593,933	1,122,264	2,716,197	0.21%
Mr. Chung Yuk Man	510,861	–	510,861	0.04%

Notes:

1. As at the Latest Practicable Date, the total number of issued shares of Melco Resorts was 1,276,540,382.
2. This represents the interests held by the relevant Director as beneficial owner.
3. This represents the interests held by the relevant Director through his controlled corporations.
4. In respect of the 697,295,328 shares of Melco Resorts, by virtue of the SFO, Mr. Ho, Lawrence Yau Lung was taken to be interested in (1) 687,360,906 shares held by Melco Leisure and Entertainment Group Limited, a wholly-owned subsidiary of the Company, as a result of his interest in approximately 61.44% of the total issued Shares; 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.

(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	3,360	0.00%

Notes:

1. As at the Latest Practicable Date, 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 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 interests	Corporate interests ⁽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, so far as was known to any Director, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares or underlying shares or interests in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interest which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders who have an interest and/or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, 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 as notified to the Company were as follows:

Name	Capacity	No. of Shares held	No. of underlying Shares held	Approximate % of total issued Shares ⁽¹⁾	Note(s)
Better Joy Overseas Ltd.	Beneficial owner	301,368,606	–	19.87%	2
Lasting Legend Ltd.	Beneficial owner	122,243,024	–	8.06%	2
	Interest of controlled corporation	301,368,606	–	19.87%	2
Trident Trust Company (Cayman) Limited	Trustee	423,611,630	–	27.93%	3
Black Spade Capital Limited	Beneficial owner	91,445,132	–	6.03%	4
	Interest of controlled corporation	73,590,345	–	4.85%	4
King Dragon Ventures Limited	Interest of controlled corporation	165,035,477	–	10.88%	4
LHT I Limited	Interest of controlled corporation	165,035,477	–	10.88%	4
Zedra Asia Limited	Trustee	165,752,477	–	10.93%	5
L3G Holdings Inc.	Beneficial owner	312,666,187	–	20.62%	6
Zedra Trust Company (Cayman) Limited	Trustee	312,666,187	–	20.62%	6
Mr. Ho, Lawrence Yau Lung	Beneficial owner	24,054,574	443,073,000	30.80%	9, 11
	Interest of controlled corporation	590,213,107	–	38.91%	8
	Interest of spouse	4,212,102	–	0.28%	10
	Others	313,383,187	–	20.66%	7
Ms. Lo Sau Yan, Sharen	Beneficial owner	4,212,102	–	0.28%	–
	Interest of spouse	927,650,868	443,073,000	90.38%	9, 10, 11

Notes:

1. Each percentage has been calculated based on 1,516,683,755 Shares in issue as at the Latest Practicable Date.
2. Better Joy Overseas Ltd. is a company controlled by Lasting Legend Ltd. and, therefore, Lasting Legend Ltd. was deemed to be interested in the 301,368,606 Shares held by Better Joy Overseas Ltd. The Shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by the person, company and/or trusts associated with Mr. Ho, Lawrence Yau Lung.
3. The 423,611,630 Shares relate to the same block of shares held by Better Joy Overseas Ltd. and Lasting Legend Ltd. referred to in note 2 above.
4. Black Spade Capital Limited is wholly owned by King Dragon Ventures Limited which in turn is wholly owned by LHT I Limited and, therefore, King Dragon Ventures Limited and LHT I Limited were deemed to be interested in the 165,035,477 Shares held by Black Spade Capital Limited and its wholly-owned subsidiary, Mighty Dragon Developments Limited. The Shares held by the aforesaid companies also represent the corporate interests of Mr. Ho, Lawrence Yau Lung in the Company as such companies are owned by a trust associated with him.
5. Among the 165,752,477 Shares, 165,035,477 Shares relate to the same block of shares held by Black Spade Capital Limited and Mighty Dragon Developments Limited referred to in note 4 above, and 717,000 Shares held by Lucky Life Limited.

