A. PUBLISHED FINANCIAL INFORMATION OF MELCO RESORTS OF EACH OF THE YEARS ENDED 31 DECEMBER 2022, 2023 AND 2024

For the purpose of this section only, unless the context requires otherwise, references to "$" refer to US$.

1. The following is an extract of the audited consolidated financial statements of Melco Resorts as of 31 December 2022 and 2023 and for the years ended 31 December 2021, 2022 and 2023 (the "**Melco Resorts 2023 financial statements**"), which were prepared in accordance with US GAAP, from the report of Melco Resorts on Form 20-F and the exhibits thereto furnished to the SEC on 22 March 2024, except for certain information in relation to segment disclosure have been adjusted to reflect the retrospective adoption for the fiscal years beginning after December 15, 2023 of Accounting Standards Update ("**ASU**") 2023-07, "Improvements to Reportable Segment Disclosures".

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31,	
	2023	**2022**
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,310,715	$ 1,812,729
Restricted cash	27	50,992
Accounts receivable, net of allowances for credit losses of $153,863 and $202,278	91,638	55,992
Receivables from affiliated companies	797	630
Inventories	29,427	26,416
Prepaid expenses and other current assets	111,688	119,410
Assets held for sale	–	8,503
Total current assets	1,544,292	2,074,672
Property and equipment, net	5,533,994	5,870,905
Intangible assets, net	304,652	43,610
Goodwill	81,582	81,606
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $2,377 and $14,966	100,320	159,697
Receivables from an affiliated company	–	216,333
Restricted cash	125,094	124,736
Deferred tax assets, net	–	638
Operating lease right-of-use assets	62,356	58,715
Land use rights, net	582,782	670,872
Total assets	$ 8,335,072	$ 9,301,784

	December 31, 2023	December 31, 2022
LIABILITIES AND DEFICIT		
Current liabilities:		
Accounts payable	$ 11,752	$ 6,730
Accrued expenses and other current liabilities	1,008,316	809,305
Income tax payable	28,183	11,610
Operating lease liabilities, current	19,685	12,761
Finance lease liabilities, current	35,307	34,959
Current portion of long-term debt, net	–	322,500
Payables to affiliated companies	377	761
Total current liabilities	1,103,620	1,198,626
Long-term debt, net	7,472,620	8,090,008
Other long-term liabilities	322,591	33,712
Deferred tax liabilities, net	34,959	39,677
Operating lease liabilities, non-current	53,858	55,832
Finance lease liabilities, non-current	187,474	198,291
Total liabilities	$ 9,175,122	$ 9,616,146
Commitments and contingencies *(Note 21)*		
Deficit:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,404,679,067 and 1,445,052,143 shares issued; 1,311,270,775 and 1,335,307,327 shares outstanding, respectively	$ 14,047	$ 14,451
Treasury shares, at cost; 93,408,292 and 109,744,816 shares, respectively	(255,068)	(241,750)
Additional paid-in capital	3,109,212	3,218,895
Accumulated other comprehensive losses	(98,599)	(111,969)
Accumulated losses	(4,056,872)	(3,729,952)
Total Melco Resorts & Entertainment Limited shareholders' deficit	(1,287,280)	(850,325)
Noncontrolling interests	447,230	535,963
Total deficit	(840,050)	(314,362)
Total liabilities and deficit	$ 8,335,072	$ 9,301,784

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

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except share and per share data)

	Year Ended December 31, 2023	2022	2021
Operating revenues:			
Casino	$ 3,077,312	$ 1,076,398	$ 1,676,263
Rooms	338,224	116,552	157,501
Food and beverage	208,885	85,518	97,665
Entertainment, retail and other	150,826	71,509	80,927
Total operating revenues	3,775,247	1,349,977	2,012,356
Operating costs and expenses:			
Casino	(2,034,848)	(912,839)	(1,320,882)
Rooms	(87,637)	(46,199)	(49,895)
Food and beverage	(163,492)	(82,000)	(91,533)
Entertainment, retail and other	(76,704)	(22,419)	(29,463)
General and administrative	(488,127)	(423,225)	(426,407)
Payments to the Philippine Parties	(42,451)	(28,894)	(26,371)
Pre-opening costs	(43,994)	(15,585)	(4,157)
Development costs	(1,202)	–	(30,677)
Amortization of gaming subconcession	–	(32,785)	(57,276)
Amortization of land use rights	(22,670)	(22,662)	(22,832)
Depreciation and amortization	(520,726)	(466,492)	(499,739)
Property charges and other	(228,437)	(39,982)	(30,575)
Total operating costs and expenses	(3,710,288)	(2,093,082)	(2,589,807)
Operating income (loss)	64,959	(743,105)	(577,451)
Non-operating income (expenses):			
Interest income	23,305	26,458	6,618
Interest expense, net of amounts capitalized	(492,391)	(376,722)	(350,544)
Other financing costs	(4,372)	(6,396)	(11,033)
Foreign exchange gains, net	2,232	3,904	4,566
Other income, net	2,748	3,930	3,082
Gain (loss) on extinguishment of debt	1,611	–	(28,817)
Total non-operating expenses, net	(466,867)	(348,826)	(376,128)
Loss before income tax	(401,908)	(1,091,931)	(953,579)
Income tax expense	(13,422)	(5,236)	(2,885)
Net loss	(415,330)	(1,097,167)	(956,464)
Net loss attributable to noncontrolling interests	88,410	166,641	144,713
Net loss attributable to Melco Resorts & Entertainment Limited	$ (326,920)	$ (930,526)	$ (811,751)
Net loss attributable to Melco Resorts & Entertainment Limited per share:			
Basic	$ (0.249)	$ (0.669)	$ (0.566)
Diluted	$ (0.249)	$ (0.669)	$ (0.566)
Weighted average shares outstanding used in net loss attributable to Melco Resorts & Entertainment Limited per share calculation:			
Basic	1,314,605,173	1,391,154,836	1,434,087,641
Diluted	1,314,605,173	1,391,154,836	1,434,087,641

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Net loss	$ (415,330)	$ (1,097,167)	$ (956,464)
Other comprehensive income (loss):			
Foreign currency translation adjustments	13,310	(41,082)	(78,992)
Other comprehensive income (loss)	13,310	(41,082)	(78,992)
Total comprehensive loss	(402,020)	(1,138,249)	(1,035,456)
Comprehensive loss attributable to noncontrolling interests	88,470	171,762	159,029
Comprehensive loss attributable to Melco Resorts & Entertainment Limited	$ (313,550)	$ (966,487)	$ (876,427)

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

CONSOLIDATED STATEMENTS OF (DEFICIT) EQUITY

(In thousands, except share and per share data)

	Melco Resorts & Entertainment Limited Shareholders' (Deficit) Equity								
	Ordinary Shares		Treasury Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Losses	Accumulated Losses	Noncontrolling Interests	Total (Deficit) Equity
	Shares	Amount	Shares	Amount					
Balance at January 1, 2021	1,456,547,942	$ 14,565	(25,582,630)	$ (121,028)	$ 3,207,312	$ (11,332)	$ (1,987,396)	$ 735,950	$ 1,838,071
Net loss	–	–	–	–	–	–	(811,751)	(144,713)	(956,464)
Foreign currency translation adjustments	–	–	–	–	–	(64,676)	–	(14,316)	(78,992)
Share-based compensation	–	–	–	–	71,894	–	–	14	71,908
Shares repurchased by the Company	–	–	(16,116,135)	(52,026)	–	–	–	–	(52,026)
Issuance of shares for restricted shares vested	–	–	6,042,543	28,516	(28,749)	–	–	–	(233)
Exercise of share options	–	–	2,478,594	11,682	(5,314)	–	–	–	6,368
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(6,951)	–	–	(1,567)	(8,518)
Restricted shares granted to employees of an affiliated company	–	–	–	–	408	–	(408)	–	–
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(229)	(229)
Balance at December 31, 2021	1,456,547,942	14,565	(33,177,628)	(132,856)	3,238,600	(76,008)	(2,799,555)	575,139	819,885
Net loss	–	–	–	–	–	–	(930,526)	(166,641)	(1,097,167)
Foreign currency translation adjustments	–	–	–	–	–	(35,961)	–	(5,121)	(41,082)
Share-based compensation	–	–	–	–	62,831	–	–	10	62,841
Shares repurchased by the Company	–	–	(102,783,027)	(189,161)	–	–	–	–	(189,161)
Retirement of repurchased shares	(11,495,799)	(114)	11,495,799	21,971	(21,857)	–	–	–	–
Issuance of shares for restricted shares vested	–	–	14,720,040	58,296	(58,756)	–	–	–	(460)
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(2,952)	–	–	(358)	(3,310)
Changes in shareholdings of Studio City International	–	–	–	–	879	–	–	133,224	134,103
Restricted shares granted to employees of an affiliated company, net of adjustment	–	–	–	–	(129)	–	129	–	–
Reimbursement from an affiliated company for restricted shares granted to its employees	–	–	–	–	279	–	–	–	279
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(290)	(290)
Balance at December 31, 2022	1,445,052,143	14,451	(109,744,816)	(241,750)	3,218,895	(111,969)	(3,729,952)	535,963	(314,362)
Net loss	–	–	–	–	–	–	(326,920)	(88,410)	(415,330)
Foreign currency translation adjustments	–	–	–	–	–	13,370	–	(60)	13,310
Share-based compensation	–	–	–	–	48,336	–	–	4	48,340
Shares repurchased by the Company	–	–	(40,373,076)	(169,836)	–	–	–	–	(169,836)
Retirement of repurchased shares	(40,373,076)	(404)	40,373,076	108,375	(107,971)	–	–	–	–
Issuance of shares for restricted shares vested	–	–	16,254,282	47,903	(49,452)	–	–	–	(1,549)
Exercise of share options	–	–	82,242	240	(14)	–	–	–	226
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(582)	–	–	(90)	(672)
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(177)	(177)
Balance at December 31, 2023	1,404,679,067	$ 14,047	(93,408,292)	$ (255,068)	$ 3,109,212	$ (98,599)	$ (4,056,872)	$ 447,230	$ (840,050)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net loss	$ (415,330)	$ (1,097,167)	$ (956,464)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	543,396	521,939	579,847
Amortization of deferred financing costs and original issue premiums	19,461	17,056	16,276
(Payment for) interest accretion on finance lease liabilities	(12,825)	(16,843)	17,218
Interest accretion on financial liabilities	4,692	–	–
Net loss on disposal of property and equipment	443	476	807
Impairment of long-lived assets	207,608	3,595	3,643
Impairment of assets held for sale	–	6,794	–
Net (gain) loss on disposal of assets held for sale	(4,468)	477	–
(Reversal of) provision for credit losses	(3,351)	(433)	6,450
Provision for input value-added tax	6,665	5,714	3,023
(Gain) loss on extinguishment of debt	(1,611)	–	28,817
Share-based compensation	35,473	71,809	67,957
Changes in operating assets and liabilities:			
Accounts receivable	(31,526)	(396)	67,571
Inventories, prepaid expenses and other	20,176	4,187	16,134
Long-term prepayments, deposits and other	16,573	(16,405)	61,952
Accounts payable, accrued expenses and other	212,377	(121,288)	(178,853)
Other long-term liabilities	24,937	1,051	(3,152)
Net cash provided by (used in) operating activities	622,690	(619,434)	(268,774)
Cash flows from investing activities:			
Payments for capitalized construction costs	(132,923)	(479,883)	(532,660)
Acquisition of property and equipment	(124,101)	(129,731)	(139,155)
Acquisition of intangible and other assets	(6,864)	(12,478)	(7,579)
Proceeds from sale of property and equipment	530	423	4,843
Proceeds from sale of assets held for sale	14,845	15,562	–
Proceeds from loan repayment from an affiliated company	200,000	–	–
Payment of loan to an affiliated company	–	(200,000)	–
Placement of bank deposits with original maturities over three months	–	–	(298,666)
Withdrawals of bank deposits with original maturities over three months	–	–	298,666
Net cash used in investing activities	$ (48,513)	$ (806,107)	$ (674,551)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from financing activities:			
Repayments of long-term debt	$ (2,201,562)	$ –	$ (502,831)
Repurchase of shares	(169,836)	(189,161)	(52,026)
Payments of Concession and license liabilities	(7,981)	–	–
Purchase of shares of a subsidiary	(671)	(3,310)	(8,518)
Payments of financing costs	(530)	(7,990)	(37,396)
Dividends paid	(314)	(196)	–
Proceeds from exercise of share options	226	–	7,101
Proceeds from long-term debt	1,251,544	1,849,839	1,416,012
Net proceeds from (payments for) issuance of shares of subsidiaries	–	134,103	(445)
Principal payments on finance lease liabilities	–	–	(152)
Net cash (used in) provided by financing activities	(1,129,124)	1,783,285	821,745
Effect of exchange rate on cash, cash equivalents and restricted cash	2,326	(22,602)	19,359
(Decrease) increase in cash, cash equivalents and restricted cash, including those classified within assets held for sale	(552,621)	335,142	(102,221)
Cash, cash equivalents and restricted cash at beginning of year	1,988,457	1,653,315	1,755,770
Cash, cash equivalents and restricted cash at end of year, including those classified within assets held for sale	1,435,836	1,988,457	1,653,549
Less: cash and cash equivalents classified within assets held for sale	–	–	(234)
Cash, cash equivalents and restricted cash at end of year	$ 1,435,836	$ 1,988,457	$ 1,653,315

	Year Ended December 31,		
	2023	2022	2021
Supplemental cash flow disclosures:			
Cash paid for interest, net of amounts capitalized	$ (490,910)	$ (350,737)	$ (310,319)
Cash paid for income taxes, net of refunds	$ (1,001)	$ (2,989)	$ (4,524)
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases	$ (17,135)	$ (15,393)	$ (23,398)
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modification	$ 22,365	$ 9,425	$ 8,849
Change in right-of-use assets held under finance lease and finance lease liabilities arising from lease modification	$ –	$ 106,407	$ –
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment	$ 28,543	$ 32,042	$ 29,251
Change in input value-added tax related to acquisition of property and equipment	$ –	$ –	$ 8,276
Change in accrued expenses and other current liabilities and other long-term liabilities related to construction costs	$ 4,429	$ 107,158	$ 145,284
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ 6,280	$ –	$ –
Change in other current and other long-term liabilities arising from recognition of intangible assets *(Note 7)*	$ 312,647	$ –	$ –

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share data)

1. ORGANIZATION AND BUSINESS

(a) Company Information

Melco Resorts & Entertainment Limited ("**Melco**") is incorporated in the Cayman Islands and its American depositary shares ("**ADSs**") are listed on the Nasdaq Global Select Market under the symbol "MLCO" in the United States of America (the "**U.S.**").

Melco together with its subsidiaries (collectively referred to as the "**Company**") is a developer, owner and operator of integrated resort facilities in Asia and Europe. In the Macau Special Administrative Region of the People's Republic of China ("**Macau**"), the Company operates its gaming business through its subsidiary, Melco Resorts (Macau) Limited ("**Melco Resorts Macau**"), a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on January 1, 2023 and ends on December 31, 2032 (the "**Concession**") and a holder of a previous gaming subconcession contract to operate gaming business in Macau which expired on December 31, 2022. The Company currently operates Altira Macau, an integrated resort located at Taipa, Macau, City of Dreams, an integrated resort located at Cotai, Macau and Grand Dragon Casino, a casino located at Taipa, Macau. The Company's business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. Melco, through its subsidiaries, including Studio City International Holdings Limited ("Studio City International"), which is majority-owned by Melco and its ADSs are listed on the New York Stock Exchange in the U.S., also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco, through its majority-owned subsidiary, ICR Cyprus Holdings Limited ("**ICR Cyprus**") and its subsidiaries (collectively referred to as "**ICR Cyprus Group**"), operates City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus ("**Cyprus**"), which had a soft opening on June 12, 2023 and a full public opening on July 10, 2023. In addition to City of Dreams Mediterranean, ICR Cyprus Group also operates licensed satellite casinos in Cyprus, and prior to the soft opening of City of Dreams Mediterranean, a licensed temporary casino in Limassol until its closure on June 9, 2023 (collectively, the "**Cyprus Operations**").

Melco International Development Limited ("**Melco International**"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), is the single largest shareholder of Melco.

(b) Recent Developments Related to Business Operations and COVID-19

The Company completed construction of its Studio City Phase 2 expansion before the extended deadline of June 30, 2023 for the development period under the Studio City land concession. The first stage of Studio City Phase 2 was opened in April 2023 while the second stage was opened in September 2023.

City of Dreams Mediterranean commenced operations before the extended deadline of June 30, 2023 under the terms of the gaming license. Since the opening, City of Dreams Mediterranean has been impacted by, amongst other things, the Israel-Hamas military conflict. This, together with the on-going military conflict between Russia and Ukraine and restrictions on the ability to accept certain customers from Russia, continues to have a negative impact on the Company's business and may materially and adversely affect the Company's business in Cyprus.

While the Company's business continues to recover from the impact of, and disruptions caused by, COVID-19, the pace of recovery of the Company's business from COVID-19 could vary materially from current estimates and could materially affect the Company's business, prospects, financial condition and results of operations.

The Company is currently unable to reasonably estimate the financial impact on its future results of operations, cash flows and financial condition from various disruptions.

As of December 31, 2023, the Company had cash and cash equivalents of $1,310,715 and available unused borrowing capacity of $920,710, subject to the satisfaction of certain conditions precedent.

The Company continues to take cash preservation measures such as implementing cost reduction programs to minimize cash outflows for non-essential items, rationalizing the Company's capital expenditure programs with deferrals and reductions.

The Company believes it is able to support continuing operations and capital expenditures for at least twelve months after the date that these consolidated financial statements are issued. Accordingly, the accompanying consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("**U.S. GAAP**").

The accompanying consolidated financial statements include the accounts of Melco and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "**exit price**") in an orderly transaction between market participants at the measurement date. The Company estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less. Cash equivalents consist of bank time deposits placed with financial institutions with high-credit ratings and quality

(e) Restricted Cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Company expects these funds will be released or utilized in accordance with the terms of the respective agreements within the next twelve months, while the non-current portion of restricted cash represents funds that will not be released or utilized within the next twelve months. Restricted cash mainly represents cash deposits in (i) collateral bank accounts for bank guarantees as disclosed in Note 3; and (ii) collateral bank accounts associated with borrowings under the credit facilities as disclosed in Note 11.

(f) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of markers to approved casino customers following investigations of creditworthiness. Credit is/can be given to gaming promoters. These receivables can be offset against commissions payable and any other value items held by the Company to the respective customers and gaming promoters for which the Company intends to set off when required. As of December 31, 2023 and 2022, a substantial portion of the Company's markers were due from customers and gaming promoters residing in foreign countries. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant events in foreign countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

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

Management believes that as of December 31, 2023 and 2022, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) Inventories

Inventories consist of retail merchandise, food and beverage items and certain operating supplies, which are stated at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out, weighted average and specific identification methods.

(h) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets represent current assets that are typically used up or expire within the normal operating cycle of the Company. The prepaid expenses as of December 31, 2023 and 2022 were $67,035 and $77,767, respectively, and the other current assets as of December 31, 2023 and 2022 were $44,653 and $41,643, respectively.

(i) Assets Held For Sale

Assets (disposal group) classified as held for sale are measured at the lower of their carrying amounts or fair values less costs to sell. Losses are recognized for any initial or subsequent write-down to fair values less costs to sell, while gains are recognized for any subsequent increases in fair values less costs to sell, but not in excess of the cumulative losses previously recognized. Assets are not depreciated and amortized while classified as held for sale.

No impairment on assets held for sale was recognized during the years ended December 31, 2023 and 2021. During the year ended December 31, 2022, an impairment of assets held for sale of $6,794, which related to a significant decrease in the market value of a piece of freehold land in Japan as described in Note 5, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the freehold land was calculated by using level 3 inputs based on the market approach.

(j) Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment, if any. Gains or losses on dispositions of property and equipment are included in the accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under construction contracts, duties and tariffs, equipment installations, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activity is substantially suspended.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment are depreciated and amortized over the following estimated useful lives on a straight-line basis:

Freehold land	Not depreciated
Buildings	4 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 15 years
Plant and gaming machinery	3 to 5 years

During the years ended December 31, 2023, 2022 and 2021, impairments of property and equipment of \$110,033, \$3,595 and \$3,643, being part of the impairment of long-lived assets as described in Note 2(m), were recognized, respectively, and included in property charges and other in the accompanying consolidated statements of operations.

(k) Capitalized Interest

Interest, including amortization of deferred financing costs, associated with major development and construction projects is capitalized and included in the cost of the projects. The capitalization of interest ceases when the project is substantially completed or the development activity is substantially suspended. The amount to be capitalized is determined by applying the weighted average interest rate of the Company's outstanding borrowings to the average amount of accumulated qualifying capital expenditures for assets under construction during the year. Total interest expense incurred amounted to \$518,255, \$440,654 and \$380,904, of which \$25,864, \$63,932 and \$30,360 were capitalized during the years ended December 31, 2023, 2022 and 2021, respectively.

(l) Goodwill and Intangible Assets

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are stated at cost, net of accumulated amortization, and accumulated impairment, if any. The Company's finite-lived intangible assets consist of the previous gaming subconcession for the period up to its expiry on December 31, 2022, the Concession, the Cyprus License (as defined in Note 7), internal-use software and proprietary rights. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 to 15 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair value of the reporting unit is determined using income valuation approaches through the application of the discounted cash flow method. Estimating fair value of the reporting unit involves significant assumptions, including future revenue growth rates, future market conditions, gross margin, discount rate and terminal growth rate. If the carrying value of the reporting unit exceeds its fair value, an impairment is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

No impairment on goodwill and intangible assets with indefinite lives was recognized during the years ended December 31, 2023, 2022 and 2021. During the year ended December 31, 2023, an intangible asset with finite lives for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(m). No impairment on intangible assets with finite lives was recognized during the years ended December 31, 2022 and 2021.

(m) Impairment of Long-lived Assets (Other Than Goodwill)

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates, future market conditions and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs.

During the year ended December 31, 2023, with the market value of Altira Macau significantly decreased as a result of a change in its forecasted performance given the latest market conditions and lingering disruptions to the business caused by COVID-19 and the Company's earlier cessation of arrangements with gaming promoters in Macau, the Company recognized an impairment of long-lived assets in relation to Altira Macau of $207,608 which was recognized and included in property charges and other in the accompanying consolidated statements of operations. Such amount included the impairment of Altira Macau's property and equipment of $110,033, and the full impairment of the finite-lived intangible assets, land use rights and operating lease right-of-use assets for Altira Macau of $30,435, $65,172 and $1,968, respectively. The fair values of the long-lived assets of Altira Macau were estimated by using level 3 inputs based on a combination of income and cost approaches.

During the year ended December 31, 2022, an impairment of long-lived assets of $3,595 represents the impairment of property and equipment which related to a significant decrease in the market value of an aircraft as described in Note 5, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the aircraft was estimated by using level 2 inputs based on a buyer indicative purchase price. During the year ended December 31, 2021, an impairment of long-lived assets of $3,643 represents impairment of property and equipment, mainly due to reconfigurations and renovations at the Company's operating properties, and of which $1,147 related to a significant decrease in the market value of a piece of freehold land as described in Note 5, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the freehold land was calculated by using level 3 inputs based on the market approach.

(n) Deferred Financing Costs

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related debt agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of revolving credit facilities are included in other assets, either current or non-current, in the accompanying consolidated balance sheets, based on the maturity of each revolving credit facility. All other deferred financing costs are presented as a reduction of long-term debt in the accompanying consolidated balance sheets.

(o) Land Use Rights

Land use rights represent the upfront land premiums paid for the use of land held under operating leases, which are stated at cost, net of accumulated amortization, and accumulated impairment, if any. Amortization is provided over the estimated term of the land use rights of 40 years on a straight-line basis. During the year ended December 31, 2023, land use right for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(m). No impairment on land use rights was recognized during the years ended December 31, 2022 and 2021.

(p) Leases

At the inception of the contract or upon modification, the Company will perform an assessment as to whether the contract is a lease or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee has control of an identified asset if it has both the right to direct the use of the asset and the right to receive substantially all of the economic benefits from the use of the asset.

Finance and operating lease right-of-use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The initial measurement of the right-of-use assets also includes any prepaid lease payments and any initial direct costs incurred and is reduced by any lease incentive received. For leases where the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The Company's lease contracts have lease and non-lease components. For contracts in which the Company is a lessee, the Company accounts for the lease components and non-lease components as a single lease component for all classes of underlying assets, except for real estate. For contracts in which the Company is a lessor, all are accounted for as operating leases, and the lease components and non-lease components are accounted for separately.

During the year ended December 31, 2023, operating lease right-of-use assets for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(m). No impairment on operating lease right-of-use assets was recognized during the years ended December 31, 2022 and 2021.

(q) Revenue Recognition

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

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

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

The Company operates different non-discretionary incentive programs in certain of its properties which include loyalty programs (the "Loyalty Programs") to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under the Loyalty Programs, the Company defers a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Company-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue when the wagers are settled.

The Company follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of two of its externally managed hotels and Grand Dragon Casino and concluded that it is the controlling entity and is the principal to these arrangements. For the operations of these two externally managed hotels, as the Company is the owner of the hotel properties, the hotel managers operate the respective hotels under management agreements providing management services to the Company, and the Company receives all rewards and takes substantial risks associated with the hotel businesses. The Company is the principal and the transactions are, therefore, recognized on a gross basis. For the operations of Grand Dragon Casino, given the Company operates the casino under a right to use agreement with the owner of the casino premises and has full responsibility for the casino operations in accordance with the Concession or its previous gaming subconcession, it is the principal and casino revenue is, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by the Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Company are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fee escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company primarily has three types of liabilities related to contracts with customers: (1) outstanding gaming chips, which represent the amounts owed in exchange for gaming chips held by customers and gaming promoters, (2) loyalty program liabilities, which represent the deferred allocation of revenues relating to incentives earned from the Loyalty Programs, and (3) advance deposits and ticket sales, which represent casino front money deposits that are funds deposited by customers and gaming promoters before gaming play occurs and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms and convention space. These liabilities are generally expected to be recognized as revenues within one year of being purchased, earned or deposited and are recorded as accrued expenses and other current liabilities in the accompanying consolidated balance sheets. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers and gaming promoters, increases in unredeemed incentives relating to the Loyalty Programs and additional deposits made by customers and gaming promoters.

The following table summarizes the activities related to contract and contract-related liabilities:

	Outstanding gaming chips		Loyalty program liabilities		Advance deposits and ticket sales	
	2023	2022	2023	2022	2023	2022
Balance at January 1	$ 37,354	$ 72,147	$ 15,568	$ 24,350	$ 278,591	$ 309,718
Balance at December 31	83,012	37,354	36,000	15,568	250,955	278,591
Increase (Decrease)	$ 45,658	$ (34,793)	$ 20,432	$ (8,782)	$ (27,636)	$ (31,127)

(r) Gaming Taxes and License Fees

The Company is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees (including the Cyprus License Fee (as defined in Note 7) prior to the fulfillment of the Cyprus License Requirement (as defined in Note 7)), totaled $1,489,755, $489,730 and $842,722 for the years ended December 31, 2023, 2022 and 2021, respectively, are mainly recognized as casino expense in the accompanying consolidated statements of operations.

(s) Pre-opening Costs

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the years ended December 31, 2023, 2022 and 2021, the Company incurred pre-opening costs primarily in connection with the development of Studio City Phase 2 and City of Dreams Mediterranean. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(t) Development Costs

Development costs include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are expensed as incurred.

(u) Advertising and Promotional Costs

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $100,245, $29,421 and $39,811 for the years ended December 31, 2023, 2022 and 2021, respectively.

(v) Interest Income

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in interest income in the accompanying consolidated statements of operations.

(w) Foreign Currency Transactions and Translations

All transactions in currencies other than functional currencies of Melco and its subsidiaries during the year are remeasured at the exchange rates prevailing on the respective transaction dates. Monetary assets and liabilities existing at the balance sheet date denominated in currencies other than functional currencies are remeasured at the exchange rates existing on that date. Exchange differences are recorded in the accompanying consolidated statements of operations.