Lucky Life Limited is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Asia Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to be interested in the shares held by Lucky Life Limited by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.
6. L3G Holdings Inc. is a company controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members. Zedra Trust Company (Cayman) Limited is the trustee of the aforesaid discretionary family trust. Mr. Ho, Lawrence Yau Lung was deemed to be interested in the Shares held by L3G Holdings Inc. by virtue of him being one of the beneficiaries of the discretionary family trust for the purpose of the SFO.
7. The 313,383,187 Shares relate to the 717,000 Shares held by Lucky Life Limited (controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 5) and 312,666,187 Shares held by L3G Holdings Inc. (controlled by a discretionary family trust with beneficiaries including Mr. Ho, Lawrence Yau Lung and his family members as referred to in note 6).
8. The 590,213,107 Shares relate to the 301,368,606 Shares, 122,243,024 Shares, 73,590,345 Shares, 91,445,132 Shares and 1,566,000 Shares held by Better Joy Overseas Ltd., Lasting Legend Ltd., Mighty Dragon Developments Limited, Black Spade Capital Limited and Maple Peak Investments Inc., respectively, representing approximately 19.87%, 8.06%, 4.85%, 6.03% and 0.10% of the total issued Shares. All of such companies are owned or controlled by persons and/or trusts associated with Mr. Ho, Lawrence Yau Lung. By virtue of the SFO, Mr. Ho, Lawrence Yau Lung was deemed to be interested in the Shares held by the aforesaid companies.
9. Among the 443,073,000 underlying Shares, 30,073,000 underlying Shares relate to the unvested awarded shares held by Mr. Ho, Lawrence Yau Lung and 413,000,000 Shares relate to the Irrevocable Undertaking. Pursuant to the Irrevocable Undertaking, Mr. Ho, Lawrence Yau Lung has irrevocably undertaken and warranted to the Company, among other things: (i) to take up or procure his spouse and/or certain related entities to take up no less than 413,000,000 Rights Shares to be provisionally allotted to Mr. Ho, Lawrence Yau Lung, his spouse and/or certain related entities at the Subscription Price; and (ii) not to, and to the best of his ability, procure his spouse and his related entities not to, sell, dispose of, transfer, or agree to sell, dispose of or transfer any of the issued Shares held by Mr. Ho, Lawrence Yau Lung, his spouse and his related entities from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue. As such, a maximum of 413,000,000 Rights Shares may be issued to Mr. Ho, Lawrence Yau Lung pursuant to the Irrevocable Undertaking upon completion of the Rights Issue.
10. Mr. Ho, Lawrence Yau Lung is the spouse of Ms. Lo Sau Yan, Sharen and was deemed to be interested in the Shares 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 through the interest of her spouse under the SFO.

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

4. DIRECTORS' INTERESTS

(a) Interests in contract or arrangement

Save as disclosed below, no contract of significance to which the Company, its holding company or any of their subsidiaries was a party, and in which a Director was materially interested, whether directly or indirectly, subsisted as at the Latest Practicable Date.

In April 2024, Mr. Ho, Lawrence Yau Lung (“**Mr. Ho**”), the Chairman and Chief Executive Officer of the Company, participated in a cash tender offer which expired on 6 May 2024, and a principal amount of US\$10,118,000 (equivalent to approximately HK\$78,920,400) of the 2025 Senior Notes was purchased by Studio City Finance (a subsidiary of the Company) from Mr. Ho for a consideration of US\$10,118,000 (equivalent to approximately HK\$78,920,400). Subsequently, on 5 September 2024, Studio City Finance repurchased from Mr. Ho a principal amount of US\$19,882,000 (equivalent to approximately HK\$155,079,600) of the 2025 Senior Notes.

As at the Latest Practicable Date, a controlled entity of Mr. Ho held an aggregate principal amount of US\$30,000,000 (equivalent to approximately HK\$234,000,000) senior notes issued by Studio City Finance, which are unsecured and not convertible or exchangeable. The controlled entity of Mr. Ho purchased the senior notes at their face values.

On 9 January 2025, the Company, as borrower, entered into two shareholder loan facility agreements (collectively referred to as the “**Shareholder Loan Facility Agreements**”), separately with Mr. Ho and his controlled company (each as lender and collectively referred to as the “**Lenders**”). Pursuant to the Shareholder Loan Facility Agreements, uncommitted revolving loan facilities, in an amount of US\$2,200,000 (equivalent to approximately HK\$17,160,000) and US\$22,800,000 (equivalent to approximately HK\$177,840,000), were granted by Mr. Ho and his controlled company, respectively, to the Company for a period from 9 January 2025 to 2 July 2026 (the “**Maturity Date**”), subject to certain conditions precedent. Principal amounts outstanding under the Shareholder Loan Facility Agreements bear interest at 11% per annum, payable every two months, with outstanding principal amounts payable by the Company on the Maturity Date. Notwithstanding the aforesaid, the Lenders may demand immediate repayment of all or part of the principal amounts outstanding together with interest accrued by notice to the Company. As at the Latest Practicable Date, a principal amount of US\$15,000,000 (equivalent to approximately HK\$117,000,000) was outstanding under the Shareholder Loan Facility Agreements.

On 24 April 2025, the Company entered into certain shareholder loan agreements with the associates of Mr. Ho, pursuant to which the associates of Mr. Ho will provide 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 "**Shareholder Loans**"), which would be primarily utilised to repay a portion of the principal amounts outstanding under the 2021 Credit Facilities, if drawn down. On 9 May 2025, the Company drew down HK\$390,000,000 from the Shareholder Loans. On 13 May 2025, the Group partially prepaid US\$50,000,000 (equivalent to approximately HK\$387,937,000 based on the Group's exchange rate) of the outstanding loan principal amount under the 2021 Credit Facilities. As at the Latest Practicable Date, the outstanding principal amount of the Shareholder Loans was HK\$390,000,000. The terms of the Shareholder Loans are on normal commercial terms or better, and the Shareholder Loans are not secured by the assets of the Company, and therefore the Shareholder Loans constitute a fully exempted connected transaction under the Listing Rules. The Shareholder Loans include a set-off arrangement allowing all or part of the subscription monies payable by the associates of Mr. Ho under the Rights Issue to be partially set off on a dollar-to-dollar basis against an equivalent amount of any outstanding obligation under the Shareholder Loans (including any accrued interests). To the extent that the Shareholder Loans are drawn prior to the closing of the Rights Issue, the net proceeds will decrease by the amount of the Shareholder Loans that are set off against all or part of the subscription monies payable by the associates of Mr. Ho.

(b) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2024, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in competing business

As at the Latest Practicable Date, none of the Directors is interested in any businesses apart from the businesses of the Company or its subsidiaries, which competes or is likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries during the year which is required to be disclosed pursuant to the Listing Rules.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any members of the Group save for the following litigation.

Aberdeen Restaurant Enterprises Limited (“AREL”)

AREL was a plaintiff in a defence and counterclaim filed with the High Court of Hong Kong. For further details, please refer to note 40 to the Group’s audited consolidated financial statements for the year ended 31 December 2024 set out in the 2024 Annual Report.

The judgment in favour of AREL was issued on 29 November 2024. The judge held that AREL had validly and effectively terminated the sale and purchase agreement and entitled to the forfeited deposit of HK\$50,000,000 received from the defendant, and are awarded with damages. AREL recovered the HK\$50,000,000 forfeited deposit previously withheld by the court. The defendant did not lodge any appeal within the appeal period as per court rules.