The functional currency of Melco is the U.S. dollar ("**$**" or "**US$**") and the functional currency of most of Melco's foreign subsidiaries is the local currency in which the subsidiary operates. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of foreign subsidiaries' financial statements are recorded as a component of other comprehensive income (loss).

(x) Comprehensive Loss and Accumulated Other Comprehensive Losses

Comprehensive loss includes net loss and other non-shareholder changes in equity, or other comprehensive income (loss) and is reported in the accompanying consolidated statements of comprehensive loss.

As of December 31, 2023 and 2022, the Company's accumulated other comprehensive losses consisted solely of foreign currency translation adjustments, net of tax and noncontrolling interests.

(y) Share-based Compensation Expenses

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 16.

(z) Income Tax

The Company is subject to income taxes in Macau, Hong Kong, the Philippines, Cyprus and other jurisdictions where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

The Company's income tax returns are subject to examination by tax authorities in the jurisdictions where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. These accounting standards utilize a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position, based on the technical merits of the position, will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based on cumulative probability.

(aa) Net Loss Attributable to Melco Resorts & Entertainment Limited Per Share

Basic net loss attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net loss attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted net loss attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net loss attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year adjusted to include the potentially dilutive effect of outstanding share-based awards.

The weighted average number of ordinary and ordinary equivalent shares used in the calculation of basic and diluted net loss attributable to Melco Resorts & Entertainment Limited per share consisted of the following:

	Year Ended December 31,		
	2023	**2022**	**2021**
Weighted average number of ordinary shares outstanding used in the calculation of basic net loss attributable to Melco Resorts & Entertainment Limited per share	1,314,605,173	1,391,154,836	1,434,087,641
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	–	–	–
Weighted average number of ordinary shares outstanding used in the calculation of diluted net loss attributable to Melco Resorts & Entertainment Limited per share	1,314,605,173	1,391,154,836	1,434,087,641
Anti-dilutive share options and restricted shares excluded from the calculation of diluted net loss attributable to Melco Resorts & Entertainment Limited per share	26,921,336	44,366,752	46,532,956

(ab) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncement

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2023-07, "Improvements to Reportable Segment Disclosures" which enhances reportable segment disclosure requirements primarily through expanded disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. This guidance is effective for the Company for the fiscal years beginning after December 15, 2023.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of cash flows consisted of the following:

	December 31,	
	2023	2022
Cash	$ 934,224	$ 1,179,491
Cash equivalents	376,491	633,238
Total cash and cash equivalents	1,310,715	1,812,729
Current portion of restricted cash (1)	27	50,992
Non-current portion of restricted cash (2)	125,094	124,736
Total cash, cash equivalents and restricted cash	$ 1,435,836	$ 1,988,457

(1) As of December 31, 2023 and 2022, the current portion of restricted cash included bank time deposits of nil and $50,971, respectively.

On September 20, 2022, Melco Resorts Macau provided a bank guarantee in an amount of Macau Patacas ("**MOP**") 820,000 (equivalent to $101,942) to the Macau government to guarantee the satisfaction of any labor liabilities upon expiry of the previous gaming subconcession. As stipulated in the bank guarantee contract, MOP410,000 (equivalent to $50,971) was required to be held in a cash deposit account as collateral to secure the bank guarantee. In January 2023, such bank guarantee and the cash deposited in the collateral bank account were released. The cash of MOP410,000 (equivalent to $50,971) deposited in the collateral account was included in the current portion of restricted cash in the accompanying consolidated balance sheets as of December 31, 2022.

(2) As of December 31, 2023 and 2022, the non-current portion of restricted cash included bank time deposits of $124,556 and $124,592, respectively.

On December 9, 2022, as required by the Concession, Melco Resorts Macau provided a bank guarantee in favor of the Macau government of MOP1,000,000 (equivalent to $124,319) to secure the fulfillment of performance of certain of its legal and contractual obligations, including labor obligations. As stipulated in the bank guarantee contract, the amount of MOP1,000,000 (equivalent to $124,319), or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As of December 31, 2023 and 2022, the cash of Hong Kong dollars ("**HK$**") 970,874 (equivalent to MOP1,000,000) held in the collateral bank account was translated to $124,284 and $124,319, respectively, and included in the non-current portion of restricted cash in the accompanying consolidated balance sheets.

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31, 2023	December 31, 2022
Casino	$ 242,312	$ 271,653
Hotel	4,658	1,365
Other	908	218
Sub-total	247,878	273,236
Less: allowances for credit losses (1)	(156,240)	(217,244)
	91,638	55,992
Non-current portion	–	–
Current portion	$ 91,638	$ 55,992

(1) As of December 31, 2023 and 2022, the allowances for credit losses of $2,377 and $14,966 as a reduction of the long-term casino accounts receivable, are recorded and included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 64.4% and 80.0% of gross casino accounts receivable as of December 31, 2023 and 2022, respectively. The Company's allowances for credit losses from its hotel and other receivables are not material.

Movement in the allowances for credit losses are as follows:

	Year Ended December 31, 2023	2022	2021
Balance at beginning of year	$ 217,244	$ 268,413	$ 333,792
(Reversal of) provision for credit losses	(3,869)	(892)	6,426
Write-offs, net of recoveries	(56,805)	(49,608)	(69,712)
Effect of exchange rate	(330)	(669)	(2,093)
Balance at end of year	$ 156,240	$ 217,244	$ 268,413

5. ASSETS HELD FOR SALE

In September 2021, the Company announced the discontinuance of its pursuit of a Yokohama integrated resort development in Japan. In December 2021, an external advisor was engaged to locate potential buyers and prepare marketing materials for the disposal of the Company's assets in Japan, including a ski resort in Nagano, Japan operated by Kabushiki Kaisha Okushiga Kogen Resort (the "**Japan Ski Resort**") and a parcel of freehold land together with the accompanying building structures in Hakone, Japan (the "**Hakone Assets**"). After considering the relevant facts, the Company concluded the assets and liabilities of the Japan Ski Resort and the Hakone Assets met the criteria for classification as held for sale as of December 31, 2021 which were reported under the Corporate and Other segment.

On December 8, 2022, the Company entered into an agreement with an independent third party (the "**Buyer**") to dispose of its entire interest in the Japan Ski Resort with net liabilities of $13,663 (including a loan payable to the Company of Japanese Yen ("**JPY**") 2,215,180 (equivalent to $16,876)) for a consideration of JPY0.001; and to transfer the loan receivable from the Japan Ski Resort as mentioned above of JPY2,215,180 (equivalent to $16,876) to the Buyer for a consideration of JPY0.001. The disposal was completed on December 30, 2022 and the Company recorded a loss on disposal of assets held for sale of $3,106 which is included in property charges and other in the accompanying consolidated statements of operations during the year ended December 31, 2022.

As of December 31, 2022 and 2021, the Hakone Assets classified as assets held for sale were comprised of property and equipment, with aggregate carrying values of $8,503 and $17,705, respectively. Due to a significant decrease in the market value of the freehold land included in the Hakone Assets as of December 31, 2022 and 2021, an impairment of assets held for sale of $6,794 and an impairment of property and equipment of $1,147 were provided and included in property charges and other in the accompanying consolidated statements of operations during the years ended December 31, 2022 and 2021, respectively. The fair value of the freehold land was calculated by using level 3 inputs based on the market approach.

On July 12, 2023, the Company completed the disposal of the Hakone Assets, with aggregate carrying values of $7,924, to an independent third party at a consideration of JPY2,144,000 (equivalent to $15,222). A gain on disposal of assets held for sale, net of the foreign currency translations of certain entities incorporated in Japan being considered as a substantial liquidation, of $4,468 was recorded and included in property charges and other in the accompanying consolidated statements of operations during the year ended December 31, 2023.

In June and August 2022, the Company signed two sale and purchase agreements with respective buyers to sell two aircraft (the "**Aircraft**") with an aggregate selling price of $15,800. After considering the relevant facts, the Company concluded the Aircraft met the criteria for classification as assets held for sale which were reported under the Corporate and Other segment. Due to a decrease in the market value, an impairment of property and equipment of $3,595 was provided for one of the Aircraft. Upon completion of the disposals of the Aircraft in September 2022, the Company recorded a gain on disposal of assets held for sale of $2,629 on the Aircraft. The impairment and gain on disposal of assets held for sale were both included in property charges and other in the accompanying consolidated statements of operations for the year ended December 31, 2022.

6. PROPERTY AND EQUIPMENT, NET

	December 31,	
	2023	**2022**
Buildings	$ 7,621,676	$ 6,186,373
Furniture, fixtures and equipment	1,187,064	1,112,670
Leasehold improvements	1,094,238	1,080,737
Plant and gaming machinery	259,815	246,255
Transportation	192,151	190,843
Construction in progress	1,491	1,464,866
Freehold land	58,467	56,533
Sub-total	10,414,902	10,338,277
Less: accumulated depreciation and amortization	(4,880,908)	(4,467,372)
Property and equipment, net	$ 5,533,994	$ 5,870,905

The depreciation and amortization expenses of property and equipment recognized for the years ended December 31, 2023, 2022 and 2021 were $482,574, $454,194 and $487,130, respectively.

The cost and accumulated amortization of right-of-use assets held under finance lease arrangements were $147,072 and $101,589 as of December 31, 2023 and $145,660 and $95,310 as of December 31, 2022, respectively. Further information on the lease arrangements is included in Note 12.

In accordance with the Macau gaming law, the Reversion Assets (as defined in Note 7) that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Effective as of January 1, 2023, the Reversion Assets were transferred by the Macau government to Melco Resorts Macau for the duration of the Concession, in return for annual payments for the right to use and operate the Reversion Assets as part of the Concession, as disclosed in Note 7. As Melco Resorts Macau continues to be operated with the Reversion Assets in the same manner as under the previous gaming subconcession, obtains substantially all of the economic benefits and bears all of the risks arising from the operation of these assets, as well as assuming it will be successful in the awarding of a new concession upon expiry of the Concession, the Company continues to recognize these Reversion Assets as property and equipment over their remaining estimated useful lives.

The Reversion Assets that reverted to the Macau government on December 31, 2022, and included in the above table, consisted of the following:

Buildings	$	349,129
Furniture, fixtures and equipment		39,008
Plant and gaming machinery		109,901
		498,038
Less: accumulated depreciation		(276,581)
	$	221,457

7. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

The changes in the carrying amounts of goodwill by segment are as follows:

		Mocha and Other [(1)]
Balance at January 1, 2021	$	82,203
Foreign currency translations		(482)
Balance at December 31, 2021		81,721
Foreign currency translations		(115)
Balance at December 31, 2022		81,606
Foreign currency translations		(24)
Balance at December 31, 2023	$	81,582

(1) The amount represents goodwill which arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. As of December 31, 2023, the gross amount of goodwill and accumulated impairment were $81,582 and nil, respectively.

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31,	
	2023	2022
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,203	$ 4,204
Total indefinite-lived intangible assets	4,203	4,204
Finite-lived intangible assets:		
Concession	209,934	–
Less: accumulated amortization	(24,037)	–
	185,897	–
Cyprus License	75,307	–
Less: accumulated amortization	(1,595)	–
	73,712	–
Gaming subconcession	–	902,441
Less: accumulated amortization	–	(902,441)
	–	–
Internal-use software	72,556	59,434
Less: accumulated amortization	(39,876)	(29,383)
	32,680	30,051
Proprietary rights	11,922	11,926
Less: accumulated amortization	(3,762)	(2,571)
	8,160	9,355
Total finite-lived intangible assets	300,449	39,406
Total intangible assets, net	$ 304,652	$ 43,610

Trademarks of Mocha Clubs

Trademarks arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. The changes in carrying amounts of trademarks represented the exchange differences arising from foreign currency translations at the balance sheet date.

Proprietary rights

In November 2020, the Company completed an asset acquisition of the proprietary rights relating to an entertainment show in City of Dreams for a cash consideration of $12,000. The estimated useful life of the proprietary rights is 10 years. As of December 31, 2023 and 2022, the carrying amount of the proprietary rights included the exchange differences arising from foreign currency translations at the balance sheet date.

Concession

On December 16, 2022, the Macau government awarded the Concession to Melco Resorts Macau. The term of the Concession commenced on January 1, 2023 and ends on December 31, 2032 and Melco Resorts Macau is authorized to operate the Altira Casino, the City of Dreams Casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. Under the Concession, Melco Resorts Macau is obligated to pay the Macau government a fixed annual premium of MOP30,000 (equivalent to $3,729) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by Melco Resorts Macau. The variable annual premium is MOP300 (equivalent to $37) for each gaming table reserved exclusively to certain kinds of games or players, MOP150 (equivalent to $19) for each gaming table not so exclusively reserved and MOP1 (equivalent to $0.1) for each electronic gaming machine.

On December 30, 2022, in accordance with the obligations under the letters of undertakings dated June 23, 2022, Melco Resorts Macau and certain subsidiaries of Melco, which hold the land lease rights for the properties on which the Altira Casino, City of Dreams Casino and Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the Altira Casino, City of Dreams Casino and Studio City Casino with an area of 17,128.8 square meters, 31,227.3 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively referred to as the "Reversion Assets"), reverted to the Macau government, without compensation and free and clear from any charges or encumbrances, at the expiration of the previous gaming subconcession in accordance with the Macau gaming law. The Reversion Assets that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Under the terms of the Macau gaming law and the Concession, effective as of January 1, 2023, the Reversion Assets were transferred by the Macau government to Melco Resorts Macau for use in its operations during the Concession for a fee of MOP0.75 (equivalent to $0.09) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2.5 (equivalent to $0.3) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the "**Fee**").

On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1,934,035 (equivalent to $239,588), representing the right to use and operate the Reversion Assets, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the Fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that Melco Resorts Macau is currently approved to operate by the Macau government. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Concession is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

Cyprus License

On June 26, 2017, the Cyprus government granted a gaming license (the "**Cyprus License**") to a subsidiary of ICR Cyprus (the "**Cyprus Subsidiary**") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of City of Dreams Mediterranean, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of City of Dreams Mediterranean, the temporary casino) and any operating satellite casinos (the "Cyprus License Fee"). The annual license fee for the integrated casino resort is EUR2,500 (equivalent to $2,767) for the first four years, and EUR5,000 (equivalent to $5,535) for the next four years. Upon the completion of the first eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000 (equivalent to $5,535) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period. The Cyprus License required City of Dreams Mediterranean to open by the extended deadline of June 30, 2023 as approved by the Cyprus government (the "Cyprus License Requirement"), failing which the Cyprus government would have been entitled to terminate the Cyprus License.

On June 28, 2023, upon fulfillment of the Cyprus License Requirement, to better reflect the future economic benefits arising from the Cyprus License, the Company recognized an intangible asset of EUR68,031 (equivalent to $73,928) and financial liability of EUR67,231 (equivalent to $73,059), representing the right under the Cyprus License and the unconditional obligation to pay i) a minimum annual license fee for City of Dreams Mediterranean of EUR5,000 (equivalent to $5,535) per year; and ii) an aggregate annual license fee for three operating satellite casinos of EUR2,000 (equivalent to $2,214), during the term of the Cyprus License from June 28, 2023. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Cyprus License is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the remaining period of the Cyprus License until June 2047. Prior to the fulfillment of the Cyprus License Requirement, the Cyprus License Fee was expensed as incurred and included in gaming taxes and license fees as disclosed in Note 2(r).

Gaming subconcession

The deemed cost of the previous gaming subconcession in Macau was capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of Melco Resorts Macau in 2006, and amortized on a straight-line basis over the term of the agreement, which expired on June 26, 2022. Melco Resorts Macau paid a premium of MOP47,000 (equivalent to $5,815) to the Macau government in June 2022 for the extension of the gaming subconcession contract to December 31, 2022 and such premium was amortized on a straight-line basis from June 27, 2022 to the extended expiration date on December 31, 2022.

The amortization expenses of finite-lived intangible assets recognized for the years ended December 31, 2023, 2022 and 2021 were $37,216, $44,128 and $68,831, respectively.

As of December 31, 2023, the estimated future amortization expenses of finite-lived intangible assets are as follows:

Year ending December 31,		
2024	$	32,662
2025		31,609
2026		28,896
2027		27,197
2028		27,197
Over 2028		152,888
	$	300,449

8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31,			
		2023		**2022**
Input value-added tax, net	$	19,232	$	1,019
Other long-term assets		17,983		19,298
Deferred rent assets		17,905		25,904
Deferred financing costs, net		16,183		27,218
Other deposits		11,178		9,971
Long-term prepayments		10,130		31,191
Deposits for acquisition of property and equipment		7,444		19,494
Advance payments for construction costs		265		25,602
Long-term casino accounts receivable, net of allowances for credit losses of $2,377 and $14,966 [(1)]		–		–
Long-term prepayments, deposits and other assets	$	100,320	$	159,697

(1) Long-term casino accounts receivable, net represent receivables from casino customers where settlements are not expected within the next year. Reclassifications to current accounts receivable, net, are made when settlement of such balances are expected to occur within one year.

9. LAND USE RIGHTS, NET

	December 31,	
	2023	2022
Altira Macau	$ 80,707	$ 145,922
City of Dreams	397,953	398,068
Studio City	650,906	651,094
	1,129,566	1,195,084
Less: accumulated amortization	(546,784)	(524,212)
Land use rights, net	$ 582,782	$ 670,872

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2023	2022
Advance deposits and ticket sales	$ 250,955	$ 278,591
Operating expense and other accruals and liabilities	160,169	97,933
Gaming tax and license fee accruals	159,285	48,688
Interest expense payable	114,587	123,032
Staff cost accruals	101,340	96,219
Outstanding gaming chips	83,012	37,354
Property and equipment payables	37,502	35,747
Construction cost payables	36,018	76,173
Loyalty program liabilities	36,000	15,568
Concession and license liabilities (1)	29,448	–
Accrued expenses and other current liabilities	$ 1,008,316	$ 809,305

(1) As of December 31, 2023, the non-current portion of the Concession and license liabilities of $282,081 is included in other long-term liabilities in the accompanying consolidated balance sheet.

11. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2023	December 31, 2022
Senior Notes		
2017 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $5,746 and $9,552, respectively)	$ 994,254	$ 990,448
2019 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $2,141 and $2,981, respectively)	497,859	497,019
2019 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $3,358 and $4,178, respectively)	596,642	595,822
2019 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $1,634 and $1,845, respectively)	1,148,366	1,148,155
2020 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $2,317 and $2,743, respectively)	847,683	847,257
2020 6.000% SC Notes, due 2025 (net of unamortized deferred financing costs of $1,320 and $2,692, respectively)	395,680	497,308
2020 6.500% SC Notes, due 2028 (net of unamortized deferred financing costs of $2,970 and $3,598, respectively)	497,030	496,402
2021 5.000% Studio City Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $3,626 and $4,228, respectively)	1,096,374	1,095,772
2022 7.000% Studio City Secured Notes, due 2027 (net of unamortized deferred financing costs of $4,039 and $5,134, respectively)	345,961	344,866
Credit Facilities		
2015 Credit Facilities	128	128
2020 Credit Facilities (1)	1,052,515	1,899,203
2016 Studio City Credit Facilities (2)	128	128
	7,472,620	8,412,508
Current portion of long-term debt	–	(322,500)
Long-term debt, net	$ 7,472,620	$ 8,090,008

(1) As of December 31, 2023 and 2022, the unamortized deferred financing costs related to the revolving credit facility of the 2020 Credit Facilities of $15,905 and $26,885 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

(2) As of December 31, 2023 and 2022, the unamortized deferred financing costs related to the 2016 SC Revolving Credit Facility of the 2016 Studio City Credit Facilities of $278 and $333 are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

(a) Senior Notes

2017 4.875% Senior Notes

On June 6, 2017, Melco Resorts Finance Limited ("**Melco Resorts Finance**"), a subsidiary of Melco, issued $650,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100% of the principal amount (the "**First 2017 4.875% Senior Notes**"); and on July 3, 2017, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 4.875% senior notes due June 6, 2025 at an issue price of 100.75% of the principal amount (the "**Second 2017 4.875% Senior Notes**" and together with the First 2017 4.875% Senior Notes, collectively referred to as the "**2017 4.875% Senior Notes**"). The interest on the 2017 4.875% Senior Notes is accrued at a rate of 4.875% per annum, payable semi-annually in arrears on June 6 and December 6 of each year. The 2017 4.875% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the First 2017 4.875% Senior Notes were used to partly fund the redemption of the previous senior notes of Melco Resorts Finance and the net proceeds from the offering of the Second 2017 4.875% Senior Notes were used to fully repay the 2015 Revolving Credit Facility (as defined below).

On or after June 6, 2020, Melco Resorts Finance has the option to redeem all or a portion of the 2017 4.875% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2017 4.875% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2017 4.875% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2017 4.875% Senior Notes at a fixed redemption price.

The indenture governing the 2017 4.875% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2017 4.875% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.250% Senior Notes

On April 26, 2019, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.250% senior notes due April 26, 2026 at an issue price of 100% of the principal amount (the "2019 5.250% Senior Notes"). The interest on the 2019 5.250% Senior Notes is accrued at a rate of 5.250% per annum, payable semi-annually in arrears on April 26 and October 26 of each year. The 2019 5.250% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.250% Senior Notes were used to partially repay the 2015 Revolving Credit Facility.

On or after April 26, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.250% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2019 5.250% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.250% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.250% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.250% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.250% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.625% Senior Notes

On July 17, 2019, Melco Resorts Finance issued $600,000 in aggregate principal amount of 5.625% senior notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2019 5.625% Senior Notes"). The interest on the 2019 5.625% Senior Notes is accrued at a rate of 5.625% per annum, payable semi-annually in arrears on January 17 and July 17 of each year. The 2019 5.625% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2019 5.625% Senior Notes were used to partially repay the 2015 Revolving Credit Facility.

On or after July 17, 2022, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.625% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2019 5.625% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.625% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.625% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.625% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.625% Senior Notes also contains conditions and events of default customary for such financings.

2019 5.375% Senior Notes

On December 4, 2019, Melco Resorts Finance issued $900,000 in aggregate principal amount of 5.375% senior notes due December 4, 2029 at an issue price of 100% of the principal amount (the "First 2019 5.375% Senior Notes"); and on January 21, 2021, Melco Resorts Finance further issued $250,000 in aggregate principal amount of 5.375% senior notes due December 4, 2029 at an issue price of 103.25% of the principal amount (the "Additional 2019 5.375% Senior Notes" and together with the First 2019 5.375% Senior Notes, the "2019 5.375% Senior Notes"). The Additional 2019 5.375% Senior Notes are consolidated and form a single series with the First 2019 5.375% Senior Notes. The interest on the 2019 5.375% Senior Notes is accrued at a rate of 5.375% per annum, payable semi-annually in arrears on June 4 and December 4 of each year. The 2019 5.375% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the First 2019 5.375% Senior Notes were used to repay the outstanding borrowing of the 2015 Revolving Credit Facility in full and to partially prepay the 2015 Term Loan Facility (as defined below). The net proceeds from the offering of the Additional 2019 5.375% Senior Notes were used to fully repay the 2020 Credit Facilities (as defined below) in January 2021.

Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time prior to December 4, 2024 at a "make-whole" redemption price. On or after December 4, 2024, Melco Resorts Finance has the option to redeem all or a portion of the 2019 5.375% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, Melco Resorts Finance has the option to redeem up to 35% of the 2019 5.375% Senior Notes with the net cash proceeds from one or more equity offerings at a fixed redemption price at any time prior to December 4, 2024. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance also has the option to redeem in whole, but not in part the 2019 5.375% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2019 5.375% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2019 5.375% Senior Notes at a fixed redemption price.

The indenture governing the 2019 5.375% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2019 5.375% Senior Notes also contains conditions and events of default customary for such financings.

2020 5.750% Senior Notes

On July 21, 2020, Melco Resorts Finance issued $500,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 100% of the principal amount (the "First 2020 5.750% Senior Notes"); and on August 11, 2020, Melco Resorts Finance further issued $350,000 in aggregate principal amount of 5.750% senior notes due July 21, 2028 at an issue price of 101% of the principal amount (the "Second 2020 5.750% Senior Notes" and together with the First 2020 5.750% Senior Notes, the "2020 5.750% Senior Notes"). The Second 2020 5.750% Senior Notes are consolidated and form a single series with the First 2020 5.750% Senior Notes. The interest on the 2020 5.750% Senior Notes is accrued at a rate of 5.750% per annum, payable semi-annually in arrears on January 21 and July 21 of each year and commenced on January 21, 2021. The 2020 5.750% Senior Notes are general obligations of Melco Resorts Finance, rank equally in right of payment to all existing and future senior indebtedness of Melco Resorts Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Melco Resorts Finance and are effectively subordinated to all of Melco Resorts Finance's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of Melco Resorts Finance's subsidiaries. The net proceeds from the offering of the 2020 5.750% Senior Notes were partially used to repay the 2020 Credit Facilities and with the remaining amount used for general corporate purposes.

On or after July 21, 2023, Melco Resorts Finance has the option to redeem all or a portion of the 2020 5.750% Senior Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture, Melco Resorts Finance has the option to redeem in whole, but not in part the 2020 5.750% Senior Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture, each holder of the 2020 5.750% Senior Notes will have the right to require Melco Resorts Finance to repurchase all or any part of such holder's 2020 5.750% Senior Notes at a fixed redemption price.

The indenture governing the 2020 5.750% Senior Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Melco Resorts Finance to, among other things, effect a consolidation or merger or sell assets. The indenture governing the 2020 5.750% Senior Notes also contains conditions and events of default customary for such financings.

2020 Studio City Notes

On July 15, 2020, Studio City Finance Limited ("Studio City Finance"), a subsidiary of Melco, issued \$500,000 in aggregate principal amount of 6.000% senior notes due July 15, 2025 at an issue price of 100% of the principal amount (the "2020 6.000% SC Notes") and \$500,000 in aggregate principal amount of 6.500% senior notes due January 15, 2028 at an issue price of 100% of the principal amount (the "2020 6.500% SC Notes" and together with 2020 6.000% SC Notes, the "2020 Studio City Notes"). The interest on the 2020 6.000% SC Notes and 2020 6.500% SC Notes is accrued at a rate of 6.000% and 6.500% per annum, respectively, payable semi-annually in arrears on January 15 and July 15 of each year and commenced on January 15, 2021. The 2020 Studio City Notes are general obligations of Studio City Finance, rank equally in right of payment to all existing and future senior indebtedness of Studio City Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Finance and are effectively subordinated to all of Studio City Finance's existing and future secured indebtedness to the extent of the value of the property and assets securing such indebtedness.

The net proceeds from the offering of the 2020 Studio City Notes were partially used to redeem in full the previous senior secured notes of Studio City Company Limited ("Studio City Company"), a subsidiary of Melco and with the remaining amount used for the capital expenditures of the remaining development project at Studio City.

All of the existing subsidiaries of Studio City Finance and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities as defined below) (the "2020 Studio City Notes Guarantors") jointly, severally and unconditionally guarantee the 2020 Studio City Notes on a senior basis (the "2020 Studio City Notes Guarantees"). The 2020 Studio City Notes Guarantees are general obligations of the 2020 Studio City Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the 2020 Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2020 Studio City Notes Guarantors. The 2020 Studio City Notes Guarantees are effectively subordinated to the 2020 Studio City Notes Guarantors' obligations under all existing and any future secured indebtedness to the extent of the value of such property and assets securing such indebtedness.

On or after July 15, 2022, Studio City Finance has the option to redeem all or a portion of the 2020 6.000% SC Notes at any time at fixed redemption prices that decline ratably over time. On or after July 15, 2023, Studio City Finance has the option to redeem all or a portion of the 2020 6.500% SC Notes at any time at fixed redemption prices that decline ratably over time. In addition, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes, Studio City Finance has the option to redeem in whole, but not in part the 2020 Studio City Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2020 Studio City Notes, each holder of the 2020 Studio City Notes will have the right to require Studio City Finance to repurchase all or any part of such holder's 2020 Studio City Notes at a fixed redemption price.