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 a subsidiary of the Company (the “**Respondent**”) initiating an arbitration under the London Court of International Arbitration Rules, principally seeking additional payment for the construction of City of Dreams Mediterranean (the “**Arbitration**”). The Respondent intends to vigorously defend against the claims and believes that the claims are without merit. The Respondent has significant counter claims against the Claimants which the Respondent intends to vigorously pursue. The Arbitration is at an early stage and the Group 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.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this Prospectus:

Deloitte Touche Tohmatsu Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and/or opinion (as the case may be) and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any members of the Group.

The accountants' report of Deloitte Touche Tohmatsu on the unaudited pro forma financial information of the Group is given as of the date of this Prospectus for incorporation herein.

8. MATERIAL CONTRACTS

No material contract(s) (not being contracts in the ordinary course of business) has been entered into by members of the Group within the two years preceding the Latest Practicable Date and up to the Latest Practicable Date and is or may be material.

9. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered Office	38th Floor The Centrium 60 Wyndham Street Central Hong Kong
Share registrar and transfer office	Tricor Investor Services Limited 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Company Secretary	Mr. Leung Hoi Wai <i>(Hong Kong solicitor)</i>
Authorised representatives	Mr. Chung Yuk Man 38th Floor, The Centrium 60 Wyndham Street Central Hong Kong Mr. Leung Hoi Wai 38th Floor, The Centrium 60 Wyndham Street Central Hong Kong
Principal Bankers	Industrial and Commercial Bank of China (Macau) Limited 18th Floor, ICBC Tower, Macau Landmark 555 Avenida da Amizade Macau Bank of Communications Co., Ltd. Macau Branch 16th Floor, AIA Tower No. 251A-301, Avenida Comercial de Macau Macau
Auditor and Reporting Accountant	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35th Floor, One Pacific Place 88 Queensway Hong Kong

Legal advisers to the Company in relation to the Rights Issue	Latham & Watkins LLP 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
Financial adviser to the Company	Anglo Chinese Corporate Finance, Limited Suite 4001, 40th Floor Two Exchange Square 8 Connaught Place Central Hong Kong

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Directors

Mr. HO, Lawrence Yau Lung (aged 48)

Executive Director (Chairman and Chief Executive Officer)

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

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

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

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

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

Mr. Evan Andrew WINKLER (aged 50)

Executive Director (President and Managing Director)

Mr. Winkler joined the Company as Managing Director in August 2016 and in May 2018, he assumed the role of President and Managing Director of the Company. Mr. Winkler is also a member of the Executive Committee, the Regulatory Compliance Committee and the Finance Committee and a director of various subsidiaries of the Company. He is currently a director and president of Melco Resorts, 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 (aged 62)

Executive Director

Mr. Chung has been an Executive Director of the Company since May 2006. He is also a member of the Executive Committee and the Finance Committee of the Company and a director of various subsidiaries of the Company. He is currently a director of Melco Resorts, 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. TSUI Che Yin, Frank (aged 68)

Independent Non-executive Director

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

Ms. Karuna Evelyne SHINSHO (aged 57)

Independent Non-executive Director

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

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

*Senior Management***Mr. Geoffrey Stuart DAVIS, CFA (aged 57)***Chief Financial Officer*

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

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

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

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

Business address of the Directors and senior management of the Company

The business address of the Directors and senior management of the Company is the same as the principal place of business in Hong Kong of the Company located at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong.

11. EXPENSES

The expenses in connection with the Rights Issue, including the printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be approximately HK\$9,275,000, which are payable by the Company.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “7. Expert and Consent” in this Appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 38D of the Companies (WUMP) Ordinance.

13. LANGUAGE

The English texts of the Prospectus Documents shall prevail over its Chinese text in case of inconsistency.

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. MISCELLANEOUS

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

16. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.melco-group.com>) for a period of 14 days from the date of this Prospectus:

- (i) the report on the unaudited pro forma financial information of the Group from Deloitte Touche Tohmatsu as set out in Appendix II to this Prospectus;
- (ii) the written consent referred to in the paragraph headed “7. Expert and Consent” in this Appendix; and
- (iii) the Prospectus Documents.