On November 9, 2023, Studio City Finance initiated a cash tender offer (the "Tender Offer") which expired on December 8, 2023, subject to the terms and conditions, to purchase for up to an aggregate principal amount of \$75,000 of the 2020 6.000% SC Notes. On November 24, 2023, Studio City Finance amended and increased the aggregate principal amount of the Tender Offer of the 2020 6.000% SC Notes from \$75,000 to \$100,000 (the maximum tender amount), with all other terms and conditions of the Tender Offer remained unchanged as a result of an aggregate principal amount of \$317,461 of the 2020 6.000% SC Notes was tendered on the early tender date on November 22, 2023. Studio City Finance accepted for purchase an aggregate principal amount of \$100,000 of the 2020 6.000% SC Notes that were validly tendered (and not validly withdrawn) pursuant to the Tender Offer, as amended, and settled the purchase on November 28, 2023. In connection with such purchase, the Company recorded a gain on extinguishment of debt of \$1,495 during the year ended December 31, 2023. As of December 31, 2023, the outstanding principal amount of the 2020 6.000% SC Notes was \$397,000.

The indenture governing the 2020 Studio City Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Finance and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with shareholders or affiliates; and (viii) effect a consolidation or merger. The indenture governing the 2020 Studio City Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2020 Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who are not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2023, the net assets of Studio City Finance and its restricted subsidiaries of approximately $740,000 were restricted from being distributed under the terms of the 2020 Studio City Notes.

2021 5.000% Studio City Notes

On January 14, 2021, Studio City Finance issued $750,000 in aggregate principal amount of 5.000% senior notes due January 15, 2029 at an issue price of 100% of the principal amount (the "First 2021 5.000% Studio City Notes"); and on May 20, 2021, Studio City Finance further issued $350,000 in aggregate principal amount of 5.000% senior notes due January 15, 2029 at an issue price of 101.50% of the principal amount (the "Additional 2021 5.000% Studio City Notes" and together with the First 2021 5.000% Studio City Notes, the "2021 5.000% Studio City Notes"). The Additional 2021 5.000% Studio City Notes are consolidated and form a single series with the First 2021 5.000% Studio City Notes. The interest on the 2021 5.000% Studio City Notes is accrued at a rate of 5.000% per annum, payable semi-annually in arrears on January 15 and July 15 of each year and commenced on July 15, 2021. The 2021 5.000% Studio City Notes are general obligations of Studio City Finance, rank equally in right of payment to all existing and future senior indebtedness of Studio City Finance, rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Finance and are effectively subordinated to all of Studio City Finance's existing and future secured indebtedness to the extent of the value of the property and assets securing such indebtedness.

The net proceeds from the offering of the 2021 5.000% Studio City Notes were partially used to fund the conditional tender offer and the remaining outstanding balance with accrued interest of previous senior notes of Studio City Finance in February 2021; and with the remaining balance to partially fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes.

All of the existing subsidiaries of Studio City Finance and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities) (the "2021 5.000% Studio City Notes Guarantors") jointly, severally and unconditionally guarantee the 2021 5.000% Studio City Notes on a senior basis (the "2021 5.000% Studio City Notes Guarantees"). The 2021 5.000% Studio City Notes Guarantees are general obligations of the 2021 5.000% Studio City Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the 2021 5.000% Studio City Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2021 5.000% Studio City Notes Guarantors. The 2021 5.000% Studio City Notes Guarantees are effectively subordinated to the 2021 5.000% Studio City Notes Guarantors' obligations under all existing and any future secured indebtedness to the extent of the value of such property and assets securing such indebtedness.

At any time prior to January 15, 2024, Studio City Finance had the options i) to redeem all or a portion of the 2021 5.000% Studio City Notes at a "make-whole" redemption price; and ii) to redeem up to 35% of the 2021 5.000% Studio City Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Finance has the option to redeem all or a portion of the 2021 5.000% Studio City Notes at any time at fixed redemption prices that decline ratably over time. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2021 5.000% Studio City Notes, Studio City Finance also has the option to redeem in whole, but not in part the 2021 5.000% Studio City Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2021 5.000% Studio City Notes, each holder of the 2021 5.000% Studio City Notes will have the right to require Studio City Finance to repurchase all or any part of such holder's 2021 5.000% Studio City Notes at a fixed redemption price.

The indenture governing the 2021 5.000% Studio City Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Finance and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with shareholders or affiliates; and (viii) effect a consolidation or merger. The indenture governing the 2021 5.000% Studio City Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2021 5.000% Studio City Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Finance and its restricted subsidiaries to companies or persons who are not Studio City Finance or restricted subsidiaries of Studio City Finance, subject to certain exceptions and conditions. As of December 31, 2023, the net assets of Studio City Finance and its restricted subsidiaries of approximately $740,000 were restricted from being distributed under the terms of the 2021 5.000% Studio City Notes.

2022 7.000% Studio City Secured Notes

On February 16, 2022, Studio City Company issued $350,000 in aggregate principal amount of 7.000% senior secured notes due February 15, 2027 at an issue price of 100% of the principal amount (the "2022 7.000% Studio City Secured Notes"). The interest on the 2022 7.000% Studio City Secured Notes is accrued at a rate of 7.000% per annum, payable semi-annually in arrears on February 15 and August 15 of each year and commenced on August 15, 2022. The 2022 7.000% Studio City Secured Notes are senior secured obligations of Studio City Company, rank equally in right of payment to all existing and future senior indebtedness of Studio City Company (although any liabilities in respect of obligations under the 2016 Studio City Credit Facilities that are secured by common collateral securing the 2022 7.000% Studio City Secured Notes will have priority over the 2022 7.000% Studio City Secured Notes with respect to any proceeds received upon any enforcement action of such common collateral) and rank senior in right of payment to any existing and future subordinated indebtedness of Studio City Company and effectively subordinated to Studio City Company's existing and future secured indebtedness that is secured by assets that do not secure the 2022 7.000% Studio City Secured Notes, to the extent of the assets securing such indebtedness. The net proceeds from the offering of the 2022 7.000% Studio City Secured Notes were used to fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes.

Studio City Investments Limited ("Studio City Investments"), a subsidiary of Melco, all of its existing subsidiaries (other than Studio City Company) and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the 2016 Studio City Credit Facilities) (the "2022 7.000% Studio City Secured Notes Guarantors") jointly, severally and unconditionally guarantee the 2022 7.000% Studio City Secured Notes on a senior basis (the "2022 7.000% Studio City Secured Notes Guarantees"). The 2022 7.000% Studio City Secured Notes Guarantees are senior obligations of the 2022 7.000% Studio City Secured Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the 2022 7.000% Studio City Secured Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the 2022 7.000% Studio City Secured Notes Guarantors. The 2022 7.000% Studio City Secured Notes Guarantees are pari passu to the 2022 7.000% Studio City Secured Notes Guarantors' obligations under the 2016 Studio City Credit Facilities, and effectively subordinated to any future secured indebtedness that is secured by assets that do not secure the 2022 7.000% Studio City Secured Notes and the 2022 7.000% Studio City Secured Notes Guarantees, to the extent of the value of the assets.

The 2022 7.000% Studio City Secured Notes are secured, on an equal basis with the 2016 Studio City Credit Facilities, by substantially all of the material assets of Studio City Investments and its subsidiaries (although obligations under the 2016 Studio City Credit Facilities that are secured by the common collateral securing the 2022 7.000% Studio City Secured Notes will have priority over the 2022 7.000% Studio City Secured Notes with respect to any proceeds received upon any enforcement action of such common collateral); in addition, in line with the 2016 Studio City Credit Facilities, the 2022 7.000% Studio City Secured Notes are also secured by certain specified bank accounts.

At any time prior to February 15, 2024, Studio City Company had the options i) to redeem all or a portion of the 2022 7.000% Studio City Secured Notes at a "make-whole" redemption price; and ii) to redeem up to 35% of the 2022 7.000% Studio City Secured Notes with the net cash proceeds of certain equity offerings at a fixed redemption price. Thereafter, Studio City Company has the option to redeem all or a portion of the 2022 7.000% Studio City Secured Notes at any time at fixed redemption prices that decline ratably over time. Further, under certain circumstances and subject to certain exceptions as more fully described in the indenture governing the 2022 7.000% Studio City Secured Notes, Studio City Company also has the option to redeem in whole, but not in part the 2022 7.000% Studio City Secured Notes at fixed redemption prices. In certain events that relate to a change of control or a termination of the gaming concession of Melco Resorts Macau and subject to certain exceptions as more fully described in the indenture governing the 2022 7.000% Studio City Secured Notes, each holder of the 2022 7.000% Studio City Secured Notes will have the right to require Studio City Company to repurchase all or any part of such holder's 2022 7.000% Studio City Secured Notes at a fixed redemption price.

The indenture governing the 2022 7.000% Studio City Secured Notes contains certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Company, Studio City Investments and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with shareholders or affiliates; and (xi) effect a consolidation or merger. The indenture governing the 2022 7.000% Studio City Secured Notes also contains conditions and events of default customary for such financings.

There are provisions under the indenture governing the 2022 7.000% Studio City Secured Notes that limit or prohibit certain payments of dividends and other distributions by Studio City Company, Studio City Investments and their respective restricted subsidiaries to companies or persons who are not Studio City Company, Studio City Investments and their respective restricted subsidiaries, subject to certain exceptions and conditions. As of December 31, 2023, the net assets of Studio City Investments and its restricted subsidiaries of approximately $675,000 were restricted from being distributed under the terms of the 2022 7.000% Studio City Secured Notes.

(b) Credit Facilities

2015 Credit Facilities

Post-cancellation of certain commitments of the term loan facility and the multicurrency revolving credit facility under prior senior secured credit facilities of Melco Resorts Macau (the "Borrower") (the "2015 Credit Facilities") on May 7, 2020, the available commitments under the term loan facility (the "2015 Term Loan Facility") and the multicurrency revolving credit facility (the "2015 Revolving Credit Facility") are HK$1,000 (equivalent to $128) each, collateralized by a bank deposit of HK$2,130 (equivalent to $273).

Compliance with certain provisions of the 2015 Credit Facilities were waived pursuant to a waiver letter from Bank of China Limited, Macau Branch (in its capacity as the sole lender under the 2015 Credit Facilities) ("BOC Macau") to the Borrower dated April 29, 2020 (the "Waiver Letter"), as subsequently extended pursuant to extension request letters dated April 6, 2022 and December 14, 2022. Pursuant to the terms of the Waiver Letter, BOC Macau agreed, among other things, to relax the Borrower's obligations under the 2015 Credit Facilities by way of a waiver of (i) the maturity date of the 2015 Credit Facilities; (ii) the repayment term of the 2015 Term Loan Facility; (iii) interest rate of the borrowings; (iv) the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions; (v) the requirement to make substantially all of the representations; and (vi) certain current and/or future defaults and events of default that may arise under the terms of the 2015 Credit Facilities, subject to certain conditions and terms.

Pursuant to the terms of the Waiver Letter, the maturity date of the 2015 Credit Facilities was first extended to June 24, 2022. Subsequent to that, the maturity date of the 2015 Credit Facilities, and the continuing applicability of the various waivers provided under the Waiver Letter, were further extended to a later date (the "Extended Termination Date"), being (i) December 31, 2022 pursuant to an extension request letter dated April 6, 2022; and (ii) June 24, 2024 pursuant to a further extension request letter dated December 14, 2022. The 2015 Term Loan Facility was originally repayable in quarterly instalments according to an amortization schedule. Pursuant to the terms of the Waiver Letter (as amended and extended), the 2015 Term Loan Facility is repayable in full on the Extended Termination Date (as amended and extended). Each loan made under the 2015 Revolving Credit Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent.

Borrowings under the 2015 Credit Facilities bore interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the 2015 Borrowing Group (as described below). The Borrower was permitted to select an interest period for borrowings under the 2015 Credit Facilities ranging from one to six months or any other agreed period. Pursuant to the Waiver Letter, borrowings under the 2015 Credit Facilities bear interest at HIBOR plus a margin of 1% per annum.

As of December 31, 2023, the outstanding principal amount of the 2015 Term Loan Facility and the 2015 Revolving Credit Facility was HK$1,000 (equivalent to $128) and nil, respectively, and the available unused borrowing capacity under 2015 Revolving Credit Facility was HK$1,000 (equivalent to $128) and the outstanding principal amount was included in the non-current portion of long-term debt as of December 31, 2023 in accordance with applicable accounting standards because management has intent and believes the Borrower has ability to refinance this short-term obligation on a long-term basis.

The indebtedness under the 2015 Credit Facilities is guaranteed by the borrowing group which includes the Borrower and certain of its subsidiaries as defined under the 2015 Credit Facilities (the "2015 Borrowing Group"). Security for the 2015 Credit Facilities includes: a first-priority interest in substantially all assets of the 2015 Borrowing Group, the issued share capital and equity interests and certain buildings, fixtures and equipment of the 2015 Borrowing Group and certain other excluded assets and customary security.

With effect from May 7, 2020, the provisions that limited certain payments of dividends and other distributions by the 2015 Borrowing Group to companies or persons who were not members of the 2015 Borrowing Group were waived pursuant to the terms of the Waiver Letter.

Under the 2015 Credit Facilities, in the event of a change of control, the Borrower may be required, at the election of any lender under the 2015 Credit Facilities, to repay such lender in full. In addition, termination or rescission of Melco Resorts Macau's concession contract or land concessions would constitute an event of default. As with substantially all of the undertakings and covenants under the 2015 Credit Facilities, however, these provisions are subject to a continuing waiver under the terms of the Waiver Letter.

The Borrower is obligated to pay a commitment fee on the undrawn amount of the 2015 Revolving Credit Facility and recognized loan commitment fees of $1, $1 and $1 during the years ended December 31, 2023, 2022 and 2021, respectively.

2020 Credit Facilities

On April 29, 2020, MCO Nominee One Limited ("MCO Nominee One"), a subsidiary of Melco, entered into a senior credit facilities agreement with a syndicate of banks (the "2020 Credit Facilities") for a HK$14,850,000 (equivalent to $1,915,947) revolving credit facility with a term of five years. The maturity date of the 2020 Credit Facilities is April 29, 2025. Each loan made under the 2020 Credit Facilities is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent. MCO Nominee One is also subject to mandatory prepayment requirements in respect of various amounts as specified in the 2020 Credit Facilities. In the event of a change of control or if Melco Resorts Macau's concession contract or land concessions are terminated or otherwise expire on its terms, MCO Nominee One may be required, at the election of any lender under the 2020 Credit Facilities, to repay such lender in full.

The indebtedness under the 2020 Credit Facilities is guaranteed by Melco Resorts Macau and MCO Investments Limited ("MCO Investments"), a subsidiary of Melco. The 2020 Credit Facilities are unsecured.

The 2020 Credit Facilities contain certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of MCO Investments and its subsidiaries. The 2020 Credit Facilities also contain conditions and events of default customary for such financings and the financial covenants including a leverage ratio, total leverage ratio and interest cover ratio.

On June 29, 2023, certain provisions of the 2020 Credit Facilities were amended and restated (the "2023 Amendment and Restatement") such that borrowings under the 2020 Credit Facilities denominated in US$ should bear interest at the term Secured Overnight Financing Rate plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. The amendment became effective on June 29, 2023 (the "Effective Date"). Prior to the Effective Date of the 2023 Amendment and Restatement, borrowings under the 2020 Credit Facilities denominated in US$ bore interest at the London Interbank Offered Rate plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. Borrowings under the 2020 Credit Facilities denominated in HK$ bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MCO Nominee One and certain of its specified subsidiaries. MCO Nominee One may select an interest period for borrowings under the 2020 Credit Facilities ranging from one to six months or any other agreed period.

MCO Nominee One is obligated to pay a commitment fee on the undrawn amount of the 2020 Credit Facilities and recognized loan commitment fees of $3,954, $5,978 and $10,613 during the years ended December 31, 2023, 2022 and 2021, respectively.

On November 26, 2020, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to waive certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities, in each case in respect of the relevant periods ended on the following applicable test dates: (a) December 31, 2020; (b) March 31, 2021; (c) June 30, 2021; (d) September 30, 2021; and (e) December 31, 2021. Such consent became effective on December 2, 2020.

On November 5, 2021, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to waive certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities, in each case in respect of the relevant periods ended on the following applicable test dates: (a) March 31, 2022; (b) June 30, 2022; (c) September 30, 2022; and (d) December 31, 2022. Such consent became effective on November 9, 2021.

On August 16, 2022, MCO Nominee One received confirmation that the majority of lenders of the 2020 Credit Facilities consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the 2020 Credit Facilities. The existing waiver remains valid in respect of the relevant periods ended on the December 31, 2022 test date, and the waiver extension granted extends the waiver for the relevant periods ended or ending on the following applicable test dates: (a) March 31, 2023; (b) June 30, 2023; (c) September 30, 2023; (d) December 31, 2023; and (e) March 31, 2024. Such consent became effective on August 17, 2022.

As of December 31, 2023, the outstanding principal amount of the 2020 Credit Facilities was HK$8,222,000 (equivalent to $1,052,515), and the available unused borrowing capacity under the 2020 Credit Facilities was HK$6,628,000 (equivalent to $848,464).

2016 Studio City Credit Facilities

On November 30, 2016, Studio City Company (the "Studio City Borrower") amended and restated the Studio City Borrower's prior senior secured credit facilities agreement from HK$10,855,880 (equivalent to $1,395,357) to a HK$234,000 (equivalent to $30,077) senior secured credit facilities agreement (the "2016 Studio City Credit Facilities"), comprising a HK$1,000 (equivalent to $129) term loan facility (the "2016 SC Term Loan Facility") and a HK$233,000 (equivalent to $29,948) revolving credit facility (the "2016 SC Revolving Credit Facility"). As of December 31, 2023, the outstanding principal amount of the 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility were HK$1,000 (equivalent to $128) and nil, respectively, and the available unused borrowing capacity under the 2016 SC Revolving Credit Facility was HK$233,000 (equivalent to $29,827).

On March 15, 2021, Studio City Company amended the terms of the 2016 Studio City Credit Facilities, including the extension of the maturity date for the 2016 SC Term Loan Facility and the 2016 SC Revolving Credit Facility from November 30, 2021 to January 15, 2028 (the "Extended Maturity Date"). The 2016 SC Term Loan Facility shall be repaid at the Extended Maturity Date with no interim amortization payments. The 2016 SC Revolving Credit Facility is available up to the date that is one month prior to the 2016 SC Revolving Credit Facility's Extended Maturity Date. Changes have also been made to the covenants in order to align them with those of certain other financings at Studio City Finance, including amending the threshold sizes and measurement dates of the covenants.

The 2016 SC Term Loan Facility is collateralized by cash of HK$1,012 (equivalent to $130). The Studio City Borrower is subject to mandatory prepayment requirements in respect of various amounts of the 2016 SC Revolving Credit Facility as specified in the 2016 Studio City Credit Facilities; in the event of the disposal of all or substantially all of the business and assets of the Studio City borrowing group which includes the Studio City Borrower and certain of its subsidiaries as defined under the 2016 Studio City Credit Facilities (the "2016 Studio City Borrowing Group"), the 2016 Studio City Credit Facilities are required to be repaid in full. In the event of a change of control, the Studio City Borrower may be required, at the election of any lender under the 2016 Studio City Credit Facilities, to repay such lender in full (other than the principal amount of the 2016 SC Term Loan Facility).

The indebtedness under the 2016 Studio City Credit Facilities is guaranteed by Studio City Investments and its subsidiaries (other than the Studio City Borrower). Security for the 2016 Studio City Credit Facilities includes a first-priority mortgage over any rights under the land concession contract of Studio City and an assignment of certain leases or rights to use agreements; as well as other customary security. The 2016 Studio City Credit Facilities contain certain affirmative and negative covenants customary for such financings, as well as affirmative, negative and financial covenants aligned with those of certain other financings at Studio City Finance. Certain specified bank accounts of Melco Resorts Macau are pledged under 2016 Studio City Credit Facilities and related finance documents. The 2016 Studio City Credit Facilities are secured by substantially all of the material assets of Studio City Investments and its subsidiaries.

The 2016 Studio City Credit Facilities contain certain covenants that, subject to certain exceptions and conditions, limit the ability of Studio City Company, Studio City Investments and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with shareholders or affiliates; and (xi) effect a consolidation or merger. The 2016 Studio City Credit Facilities also contain conditions and events of default customary for such financings.

In addition, modification, expiry, or termination of the gaming concession of Melco Resorts Macau in circumstances that have a material adverse effect on the 2016 Studio City Borrowing Group (as a whole) will allow lenders to elect for the mandatory prepayment of all outstanding loan amounts.

There are provisions that limit certain payments of dividends and other distributions by the 2016 Studio City Borrowing Group to companies or persons who are not members of the 2016 Studio City Borrowing Group. As of December 31, 2023, the net assets of Studio City Investments and its restricted subsidiaries of approximately $675,000 were restricted from being distributed under the terms of the 2016 Studio City Credit Facilities.

Borrowings under the 2016 Studio City Credit Facilities bear interest at HIBOR plus a margin of 4% per annum. The Studio City Borrower may select an interest period for borrowings under the 2016 Studio City Credit Facilities ranging from one to six months or any other agreed period. The Studio City Borrower is obligated to pay a commitment fee on the undrawn amount of the 2016 SC Revolving Credit Facility and recognized loan commitment fees of $417, $417 and $419 during the years ended December 31, 2023, 2022 and 2021, respectively.

Philippine Credit Facility

On October 14, 2015, Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), a subsidiary of Melco, entered into an on-demand, unsecured credit facility agreement of Philippine Pesos ("PHP") 2,350,000 (equivalent to $49,824), as amended from time to time (the "Philippine Credit Facility") with a lender to finance advances to Melco Resorts Leisure (PHP) Corporation ("Melco Resorts Leisure"), a subsidiary of Melco. The available drawdown currencies under the Philippine Credit Facility are PHP and US$. As of December 31, 2023, the Philippine Credit Facility availability period, as amended from time to time, is up to January 31, 2024 and was further extended to April 30, 2023, in January 2024, and the maturity date of each individual drawdown, as amended from time to time, to be the earlier of: (i) the date which is 360 days from the date of drawdown, and (ii) the date which is 360 days after the end of the availability period. The individual drawdowns under the Philippine Credit Facility are subject to certain conditions precedent, including issuance of a promissory note in favor of the lender evidencing such drawdown. As of December 31, 2023, borrowings under the Philippine Credit Facility bear interest, as amended from time to time, at the higher of: (i) the PHP BVAL Reference Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, and (ii) Philippines Term Deposit Facility Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, such rate to be set one business day prior to the relevant interest period. The Philippine Credit Facility includes a tax gross-up provision requiring MRP to pay without any deduction or withholding for or on account of tax.

As of December 31, 2023, the Philippine Credit Facility had not yet been drawn and the available unused borrowing capacity under the Philippine Credit Facility was PHP2,350,000 (equivalent to $42,291).

(c) Borrowing Rates and Scheduled Maturities of Long-term Debt

During the years ended December 31, 2023, 2022 and 2021, the Company's average borrowing rates were approximately 5.72%, 5.32% and 5.43% per annum, respectively.

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2023 are as follows:

Year ending December 31,	
2024	$ 128
2025	2,449,515
2026	500,000
2027	950,000
2028	1,350,128
Over 2028	2,250,000
	$ 7,499,771

12. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including the land and certain of the building structures for City of Dreams Manila under the MRP Lease Agreement as described in Note 20, Cyprus casino sites, Mocha Clubs sites, office spaces, warehouses, staff quarters, and certain parcels of land in Macau on which Altira Macau, City of Dreams and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractually agreed incremental rates and on the general inflation rate once agreed by the Company and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover. Certain leases include options to extend the lease term and options to terminate the lease term. The land concession contracts in Macau have a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contracts in Macau is 40 years.

The components of lease costs are as follows:

	Year Ended December 31,		
	2023	**2022**	**2021**
Operating lease costs:			
Amortization of land use rights	$ 22,670	$ 22,662	$ 22,832
Operating lease costs	18,434	14,614	29,401
Short-term lease costs	342	720	473
Variable lease costs	2,684	1,902	(629)
Finance lease costs:			
Amortization of right-of-use assets	5,336	12,928	15,682
Interest costs	24,562	25,371	31,642
Total lease costs	$ 74,028	$ 78,197	$ 99,401

Other information related to lease terms and discount rates is as follows:

	December 31, 2023	December 31, 2022
Weighted average remaining lease term		
Operating leases	18.0 years	21.5 years
Finance leases	9.5 years	10.5 years
Weighted average discount rate		
Operating leases	6.66%	5.77%
Finance leases	10.70%	10.70%

Maturities of lease liabilities as of December 31, 2023 are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2024	$ 20,502	$ 37,387
2025	13,130	37,387
2026	11,058	37,387
2027	5,675	37,387
2028	5,365	37,387
Over 2028	65,681	169,345
Total future minimum lease payments	121,411	356,280
Less: amounts representing interest	(47,868)	(133,499)
Present value of future minimum lease payments	73,543	222,781
Current portion	(19,685)	(35,307)
Non-current portion	$ 53,858	$ 187,474

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in the sites of City of Dreams, City of Dreams Manila, Studio City and City of Dreams Mediterranean with various retailers that expire at various dates through December 2035. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the years ended December 31, 2023, 2022 and 2021, the Company earned minimum operating lease income of $45,210, $41,633 and $45,019, respectively, and contingent operating lease income of $7,810, $265 and $5,080, respectively. Total lease income for the years ended December 31, 2023, 2022 and 2021 were reduced by $52, $3,076 and $882, respectively, as a result of the rent concessions related to the effects of the COVID-19 outbreak.

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2023 were as follows:

Year ending December 31,	
2024	$ 56,427
2025	56,409
2026	29,975
2027	7,257
2028	3,378
Over 2028	3,640
	$ 157,086

13. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the input to valuation techniques used to measure fair values into three broad levels. The level in the hierarchy within which the fair value measurements in its entirety is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying values of cash equivalents, bank time deposits included in restricted cash, long-term deposits, long-term receivables and other long-term liabilities approximated fair values and were classified as level 2 in the fair value hierarchy.

The fair value as of December 31, 2023 adopted for the long-lived assets impairment of Altira Macau as described in Note 2(m) were estimated by using level 3 inputs based on a combination of income and cost approaches.

The fair values as of December 31, 2022 adopted in impairment assessments of an aircraft and a piece of freehold land classified as assets held for sale were estimated by using level 2 and level 3 inputs, respectively. Details are disclosed in Note 2(m) and Note 5.

The estimated fair values of long-term debt as of December 31, 2023 and 2022, were approximately $6,975,901 and $7,341,910, respectively, as compared to their carrying values, excluding unamortized deferred financing costs and original issue premiums, of $7,499,771 and $8,449,459, respectively. Fair values were estimated using quoted market prices and were classified as level 1 in the fair value hierarchy for the 2017 4.875% Senior Notes, the 2019 5.250% Senior Notes, the 2019 5.625% Senior Notes, the 2019 5.375% Senior Notes, the 2020 5.750% Senior Notes, the 2020 Studio City Notes, the 2021 5.000% Studio City Notes and the 2022 7.000% Studio City Secured Notes. Fair values for the 2015 Credit Facilities, the 2020 Credit Facilities and the 2016 Studio City Credit Facilities approximated their carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 2023 and 2022, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

14. CAPITAL STRUCTURE

Treasury Shares

Melco's treasury shares represent new shares issued by Melco and the shares repurchased by Melco under the respective share repurchase programs. The treasury shares are mainly held by the depositary bank to facilitate the administration and operations of Melco's share incentive plans, and are to be delivered to the directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options.

No ordinary shares were issued by Melco to its depositary bank for future vesting of restricted shares and exercise of share options during the years ended December 31, 2023, 2022 and 2021. Melco issued 16,254,282, 14,720,040 and 6,042,543 ordinary shares upon vesting of restricted shares and 82,242, nil and 2,478,594 ordinary shares upon exercise of share options during the years ended December 31, 2023, 2022 and 2021, respectively.

On June 2, 2021, the Board of Directors of Melco authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period which commenced on June 2, 2021 under a share repurchase program (the "2021 Share Repurchase Program"). Purchases under the 2021 Share Repurchase Program may be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 and/or Rule 10b5-1 of the U.S. Securities Exchange Act, and/or in privately-negotiated transactions. The timing and the amount of ordinary shares and/or ADSs purchased were determined by Melco's management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The 2021 Share Repurchase Program may be suspended, modified or terminated by Melco at any time prior to its expiration.

On August 18, 2022, Melco, Melco International and Melco Leisure and Entertainment Group Limited ("Melco Leisure"), a subsidiary of Melco International, entered into a share repurchase agreement, pursuant to which Melco agreed to repurchase 9,995,799 ordinary shares of Melco and 25,000,000 ADSs of Melco (equivalent to 75,000,000 ordinary shares) from Melco Leisure (the "2022 Share Repurchase"). On August 26, 2022, the Share Repurchase was completed for an aggregate consideration of $152,709, which represents an average price of $1.7967 per share or $5.39 per ADS. Following the completion of the 2022 Share Repurchase, 9,995,799 ordinary shares of Melco were retired (the "2022 Share Retirement").

On March 8, 2023, Melco, Melco International and Melco Leisure entered into a share repurchase agreement, pursuant to which Melco agreed to repurchase 40,373,076 ordinary shares of Melco from Melco Leisure (the "2023 Share Repurchase"). On March 10, 2023, the 2023 Share Repurchase was completed for an aggregate consideration of $169,836, which represents an average price of $4.2067 per share or $12.62 per ADS and 40,373,076 ordinary shares of Melco repurchased from Melco Leisure were retired on the same date (the "2023 Share Retirement").

Other than the 2023 Share Repurchase and the 2023 Share Retirement as described above, no ordinary shares were repurchased and retired during the year ended December 31, 2023. In addition to the 2022 Share Repurchase and the 2022 Share Retirement as described above, 5,929,076 ADSs, equivalent to 17,787,228 ordinary shares were repurchased under the 2021 Share Repurchase Program, of which 1,500,000 ordinary shares repurchased were retired during the year ended December 31, 2022. During the year ended December 31, 2021, 5,372,045 ADSs, equivalent to 16,116,135 ordinary shares were repurchased under the 2021 Share Repurchase Program, of which no ordinary shares repurchased were retired.

As of December 31, 2023 and 2022, Melco had 1,404,679,067 and 1,445,052,143 issued ordinary shares, and 93,408,292 and 109,744,816 treasury shares, with 1,311,270,775 and 1,335,307,327 ordinary shares outstanding, respectively.

15. INCOME TAXES

Loss before income tax consisted of:

	Year Ended December 31,		
	2023	**2022**	**2021**
Macau operations	$ 11,021	$ (720,470)	$ (456,089)
Hong Kong operations	(474,862)	(400,725)	(434,618)
Philippine operations	86,910	28,204	(51,436)
Cyprus operations	(29,171)	3,152	(13,454)
Other jurisdictions operations	4,194	(2,092)	2,018
Loss before income tax	$ (401,908)	$ (1,091,931)	$ (953,579)

The income tax expense consisted of:

	Year Ended December 31,		
	2023	2022	2021
Income tax expense – current:			
Macau Complementary Tax	$ –	$ 9	$ 172
Lump sum in lieu of Macau Complementary Tax on dividends	5,650	2,342	2,359
Hong Kong Profits Tax	11,613	528	48
Philippine Corporate Income Tax	4	5	1
Philippine withholding tax on dividends	2,566	–	2,937
Cyprus Corporate Income Tax	–	–	188
Income tax in other jurisdictions	66	219	323
Sub-total	19,899	3,103	6,028
(Over) under provision of income taxes in prior years:			
Macau Complementary Tax	(511)	(560)	(874)
Lump sum in lieu of Macau Complementary Tax on dividends	(1,327)	–	–
Hong Kong Profits Tax	(450)	(4)	18
Philippine Corporate Income Tax	(157)	300	(62)
Income tax in other jurisdictions	50	98	14
Sub-total	(2,395)	(166)	(904)
Income tax (benefit) expense – deferred:			
Macau Complementary Tax	(7,931)	(768)	(4,535)
Hong Kong Profits Tax	(154)	3,276	2,493
Philippine Corporate Income Tax	3,366	(258)	209
Cyprus Corporate Income Tax	589	(578)	–
Income tax in other jurisdictions	48	627	(406)
Sub-total	(4,082)	2,299	(2,239)
Total income tax expense	$ 13,422	$ 5,236	$ 2,885

A reconciliation of the income tax expense from loss before income tax per the accompanying consolidated statements of operations is as follows:

	Year Ended December 31,		
	2023	2022	2021
Loss before income tax	$ (401,908)	$ (1,091,931)	$ (953,579)
Macau Complementary Tax rate	12%	12%	12%
Income tax benefit at Macau Complementary Tax rate	(48,229)	(131,032)	(114,429)
Lump sum in lieu of Macau Complementary Tax on dividends	5,650	2,342	2,359
Effect of different tax rates of subsidiaries operating in other jurisdictions	(13,422)	(12,271)	(31,653)
Over provision in prior years	(2,395)	(166)	(904)
Effect of income for which no income tax expense is payable	(14,178)	(11,727)	(6,308)
Effect of expenses for which no income tax benefit is receivable	80,455	70,687	101,111
Effect of profits generated by gaming operations exempted	(75,403)	(25,700)	(10,851)
Effect of tax losses that cannot be carried forward	–	15,553	6,742
Changes in valuation allowances	27,004	48,122	(13,360)
Change in income tax rate	–	–	16,521
Expired tax losses	53,940	49,428	53,657
Income tax expense	$ 13,422	$ 5,236	$ 2,885

Melco and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands, where they are incorporated, while Melco is subject to Hong Kong Profits Tax on profits from its activities conducted in Hong Kong. Certain subsidiaries incorporated or conducting businesses in Macau, Hong Kong, the Philippines, Cyprus and other jurisdictions are subject to Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions, respectively, during the years ended December 31, 2023, 2022 and 2021.

Macau Complementary Tax, Hong Kong Profits Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions have been provided at 12%, 16.5%, 12.5% and the respective tax rates in other jurisdictions, on the estimated taxable income earned in or derived from the respective jurisdictions, respectively, during the years ended December 31, 2023, 2022 and 2021, if applicable.

On March 26, 2021, in the Philippines, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") took effect on April 11, 2021. CREATE reduced the minimum corporate income tax in the Philippines from 2% to 1% for the period from July 1, 2020 to June 30, 2023 and the corporate income tax rate in the Philippines from 30% to 25% starting July 1, 2020.

Pursuant to the approval notice issued by the Macau government in September 2016, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations for an additional five years from 2017 to 2021. Studio City Entertainment Limited ("Studio City Entertainment"), a subsidiary of Melco, was also exempted from Macau Complementary Tax on profits generated from income received from Melco Resorts Macau for an additional five years from 2017 to 2021, to the extent that such income was derived from Studio City gaming operations and had been subject to gaming tax pursuant to a notice issued by the Macau government in January 2017. The exemption coincided with Melco Resorts Macau's exemption from Macau Complementary Tax. Pursuant to Dispatch of the Macau Chief Executive dated February 17, 2022 and September 1, 2022, Melco Resorts Macau was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations under the previous gaming subconcession for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively. Melco Resorts Macau continues to benefit from the Macau Complementary Tax exemption on profits generated from gaming operations under the Concession for the period from January 1, 2023 to December 31, 2027 pursuant to a Dispatch of the Macau Chief Executive dated January 29, 2024. Studio City Entertainment applied for an extension of the Macau Complementary Tax exemption for 2022 and for the period from January 1, 2023 through December 31, 2027. These applications are subject to the discretionary approval of the Macau government. The non-gaming profits and dividend distributions of Studio City Entertainment to its shareholders continue to be subject to the Macau Complementary Tax. Melco Resorts Macau's non-gaming profits remain subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with the Concession effective on January 1, 2023.

The gaming operations of Melco Resorts Leisure, the operator of City of Dreams Manila, are exempt from Philippine Corporate Income Tax, among other taxes, pursuant to the Philippine Amusement and Gaming Corporation ("PAGCOR") charter and are subject to license fees which are inclusive of the 5% franchise tax based on gross gaming revenue in the Philippines, in lieu of all other taxes.

Had Melco Resorts Macau and Melco Resorts Leisure not have been entitled to the income tax exemption on profits generated by gaming operations for the year ended December 31, 2023 in Macau and the Philippines, respectively, and if Studio City Entertainment's application for the extended exemption from Macau Complementary Tax on profits generated from income received from Melco Resorts Macau will not be approved, the Company's consolidated net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2023 would have been increased by $75,190 and diluted loss per share would have been increased by $0.057 per share. During the years ended December 31, 2022 and 2021, Melco Resorts Macau and Studio City Entertainment in Macau did not have any profits generated by gaming operations exempted from Macau Complementary Tax, while had Melco Resorts Leisure not received the income tax exemption on profits generated by gaming operations in the Philippines, the Company's consolidated net loss attributable to Melco Resorts & Entertainment Limited for the years ended December 31, 2022 and 2021 would have been increased by $25,252 and $10,688, and diluted loss per share would have been increased by $0.018 and $0.007 per share, respectively.

In August 2017, Melco Resorts Macau received an extension of the agreement with the Macau government for an additional five years applicable to tax years 2017 through 2021, in which the extension agreement provided for an annual payment of MOP18,900 (equivalent to $2,342) as payments in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of Melco Resorts Macau on dividend distributions from gaming profits ("Payments in lieu of Macau Complementary Tax on Dividend Distributions"). Such annual payment was required regardless of whether dividends were actually distributed or whether Melco Resorts Macau had distributable profits in the relevant year. In December 2022 and March 2023, Melco Resorts Macau received extensions of the agreements with the Macau government for an amount of MOP4,000 (equivalent to $497) and MOP4,167 (equivalent to $518) as Payments in lieu of Macau Complementary Tax on Dividend Distributions for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively. In February 2024, Melco Resorts Macau entered into an agreement with the Macau government in relation to the Payments in lieu of Macau Complementary Tax on Dividend Distributions from January 1, 2023 to December 31, 2025. During the year ended December 31, 2023, an estimated amount of $5,650 was provided for such arrangement.

The effective tax rates for the years ended December 31, 2023, 2022 and 2021 were (3.34)%, (0.48)% and (0.30)%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expired tax losses, expenses for which no income tax benefit is receivable, income for which no income tax expense is payable, changes in valuation allowances, profits generated by gaming operations being exempted from Philippine Corporate Income Tax and different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of profits generated by gaming operations being exempted from Macau Complementary Tax for the year ended December 31, 2023; the effect of tax losses that cannot be carried forward for the year ended December 31, 2022; and the effects of tax losses that cannot be carried forward and change in income tax rate for the year ended December 31, 2021.

The net deferred tax liabilities as of December 31, 2023 and 2022 consisted of the following:

	December 31,	
	2023	**2022**
Deferred tax assets:		
Net operating losses carried forward	$ 205,189	$ 206,079
Depreciation and amortization	157,667	76,272
Lease liabilities	29,277	30,492
Others	16,936	13,052
Sub-total	409,069	325,895
Valuation allowances	(374,623)	(299,620)
Total deferred tax assets	34,446	26,275
Deferred tax liabilities:		
Right-of-use assets	(9,471)	(10,413)
Land use rights	(36,513)	(44,434)
Intangible assets	(9,718)	(505)
Unrealized capital allowances	(4,405)	(4,279)
Others	(9,298)	(5,683)
Total deferred tax liabilities	(69,405)	(65,314)
Deferred tax liabilities, net	$ (34,959)	$ (39,039)

As of December 31, 2023 and 2022, valuation allowances of $374,623 and $299,620 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2023, adjusted operating tax losses carried forward of $10,048 have no expiry date and the remaining tax losses amounting to $1,380,467 will expire by 2024 through 2033. Adjusted operating tax losses carried forward of $448,834 expired during the year ended December 31, 2023.

Deferred tax, where applicable, is provided under the asset and liability method at the enacted statutory income tax rate of the respective tax jurisdictions, applicable to the respective financial years, on the difference between the consolidated financial statements carrying amounts and income tax base of assets and liabilities.

Aggregate undistributed earnings of certain of Melco's foreign subsidiaries available for distribution to Melco of approximately $745,694 and $745,425 as of December 31, 2023 and 2022, respectively, are considered to be indefinitely reinvested. Accordingly, no provision has been made for the dividend withholding taxes that would be payable upon the distribution of those amounts to Melco. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, Melco would have to record a deferred income tax liability in respect of those undistributed earnings of approximately $89,483 and $89,449 as of December 31, 2023 and 2022, respectively.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is presented as follows:

	Year Ended December 31,		
	2023	2022	2021
At beginning of year	$ 22,940	$ 16,342	$ 15,132
Additions based on tax positions related to current year	756	6,810	2,028
Additions based on tax positions related to prior year	4,984	–	–
Reductions due to expiry of the statute of limitations	(1,348)	(212)	(818)
At end of year	$ 27,332	$ 22,940	$ 16,342

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate were $27,332 and $22,940 as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Melco and its subsidiaries' major tax jurisdictions are Hong Kong, Macau, the Philippines and Cyprus. Income tax returns of Melco and its subsidiaries remain open and subject to examination by the local tax authorities of Macau, Hong Kong, the Philippines and Cyprus until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau, Hong Kong, the Philippines and Cyprus are five years, six years, three years and six years, respectively.

16. SHARE-BASED COMPENSATION

2006 Share Incentive Plan

Melco adopted a share incentive plan in 2006 ("2006 Share Incentive Plan"), as amended, for grants of share options and nonvested shares of Melco's ordinary shares to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award was 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2006 Share Incentive Plan was 100,000,000 over 10 years. Melco adopted a share incentive plan in 2011 ("2011 Share Incentive Plan") and a share incentive plan in 2021 ("2021 Share Incentive Plan") as described below and no further awards would be granted under the 2006 Share Incentive Plan and the 2011 Share Incentive Plan which was terminated on December 6, 2021. All subsequent awards will be issued under the 2021 Share Incentive Plan.

Share Options

As of December 31, 2023 and 2022, there were no outstanding share options under the 2006 Share Incentive Plan.

The following information is provided for share options under the 2006 Share Incentive Plan:

	Year Ended December 31,		
	2023	2022	2021
Proceeds from the exercise of share options	$ –	$ –	$ 2,756
Intrinsic value of share options exercised	$ –	$ –	$ 7,370

As of December 31, 2023, there were no unrecognized compensation costs related to share options under the 2006 Share Incentive Plan.

2011 Share Incentive Plan

Melco adopted the 2011 Share Incentive Plan, effective on December 7, 2011, which had been subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award was 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2011 Share Incentive Plan was 100,000,000 over 10 years, which could be raised up to 10% of the issued share capital upon shareholders' approval. The 2011 Share Incentive Plan would have expired ten years after December 7, 2011.

Melco adopted the 2021 Share Incentive Plan as described below, effective on December 6, 2021 (also the termination date of the 2011 Share Incentive Plan). Upon the termination of the 2011 Share Incentive Plan, no further awards may be granted under the 2011 Share Incentive Plan but the provisions of such plan shall remain in full force and effect in all other respects for any awards granted prior to the date of the termination of such plan.

Share Options

There were no share options granted under the 2011 Share Incentive Plan during the years ended December 31, 2023 and 2022. During the year ended December 31, 2021, the exercise prices for share options granted under the 2011 Share Incentive Plan were determined at the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of two to three years. The share options granted expire 10 years from the date of grant.

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco's ADS trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected term.

The fair values of share options granted under the 2011 Share Incentive Plan were estimated on the dates of grant using the following weighted average assumptions:

	Year Ended December 31, 2021
Expected dividend yield	2.50%
Expected stock price volatility	45.46%
Risk-free interest rate	1.00%
Expected term (years)	5.6

A summary of the share options activity under the 2011 Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Share Options		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term		Aggregate Intrinsic Value
Outstanding as of January 1, 2023	2,845,719	$	5.89			
Exercised	(14,094)		4.13			
Forfeited or expired	(141,978)		5.42			
Outstanding as of December 31, 2023	2,689,647	$	5.93	5.16	$	–
Fully vested and expected to vest as of December 31, 2023	2,689,647	$	5.93	5.16	$	–
Exercisable as of December 31, 2023	2,570,973	$	5.88	5.06	$	–

The following information is provided for share options under the 2011 Share Incentive Plan:

	Year Ended December 31,					
		2023		2022		2021
Weighted average grant date fair value	$	–	$	–	$	2.28
Proceeds from the exercise of share options	$	58	$	–	$	4,345
Intrinsic value of share options exercised	$	7	$	–	$	1,655

As of December 31, 2023, there were $16 unrecognized compensation costs related to share options under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.27 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the 2011 Share Incentive Plan to the eligible management personnel of the Company in lieu of the 2020 bonus for their services performed during 2020. A total of 1,899,897 restricted shares were granted and vested immediately on March 31, 2021 (the "2020 Bonus Shares") with the grant date fair value of $19.91 per ADS or $6.6367 per share, which was the closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant.

On July 7, 2021, a total of 52,056 restricted shares were granted to employees of an affiliated company, a subsidiary of Melco International, for their services rendered to Melco International, with vesting periods of three months to twelve months. The grant date fair value for these restricted shares, which was determined with reference to the market closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant, were recognized as a deemed distribution to Melco International in respect of share-based compensation against retained earnings over the vesting period. Deemed distributions to Melco International in respect of these restricted shares of $143 and $136 were recognized during the years ended December 31, 2022 and 2021, respectively. During the year ended December 31, 2022, the reimbursement from Melco International of $279 for restricted shares granted to employees of an affiliated company were recognized as an increase in additional paid-in capital of the Company as deemed contribution from Melco International in respect of these restricted shares, with a corresponding increase in receivable from affiliated companies in the consolidated balance sheet.

There were no restricted shares granted under the 2011 Share Incentive Plan during the years ended December 31, 2023 and 2022. Other than the restricted shares granted under the 2020 Bonus Shares as described above, the grant date fair values for restricted shares granted under the 2011 Share Incentive Plan during the year ended December 31, 2021, with vesting periods of generally three months to three years, were determined with reference to the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant.

A summary of the restricted shares activity under the 2011 Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2023	7,705,320	$ 5.42
Vested	(5,760,885)	4.97
Forfeited	(117,597)	5.93
Unvested as of December 31, 2023	1,826,838	$ 6.81

The following information is provided for restricted shares under the 2011 Share Incentive Plan:

	Year Ended December 31, 2023	2022	2021
Weighted average grant date fair value	$ –	$ –	$ 6.07
Grant date fair value of restricted shares vested	$ 28,638	$ 54,424	$ 43,533

As of December 31, 2023, there were $2,104 unrecognized compensation costs related to restricted shares under the 2011 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 0.27 years.

2021 Share Incentive Plan

Melco adopted the 2021 Share Incentive Plan, effective on December 6, 2021, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award is 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2021 Share Incentive Plan may be increased from time to time, provided that the maximum aggregate number of Melco's ordinary shares which may be issued upon exercise of options granted under the 2021 Share Incentive Plan shall not be more than 10% of the total number of the issued share capital of Melco on the date the new plan limit is approved by the shareholders of Melco International in accordance with the applicable listing rules in Hong Kong. As of December 31, 2023, there were 104,653,941 ordinary shares available for grants of various share-based awards under the 2021 Share Incentive Plan.

Share Options

During the years ended December 31, 2023 and 2022, the exercise prices for share options granted under the 2021 Share Incentive Plan were determined at the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of one to three years. The share options granted expire 10 years from the date of grant. There were no share options granted under the 2021 Share Incentive Plan during the year ended December 31, 2021.

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco's ADS trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected term.

The fair values of share options granted under the 2021 Share Incentive Plan were estimated on the dates of grant using the following weighted average assumptions:

	Year Ended December 31,	
	2023	**2022**
Expected dividend yield	2.50%	2.50%
Expected stock price volatility	58.67%	51.00%
Risk-free interest rate	3.39%	2.69%
Expected term (years)	5.1	5.1

On March 28, 2022, the compensation committee of Melco approved a proposal to allow for an option exchange program, designed to provide the eligible participants an opportunity to exchange certain outstanding underwater share options for new share options and new restricted shares to be granted, subject to the eligible participants' consent (the "Option Exchange Program"). The share options eligible for exchange under the Option Exchange Program were those that were granted during the years from 2012 to 2021 under the 2011 Share Incentive Plan, including those unvested, or vested but not exercised or the unexercised share options granted in 2012 but expired in March 2022. The Option Exchange Program became unconditional and effective on April 15, 2022, the date Melco accepted the eligible participants' consent (the "Modification Date"), with a total of 26,076,978 eligible share options were tendered and surrendered by eligible participants (the "Cancelled Share Options") and Melco granted an aggregate of 2,486,241 new share options (the "Replacement Share Options") and 5,912,547 new restricted shares (the "Replacement Restricted Shares") under the 2021 Share Incentive Plan. The Replacement Share Options and Replacement Restricted Shares have vesting periods of one to two years. The Replacement Share Options expire 10 years from April 6, 2022. A total incremental share-based compensation expense resulting from the Option Exchange Program was approximately $3,306, representing the excess of (i) the fair value of certain Replacement Share Options measured using the Black-Scholes valuation model on the Modification Date; and (ii) the fair value of certain Replacement Restricted Shares determined with reference to the market closing price of Melco's ADS trading on the Nasdaq Global Select Market on the Modification Date, over the fair value of the Cancelled Share Options that were granted during 2013 to 2021 immediately before the exchange. The incremental share-based compensation expenses and the unrecognized compensation costs remaining from the Cancelled Share Options are being recognized over the new vesting periods of the Replacement Share Options and Replacement Restricted Shares. The weighted average fair value of the Replacement Share Options at the Modification Date was $0.82.

The fair values of the Replacement Share Options granted under the 2021 Share Incentive Plan were estimated on the Modification Date using the following weighted average assumptions:

Expected dividend yield	2.50%
Expected stock price volatility	52.50%
Risk-free interest rate	2.75%
Expected term (years)	4.6

A summary of the share options activity under the 2021 Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of January 1, 2023	5,360,526	$ 2.47		
Granted	158,949	4.13		
Exercised	(68,148)	2.47		
Outstanding as of December 31, 2023	5,451,327	$ 2.52	8.29	$ 2,593
Fully vested and expected to vest as of December 31, 2023	5,451,327	$ 2.52	8.29	$ 2,593
Exercisable as of December 31, 2023	2,133,066	$ 2.47	8.26	$ 1,045

The following information is provided for share options under the 2021 Share Incentive Plan:

	Year Ended December 31,	
	2023	2022
Weighted average grant date fair value (excluding the options granted under the Option Exchange Program)	$ 1.82	$ 0.94
Proceeds from the exercise of share options	$ 168	$ –
Intrinsic value of share options exercised	$ 120	$ –

As of December 31, 2023, there were $1,609 unrecognized compensation costs related to share options under the 2021 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.24 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the 2021 Share Incentive Plan to the eligible management personnel of the Company and its affiliated company in lieu of the 2021 bonus for their services performed during 2021. A total of 4,578,543 restricted shares were granted and vested immediately on April 6, 2022 (the "2021 Bonus Shares") with the grant date fair value of $7.40 per ADS or $2.47 per share, which was the closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant. Based on the estimated bonus amount, share-based compensation expenses of $10,929, of which $729 were capitalized, were recognized for the restricted shares granted to the management personnel rendered services to the Company and deemed distribution to Melco International in respect of the restricted shares granted to employees of an affiliated company of $272 was recognized during the year ended December 31, 2021.

Certain restricted shares were approved by Melco to be granted under the 2021 Share Incentive Plan to the eligible management personnel of the Company in lieu of the 2022 bonus for their services performed during 2022. A total of 4,350,111 restricted shares were granted and vested immediately on April 5, 2023 (the "2022 Bonus Shares") with the grant date fair value of $12.38 per ADS or $4.13 per share, which was the closing price of Melco's ADS trading on the Nasdaq Global Select Market on the date of grant. Based on the estimated bonus amount, share-based compensation expenses of $17,926, of which $680 were capitalized, were recognized for such grant during the year ended December 31, 2022.

Other than the restricted shares granted under the 2021 Bonus Shares and the 2022 Bonus Shares as described above, the fair values for restricted shares granted under the 2021 Share Incentive Plan during the years ended December 31, 2023 and 2022, with vesting periods of generally five months to three years, were determined with reference to the market closing prices of Melco's ADS trading on the Nasdaq Global Select Market on the dates of grant or the Modification Date. There were no restricted shares granted under the 2021 Share Incentive Plan during the year ended December 31, 2021.

A summary of the restricted shares activity under the 2021 Share Incentive Plan for the year ended December 31, 2023, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date or Modification Date Fair Value
Unvested as of January 1, 2023	19,183,428	$ 2.33
Granted	11,086,512	4.12
Vested	(12,819,975)	2.87
Forfeited	(362,919)	2.64
Unvested as of December 31, 2023	17,087,046	$ 3.08

The following information is provided for restricted shares under the 2021 Share Incentive Plan:

	Year Ended December 31, 2023	2022
Weighted average grant date fair value (excluding the options granted under the Option Exchange Program)	$ 4.12	$ 2.35
Grant date fair value of restricted shares vested	$ 36,732	$ 12,967

As of December 31, 2023, there were $32,510 unrecognized compensation costs related to restricted shares under the 2021 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.85 years.

MRP Share Incentive Plan

MRP adopted a share incentive plan (the "MRP Share Incentive Plan"), effective on June 24, 2013, which was subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase MRP common shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of MRP and its subsidiaries, and the Company and its affiliates. The maximum term of an award is 10 years from the date of grant. The maximum aggregate number of common shares to be available for all awards under the MRP Share Incentive Plan is 442,630,330 shares with up to 5% of the issued capital stock of MRP from time to time over 10 years. On April 24, 2019 and June 24, 2019, the board and the shareholders of MRP approved an amendment to the Amended Articles of Incorporation of MRP, respectively, whereby, without changing the total amount of the authorized capital stock, the par value per MRP common share was increased from PHP1 (equivalent to $0.02) per share to PHP500,000 (equivalent to $9,857) per share, thereby decreasing the total number of MRP common shares on a pro-rata basis ("Reverse Stock Split"). The Reverse Stock Split was approved by the Philippine Securities and Exchange Commission (the "Philippine SEC") on May 12, 2020. As of December 31, 2023, there were 305 MRP common shares available for grants of various share-based awards under the MRP Share Incentive Plan. All share and per share data of MRP common shares relating to the transactions carried out before May 12, 2020 as disclosed in the accompanying consolidated financial statements, represent the number of shares or value per share of MRP common shares before the Reverse Stock Split.

All accrued liability associated with the cash-settled share options and restricted shares in accordance with the original vesting schedules was fully vested and settled during the year ended December 31, 2021. No fair value gain or loss on remeasurement of the liability associated with the cash-settled share options and restricted shares was recognized for the year ended December 31, 2021.

Share Options

As of December 31, 2023 and 2022, there were no outstanding share options under the MRP Share Incentive Plan.

There were no share options granted or exercised under the MRP Share Incentive Plan during the years ended December 31, 2023, 2022 and 2021.

During the years ended December 31, 2023, 2022 and 2021, MRP paid nil, nil and $87 to settle the vested share options that are classified as cash-settled awards under the MRP Share Inventive Plan, respectively.

As of December 31, 2023, there were no unrecognized compensation costs related to share options under the MRP Share Incentive Plan.

Restricted Shares

As of December 31, 2023 and 2022, there were no unvested restricted shares under the MRP Share Incentive Plan.

There were no restricted shares granted under the MRP Share Incentive Plan during the years ended December 31, 2023, 2022, and 2021.

The following information is provided for restricted shares under the MRP Share Incentive Plan:

	Year Ended December 31,		
	2023	**2022**	**2021**
Grant date fair value of restricted shares vested	$ –	$ –	$ 351

During the years ended December 31, 2023, 2022 and 2021, MRP paid nil, nil and $346 to settle the vested restricted shares that are classified as cash-settled awards under the MRP Share Incentive Plan, respectively.

As of December 31, 2023, there were no unrecognized compensation costs related to restricted shares under the MRP Share Incentive Plan.

Melco International Share Incentive Plan

On September 6, 2019, certain share-based awards under Melco International's share option scheme adopted on May 30, 2012 and share purchase scheme adopted on October 18, 2007 (the "Melco International Share Incentive Plan") were granted by Melco International to an employee of the Company.

On April 6, 2022, the board of directors of Melco International announced an option exchange program, to provide the eligible participants an opportunity to exchange certain outstanding underwater share options for new share options and new restricted shares to be granted, subject to the eligible participants' consent (the "Melco International Option Exchange Program"). The share options eligible for exchange under the Melco International Option Exchange Program were those that were granted during the years from 2016 to 2021 under the Melco International Share Incentive Plan, including those unvested, or vested but not exercised. The Melco International Option Exchange Program became effective on April 6, 2022. A total of 14,200,000 eligible share options granted to an employee of the Company were accepted and surrendered and Melco International granted an aggregate of 4,740,000 new restricted shares under the Melco International Share Incentive Plan (the "Melco International Replacement Restricted Shares"). The Melco International Replacement Restricted Shares have vesting periods of one to two years. No incremental share-based compensation expense was resulted from the Melco International Option Exchange Program.

In accordance with the applicable accounting standards, the share-based compensation expenses related to the grant of share-based awards under the Melco International Share Incentive Plan to an employee of the Company, to the extent of services received by the Company, are recognized in the accompanying consolidated statements of operations with a corresponding increase in additional paid-in capital, representing capital contribution from Melco International. No share-based compensation expenses related to share-based awards under the Melco International Share Incentive Plan were recognized during the year ended December 31, 2023.

The share-based compensation expenses for the Company were recognized as follows:

	Year Ended December 31,		
	2023	**2022**	**2021**
Share-based compensation expenses:			
2011 Share Incentive Plan	$ 10,343	$ 38,823	$ 53,466
2021 Share Incentive Plan	26,092	32,803	10,929
MRP Share Incentive Plan	–	–	108
Melco International Share Incentive Plan	–	2,865	6,641
Total share-based compensation expenses	36,435	74,491	71,144
Less: Share-based compensation expenses capitalized in property and equipment	(962)	(2,682)	(3,187)
Share-based compensation expenses recognized in general and administrative expenses	$ 35,473	$ 71,809	$ 67,957

17. EMPLOYEE BENEFIT PLANS

The Company operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the "Defined Contribution Fund Schemes"). The Company either contributes a fixed percentage of the eligible employees' relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Company's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from upon contribution to 10 years from the date of employment effective in April 2021. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Company by independent trustees.

Employees employed by the Company in different jurisdictions are members of government-managed social security fund schemes (the "Social Security Fund Schemes"), which are operated by the respective governments, if applicable. The Company is required to pay monthly fixed contributions or certain percentages of employee relevant income and meet the minimum mandatory requirements of the respective Social Security Fund Schemes to fund the benefits.

During the years ended December 31, 2023, 2022 and 2021, the Company's contributions into the defined contribution retirement benefits schemes were $32,041, $26,688 and $26,984, respectively.

18. DISTRIBUTION OF PROFITS

Subsidiaries of Melco incorporated in Macau are required to set aside a minimum between 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to between 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries. As of December 31, 2023 and 2022, the aggregate balance of the legal reserves amounted to $31,525 and $31,524, respectively.

The Company's borrowings, subject to certain exceptions and conditions, contain certain restrictions on paying dividends and other distributions, as defined in the respective indentures governing the relevant senior notes and credit facility agreements, and disclosed in Note 11 under each of the respective borrowings.

19. DIVIDENDS

In May 2020, the Company suspended its quarterly dividend program due to the impact of the COVID-19 outbreak.

During the years ended December 31, 2023, 2022 and 2021, the Company did not declare any dividends on the ordinary shares.

20. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

The following agreements related to the development of City of Dreams Manila were entered into by the relevant parties of the Licensees (described below) and certain of its subsidiaries, which became effective on March 13, 2013 and end on the date of expiry of the Regular License as described below, currently expected to be on July 11, 2033, unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) Regular License

On April 29, 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted as of March 13, 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No. 1 Corporation, a subsidiary of MRP, and its subsidiaries including Melco Resorts Leisure (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with Melco Resorts Leisure, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license, and is valid until July 11, 2033. Further details of the terms and commitments under the Regular License are included in Note 21(b).

(b) Cooperation Agreement

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, Melco Resorts Leisure is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in Note 21(b).

(c) Operating Agreement

The Licensees entered into an operating agreement (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by Melco Resorts Leisure. Under the Operating Agreement, Melco Resorts Leisure is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the operation and management of City of Dreams Manila (including the gaming and non-gaming operations). The Operating Agreement also includes terms of certain monthly payments to PLAI from Melco Resorts Leisure, based on the performance of gaming operations of City of Dreams Manila and is included in payments to the Philippine Parties in the accompanying consolidated statements of operations, and further provides that Melco Resorts Leisure has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

As a result of the disruptions and impact caused by the COVID-19 outbreak, on March 22, 2021, Melco Resorts Leisure and PLAI entered into a supplemental agreement to the Operating Agreement where the monthly payments paid or payable by Melco Resorts Leisure from 2019 to 2022 were adjusted.

(d) MRP Lease Agreement

Melco Resorts Leisure and Belle entered into a lease agreement, as amended from time to time (the "MRP Lease Agreement") under which Belle agreed to lease to Melco Resorts Leisure the land and certain of the building structures for City of Dreams Manila. The leased property is used by Melco Resorts Leisure and any of its affiliates exclusively as a hotel, casino and resort complex.

As a result of the disruptions and impact caused by the COVID-19 outbreak, on March 22, 2021, Melco Resorts Leisure and Belle entered into a supplemental agreement to the MRP Lease Agreement to make certain adjustments to the rental payments paid or payable by Melco Resorts Leisure for 2020 and 2021.

On August 19, 2022 and October 31, 2022, Melco Resorts Leisure and Belle entered into supplemental agreements to the MRP Lease Agreement to make certain adjustments to the rental payments paid or payable by Melco Resorts Leisure from 2022 to 2033.

21. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2023, the Company had capital commitments mainly for the construction and acquisition of property and equipment for Studio City and City of Dreams totaling $51,938.

(b) Other Commitments

Concession – Macau

Under the Concession awarded by the Macau government to Melco Resorts Macau on December 16, 2022, in addition to the fixed premium and variable premiums, as well as the Fee (see Note 7), Melco Resorts Macau is obligated to pay the Macau government the following:

i) A special gaming tax of an amount equal to 35% of gross gaming revenue on a monthly basis.

ii) Contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively, on a monthly basis. These contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances.

iii) A special premium in the event the average gross gaming revenue of Melco Resorts Macau's gaming tables does not reach the annual minimum of MOP7,000 (equivalent to $870) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300 (equivalent to $37). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by Melco Resorts Macau and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and electronic gaming machines.

iv) Melco Resorts Macau must maintain a guarantee issued by a Macau bank in favor of the Macau government in the amount of MOP1,000,000 (equivalent to $124,284) until 180 days after the earlier of the expiration or termination of the Concession to guarantee its performance of certain of its legal and contractual obligations, including labor obligations.

As a result of the bank guarantee issued by the bank to the Macau government as disclosed above, a sum of 0.03% per annum of the guarantee amount is payable by Melco Resorts Macau to the bank.

Committed Investment

In connection with the Concession, Melco Resorts Macau has undertaken to carry out investment in the overall amount of MOP11,823,700 (equivalent to $1,469,491) by December 2032. The investment plan includes gaming and non-gaming related projects in the expansion of foreign market patrons, conventions and exhibitions, entertainment shows, sports events, art and culture, health and well-being, thematic entertainment, gastronomy, community and maritime tourism and others. Out of the total investment amount referred to above, MOP10,008,000 (equivalent to $1,243,829) is to be applied to non-gaming related projects, with the balance applied to gaming related projects. Melco Resorts Macau has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000 (equivalent to $248,940), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000 (equivalent to $22,371,034) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000 (equivalent to $22,371,034) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000 (equivalent to $248,940) to MOP12,011,000 (equivalent to $1,492,769), with the overall investment amount increased to MOP13,826,700 (equivalent to $1,718,431) to be carried out by December 2032. As of December 31, 2023, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP1,330,971 (equivalent to $165,418).

Regular License – Philippines

Commitments required by PAGCOR under the Regular License are as follows:

- To secure a surety bond in favor of PAGCOR in the amount of PHP100,000 (equivalent to $1,800) to ensure prompt and punctual remittances/payments of all license fees.

- License fees must be remitted on a monthly basis, in lieu of all taxes with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations. The license fees are inclusive of the 5% franchise tax under the terms of the PAGCOR charter. In October 2021, certain terms under the Regular License were amended to include the monthly minimum guarantee fee of PHP300 (equivalent to $5) on certain games under the 25% non-high roller tables effective on March 15, 2022. This monthly minimum guarantee fee was discontinued in June 2022, but was reinstated on March 2, 2023.

- The Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR.

- PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires.

- Grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) the holder has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As of December 31, 2023 and 2022, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement – Philippines

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any losses suffered or incurred by that Licensee arising out of, or in connection with, any breach by the indemnifying Licensee of the Regular License. Also, each of the Philippine Parties and MPHIL Holdings Group agree to indemnify the non-breaching party for any losses suffered or incurred as a result of a breach of any warranties.

Gaming License – Cyprus

Pursuant to the Cyprus License agreement, in addition to the Cyprus License Fee (see Note 7), the Cyprus Subsidiary has committed to pay the Cyprus government a casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

(c) Guarantees

Except as disclosed in Notes 11 and 21(b), the Company has made the following significant guarantees as of December 31, 2023:

- Melco entered into two deeds of guarantee with third parties amounting to $35,000 to guarantee certain payment obligations of the City of Dreams' operations.

- In October 2013, one of the Melco's subsidiaries entered into a trade credit facility agreement for HK$200,000 (equivalent to $25,602) ("Trade Credit Facility") with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility which matured on August 31, 2023 was further extended to August 31, 2025, and is guaranteed by Studio City Company. As of December 31, 2023, approximately $640 of the Trade Credit Facility had been utilized.

- Melco Resorts Leisure issued a corporate guarantee of PHP100,000 (equivalent to $1,800) to a bank in respect of a surety bond issued to PAGCOR as disclosed in Note 21(b) under the Regular License.

(d) Litigation

On December 7, 2021, the Independent Liquor and Gaming Authority in Australia ("ILGA") commenced proceedings in the Supreme Court of New South Wales against Melco and six individual directors and/or officers of Melco, principally seeking a payment of Australian dollars ("AUD") 3,676 (equivalent to $2,664) together with (i) the corresponding interest on such amount from August 3, 2020 to the date of judgment, and (ii) ILGA's legal costs in the proceedings by ILGA allegedly associated with its seeking in its assessment of whether a major change was proposed or occurred as a result of Melco's acquisition of shares in Crown in 2019. On July 24, 2023, a settlement deed was entered into for full and final settlement of all outstanding claims in respect of such proceedings.

As of December 31, 2023, the Company 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 impacts on the Company's consolidated financial statements as a whole.

22. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023, 2022 and 2021, the Company entered into the following significant related party transactions:

Related companies	Nature of transactions	Year Ended December 31, 2023	2022	2021
Transactions with affiliated companies				
Melco International and its subsidiaries	**Revenues and income (services provided by the Company):**			
	Shared service fee income for corporate office	$ 2,198	$ 2,188	$ 1,345
	Loan interest income	1,238	16,133	–
	Costs and expenses (services provided to the Company):			
	Management fee expenses(1)	2,182	1,394	1,749
	Share-based compensation expenses(2)	–	2,865	6,641

(1) The amount mainly represents management fee expenses for the services provided by the senior management of Melco International and for the operation of the office of Melco's Chief Executive Officer.

(2) The amount represents the share-based compensation expenses related to the grant of certain share-based awards under the Melco International Share Incentive Plan to an employee of the Company. Further information on the share-based compensation arrangements is included in Note 16.

Other Related Party Transactions

As of December 31, 2023, Mr. Lawrence Yau Lung Ho, Melco's Chief Executive Officer, and his controlled entity; and an independent director of Melco held an aggregate principal amount of $60,000 and $7,591 senior notes issued by subsidiaries of Melco, respectively. As of December 31, 2022, Mr. Lawrence Yau Lung Ho and his controlled entity; and an independent director of Melco held an aggregate principal amount of $60,000 and $8,500 senior notes issued by subsidiaries of Melco, respectively.

In November 2023, an independent director of Melco participated in the Tender Offer and a principal amount of $909 of the 2020 6.000% SC Notes was purchased by Studio City Finance for a consideration of $886.

During the years ended December 31, 2023, 2022 and 2021, total interest expense of $3,300, $3,300 and $4,494, in relation to the senior notes issued by a subsidiary of Melco, were paid or payable to Mr. Lawrence Yau Lung Ho and his controlled entity, respectively. During the years ended December 31, 2023, 2022 and 2021, total interest expense of $519, $497 and $316, in relation to the senior notes issued by subsidiaries of Melco, were paid or payable to an independent director of Melco, respectively.

(a) Receivables from Affiliated Companies

The outstanding balances mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies as of December 31, 2023 and 2022 are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31, 2023	2022
Melco International and its subsidiaries and joint venture	$ 728	$ 563
Other	69	67
	$ 797	$ 630

(b) Payables to Affiliated Companies

The outstanding balances mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company as of December 31, 2023 and 2022, are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2023	**2022**
Melco International and its subsidiaries	$ 377	$ 761

(c) Receivables from an Affiliated Company, Non-current

On March 28, 2022, Melco entered into a facility agreement (the "Facility Agreement") with Melco International pursuant to which a $250,000 revolving loan facility was granted by Melco as lender to Melco International as borrower for a period of 12 months after the first utilization date (the last day of such period being the "Final Repayment Date"). Melco International could request utilization of all or part of the loan from the date of the Facility Agreement until one month prior to the Final Repayment Date for general corporate purposes of Melco International and its subsidiaries (excluding the Company). Principal amounts outstanding under the Facility Agreement bore interest at an annual rate of 11%, with outstanding principal amounts and accrued interest payable by Melco International on the Final Repayment Date. On December 30, 2022, Melco and Melco International agreed to amend the Final Repayment Date to June 30, 2024, subject to certain conditions. As of December 31, 2022, the outstanding principal amount under the Facility Agreement was $200,000 and the remaining outstanding balance mainly represented the accrued interest payable. No part of the amounts would be repayable within the next twelve months from the balance sheet date and, accordingly, the amounts were shown as non-current assets in the accompanying consolidated balance sheets.

The outstanding principal amount of $200,000 under the Facility Agreement was fully repaid by Melco International on January 18, 2023. The Facility Agreement was terminated on March 10, 2023 following the settlement of the related accrued loan interest under the Facility Agreement due by Melco International to Melco on the same date.

23. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business in Asia and Europe and its principal operating and developmental activities occur in three geographic areas: Macau, the Philippines and Cyprus. The Company views each of its operating properties as a reportable segment. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of each of its reportable segment which includes Altira Macau, Mocha and Other, City of Dreams, Studio City, City of Dreams Manila and City of Dreams Mediterranean and Other. Development projects are included in the Corporate and Other category and do not meet the criteria of a reportable segment. Effective from June 12, 2023, with the soft opening of City of Dreams Mediterranean as disclosed in Note 1, the Cyprus Operations segment which previously included the operation of the temporary casino before its closure on June 9, 2023 and the licensed satellite casinos in Cyprus, has been renamed to City of Dreams Mediterranean and Other segment which included the operation of City of Dreams Mediterranean and the licensed satellite casinos in Cyprus. Effective from June 27, 2022, the Grand Dragon Casino, which was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino. Grand Dragon Casino's total assets of $4,966 were included in the Corporate and Other category as of December 31, 2021. Grand Dragon Casino's operating revenues of $24,189 were included in the Corporate and Other category during the year ended December 31, 2021.

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets

	December 31,		
	2023	**2022**	**2021**
Macau:			
Altira Macau	$ 77,631	$ 239,575	$ 266,161
Mocha and Other	135,256	122,499	121,214
City of Dreams	2,720,571	2,641,875	2,942,233
Studio City	3,705,391	3,924,262	3,668,526
The Philippines:			
City of Dreams Manila	418,594	381,579	576,794
Cyprus:			
City of Dreams Mediterranean and Other	742,450	565,663	451,771
Corporate and Other	535,179	1,426,331	856,991
Total consolidated assets	$ 8,335,072	$ 9,301,784	$ 8,883,690

Capital Expenditures

	Year Ended December 31,		
	2023	**2022**	**2021**
Macau:			
Altira Macau	$ 3,892	$ 3,303	$ 6,123
Mocha and Other	4,590	1,704	1,368
City of Dreams	22,259	21,684	52,520
Studio City	73,452	429,362	505,783
The Philippines:			
City of Dreams Manila	24,970	4,986	22,912
Cyprus:			
City of Dreams Mediterranean and Other	108,214	131,419	186,361
Corporate and Other	15,113	5,956	7,083
Total capital expenditures	$ 252,490	$ 598,414	$ 782,150

Melco's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA for each segment as the measure of segment profit or loss to allocate resources to each segment and to compare the operating performance of the Company's properties with those of its competitors as a way to assess performance. Adjusted property EBITDA is net loss before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, land rent to Belle, Corporate and Other expenses, and other non-operating income and expenses.

The following tables present the results of operations for each of the Company's reportable segments and reconciliation to net loss attributable to Melco Resorts & Entertainment Limited for the years ended December 31, 2023, 2022 and 2021.

Year Ended December 31, 2023	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 91,556	$ 115,533	$ 1,649,551	$ 714,680	$ 378,475	$ 127,517	$ 3,077,312
Rooms	10,975	–	144,147	111,351	57,652	14,099	338,224
Food and beverage	8,194	1,990	77,142	56,948	50,459	14,152	208,885
Entertainment, retail and other	100	177	59,643	75,375	8,511	3,591	147,397
Total segment operating revenues[(1)]	110,825	117,700	1,930,483	958,354	495,097	159,359	$ 3,771,818
Segment expenses:							
Gaming tax and license fees[(2)]	(48,914)	(49,137)	(864,529)	(365,220)	(137,076)	(24,879)	
Employee benefits expenses[(3)]	(43,192)	(22,599)	(276,637)	(195,510)	(61,176)	(54,009)	
Other segment items[(4)]	(19,996)	(18,678)	(213,004)	(190,834)	(91,393)	(52,971)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (1,277)	$ 27,286	$ 576,313	$ 206,790	$ 205,452	$ 27,500	$ 1,042,064
Other operating expenses:							
Payments to the Philippine Parties							(42,451)
Pre-opening costs							(43,994)
Development costs							(1,202)
Amortization of land use rights							(22,670)
Depreciation and amortization							(520,726)
Land rent to Belle							(1,911)
Share-based compensation							(35,473)
Property charges and other							(228,437)
Corporate and Other expenses							(80,241)
Operating income							64,959
Non-operating income (expenses):							
Interest income							23,305
Interest expense, net of amounts capitalized							(492,391)
Other financing costs							(4,372)
Foreign exchange gains, net							2,232
Other income, net							2,748
Gain on extinguishment of debt							1,611
Total non-operating expenses, net							(466,867)
Loss before income tax							(401,908)
Income tax expense							(13,422)
Net loss							(415,330)
Net loss attributable to noncontrolling interests							88,410
Net loss attributable to Melco Resorts & Entertainment Limited							$ (326,920)

Year Ended December 31, 2022	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 24,803	$ 74,224	$ 447,726	$ 135,814	$ 293,863	$ 90,545	$ 1,066,975
Rooms	2,938	–	39,854	17,638	54,791	–	115,221
Food and beverage	4,782	1,921	24,651	11,919	41,161	132	84,566
Entertainment, retail and other	92	258	47,453	10,612	6,577	578	65,570
Total segment operating revenues[1]	32,615	76,403	559,684	175,983	396,392	91,255	$ 1,332,332
Segment expenses:							
Gaming tax and license fees[2]	(13,914)	(30,511)	(232,466)	(72,660)	(113,916)	(21,123)	
Employee benefits expenses[3]	(43,215)	(18,582)	(238,667)	(143,233)	(55,194)	(24,362)	
Other segment items[4]	(18,506)	(17,019)	(120,711)	(65,254)	(80,356)	(22,074)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (43,020)	$ 10,291	$ (32,160)	$ (105,164)	$ 146,926	$ 23,696	$ 569
Other operating expenses:							
Payments to the Philippine Parties							(28,894)
Pre-opening costs							(15,585)
Amortization of gaming subconcession							(32,785)
Amortization of land use rights							(22,662)
Depreciation and amortization							(466,492)
Land rent to Belle							(2,318)
Share-based compensation							(71,809)
Property charges and other							(39,982)
Corporate and Other expenses							(63,147)
Operating loss							(743,105)
Non-operating income (expenses):							
Interest income							26,458
Interest expense, net of amounts capitalized							(376,722)
Other financing costs							(6,396)
Foreign exchange gains, net							3,904
Other income, net							3,930
Total non-operating expenses, net							(348,826)
Loss before income tax							(1,091,931)
Income tax expense							(5,236)
Net loss							(1,097,167)
Net loss attributable to noncontrolling interests							166,641
Net loss attributable to Melco Resorts & Entertainment Limited							$ (930,526)

Year Ended December 31, 2021	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 45,761	$ 82,458	$ 966,533	$ 293,724	$ 211,290	$ 52,312	$ 1,652,078
Rooms	4,323	–	81,727	38,635	31,717	–	156,402
Food and beverage	6,021	2,330	44,489	21,853	22,140	23	96,856
Entertainment, retail and other	100	166	54,170	18,065	3,450	296	76,247
Total segment operating revenues[(1)]	56,205	84,954	1,146,919	372,277	268,597	52,631	$ 1,981,583
Segment expenses:							
Gaming tax and license fees[(2)]	(33,887)	(33,392)	(524,518)	(154,911)	(70,638)	(14,658)	
Employee benefits expenses[(3)]	(54,497)	(15,787)	(267,905)	(156,215)	(55,053)	(19,787)	
Other segment items[(4)]	(21,795)	(18,721)	(152,542)	(81,641)	(53,944)	(16,593)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (53,974)	$ 17,054	$ 201,954	$ (20,490)	$ 88,962	$ 1,593	$ 235,099
Other operating expenses:							
Payments to the Philippine Parties							(26,371)
Pre-opening costs							(4,157)
Development costs							(30,677)
Amortization of gaming subconcession							(57,276)
Amortization of land use rights							(22,832)
Depreciation and amortization							(499,739)
Land rent to Belle							(2,848)
Share-based compensation							(67,957)
Property charges and other							(30,575)
Corporate and Other expenses							(70,118)
Operating loss							(577,451)
Non-operating income (expenses):							
Interest income							6,618
Interest expense, net of amounts capitalized							(350,544)
Other financing costs							(11,033)
Foreign exchange gains, net							4,566
Other income, net							3,082
Loss on extinguishment of debt							(28,817)
Total non-operating expenses, net							(376,128)
Loss before income tax							(953,579)
Income tax expense							(2,885)
Net loss							(956,464)
Net loss attributable to noncontrolling interests							144,713
Net loss attributable to Melco Resorts & Entertainment Limited							$ (811,751)

(1) Revenues from the Corporate and Other category includes small charter flights and management services business during the years ended December 31, 2023, 2022 and 2021; together with the Japan Ski Resorts operation before its disposal as disclosed in Note 5 and the Grand Dragon Casino operation before June 27, 2022 as mentioned above during the years ended December 31, 2022 and 2021 which are insignificant and below the quantitative thresholds attributable to the operating segments, therefore are not included in the total for the reportable segment operating revenues. A reconciliation of segment operating revenues to total consolidated operating revenues is as follows:

Reconciliation of total operating revenues

	Year Ended December 31,		
	2023	2022	2021
Segment operating revenues:			
Altira Macau	$ 110,825	$ 32,615	$ 56,205
Mocha and Other	117,700	76,403	84,954
City of Dreams	1,930,483	559,684	1,146,919
Studio City	958,354	175,983	372,277
City of Dreams Manila	495,097	396,392	268,597
City of Dreams Mediterranean and Other	159,359	91,255	52,631
Total segment operating revenues	3,771,818	1,332,332	1,981,583
Revenues from Corporate and Other	3,429	17,645	30,773
Total consolidated operating revenues	$ 3,775,247	$ 1,349,977	$ 2,012,356

(2) The details of "Gaming tax and license fees" are disclosed in Note 2(r) with certain amounts included in Corporate and Other expenses.

(3) "Employee benefits expenses" includes salaries, bonuses and incentives, benefits and allocated labor costs among segments. Certain amounts of "Employee benefits expenses" are included in Corporate and Other expenses, pre-opening costs, development costs, share-based compensation and property charges and other; and with certain amounts incurred during the construction and development stage of projects capitalized in property and equipment.

(4) "Other segment items" mainly include cost of inventories, advertising and promotions expenses, repair and maintenance expenses, utilities and fuel expenses and other gaming operation expenses.

There was intersegment revenue charged by City of Dreams to Studio City of $2,368, $6,624 and $6,865 for the years ended December 31, 2023, 2022 and 2021, respectively. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties.

The Company's geographic information for long-lived assets and operating revenues are as follows:

Long-lived Assets

	December 31,		
	2023	2022	2021
Macau	$ 5,752,786	$ 6,068,502	$ 6,080,616
The Philippines	118,495	141,765	341,307
Cyprus	663,633	485,570	378,738
Hong Kong and other	30,452	29,871	32,972
Total long-lived assets	$ 6,565,366	$ 6,725,708	$ 6,833,633

Operating Revenues

	Year Ended December 31,		
	2023	2022	2021
Macau	$ 3,117,362	$ 844,685	$ 1,660,355
The Philippines	495,097	396,392	268,597
Cyprus	159,359	91,255	52,631
Other	3,429	17,645	30,773
Total operating revenues	$ 3,775,247	$ 1,349,977	$ 2,012,356

24. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES

The Philippine subsidiaries

As a result of the Reverse Stock Split, only those shareholders of MRP who originally owned 500,000 MRP common shares with a par value of PHP1 (equivalent to $0.02) per share (each an "Original Share") and in multiples thereof immediately prior to the Reverse Stock Split would now own whole shares (each a "MRP Whole Share") of stock of MRP. Other holders of the Original Shares could now only hold a fractional share of MRP ("MRP Fractional Share"). To facilitate the elimination of MRP Fractional Shares held by other shareholders of MRP, MPHIL Corporation ("MPHIL"), a subsidiary of Melco, offered to purchase the resulting MRP Fractional Shares at the purchase price to be calculated by multiplying the number of Original Shares represented by the relevant MRP Fractional Shares (which were equal to the number of Original Shares held by the relevant shareholder immediately prior to the Reverse Stock Split) by the price of PHP7.25 (equivalent to $0.14) per Original Share ("Fractional Share Elimination Plan"). A shareholder could also sell any MRP Whole Shares to MPHIL under the Fractional Share Elimination Plan. Any holder of MRP Fractional Shares and/or MRP Whole Shares may accept this offer during the two-year period commencing from June 5, 2020. The Fractional Share Elimination Plan expired on June 4, 2022 and was subsequently extended for the period from August 15, 2022 to November 15, 2022.

During the years ended December 31, 2023, 2022 and 2021, the Company through its subsidiaries, purchased 10.111, 50.906 and 123.103 common shares of MRP at a total consideration of PHP36,651 (equivalent to $671), PHP175,173 (equivalent to $3,310) and PHP440,032 (equivalent to $8,518) from the noncontrolling interests, which increased Melco's shareholding in MRP and the Company recognized a decrease of $582, $2,952 and $6,951 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in MRP, respectively.

The Company retains its controlling financial interests in MRP before and after the above transactions.

Studio City International

During February and March 2022, Studio City International, respectively, announced and completed a series of private offers of its 400,000,000 Class A ordinary shares to certain existing shareholders and holders of its ADSs, including Melco, with gross proceeds amounting to $300,000, of which $134,944 was from noncontrolling interests (the "2022 Private Placements"). The 2022 Private Placements increased Melco's shareholding in Studio City International and the Company recognized an increase of $879 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in Studio City International.

The Company retains its controlling financial interest in Studio City International before and after the above transactions.

The schedule below discloses the effects of changes in Melco's ownership interest in MRP and Studio City International on its equity:

	Year Ended December 31,		
	2023	2022	2021
Net loss attributable to Melco Resorts & Entertainment Limited	$ (326,920)	$ (930,526)	$ (811,751)
Transfers (to) from noncontrolling interests:			
The Philippine subsidiaries			
Decrease in additional paid-in capital resulting from purchases of common shares of MRP from the open market	(582)	(2,952)	(6,951)
Studio City International			
Increase in additional paid-in capital resulting from the private placements	–	879	–
Changes from net loss attributable to Melco Resorts & Entertainment Limited's shareholders and transfers from noncontrolling interests	$ (327,502)	$ (932,599)	$ (818,702)

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 61,345	$ 7,407
Receivables from affiliated companies	1,064	779
Receivables from subsidiaries	198,910	157,737
Prepaid expenses and other current assets	8,619	9,527
Total current assets	269,938	175,450
Investments in subsidiaries	–	423,520
Receivables from an affiliated company	–	216,333
Receivables from subsidiaries	673,729	165,056
Total assets	$ 943,667	$ 980,359
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accrued expenses and other current liabilities	$ 7,954	$ 26,811
Income tax payable	12,536	1,417
Payables to an affiliated company	103	75
Payables to subsidiaries	268,656	260,720
Total current liabilities	289,249	289,023
Investments deficit in subsidiaries	511,449	–
Other long-term liabilities	54	227
Payables to subsidiaries	1,430,195	1,541,434
Total liabilities	2,230,947	1,830,684
Shareholders' deficit:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,404,679,067 and 1,445,052,143 shares issued; 1,311,270,775 and 1,335,307,327 shares outstanding, respectively	14,047	14,451
Treasury shares, at cost; 93,408,292 and 109,744,816 shares, respectively	(255,068)	(241,750)
Additional paid-in capital	3,109,212	3,218,895
Accumulated other comprehensive losses	(98,599)	(111,969)
Accumulated losses	(4,056,872)	(3,729,952)
Total shareholders' deficit	(1,287,280)	(850,325)
Total liabilities and shareholders' deficit	$ 943,667	$ 980,359

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Operating revenues	$ 84,130	$ 15,340	$ 9,547
Operating costs and expenses:			
General and administrative	(34,342)	(50,532)	(51,285)
Development costs	–	–	(32,000)
Property charges and other	(1,244)	(406)	(956)
Total operating costs and expenses	(35,586)	(50,938)	(84,241)
Operating income (loss)	48,544	(35,598)	(74,694)
Non-operating income (expenses):			
Interest income	4,991	16,151	20
Interest expense	(19,366)	(3,165)	–
Foreign exchange gains, net	1,496	7,437	6,211
Other income, net	7,302	11,220	15,092
Share of results of subsidiaries	(358,767)	(922,771)	(755,678)
Total non-operating expenses, net	(364,344)	(891,128)	(734,355)
Loss before income tax	(315,800)	(926,726)	(809,049)
Income tax expense	(11,120)	(3,800)	(2,702)
Net loss	$ (326,920)	$ (930,526)	$ (811,751)

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Net loss	$ (326,920)	$ (930,526)	$ (811,751)
Other comprehensive income (loss):			
Foreign currency translation adjustments	13,370	(35,961)	(64,676)
Other comprehensive income (loss)	13,370	(35,961)	(64,676)
Total comprehensive loss	$ (313,550)	$ (966,487)	$ (876,427)

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	$ 70,894	$ 86,252	$ (21,401)
Cash flows from investing activities:			
Payments of advances to subsidiaries	(528,794)	(215,613)	(20,005)
Proceeds from advances repayment from subsidiaries	75,041	–	–
Proceeds from loan repayment from an affiliated company	200,000	–	–
Proceeds from transfer of intangible asset	519,000	–	–
Payment of loan to an affiliated company	–	(200,000)	–
Net cash provided by (used in) investing activities	265,247	(415,613)	(20,005)
Cash flows from financing activities:			
Repayments of loans or advances from subsidiaries	(270,593)	–	–
Repurchase of shares	(169,836)	(189,161)	(52,026)
Proceeds from loans or advances from subsidiaries	158,000	521,860	54,187
Proceeds from exercise of share options	226	–	7,101
Net cash (used in) provided by financing activities	(282,203)	332,699	9,262
Increase (decrease) in cash and cash equivalents	53,938	3,338	(32,144)
Cash and cash equivalents at beginning of year	7,407	4,069	36,213
Cash and cash equivalents at end of year	$ 61,345	$ 7,407	$ 4,069
Supplemental cash flow disclosures:			
Assignment of advance to subsidiary to offset with advance from subsidiary	$ –	$ –	$ 235,897
Capitalization of advance to subsidiary as investment in subsidiary	$ –	$ –	$ 235,897

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO FINANCIAL STATEMENT SCHEDULE 1

(In thousands)

1. Schedule 1 has been provided pursuant to the requirements of Rule 12-04(a) and 4-08(e)(3) of Regulation S-X, which require condensed financial information as to financial position, cash flows and results and operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of the consolidated and unconsolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. As of December 31, 2023, approximately $740,000 of the restricted net assets were not available for distribution and as such, the condensed financial information of Melco has been presented for the years ended December 31, 2023, 2022 and 2021. Melco received no cash dividends from its subsidiary during the years ended December 31, 2023, 2022 and 2021.

2. Basis of Presentation

The accompanying condensed financial information has been prepared using the same accounting policies as set out in Melco's consolidated financial statements except that the parent company has used the equity method to account for its investments in subsidiaries. For the parent company, the Company records its investments in subsidiaries under the equity method of accounting as prescribed in Accounting Standards Codification 323, Investments-Equity Method and Joint Ventures. Such investments are presented on the Condensed Balance Sheets as "Investments in subsidiaries" or "Investments deficit in subsidiaries" and the subsidiaries' profit or loss as "Share of results of subsidiaries" on the Condensed Statements of Operations. Ordinarily, an investor in an equity method investee would cease to recognize its share of the losses of an investee once the carrying value of the investment has been reduced to nil absent an undertaking by the investor to provide continuing support and fund losses. For the purpose of this Schedule 1, the parent company has continued to reflect its share, based on its proportionate interest, of the losses of subsidiaries regardless of the carrying value of the investment even though the parent company is not obligated to provide continuing support or fund losses.

4. The following is an extract of the audited consolidated financial statements of Melco Resorts as of 31 December 2024 and for the years ended 31 December 2022, 2023 and 2024 (the "**Melco Resorts 2024 financial statements**"), which were prepared in accordance with US GAAP, from the report of Melco Resorts on Form 20-F and the exhibits thereto furnished to the SEC on 21 March 2025.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,147,193	$ 1,310,715
Restricted cash	368	27
Accounts receivable, net of allowances for credit losses of $128,010 and $153,863	144,211	91,638
Receivables from affiliated companies	2,422	797
Inventories	32,452	29,427
Prepaid expenses and other current assets	102,521	111,688
Total current assets	1,429,167	1,544,292
Property and equipment, net	5,272,500	5,533,994
Intangible assets, net	288,710	304,652
Goodwill	82,090	81,582
Long-term prepayments, deposits and other assets, net of allowances for credit losses of $2,391 and $2,377	131,850	100,320
Restricted cash	125,511	125,094
Operating lease right-of-use assets	89,164	62,356
Land use rights, net	566,351	582,782
Total assets	$ 7,985,343	$ 8,335,072
LIABILITIES AND DEFICIT		
Current liabilities:		
Accounts payable	$ 24,794	$ 11,752
Accrued expenses and other current liabilities	1,054,018	1,008,316
Income tax payable	38,009	28,183
Operating lease liabilities, current	18,590	19,685
Finance lease liabilities, current	33,817	35,307
Current portion of long-term debt, net	21,597	–
Payables to affiliated companies	39	377
Total current liabilities	1,190,864	1,103,620
Long-term debt, net	7,135,825	7,472,620
Other long-term liabilities	315,299	322,591
Deferred tax liabilities, net	36,708	34,959
Operating lease liabilities, non-current	80,673	53,858
Finance lease liabilities, non-current	165,938	187,474
Total liabilities	$ 8,925,307	$ 9,175,122
Commitments and contingencies *(Note 21)*		

	December 31, 2024	December 31, 2023
Deficit:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,351,540,382 and 1,404,679,067 shares issued; 1,259,138,299 and 1,311,270,775 shares outstanding, respectively	$ 13,515	$ 14,047
Treasury shares, at cost; 92,402,083 and 93,408,292 shares, respectively	(216,626)	(255,068)
Additional paid-in capital	2,985,730	3,109,212
Accumulated other comprehensive losses	(95,750)	(98,599)
Accumulated losses	(4,013,329)	(4,056,872)
Total Melco Resorts & Entertainment Limited shareholders' deficit	(1,326,460)	(1,287,280)
Noncontrolling interests	386,496	447,230
Total deficit	(939,964)	(840,050)
Total liabilities and deficit	$ 7,985,343	$ 8,335,072

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

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)

	Year Ended December 31,		
	2024	2023	2022
Operating revenues:			
Casino	$ 3,772,655	$ 3,077,312	$ 1,076,398
Rooms	422,565	338,224	116,552
Food and beverage	285,933	208,885	85,518
Entertainment, retail and other	157,060	150,826	71,509
Total operating revenues	4,638,213	3,775,247	1,349,977
Operating costs and expenses:			
Casino	(2,524,565)	(2,034,848)	(912,839)
Rooms	(127,884)	(87,637)	(46,199)
Food and beverage	(230,284)	(163,492)	(82,000)
Entertainment, retail and other	(79,169)	(76,704)	(22,419)
General and administrative	(568,701)	(488,127)	(423,225)
Payments to the Philippine Parties	(41,939)	(42,451)	(28,894)
Pre-opening costs	(20,852)	(43,994)	(15,585)
Development costs	(5,433)	(1,202)	–
Amortization of gaming subconcession	–	–	(32,785)
Amortization of land use rights	(19,956)	(22,670)	(22,662)
Depreciation and amortization	(521,582)	(520,726)	(466,492)
Property charges and other	(13,221)	(228,437)	(39,982)
Total operating costs and expenses	(4,153,586)	(3,710,288)	(2,093,082)
Operating income (loss)	484,627	64,959	(743,105)
Non-operating income (expenses):			
Interest income	15,766	23,305	26,458
Interest expense, net of amounts capitalized	(486,721)	(492,391)	(376,722)
Other financing costs	(7,362)	(4,372)	(6,396)
Foreign exchange (losses) gains, net	(15,492)	2,232	3,904
Other income, net	3,833	2,748	3,930
(Loss) gain on extinguishment of debt	(1,000)	1,611	–
Total non-operating expenses, net	(490,976)	(466,867)	(348,826)
Loss before income tax	(6,349)	(401,908)	(1,091,931)
Income tax expense	(21,610)	(13,422)	(5,236)
Net loss	(27,959)	(415,330)	(1,097,167)
Net loss attributable to noncontrolling interests	71,502	88,410	166,641
Net income (loss) attributable to Melco Resorts & Entertainment Limited	$ 43,543	$ (326,920)	$ (930,526)
Net income (loss) attributable to Melco Resorts & Entertainment Limited per share:			
Basic	$ 0.034	$ (0.249)	$ (0.669)
Diluted	$ 0.034	$ (0.249)	$ (0.669)

	Year Ended December 31,		
	2024	2023	2022
Weighted average shares outstanding used in net income (loss) attributable to Melco Resorts & Entertainment Limited per share calculation:			
Basic	1,296,361,341	1,314,605,173	1,391,154,836
Diluted	1,299,430,914	1,314,605,173	1,391,154,836

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Net loss	$ (27,959)	$ (415,330)	$ (1,097,167)
Other comprehensive income (loss):			
Foreign currency translation adjustments	17,072	13,310	(41,082)
Other	(3,103)	–	–
Other comprehensive income (loss)	13,969	13,310	(41,082)
Total comprehensive loss	(13,990)	(402,020)	(1,138,249)
Comprehensive loss attributable to noncontrolling interests	60,382	88,470	171,762
Comprehensive income (loss) attributable to Melco Resorts & Entertainment Limited	$ 46,392	$ (313,550)	$ (966,487)

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

CONSOLIDATED STATEMENTS OF (DEFICIT) EQUITY

(In thousands, except share and per share data)

	Melco Resorts & Entertainment Limited Shareholders' (Deficit) Equity								
	Ordinary Shares		Treasury Shares						
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Losses	Accumulated Losses	Noncontrolling Interests	Total (Deficit) Equity
Balance at January 1, 2022	1,456,547,942	$ 14,565	(33,177,628)	$ (132,856)	$ 3,238,600	$ (76,008)	$ (2,799,555)	$ 575,139	$ 819,885
Net loss	–	–	–	–	–	–	(930,526)	(166,641)	(1,097,167)
Foreign currency translation adjustments	–	–	–	–	–	(35,961)	–	(5,121)	(41,082)
Share-based compensation	–	–	–	–	62,831	–	–	10	62,841
Shares repurchased by the Company	–	–	(102,783,027)	(189,161)	–	–	–	–	(189,161)
Retirement of repurchased shares	(11,495,799)	(114)	11,495,799	21,971	(21,857)	–	–	–	–
Issuance of shares for restricted shares vested	–	–	14,720,040	58,296	(58,756)	–	–	–	(460)
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(2,952)	–	–	(358)	(3,310)
Changes in shareholdings of SCIH	–	–	–	–	879	–	–	133,224	134,103
Restricted shares granted to employees of an affiliated company, net of adjustment	–	–	–	–	(129)	–	129	–	–
Reimbursement from an affiliated company for restricted shares granted to its employees	–	–	–	–	279	–	–	–	279
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(290)	(290)
Balance at December 31, 2022	1,445,052,143	14,451	(109,744,816)	(241,750)	3,218,895	(111,969)	(3,729,952)	535,963	(314,362)
Net loss	–	–	–	–	–	–	(326,920)	(88,410)	(415,330)
Foreign currency translation adjustments	–	–	–	–	–	13,370	–	(60)	13,310
Share-based compensation	–	–	–	–	48,336	–	–	4	48,340
Shares repurchased by the Company	–	–	(40,373,076)	(169,836)	–	–	–	–	(169,836)
Retirement of repurchased shares	(40,373,076)	(404)	40,373,076	108,375	(107,971)	–	–	–	–
Issuance of shares for restricted shares vested	–	–	16,254,282	47,903	(49,452)	–	–	–	(1,549)
Exercise of share options	–	–	82,242	240	(14)	–	–	–	226
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(582)	–	–	(90)	(672)
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(177)	(177)
Balance at December 31, 2023	1,404,679,067	14,047	(93,408,292)	(255,068)	3,109,212	(98,599)	(4,056,872)	447,230	(840,050)
Net income (loss)	–	–	–	–	–	–	43,543	(71,502)	(27,959)
Foreign currency translation adjustments	–	–	–	–	–	5,941	–	11,131	17,072
Other	–	–	–	–	–	(3,092)	–	(11)	(3,103)
Share-based compensation	–	–	–	–	27,902	–	–	3	27,905
Shares repurchased by the Company	–	–	(62,138,685)	(112,292)	–	–	–	–	(112,292)
Retirement of repurchased shares	(53,138,685)	(532)	53,138,685	121,521	(120,989)	–	–	–	–
Issuance of shares for restricted shares vested	–	–	10,006,209	29,213	(29,803)	–	–	–	(590)
Changes in shareholdings of the Philippine subsidiaries	–	–	–	–	(592)	–	–	(151)	(743)
Dividends declared to noncontrolling interests	–	–	–	–	–	–	–	(204)	(204)
Balance at December 31, 2024	1,351,540,382	$ 13,515	(92,402,083)	$ (216,626)	$ 2,985,730	$ (95,750)	$ (4,013,329)	$ 386,496	$ (939,964)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from operating activities:			
Net loss	$ (27,959)	$ (415,330)	$ (1,097,167)
Adjustments to reconcile net loss to net cash provided by (used in) operating			
Depreciation and amortization	541,538	543,396	521,939
Amortization of deferred financing costs and original issue premiums	20,769	19,461	17,056
Net reversal of interest accretion on lease and other financial liabilities	(11,784)	(8,133)	(16,843)
Net loss on disposal of property and equipment	1,590	443	476
Impairment of long-lived assets	3,316	207,608	3,595
Impairment of assets held for sale	–	–	6,794
Net (gain) loss on disposal of assets held for sale	–	(4,468)	477
Provision for (reversal of) credit losses	2,931	(3,351)	(433)
Provision for input value-added tax	5,865	6,665	5,714
Loss (gain) on extinguishment of debt	1,000	(1,611)	–
Share-based compensation	27,368	35,473	71,809
Other	(3,103)	–	–
Changes in operating assets and liabilities:			
Accounts receivable	(53,941)	(31,526)	(396)
Inventories, prepaid expenses and other	5,123	20,176	4,187
Long-term prepayments, deposits and other	28,346	16,573	(16,405)
Accounts payable, accrued expenses and other	82,009	212,377	(121,288)
Other long-term liabilities	3,588	24,937	1,051
Net cash provided by (used in) operating activities	626,656	622,690	(619,434)
Cash flows from investing activities:			
Acquisition of property and equipment	(227,760)	(124,101)	(129,731)
Acquisition of intangible and other assets	(39,240)	(6,864)	(12,478)
Payments for capitalized construction costs	(34,181)	(132,923)	(479,883)
Proceeds from sale of property and equipment	374	530	423
Proceeds from sale of assets held for sale	–	14,845	15,562
Proceeds from loan repayment from an affiliated company	–	200,000	–
Payment of loan to an affiliated company	–	–	(200,000)
Net cash used in investing activities	$ (300,807)	$ (48,513)	$ (806,107)

	Year Ended December 31,		
	2024	2023	2022
Cash flows from financing activities:			
Repayments of long-term debt	$ (1,169,579)	$ (2,201,562)	$ –
Repurchase of shares	(112,292)	(169,836)	(189,161)
Payments of financing costs	(36,950)	(530)	(7,990)
Payments of intangible assets liabilities	(8,723)	(7,981)	–
Purchase of shares of a subsidiary	(743)	(671)	(3,310)
Dividends paid	(344)	(314)	(196)
Proceeds from long-term debt	850,282	1,251,544	1,849,839
Proceeds from exercise of share options	–	226	–
Net proceeds from issuance of shares of subsidiaries	–	–	134,103
Net cash (used in) provided by financing activities	(478,349)	(1,129,124)	1,783,285
Effect of exchange rate on cash, cash equivalents and restricted cash	(10,264)	2,326	(22,602)
(Decrease) increase in cash, cash equivalents and restricted cash	(162,764)	(552,621)	335,142
Cash, cash equivalents and restricted cash at beginning of year	1,435,836	1,988,457	1,653,315
Cash, cash equivalents and restricted cash at end of year	$ 1,273,072	$ 1,435,836	$ 1,988,457
Supplemental cash flow disclosures:			
Cash paid for interest, net of amounts capitalized	$ (473,233)	$ (490,910)	$ (350,737)
Cash paid for income taxes, net of refunds	$ (10,145)	$ (1,001)	$ (2,989)
Cash paid for amounts included in the measurement of lease liabilities – operating cash flows from operating leases	$ (20,769)	$ (17,135)	$ (15,393)
Repayments of long-term debt to related parties	$ (30,705)	$ (886)	$ –
Non-cash disclosures:			
Change in operating lease liabilities arising from obtaining operating lease right-of-use assets and lease modifications	$ 37,587	$ 22,365	$ 9,425
Change in right-of-use assets held under finance lease and finance lease liabilities arising from lease modification	$ –	$ –	$ 106,407

	Year Ended December 31,		
	2024	2023	2022
Change in accrued expenses and other current liabilities and other long-term liabilities related to acquisition of property and equipment	$ 47,144	$ 28,543	$ 32,042
Change in accrued expenses and other current liabilities and other long-term liabilities related to construction costs	$ 5,990	$ 4,429	$ 107,158
Change in accrued expenses and other current liabilities related to acquisition of intangible assets	$ –	$ 6,280	$ –
Change in other current and other long-term liabilities arising from recognition of intangible assets	$ 881	$ 312,647	$ –

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(In thousands, except share and per share data)

1. ORGANIZATION AND BUSINESS

(a) Company Information

Melco Resorts & Entertainment Limited ("Melco") is incorporated in the Cayman Islands and its American depositary shares ("ADSs") are listed on the Nasdaq Global Select Market under the symbol "MLCO" in the United States of America (the "U.S.").

Melco, together with its subsidiaries (collectively referred to as the "Company"), is a developer, owner and operator of integrated resort facilities in Asia and Europe. In the Macau Special Administrative Region of the People's Republic of China ("Macau"), the Company operates its gaming business through its subsidiary, Melco Resorts (Macau) Limited ("MRM"), a holder of a ten-year concession to operate games of fortune and chance in casinos in Macau which commenced on January 1, 2023 and ends on December 31, 2032 (the "Concession") and a holder of a previous gaming subconcession to operate gaming business in Macau which expired on December 31, 2022. The Company currently operates City of Dreams and Altira Macau, integrated resorts located in Cotai and Taipa, Macau, respectively, and Grand Dragon Casino, a casino located in Taipa, Macau. The Company's business also includes the Mocha Clubs, which comprise the non-casino based operations of electronic gaming machines in Macau. Melco, through its subsidiaries, including Studio City International Holdings Limited ("SCIH"), which is majority-owned by Melco and its ADSs are listed on the New York Stock Exchange in the U.S., also operates Studio City, a cinematically-themed integrated resort in Cotai, Macau. In the Philippines, a majority-owned subsidiary of Melco operates and manages City of Dreams Manila, an integrated resort in the Entertainment City complex in Manila. In Europe, Melco, through its majority-owned subsidiary, ICR Cyprus Holdings Limited ("ICR Cyprus") and its subsidiaries, operates City of Dreams Mediterranean, an integrated resort in Limassol, in the Republic of Cyprus ("Cyprus") and licensed satellite casinos in Cyprus (collectively, the "Cyprus Operations").

Melco International Development Limited ("Melco International"), a company listed in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), is the single largest shareholder of Melco.

(b) Recent Developments Related to Business Operations

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

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

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

As of December 31, 2024, the Company had cash and cash equivalents of $1,147,193 and available unused borrowing capacity of $2,075,674, subject to the satisfaction of certain conditions precedent.

The Company believes it is able to support continuing operations and capital expenditures for at least twelve months after the date of these consolidated financial statements are issued. Accordingly, the accompanying consolidated financial statements are prepared on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

The accompanying consolidated financial statements include the accounts of Melco and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. Estimates are used for, but not limited to, inputs into Company's estimate allowances for deferred tax assets and credit losses, useful lives and recoverability of long-lived assets and intangible assets, inputs in calculating the fair values of share option, litigation and contingency estimates. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Accordingly, actual results could differ from those estimates.

(c) Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The Company estimated the fair values using appropriate valuation methodologies and market information available as of the balance sheet date.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less. Cash equivalents consist of bank time deposits placed with financial institutions with high-credit ratings and quality.

(e) Restricted Cash

The current portion of restricted cash represents cash deposited into bank accounts which are restricted as to withdrawal and use and the Company expects these funds will be released or utilized in accordance with the terms of the respective agreements within the next twelve months, while the non-current portion of restricted cash represents funds that will not be released or utilized within the next twelve months. Restricted cash mainly represents cash deposits in (i) collateral bank accounts for bank guarantees as disclosed in Note 3; and (ii) collateral bank accounts associated with borrowings under the credit facilities as disclosed in Note 11.

(f) Accounts Receivable and Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of casino accounts receivable. The Company issues credit in the form of markers to approved casino customers following review of creditworthiness. Credit is/can be given to gaming promoters in the Philippines and Cyprus. These receivables can be offset against commissions payable and any other value items held by the Company to the respective customers and gaming promoters for which the Company intends to set off when required. As of December 31, 2024 and 2023, a substantial portion of the Company's markers were due from customers and gaming promoters residing in various countries. Business and economic conditions, the legal enforceability of gaming debts, foreign currency control measures or other significant events in these countries could affect the collectability of receivables from customers and gaming promoters residing in these countries.

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

As of December 31, 2024 and 2023, the credit risks associated with certain casino accounts receivable are mitigated because they are secured by properties with equal or greater value to the carrying amount of the related accounts receivable. Management believes that as of December 31, 2024 and 2023, no significant concentrations of credit risk existed for which an allowance had not already been recorded.

(g) Inventories

Inventories consist of retail merchandise, food and beverage items and certain operating supplies, which are stated at the lower of cost or net realizable value. Cost is calculated using the first-in, first-out, weighted average and specific identification methods.

(h) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets represent current assets that are typically used up or expire within the normal operating cycle of the Company. The prepaid expenses as of December 31, 2024 and 2023 were $59,264 and $67,035, respectively, and the other current assets as of December 31, 2024 and 2023 were $43,257 and $44,653, respectively.

(i) Assets Held For Sale

Assets (disposal group) classified as held for sale are measured at the lower of their carrying amounts or fair values less costs to sell. Losses are recognized for any initial or subsequent write-down to fair values less costs to sell, while gains are recognized for any subsequent increases in fair values less costs to sell, but not in excess of the cumulative losses previously recognized. Assets are not depreciated and amortized while classified as held for sale.

During the year ended December 31, 2022, an impairment of assets held for sale of $6,794, which related to a significant decrease in the market value of a piece of freehold land in Japan as described in Note 5 which was subsequently disposed during the year ended December 31, 2023, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the freehold land as of December 31, 2022 was calculated by using level 3 inputs based on the market approach.

(j) Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization, and accumulated impairment, if any. Gains or losses on dispositions of property and equipment are included in the accompanying consolidated statements of operations. Major additions, renewals and betterments are capitalized, while maintenance and repairs are expensed as incurred.

During the construction and development stage of the Company's integrated resort facilities, direct and incremental costs related to the design and construction, including costs under construction contracts, duties and tariffs, equipment installations, shipping costs, payroll and payroll-benefit related costs, applicable portions of interest, including amortization of deferred financing costs, are capitalized in property and equipment. The capitalization of such costs begins when the construction and development of a project starts and ceases once the construction is substantially completed or development activities are substantially suspended.

Depreciation and amortization expense related to capitalized construction costs and other property and equipment is recognized from the time each asset is placed in service. This may occur at different stages as integrated resort facilities are completed and opened.

Property and equipment are depreciated and amortized over the following estimated useful lives on a straight-line basis:

Freehold land	Not depreciated
Land improvements	5 years
Buildings and improvements	4 to 40 years
Transportation	5 to 10 years
Leasehold improvements	3 to 10 years or over the lease term, whichever is shorter
Furniture, fixtures and equipment	2 to 15 years
Plant and gaming machinery	3 to 5 years

During the years ended December 31, 2024, 2023 and 2022, impairments of property and equipment of \$3,120, \$110,033 and \$3,595, being part of the impairment of long-lived assets as described in Note 2(m), were recognized, respectively, and included in property charges and other in the accompanying consolidated statements of operations.

(k) Capitalized Interest

Interest, including amortization of deferred financing costs, associated with major development and construction projects is capitalized and included in the cost of the projects. The capitalization of interest ceases when the project is substantially completed or the development activities are substantially suspended. The amount to be capitalized is determined by applying the weighted average interest rate of the Company's outstanding borrowings to the average amount of accumulated qualifying capital expenditures for assets under construction during the year. Total interest expense incurred amounted to \$487,000, \$518,255 and \$440,654, of which \$279, \$25,864 and \$63,932 were capitalized during the years ended December 31, 2024, 2023 and 2022, respectively.

(l) Goodwill and Intangible Assets

Goodwill represents the excess of the acquisition cost over the fair value of tangible and identifiable intangible net assets of any business acquired. Goodwill is not amortized, but is tested for impairment at the reporting unit level on an annual basis, and between annual tests when circumstances indicate that the carrying value of goodwill may not be recoverable.

Intangible assets other than goodwill are amortized over their useful lives unless their lives are determined to be indefinite in which case they are not amortized. Intangible assets are stated at cost, net of accumulated amortization, and accumulated impairment, if any. The Company's finite-lived intangible assets consist of the previous gaming subconcession for the period up to its expiry on December 31, 2022, the Concession, the Cyprus License (as defined in Note 7), the Sri Lanka License, internal-use software and proprietary rights. Finite-lived intangible assets are amortized over the shorter of their contractual terms or estimated useful lives on a straight-line basis. The Company's intangible assets with indefinite lives represent Mocha Clubs trademarks, which are tested for impairment on an annual basis or when circumstances indicate the carrying value of the intangible assets may not be recoverable.

Costs incurred to develop software for internal use are capitalized and amortized over the estimated useful lives of the software of 3 to 15 years on a straight-line basis. The capitalization of such costs begins during the application development stage of the software project and ceases once the software project is substantially complete and ready for its intended use. Costs of specified upgrades and enhancements to the internal-use software are capitalized, while costs associated with preliminary project stage activities, training, maintenance and all other post-implementation stage activities are expensed as incurred.

When performing the impairment analysis for goodwill and intangible assets with indefinite lives, the Company will first perform a qualitative assessment to determine whether it is necessary to perform a quantitative impairment test. If the qualitative factors indicate that the carrying amount of the reporting unit is more likely than not to exceed the fair value, then a quantitative impairment test is performed. To perform a quantitative impairment test of intangible assets with indefinite lives, the Company performs an assessment that consists of a comparison of the fair values of the intangible assets with indefinite lives with their carrying amounts. An impairment is recognized in an amount equal to the excess of the carrying amounts over the fair values of the intangible assets with indefinite lives. To perform a quantitative impairment test of goodwill, the Company performs an assessment that consists of a comparison of the carrying value of a reporting unit with its fair value. The fair value of the reporting unit is determined using income valuation approaches through the application of the discounted cash flow method. Estimating fair value of the reporting unit involves significant assumptions, including future revenue growth rates, future market conditions, gross margin, discount rate and terminal growth rate. If the carrying value of the reporting unit exceeds its fair value, an impairment is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, limited to the total amount of goodwill allocated to that reporting unit.

No impairment on goodwill and intangible assets with indefinite lives was recognized during the years ended December 31, 2024, 2023 and 2022. As a part of the impairment of long-lived assets recognized during the years ended December 31, 2023 and 2024 as described in Note 2(m), an intangible asset with a finite life for Altira Macau as of December 31, 2024 was fully impaired. No impairment on intangible assets with finite lives was recognized during the year ended December 31, 2022.

(m) Impairment of Long-lived Assets (Other Than Goodwill)

The Company evaluates the long-lived assets with finite lives to be held and used for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the assets, on an undiscounted basis, to the carrying values of the assets. Estimating future cash flows of the assets involves significant assumptions, including future revenue growth rates, future market conditions and gross margin. If the undiscounted cash flows exceed the carrying values, no impairments are indicated. If the undiscounted cash flows do not exceed the carrying values, then an impairment charge is recorded based on the fair values of the assets, typically measured using a discounted cash flow model involving significant assumptions, such as discount rates. If an asset is still under development, future cash flows include remaining construction costs.

During the year ended December 31, 2023, with the market value of Altira Macau significantly decreased as a result of a change in its forecasted performance given the latest market conditions and lingering disruptions to the business caused by COVID-19 and the Company's earlier cessation of arrangements with gaming promoters in Macau, the Company recognized an impairment of long-lived assets in relation to Altira Macau of $207,608 which was recognized and included in property charges and other in the accompanying consolidated statements of operations. Such amount included the impairment of Altira Macau's property and equipment of $110,033, and the full impairment of the finite-lived intangible assets, land use rights and operating lease right-of-use assets for Altira Macau of $30,435, $65,172 and $1,968, respectively. During the year ended December 31, 2024, the performance of Altira Macau had not improved and a further impairment of long-lived assets of $3,316 was recognized and included in property charges and other in the accompanying consolidated statements of operations which included impairment of Altira Macau's property and equipment of $3,120 and the full impairment of the finite-lived intangible assets for Altira Macau of $196. The fair values of the long-lived assets of Altira Macau were estimated by using level 3 inputs based on a combination of income and cost approaches and the discount rates adopted in the income approach for the years ended December 31, 2024 and 2023 were 12.6% and 12.3%, respectively.

During the year ended December 31, 2022, an impairment of long-lived assets of $3,595 represents the impairment of property and equipment which related to a significant decrease in the market value of an aircraft as described in Note 5, was recognized and included in property charges and other in the accompanying consolidated statements of operations. The fair value of the aircraft was estimated by using level 2 inputs based on a buyer indicative purchase price.

(n) Deferred Financing Costs

Direct and incremental costs incurred in obtaining loans or in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the terms of the related debt agreements using the effective interest method. Deferred financing costs incurred in connection with the issuance of revolving credit facilities are included in other assets, either current or non-current, in the accompanying consolidated balance sheets, based on the maturity of each revolving credit facility. All other deferred financing costs are presented as a reduction of long-term debt in the accompanying consolidated balance sheets.

(o) Land Use Rights

Land use rights represent the upfront land premiums paid for the use of land held under operating leases, which are stated at cost, net of accumulated amortization, and accumulated impairment, if any. Amortization is recognized over the estimated term of the land use rights of 40 years on a straight-line basis. During the year ended December 31, 2023, land use right for Altira Macau was fully impaired, being part of the impairment of long-lived assets as described in Note 2(m). No impairment on land use rights was recognized during the years ended December 31, 2024 and 2022.

(p) Leases

At the inception of the contract or upon modification, the Company will perform an assessment as to whether the contract is a lease or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. A lessee has control of an identified asset if it has both the right to direct the use of the asset and the right to receive substantially all of the economic benefits from the use of the asset.

Finance and operating lease right-of-use assets and liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The initial measurement of the right-of-use assets also includes any prepaid lease payments and any initial direct costs incurred and is reduced by any lease incentive received. For leases where the rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The expected lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such option. Lease expense for minimum lease payments is recognized on a straight-line basis over the expected lease term. Leases with an expected term of 12 months or less are not accounted for on the balance sheet and the related lease expense is recognized on a straight-line basis over the expected lease term.

The Company's lease contracts have lease and non-lease components. For contracts in which the Company is a lessee, the Company accounts for the lease components and non-lease components as a single lease component for all classes of underlying assets, except for real estate. For contracts in which the Company is a lessor, all are accounted for as operating leases, and the lease components and non-lease components are accounted for separately.

During the year ended December 31, 2023, operating lease right-of-use assets for Altira Macau were fully impaired, being part of the impairment of long-lived assets as described in Note 2(m). No impairment on operating lease right-of-use assets was recognized during the years ended December 31, 2024 and 2022.

(q) Revenue Recognition

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

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

For casino transactions that include complimentary goods or services provided by the Company to incentivize future gaming, the Company allocates the standalone selling price of each good or service to the appropriate revenue type based on the good or service provided.

Complimentary goods or services that are provided under the Company's control and discretion and supplied by third parties are recorded as operating expenses.

The Company operates different non-discretionary incentive programs in certain of its properties which include loyalty programs (the "Loyalty Programs") to encourage repeat business mainly from loyal slot machine customers and table games patrons. Customers earn points primarily based on gaming activity and such points can be redeemed for free play and other free goods and services. For casino transactions that include points earned under the Loyalty Programs, the Company defers a portion of the revenue by recording the estimated standalone selling prices of the earned points that are expected to be redeemed as a liability. Upon redemption of the points for Company-owned goods or services, the standalone selling price of each good or service is allocated to the appropriate revenue type based on the good or service provided. Upon the redemption of the points with third parties, the redemption amount is deducted from the liability and paid directly to the third party.

After allocating amounts to the complimentary goods or services provided and to the points earned under the Loyalty Programs, the residual amount is recorded as casino revenue when the wagers are settled.

The Company follows the accounting standards for reporting revenue gross as a principal versus net as an agent, when accounting for the operations of two of its externally managed hotels and concluded that it is the controlling entity and is the principal to these arrangements. For the operations of these two externally managed hotels, as the Company is the owner of the hotel properties, the hotel managers operate the respective hotels under management agreements providing management services to the Company, and the Company receives all rewards and takes substantial risks associated with the hotel businesses. The Company is the principal and the transactions are, therefore, recognized on a gross basis.

The transaction prices for rooms, food and beverage, entertainment, retail and other goods and services are the net amounts collected from customers for such goods and services that are recorded as revenues when the goods are provided, services are performed or events are held. Service taxes and other applicable taxes collected by the Company are excluded from revenues. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customers. Revenues from contracts with multiple goods or services provided by the Company are allocated to each good or service based on its relative standalone selling price.

Minimum operating and right to use fees representing lease revenues, adjusted for contractual base fees and operating fee escalations, are included in other revenues and are recognized over the terms of the related agreements on a straight-line basis.

Contract and Contract-Related Liabilities

In providing goods and services to customers, there may be a timing difference between cash receipts from customers and recognition of revenues, resulting in a contract or contract-related liability.

The Company primarily has three types of liabilities related to contracts with customers: (1) outstanding gaming chips, which represent the amounts owed in exchange for gaming chips held by customers and gaming promoters, (2) loyalty program liabilities, which represent the deferred allocation of revenues relating to incentives earned from the Loyalty Programs, and (3) advance deposits and ticket sales, which represent casino front money deposits that are funds deposited by customers and gaming promoters before gaming play occurs and advance payments on goods and services yet to be provided such as advance ticket sales and deposits on rooms and convention space. These liabilities are generally expected to be recognized as revenues within one year of being purchased, earned or deposited and are recorded as accrued expenses and other current liabilities in the accompanying consolidated balance sheets. Decreases in these balances generally represent the recognition of revenues and increases in the balances represent additional chips held by customers and gaming promoters, increases in unredeemed incentives relating to the Loyalty Programs and additional deposits made by customers and gaming promoters.

The following table summarizes the activities related to contract and contract-related liabilities:

	Outstanding Gaming Chips		Loyalty Program Liabilities		Advance Deposits and Ticket Sales	
	2024	2023	2024	2023	2024	2023
Balance at January 1	$ 83,012	$ 37,354	$ 36,000	$ 15,568	$ 250,955	$ 278,591
Balance at December 31	83,414	83,012	39,108	36,000	253,338	250,955
Increase (Decrease)	$ 402	$ 45,658	$ 3,108	$ 20,432	$ 2,383	$ (27,636)

(r) Gaming Taxes and License Fees

The Company is subject to taxes and license fees based on gross gaming revenue and other metrics in the jurisdictions in which it operates, subject to applicable jurisdictional adjustments. These gaming taxes and license fees (including the Cyprus License Fee (as defined in Note 7) prior to the fulfillment of the Cyprus License Requirement (as defined in Note 7)), totaled $1,818,235, $1,489,755 and $489,730 for the years ended December 31, 2024, 2023 and 2022, respectively, are mainly recognized as casino expense in the accompanying consolidated statements of operations.

(s) Pre-opening Costs

Pre-opening costs represent personnel, marketing and other costs incurred prior to the opening of new or start-up operations and are expensed as incurred. During the year ended December 31, 2024, the Company incurred pre-opening costs primarily in connection with the development of the Sri Lanka Casino and other enhancement projects at City of Dreams. During the years ended December 31, 2023 and 2022, the Company incurred pre-opening costs primarily in connection with the development of Studio City Phase 2 and City of Dreams Mediterranean. The Company also incurs pre-opening costs on other one-off activities related to the marketing of new facilities and operations.

(t) Development Costs

Development costs include the costs associated with the Company's evaluation and pursuit of new business opportunities, which are expensed as incurred.

(u) Advertising and Promotional Costs

The Company expenses advertising and promotional costs the first time the advertising takes place or as incurred. Advertising and promotional costs included in the accompanying consolidated statements of operations were $165,299, $100,245 and $29,421 for the years ended December 31, 2024, 2023 and 2022, respectively.

(v) Interest Income

Interest income is recorded on an accrual basis at the stated interest rate and is recorded in interest income in the accompanying consolidated statements of operations.

(w) Foreign Currency Transactions and Translations

All transactions in currencies other than functional currencies of Melco and its subsidiaries during the year are remeasured at the exchange rates prevailing on the respective transaction dates. Monetary assets and liabilities existing at the balance sheet date denominated in currencies other than functional currencies are remeasured at the exchange rates existing on that date. Exchange differences are recorded in the accompanying consolidated statements of operations.

The functional currency of Melco is the U.S. dollar ("$" or "US$") and the functional currency of most of Melco's foreign subsidiaries is the local currency in which the subsidiary operates. All assets and liabilities are translated at the rates of exchange prevailing at the balance sheet date and all income and expense items are translated at the average rates of exchange over the year. All exchange differences arising from the translation of foreign subsidiaries' financial statements are recorded as a component of other comprehensive income (loss).

(x) Comprehensive Income (Loss) and Accumulated Other Comprehensive Losses

Comprehensive income (loss) includes net income (loss) and other non-shareholder changes in equity, or other comprehensive income (loss). Components of Company's comprehensive income (loss) are reported in the accompanying consolidated statements of (deficit) equity and consolidated statements of comprehensive income (loss).

As of December 31, 2024 and 2023, the Company's accumulated other comprehensive losses mainly consisted of foreign currency translation adjustments of $92,658 and $98,599, respectively, net of tax and noncontrolling interests.

(y) Share-based Compensation Expenses

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award and recognizes that cost over the service period. Compensation is attributed to the periods of associated service and such expense is recognized over the vesting period of the awards on a straight-line basis. Forfeitures are recognized when they occur.

Further information on the Company's share-based compensation arrangements is included in Note 16.

(z) Income Tax

The Company is subject to income taxes in Macau, Hong Kong, the Philippines, Cyprus, Sri Lanka and other jurisdictions where it operates.

Deferred income taxes are recognized for all significant temporary differences between the tax basis of assets and liabilities and their reported amounts in the accompanying consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities.

The Company's income tax returns are subject to examination by tax authorities in the jurisdictions where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes. These accounting standards utilize a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position, based on the technical merits of the position, will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely, based on cumulative probability.

(aa) Net Income (Loss) Attributable to Melco Resorts & Entertainment Limited Per Share

Basic net income (loss) attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net income (loss) attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year.

Diluted net income (loss) attributable to Melco Resorts & Entertainment Limited per share is calculated by dividing the net income (loss) attributable to Melco Resorts & Entertainment Limited by the weighted average number of ordinary shares outstanding during the year adjusted to include the potentially dilutive effect of outstanding share-based awards.

The weighted average number of ordinary and ordinary equivalent shares used in the calculation of basic and diluted net income (loss) attributable to Melco Resorts & Entertainment Limited per share consisted of the following:

	Year Ended December 31,		
	2024	2023	2022
Weighted average number of ordinary shares outstanding used in the calculation of basic net income (loss) attributable to Melco Resorts & Entertainment Limited per share	1,296,361,341	1,314,605,173	1,391,154,836
Incremental weighted average number of ordinary shares from assumed vesting of restricted shares and exercise of share options using the treasury stock method	3,069,573	–	–
Weighted average number of ordinary shares outstanding used in the calculation of diluted net income (loss) attributable to Melco Resorts & Entertainment Limited per share	1,299,430,914	1,314,605,173	1,391,154,836
Anti-dilutive share options and restricted shares excluded from the calculation of diluted net income (loss) attributable to Melco Resorts & Entertainment Limited per share	19,537,045	26,921,336	44,366,752

(ab) Reclassification

Certain reclassifications have been made to the prior years' consolidated financial statements to conform to the current year's presentation. These reclassifications had no impact on net loss, shareholders' (deficit) equity, or cash flows as previously reported.

(ac) Recent Changes in Accounting Standards

Newly Adopted Accounting Pronouncement

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Improvements to Reportable Segment Disclosures" which enhances reportable segment disclosure requirements primarily through expanded disclosures about significant segment expenses on an interim and annual basis. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. The Company adopted ASU 2023-07 for the year ended December 31, 2024. Refer to Note 23 for segment information.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures" which includes amendments that further enhance income tax disclosures, primarily through providing additional information in the rate reconciliation and additional disclosures about income taxes paid by jurisdiction. The Company plans to adopt ASU 2023-09 for its annual period ending December 31, 2025 and is currently assessing the impact of adoption.

In November 2024, the FASB issued ASU 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures" which primarily requires disaggregated disclosure of certain expense categories in the notes to the financial statements on an annual and interim basis. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted and the Company is currently assessing the impact of adoption.

3. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash reported within the accompanying consolidated statements of cash flows consisted of the following:

	December 31,	
	2024	**2023**
Cash	$ 969,353	$ 934,224
Cash equivalents	177,840	376,491
Total cash and cash equivalents	1,147,193	1,310,715
Current portion of restricted cash	368	27
Non-current portion of restricted cash(1)	125,511	125,094
Total cash, cash equivalents and restricted cash	$ 1,273,072	$ 1,435,836

(1) As of December 31, 2024 and 2023, the non-current portion of restricted cash included bank time deposits of $125,331 and $124,556, respectively.

On December 9, 2022, as required by the Concession, MRM provided a bank guarantee in favor of the Macau government of Macau Patacas ("MOP") 1,000,000 (equivalent to $124,319) to secure the fulfillment of performance of certain of its legal and contractual obligations, including labor obligations. As stipulated in the bank guarantee contract, the amount of MOP1,000,000 (equivalent to $124,319), or an equivalent amount in other currencies, is required to be held in a cash deposit account as collateral in order to secure the bank guarantee. The bank guarantee will remain in effect until 180 days after the earlier of the expiration or termination of the Concession. As of December 31, 2024 and 2023, Hong Kong dollars ("HK$") 970,874 (equivalent to MOP1,000,000) held in the cash collateral bank account was translated to $125,056 and $124,284, respectively, and included in the non-current portion of restricted cash in the accompanying consolidated balance sheets.

4. ACCOUNTS RECEIVABLE, NET

Components of accounts receivable, net are as follows:

	December 31, 2024	December 31, 2023
Casino	$ 270,186	$ 242,312
Hotel	3,903	4,658
Other	523	908
Sub-total	274,612	247,878
Less: allowances for credit losses[1]	(130,401)	(156,240)
	144,211	91,638
Non-current portion	–	–
Current portion	$ 144,211	$ 91,638

(1) As of December 31, 2024 and 2023, the allowances for credit losses of $2,391 and $2,377 as a reduction of the long-term casino accounts receivable, are recorded and included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets, respectively.

The Company's allowances for casino credit losses were 48.2% and 64.4% of gross casino accounts receivable as of December 31, 2024 and 2023, respectively. The Company's allowances for credit losses from its hotel and other receivables are not material.

Movement in the allowances for credit losses are as follows:

	Year Ended December 31, 2024	2023	2022
Balance at beginning of year	$ 156,240	$ 217,244	$ 268,413
Provision for (reversal of) credit losses	2,569	(3,869)	(892)
Write-offs, net of recoveries	(28,748)	(56,805)	(49,608)
Effect of exchange rate	340	(330)	(669)
Balance at end of year	$ 130,401	$ 156,240	$ 217,244

5. ASSETS HELD FOR SALE

In December 2021, an external advisor was engaged to locate potential buyers and prepare marketing materials for the disposal of the Company's assets in Japan, including a ski resort in Nagano, Japan operated by Kabushiki Kaisha Okushiga Kogen Resort (the "Japan Ski Resort") and a parcel of freehold land together with the accompanying building structures in Hakone, Japan (the "Hakone Assets"). After considering the relevant facts, the Company concluded the assets and liabilities of the Japan Ski Resort and the Hakone Assets met the criteria for classification as held for sale which were reported under the Corporate and Other category.

On December 8, 2022, the Company entered into an agreement with an independent third party (the "Buyer") to dispose of its entire interest in the Japan Ski Resort with net liabilities of $13,663 (including a loan payable to the Company of Japanese Yen ("JPY") 2,215,180 (equivalent to $16,876)) for a consideration of JPY0.001; and to transfer the loan receivable from the Japan Ski Resort as mentioned above of JPY2,215,180 (equivalent to $16,876) to the Buyer for a consideration of JPY0.001. The disposal was completed on December 30, 2022 and the Company recorded a loss on disposal of assets held for sale of $3,106 which is included in property charges and other in the accompanying consolidated statements of operations during the year ended December 31, 2022.

Due to a significant decrease in the market value of the freehold land included in the Hakone Assets as of December 31, 2022, an impairment of assets held for sale of $6,794 was provided and included in property charges and other in the accompanying consolidated statements of operations during the year ended December 31, 2022. The fair value of the freehold land as of December 31, 2022 was calculated by using level 3 inputs based on the market approach.

On July 12, 2023, the Company completed the disposal of the Hakone Assets, with aggregate carrying values of $7,924, to an independent third party at a consideration of JPY2,144,000 (equivalent to $15,222). A gain on disposal of assets held for sale, net of the foreign currency translations of certain entities incorporated in Japan being considered as a substantial liquidation, of $4,468 was recorded and included in property charges and other in the accompanying consolidated statements of operations during the year ended December 31, 2023.

In June and August 2022, the Company signed two sale and purchase agreements with respective buyers to sell two aircraft (the "Aircraft") with an aggregate selling price of $15,800. After considering the relevant facts, the Company concluded the Aircraft met the criteria for classification as assets held for sale which were reported under the Corporate and Other category. Due to a decrease in the market value, an impairment of property and equipment of $3,595 was provided for one of the Aircraft. Upon completion of the disposals of the Aircraft in September 2022, the Company recorded a gain on disposal of assets held for sale of $2,629 on the Aircraft. The impairment and gain on disposal of assets held for sale were both included in property charges and other in the accompanying consolidated statements of operations for the year ended December 31, 2022.

6. PROPERTY AND EQUIPMENT, NET

	December 31, 2024	December 31, 2023
Buildings and improvements	$ 7,648,293	$ 7,621,676
Furniture, fixtures and equipment	1,215,688	1,187,064
Leasehold improvements	1,175,252	1,094,238
Plant and gaming machinery	274,301	259,815
Transportation	196,080	192,151
Freehold land	54,956	58,467
Land improvements	2,082	–
Construction in progress	721	1,491
Sub-total	10,567,373	10,414,902
Less: accumulated depreciation and amortization	(5,294,873)	(4,880,908)
Property and equipment, net	$ 5,272,500	$ 5,533,994

The depreciation and amortization expenses of property and equipment recognized for the years ended December 31, 2024, 2023 and 2022 were $487,349, $482,574 and $454,194, respectively.

The cost and accumulated amortization of right-of-use assets held under finance lease arrangements were $142,305 and $102,632 as of December 31, 2024 and $147,072 and $101,589 as of December 31, 2023, respectively. Further information on the lease arrangements is included in Note 12.

In accordance with the Macau gaming law, the Reversion Assets (as defined in Note 7) that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Effective as of January 1, 2023, the Reversion Assets were transferred by the Macau government to MRM for the duration of the Concession, in return for annual payments for the right to use and operate the Reversion Assets as part of the Concession, as disclosed in Note 7. As MRM continues to be operated with the Reversion Assets in the same manner as under the previous gaming subconcession, obtains substantially all of the economic benefits and bears all of the risks arising from the operation of these assets, and assuming it will be successful in obtaining a new concession upon expiry of the Concession, the Company continues to recognize these Reversion Assets as property and equipment over their remaining estimated useful lives.

7. GOODWILL AND INTANGIBLE ASSETS, NET

(a) Goodwill

Goodwill arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006 which is reported under the Mocha and Other segment. The changes in carrying amounts of goodwill represented the exchange differences arising from foreign currency translations at the balance sheet date.

(b) Intangible Assets, Net

Intangible assets, net consisted of the following:

	December 31, 2024	December 31, 2023
Indefinite-lived intangible assets:		
Trademarks of Mocha Clubs	$ 4,229	$ 4,203
Total indefinite-lived intangible assets	4,229	4,203
Finite-lived intangible assets:		
Concession	211,929	209,934
Less: accumulated amortization	(45,076)	(24,037)
	166,853	185,897
Cyprus License	70,785	75,307
Less: accumulated amortization	(4,449)	(1,595)
	66,336	73,712
Sri Lanka License	17,089	–
Less: accumulated amortization	–	–
	17,089	–
Internal-use software	66,601	72,556
Less: accumulated amortization	(39,409)	(39,876)
	27,192	32,680
Proprietary rights	11,996	11,922
Less: accumulated amortization	(4,985)	(3,762)
	7,011	8,160
Total finite-lived intangible assets	284,481	300,449
Total intangible assets, net	$ 288,710	$ 304,652

Trademarks of Mocha Clubs

Trademarks arose from the acquisition of Mocha Slot Group Limited and its subsidiaries by the Company in 2006. The changes in carrying amounts of trademarks represented the exchange differences arising from foreign currency translations at the balance sheet date.

Concession

On December 16, 2022, the Macau government awarded the Concession to MRM. The term of the Concession commenced on January 1, 2023 and ends on December 31, 2032 and MRM is authorized to operate the City of Dreams Casino, the Altira Casino and the Studio City Casino as well as the Grand Dragon Casino and the Mocha Clubs. Under the Concession, MRM is obligated to pay the Macau government a fixed annual premium of MOP30,000 (equivalent to $3,752) plus a variable annual premium calculated in accordance with the number and type of gaming tables (subject to a minimum of 500 tables) and electronic gaming machines (subject to a minimum of 1,000 machines) operated by MRM. The variable annual premium is MOP300 (equivalent to $38) for each gaming table reserved exclusively to certain kinds of games or players, MOP150 (equivalent to $19) for each gaming table not so exclusively reserved and MOP1 (equivalent to $0.1) for each electronic gaming machine.

On December 30, 2022, in accordance with the obligations under the letters of undertakings dated June 23, 2022, MRM and certain subsidiaries of Melco, which hold the land lease rights for the properties on which the City of Dreams Casino, the Altira Casino and the Studio City Casino are located, executed a public deed pursuant to which the gaming and gaming support areas comprising the City of Dreams Casino, the Altira Casino and the Studio City Casino with an area of 31,227.3 square meters, 17,128.8 square meters and 28,784.3 square meters, respectively, and related gaming equipment and utensils (collectively referred to as the "Reversion Assets"), reverted to the Macau government, without compensation and free and clear from any charges or encumbrances, at the expiration of the previous gaming subconcession in accordance with the Macau gaming law. The Reversion Assets that reverted to the Macau government at the expiration of the previous gaming subconcession are currently owned by the Macau government. Under the terms of the Macau gaming law and the Concession, effective as of January 1, 2023, the Reversion Assets were transferred by the Macau government to MRM for use in its operations during the Concession for a fee of MOP0.75 (equivalent to $0.09) per square meter of the casino for years 1 to 3 of the Concession, subject to a consumer price index increase in years 2 and 3 of the Concession and such fee will increase to MOP2.5 (equivalent to $0.3) per square meter of the casino for years 4 to 10 of the Concession, subject to a consumer price index increase in years 5 to 10 of the Concession (the "Fee").

On January 1, 2023, the Company recognized an intangible asset and financial liability of MOP1,934,035 (equivalent to $239,588), representing the right to use and operate the Reversion Assets, the right to conduct games of fortunes and chance in Macau and the unconditional obligation to make payments under the Concession. This intangible asset comprises the contractually obligated annual payments of fixed premium and variable premiums, as well as the Fee without considering the consumer price index under the Concession. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and the total number of electronic gaming machines that MRM is currently approved to operate by the Macau government. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Concession is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the period of the Concession, being 10 years.

Cyprus License

On June 26, 2017, the Cyprus government granted a gaming license (the "Cyprus License") to a subsidiary of ICR Cyprus (the "Cyprus Subsidiary") to develop, operate and maintain an integrated casino resort in Limassol, Cyprus (and, up until completion and opening of City of Dreams Mediterranean, a temporary casino facility) and up to four satellite casino premises in Cyprus for a term of 30 years, the first 15 years of which are exclusive. Pursuant to the Cyprus License agreement, the Cyprus Subsidiary is obligated to pay the Cyprus government an annual license fee for the integrated casino resort (and prior to opening of City of Dreams Mediterranean, the temporary casino) and any operating satellite casinos (the "Cyprus License Fee"). The annual license fee for the integrated casino resort is Euros ("EUR") 2,500 (equivalent to $2,601) for the first four years, and EUR5,000 (equivalent to $5,202) for the next four years. Upon the completion of the first eight years and thereafter every four years during the term of the Cyprus License, the Cyprus government may review the annual license fee, with minimum of EUR5,000 (equivalent to $5,202) per year and any increase in the annual license fee may not exceed 20% of the annual license fee paid annually during the previous four-year period. The Cyprus License required City of Dreams Mediterranean to open by the extended deadline of June 30, 2023 as approved by the Cyprus government (the "Cyprus License Requirement").

On June 28, 2023, upon fulfillment of the Cyprus License Requirement, to better reflect the future economic benefits arising from the Cyprus License, the Company recognized an intangible asset of EUR68,031 (equivalent to $73,928) and financial liability of EUR67,231 (equivalent to $73,059), representing the right under the Cyprus License and the unconditional obligation to pay i) a minimum annual license fee for City of Dreams Mediterranean of EUR5,000 (equivalent to $5,202) per year; and ii) an aggregate annual license fee for three operating satellite casinos of EUR2,000 (equivalent to $2,081), during the term of the Cyprus License from June 28, 2023. In the accompanying consolidated balance sheet, the non-current portion of the financial liability of the Cyprus License is included in other long-term liabilities and the current portion is included in accrued expenses and other current liabilities. The intangible asset is being amortized on a straight-line basis over the remaining period of the Cyprus License until June 2047. Prior to the fulfillment of the Cyprus License Requirement, the Cyprus License Fee was expensed as incurred and included in gaming taxes and license fees as disclosed in Note 2(r).

Sri Lanka License

As disclosed in note 1(b), on March 27, 2024, the Sri Lanka government granted the Sri Lanka License to Bluehaven to operate the Sri Lanka Casino for a term of 20 years effective from April 1, 2024 in an integrated resort under development at that time by WPL in Colombo, Sri Lanka. Upon the signing of the Sri Lanka Lease Agreement on July 10, 2024, the Company recognized an intangible asset of Sri Lankan Rupees ("LKR") 5,000,000 (equivalent to $16,600), representing the casino license fee for the Sri Lanka License which will be amortized on a straight-line basis upon the commencement date of the operation of the Sri Lanka Casino to the date of the expiry of the Sri Lanka License.

Proprietary rights

The proprietary rights related to an entertainment show in City of Dreams acquired by the Company in November 2020 for a cash consideration of $12,000. The estimated useful life of the proprietary rights is 10 years. As of December 31, 2024 and 2023, the carrying amount of the proprietary rights included the exchange differences arising from foreign currency translations at the balance sheet date.

Gaming subconcession

The deemed cost of the previous gaming subconcession in Macau was capitalized based on the fair value of the gaming subconcession agreement as of the date of acquisition of MRM in 2006, and amortized on a straight-line basis over the term of the agreement, which expired on June 26, 2022. MRM paid a premium of MOP47,000 (equivalent to $5,815) to the Macau government in June 2022 for the extension of the gaming subconcession contract to December 31, 2022 and such premium was amortized on a straight-line basis from June 27, 2022 to the extended expiration date on December 31, 2022.

The amortization expenses of finite-lived intangible assets recognized for the years ended December 31, 2024, 2023 and 2022 were $33,326, $37,216 and $44,128, respectively.

As of December 31, 2024, the estimated future amortization expenses of finite-lived intangible assets are as follows:

Year ending December 31,	
2025	$ 32,739
2026	30,408
2027	28,374
2028	28,267
2029	28,267
Over 2029	136,426
	$ 284,481

8. LONG-TERM PREPAYMENTS, DEPOSITS AND OTHER ASSETS

Long-term prepayments, deposits and other assets consisted of the following:

	December 31,	
	2024	**2023**
Deferred financing costs, net	$ 35,927	$ 16,183
Deposits and advance payments for acquisition of property and equipment	23,482	7,709
Input value-added tax, net	21,316	19,232
Entertainment production costs, net[1]	16,833	–
Other long-term assets	15,194	17,983
Other deposits	11,129	11,178
Deferred rent assets	7,366	17,905
Long-term prepayments	603	10,130
Long-term casino accounts receivable, net of allowances for credit losses of $2,391 and $2,377[2]	–	–
Long-term prepayments, deposits and other assets	$ 131,850	$ 100,320

(1) Entertainment production costs represent amounts incurred and capitalized for the entertainment show in City of Dreams and will be amortized over the estimated useful life of the entertainment show of 10 years upon the commencement of the show. No amortization expenses of such entertainment production costs were recognized during the year ended December 31, 2024.

(2) Long-term casino accounts receivable, net represent receivables from casino customers where settlements are not expected within the next year. Reclassifications to current accounts receivable, net, are made when settlement of such balances are expected to occur within one year.

9. LAND USE RIGHTS, NET

	December 31,	
	2024	**2023**
City of Dreams	$ 400,427	$ 397,953
Altira Macau	81,209	80,707
Studio City	654,954	650,906
	1,136,590	1,129,566
Less: accumulated amortization	(570,239)	(546,784)
Land use rights, net	$ 566,351	$ 582,782

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,	
	2024	2023
Advance deposits and ticket sales	$ 253,338	$ 250,955
Gaming tax and license fee accruals	171,014	159,285
Operating expense and other accruals and liabilities	165,975	160,169
Staff cost accruals	123,227	101,340
Interest expense payables	119,026	114,587
Outstanding gaming chips	83,414	83,012
Property and equipment payables	67,027	73,520
Loyalty program liabilities	39,108	36,000
Intangible assets liabilities[(1)]	31,889	29,448
Accrued expenses and other current liabilities	$ 1,054,018	$ 1,008,316

(1) As of December 31, 2024 and 2023, the non-current portion of the intangible assets liabilities of $270,563 and $282,081, respectively, are included in other long-term liabilities in the accompanying consolidated balance sheets.

11. LONG-TERM DEBT, NET

Long-term debt, net consisted of the following:

	December 31, 2024	December 31, 2023
Melco Related		
MRF 4.875% Senior Notes, due 2025 (net of unamortized deferred financing costs and original issue premiums of $1,732 and $5,746, respectively)	$ 998,268	$ 994,254
MRF 5.250% Senior Notes, due 2026 (net of unamortized deferred financing costs of $1,256 and $2,141, respectively)	498,744	497,859
MRF 5.625% Senior Notes, due 2027 (net of unamortized deferred financing costs of $2,488 and $3,358, respectively)	597,512	596,642
MRF 5.750% Senior Notes, due 2028 (net of unamortized deferred financing costs and original issue premiums of $1,865 and $2,317, respectively)	848,135	847,683
MRF 5.375% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $1,407 and $1,634, respectively)	1,148,593	1,148,366
MRF 7.625% Senior Notes, due 2032 (net of unamortized deferred financing costs of $5,611)	744,389	–
MRM Credit Facilities, due 2026		
MRM Term Loan	129	128
MN1 Revolving Facility, due 2027[1]	158,305	1,052,515
Studio City Related		
SCF 6.000% Senior Notes, due 2025 (net of unamortized deferred financing costs of $253 and $1,320, respectively)	221,369	395,680
SCC 7.000% Senior Notes, due 2027 (net of unamortized deferred financing costs of $2,862 and $4,039, respectively)	347,138	345,961
SCF 6.500% Senior Notes, due 2028 (net of unamortized deferred financing costs of $2,299 and $2,970, respectively)	497,701	497,030
SCF 5.000% Senior Notes, due 2029 (net of unamortized deferred financing costs and original issue premiums of $2,990 and $3,626, respectively)	1,097,010	1,096,374
SCC 2016 Credit Facilities, due 2029		
SCC 2016 Term Loan	129	128
SCC 2016 Revolving Facility[2]	–	–
SCC 2024 Revolving Facility, due 2029[3]	–	–
	7,157,422	7,472,620
Less: Current portion of long-term debt, net	(21,597)	–
Long-term debt, net	$ 7,135,825	$ 7,472,620

(1) As of December 31, 2024 and 2023, the unamortized deferred financing costs related to the MN1 Revolving Facility of $27,135 and $15,905, respectively, are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets.

(2) As of December 31, 2024 and 2023, the unamortized deferred financing costs related to the SCC 2016 Revolving Facility of $308 and $278, respectively, are included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets.

(3) As of December 31, 2024, the unamortized deferred financing costs related to the SCC 2024 Revolving Facility of $8,484 is included in long-term prepayments, deposits and other assets in the accompanying consolidated balance sheets.

Melco Related

MRF Senior Notes

On June 6, 2017, Melco Resorts Finance Limited ("MRF"), a subsidiary of Melco, issued senior unsecured notes in an aggregate principal amount of $650,000 of 4.875% Senior Notes due June 6, 2025 at an issue price of 100% of the principal amount (the "Initial 2025 MRF Senior Notes") pursuant to an indenture, dated June 6, 2017 (the "2025 MRF Indenture") between MRF and a trustee; and on July 3, 2017 further issued senior unsecured notes in an aggregate principal amount of $350,000 of 4.875% Senior Notes due June 6, 2025 at an issue price of 100.75% of the principal amount (the "Additional 2025 MRF Senior Notes") which were consolidated to form a single series with the Initial 2025 MRF Senior Notes (and together, the "2025 MRF Senior Notes"). The net proceeds from the offering of the Initial 2025 MRF Senior Notes were used to partly fund the redemption of the previous senior notes of MRF and the net proceeds from the offering of the Additional 2025 MRF Senior Notes were used to fully repay the MRM's prior revolving credit facility. The net carrying amount of 2025 MRF Senior Notes is classified as non-current portion of long-term debt as of December 31, 2024 given the settlement of these obligations is not expected to require the use of working capital within one year and the Company has both the intent and ability, as evidenced by the MN1 Revolving Facility (as defined below), to refinance these obligations on a long-term basis.

On April 26, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $500,000 of 5.250% Senior Notes due April 26, 2026 at an issue price of 100% of the principal amount (the "2026 MRF Senior Notes") pursuant to an indenture, dated April 26, 2019 (the "2026 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2026 MRF Senior Notes were used to partially repay the MRM Revolving Facility (as defined below).

On July 17, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $600,000 of 5.625% Senior Notes due July 17, 2027 at an issue price of 100% of the principal amount (the "2027 MRF Senior Notes") pursuant to an indenture, dated July 17, 2019 (the "2027 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2027 MRF Senior Notes were used to partially repay the MRM Revolving Facility.

On July 21, 2020, MRF issued senior unsecured notes in an aggregate principal amount of $500,000 of 5.750% Senior Notes due July 21, 2028 at an issue price of 100% of the principal amount (the "Initial 2028 MRF Senior Notes") pursuant to an indenture, dated July 21, 2020 (the "2028 MRF Indenture") between MRF and a trustee; and on August 11, 2020 further issued senior unsecured notes in an aggregate principal amount of $350,000 of 5.750% Senior Notes due July 21, 2028 at an issue price of 101% of the principal amount (the "Additional 2028 MRF Senior Notes") which were consolidated to form a single series with the Initial 2028 MRF Senior Notes (and together, the "2028 MRF Senior Notes"). The net proceeds from the offering of the 2028 MRF Senior Notes were partially used to repay the MN1 Revolving Facility and with the remaining amount used for general corporate purposes.

On December 4, 2019, MRF issued senior unsecured notes in an aggregate principal amount of $900,000 of 5.375% Senior Notes due December 4, 2029 at an issue price of 100% of the principal amount (the "Initial 2029 MRF Senior Notes") pursuant to an indenture, dated December 4, 2019 (the "2029 MRF Indenture") between MRF and a trustee; and on January 21, 2021 further issued senior unsecured notes in an aggregate principal amount of $250,000 of 5.375% Senior Notes due December 4, 2029 at an issue price of 103.25% of the principal amount (the "Additional 2029 MRF Senior Notes") which were consolidated to form a single series with the Initial 2029 MRF Senior Notes (and together, the "2029 MRF Senior Notes"). The net proceeds from the offering of the Initial 2029 MRF Senior Notes were used to repay the outstanding borrowing of the MRM Revolving Facility in full and to partially prepay the MRM Term Loan (as defined below). The net proceeds from the offering of the Additional 2029 MRF Senior Notes were used to fully repay the MN1 Revolving Facility.

On April 17, 2024, MRF issued senior unsecured notes in an aggregate principal amount of $750,000 of 7.625% Senior Notes due April 17, 2032 at an issue price of 100% of the principal amount (the "2032 MRF Senior Notes") pursuant to an indenture, dated April 17, 2024 (the "2032 MRF Indenture") between MRF and a trustee. The net proceeds from the offering of the 2032 MRF Senior Notes were used to partially repay the MN1 Revolving Facility.

The 2025 MRF Senior Notes, the 2026 MRF Senior Notes, the 2027 MRF Senior Notes, the 2028 MRF Senior Notes, the 2029 MRF Senior Notes and the 2032 MRF Senior Notes, are collectively referred to as the "MRF Senior Notes". The 2025 MRF Indenture and, together with the 2026 MRF Indenture, the 2027 MRF Indenture, the 2028 MRF Indenture, the 2029 MRF Indenture and the 2032 MRF Indenture, are collectively referred to as the "MRF Indentures".

There are no interim principal payments on the MRF Senior Notes and interest is payable semi-annually in arrears on each June 6 and December 6 with respect to the 2025 MRF Senior Notes, on each April 26 and October 26 with respect to the 2026 MRF Senior Notes, on each January 17 and July 17 with respect to the 2027 MRF Senior Notes, on each January 21 and July 21 with respect to the 2028 MRF Senior Notes, on each June 4 and December 4 with respect to the 2029 MRF Senior Notes and on each April 17 and October 17 with respect to the 2032 MRF Senior Notes.

The MRF Senior Notes are general obligations of MRF. Each series of the MRF Senior Notes rank equally in right of payment to all existing and future senior indebtedness of MRF, rank senior in right of payment to any existing and future subordinated indebtedness of MRF and are effectively subordinated to all of MRF's existing and future secured indebtedness to the extent of the value of the assets securing such debt and to the indebtedness of MRF's subsidiaries. None of MRF's subsidiaries guarantee the MRF Senior Notes.

Each of the MRF Indentures contains certain covenants, subject to certain exceptions and conditions, that limit the ability of MRF and its subsidiaries to, among other things, effect a consolidation or merger or sell assets. Each of the MRF Indentures also contains conditions and provides for customary events of default as well as early redemption options available to MRF during certain time periods and redemption options available to the MRF Senior Notes holders in certain events.

MRM Credit Facilities

On June 19, 2015, MRM (the "Borrower") entered into a senior secured credit facilities agreement with Bank of China Limited, Macau Branch (in its capacity as the sole lender) ("BOC Macau") (the "MRM Credit Facilities"), and following the cancellation of certain of its facilities commitments on May 7, 2020, the available commitments under the term loan facility (the "MRM Term Loan") and the multicurrency revolving credit facility (the "MRM Revolving Facility") are HK$1,000 (equivalent to $129) each. The MRM Term Loan and the MRM Revolving Facility are collateralized by a bank deposit of HK$2,130 (equivalent to $274).

Pursuant to the terms of a waiver letter from BOC Macau to the Borrower dated April 29, 2020 (the "Waiver Letter"), compliance with certain provisions of the MRM Credit Facilities were waived and BOC Macau agreed, among other things, to (i) extend the maturity date of the MRM Credit Facilities to June 24, 2022; (ii) change the repayment date of the MRM Term Loan to require full repayment on June 24, 2022 from originally being repayable in quarterly installments according to an amortization schedule; (iii) change the interest rate of the borrowings; (iv) waive the requirement to comply with substantially all information undertakings, financial covenants, general undertakings and mandatory prepayment provisions; (v) waive the requirement to make substantially all of the representations; and (vi) waive certain current and/or future defaults and events of default that may arise under the terms of the MRM Credit Facilities, subject to certain conditions and terms.

Pursuant to the terms of certain extension request letters of the Waiver Letter dated April 6, 2022, December 14, 2022 and June 6, 2024, the maturity date of the MRM Credit Facilities, and the continuing applicability of the various waivers provided under the Waiver Letter, were further extended to December 31, 2022, June 24, 2024 and June 24, 2026, respectively (the "Extended Termination Date"). The MRM Term Loan, pursuant to the terms of the Waiver Letter (as amended and extended), is repayable in full on the Extended Termination Date (as amended and extended). Each loan made under the MRM Revolving Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or rolling over subject to compliance with certain covenants and satisfaction of conditions precedent.

Borrowings under the MRM Credit Facilities bore interest at the Hong Kong Interbank Offered Rate ("HIBOR") plus a margin ranging from 1.25% to 2.50% per annum as adjusted in accordance with the leverage ratio in respect of the MRM Borrowing Group (as described below). The Borrower is permitted to select an interest period for borrowings under the MRM Credit Facilities ranging from one to six months or any other agreed period. Pursuant to the terms of the Waiver Letter, borrowings under the MRM Credit Facilities bear interest at HIBOR plus a margin of 1% per annum. As of December 31, 2024 and 2023, the interest rate was approximately 5.35% and 6.15%, respectively.

The indebtedness under the MRM Credit Facilities is guaranteed by MCO Nominee One Limited ("MN1"), a subsidiary of Melco, and certain of its subsidiaries as defined under the MRM Credit Facilities (other than the Borrower). Security for the MRM Credit Facilities includes: a first-priority interest in substantially all assets of the borrowing group which includes the Borrower and certain of its subsidiaries as defined under the MRM Credit Facilities (the "MRM Borrowing Group"), the issued share capital and equity interests and certain buildings, fixtures and equipment of the MRM Borrowing Group and certain other excluded assets and customary security.

Pursuant to the terms of the Waiver Letter, the provisions that limited certain payments of dividends and other distributions by the MRM Borrowing Group to companies or persons who were not members of the MRM Borrowing Group were waived.

Under the MRM Credit Facilities, in the event of a change of control, the Borrower may be required, at the election of any lender under the MRM Credit Facilities, to repay such lender in full. In addition, termination or rescission of MRM's concession contract or land concessions would constitute an event of default. As with substantially all of the undertakings and covenants under the MRM Credit Facilities, however, these provisions are subject to a continuing waiver under the terms of the Waiver Letter.

The Borrower is obligated to pay a commitment fee on the undrawn amount of the MRM Revolving Facility and recognized loan commitment fees of $1, $1 and $1 during the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, the outstanding principal amount of the MRM Term Loan and the MRM Revolving Facility was HK$1,000 (equivalent to $129) and nil, respectively, and the available unused borrowing capacity under the MRM Revolving Facility was HK$1,000 (equivalent to $129).

MN1 Revolving Facility

On April 29, 2020, MN1 entered into a senior unsecured revolving credit facility agreement with a syndicate of banks (the "MN1 Revolving Facility") for a HK$14,850,000 (equivalent to $1,915,947) with a term of five years and a maturity date of April 29, 2025. On April 8, 2024, the lenders approved an extension of the maturity date by two years to April 29, 2027. Each loan made under the MN1 Revolving Facility is repayable in full on the last day of an agreed upon interest period in respect of the loan, generally ranging from one to six months, or can be rolled over subject to compliance with certain covenants and satisfaction of conditions precedent. MN1 is also subject to mandatory prepayment requirements in respect of various amounts as specified in the MN1 Revolving Facility. In the event of a change of control or if MRM's concession contract or land concessions as defined under the MN1 Revolving Facility are terminated or otherwise expire on its terms, MN1 may be required, at the election of any lender under the MN1 Revolving Facility, to repay such lender in full.

The indebtedness under the MN1 Revolving Facility is guaranteed by MRM and MCO Investments Limited ("MINV"), a subsidiary of Melco.

The MN1 Revolving Facility contains certain covenants customary for such financings including, but not limited to, limitations on, except as permitted (i) incurring additional liens; (ii) incurring additional indebtedness (including guarantees); (iii) the disposal of certain key assets; and (iv) carrying on businesses which are not the permitted business activities of MINV and its subsidiaries. The MN1 Revolving Facility also contains conditions and events of default customary for such financings and the financial covenants including a leverage ratio, total leverage ratio and interest cover ratio.

On June 29, 2023 (the "Effective Date"), certain provisions of the MN1 Revolving Facility were amended and restated (the "2023 Amendment and Restatement") such that borrowings under the MN1 Revolving Facility denominated in US$ bear interest at the term Secured Overnight Financing Rate ("SOFR") plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum, as adjusted in accordance with the interest period, and a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. Prior to the Effective Date of the 2023 Amendment and Restatement, borrowings under the MN1 Revolving Facility denominated in US$ bore interest at the London Interbank Offered Rate plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. Borrowings under the MN1 Revolving Facility denominated in HK$ bear interest at HIBOR plus a margin ranging from 1.00% to 2.00% per annum as adjusted in accordance with the leverage ratio in respect of MN1 and certain of its specified subsidiaries. MN1 may select an interest period for borrowings under the MN1 Revolving Facility ranging from one to six months or any other agreed period. As of December 31, 2024 and 2023, the weighted average interest rate was approximately 5.40% and 7.44%, respectively.

MN1 is obligated to pay a commitment fee on the undrawn amount of the MN1 Revolving Facility and recognized loan commitment fees of $6,769, $3,954 and $5,978 during the years ended December 31, 2024, 2023 and 2022, respectively.

On August 16, 2022, MN1 received confirmation that the majority of lenders of the MN1 Revolving Facility consented and agreed to a waiver extension of certain financial condition covenants contained in the facility agreement under the MN1 Revolving Facility, in respect of the relevant periods ended on the following applicable test dates: (a) March 31, 2023; (b) June 30, 2023; (c) September 30, 2023; (d) December 31, 2023; and (e) March 31, 2024. Such consent became effective on August 17, 2022.

As of December 31, 2024, the outstanding principal amount of the MN1 Revolving Facility was HK$1,229,000 (equivalent to $158,305), and the available unused borrowing capacity under the MN1 Revolving Facility was HK$13,621,000 (equivalent to $1,754,494).

Studio City Related

SCF Senior Notes

On July 15, 2020, Studio City Finance Limited ("SCF"), a subsidiary of Melco, issued two series of senior unsecured notes in an aggregate principal amount of $1,000,000, consisting of $500,000 of 6.000% Senior Notes due July 15, 2025 at an issue price of 100% of the principal amount (the "2025 SCF Senior Notes") and $500,000 of 6.500% Senior Notes due January 15, 2028 at an issue price of 100% of the principal amount (the "2028 SCF Senior Notes") pursuant to an indenture, dated July 15, 2020 (the "2025 SCF Indenture") among SCF, the guarantors and the trustee. The net proceeds from the offering of the 2025 SCF Senior Notes and the 2028 SCF Senior Notes were partially used to redeem in full the previous senior secured notes of Studio City Company Limited ("SCC"), a subsidiary of Melco, with the remaining amount used for capital expenditures of the remaining development project at Studio City.

On November 9, 2023, SCF initiated a cash tender offer (the "2023 Tender Offer") which expired on December 8, 2023, subject to the terms and conditions, to purchase for up to an aggregate principal amount of $75,000 of the 2025 SCF Senior Notes and was subsequently amended to increase to $100,000 (the maximum tender amount). SCF purchased an aggregate principal amount of $100,000 of the 2025 SCF Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2023 Tender Offer, as amended, and settled the transaction on November 28, 2023. On April 8, 2024, SCF initiated a cash tender offer (the "2024 Tender Offer") which expired on May 6, 2024, subject to the terms and conditions, to purchase for up to an aggregate principal amount of $100,000 of the outstanding 2025 SCF Senior Notes and was subsequently amended to increase to $100,029 (the maximum tender amount). SCF purchased an aggregate principal amount of $100,029 of the 2025 SCF Senior Notes that were validly tendered (and not validly withdrawn) pursuant to the 2024 Tender Offer, as amended, and settled the transaction on April 24, 2024. Other than the 2023 Tender Offer and the 2024 Tender Offer, SCF repurchased an aggregate principal amount of $75,349 and $3,000 of the 2025 SCF Senior Notes during the years ended December 31, 2024 and 2023, respectively. The 2023 Tender Offer, the 2024 Tender Offer and repurchases of the 2025 SCF Senior Notes during the years ended December 31, 2024 and 2023 included certain amounts purchased from related parties as disclosed in Note 22.

In connection with the 2023 Tender Offer and the 2024 Tender Offer and the repurchases of the 2025 SCF Senior Notes during the years ended December 31, 2024 and 2023, the Company recorded a loss on extinguishment of debt of $1,000 and a gain on extinguishment of debt of $1,611 during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, the outstanding principal amount of the 2025 SCF Senior Notes was $221,622. The net carrying amount of $199,772 of the 2025 SCF Senior Notes is classified as non-current portion of long-term debt as of December 31, 2024 given the settlement of these obligations is not expected to require the use of working capital within one year and the Company has both the intent and ability, as evidenced by the SCC 2024 Revolving Facility (as defined below), to refinance these obligations on a long-term basis.

On January 14, 2021, SCF issued senior unsecured notes in an aggregate principal amount of $750,000 of 5.000% Senior Notes due January 15, 2029 at an issue price of 100% of the principal amount (the "Initial 2029 SCF Senior Notes") pursuant to an indenture, dated January 14, 2021 (the "2029 SCF Indenture"); and on May 20, 2021 further issued senior unsecured notes in an aggregate principal amount of $350,000 of 5.000% Senior Notes due January 15, 2029 at an issue price of 101.50% of the principal amount (the "Additional 2029 SCF Senior Notes") which were consolidated to form a single series with the Initial 2029 SCF Senior Notes (and together, the "2029 SCF Senior Notes"). The net proceeds from the offering of the Initial 2029 SCF Senior Notes were primarily used to fund the conditional tender offer and the remaining outstanding balance with accrued interest of previous senior notes of SCF in February 2021. The net proceeds from the offering of the Additional 2029 SCF Senior Notes were used to partially fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes.

The 2025 SCF Senior Notes, the 2028 SCF Senior Notes and the 2029 SCF Senior Notes, are collectively referred to as the "SCF Senior Notes". The 2025 SCF Indenture and, together with the 2029 SCF Indenture, are collectively referred to as the "SCF Indentures".

There are no interim principal payments on the SCF Senior Notes and interest is payable semi-annually in arrears on each January 15 and July 15 with respect to each series of the SCF Senior Notes.

The SCF Senior Notes are general obligations of SCF. Each series of the SCF Senior Notes rank equally in right of payment to all existing and future senior indebtedness of SCF, rank senior in right of payment to any existing and future subordinated indebtedness of SCF and are effectively subordinated to all of SCF's existing and future secured indebtedness (to the extent of the value of the property and assets securing such indebtedness).

All of the existing subsidiaries of SCF and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (the "SCF Senior Notes Guarantors") jointly, severally and unconditionally guarantee the SCF Senior Notes on a senior basis (the "SCF Senior Notes Guarantees"). The SCF Senior Notes Guarantees are general obligations of the SCF Senior Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the SCF Senior Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the SCF Senior Notes Guarantors. The SCF Senior Notes Guarantees are effectively subordinated to the SCF Senior Notes Guarantors' obligations under all existing and any future secured indebtedness (to the extent of the value of such property and assets securing such indebtedness).

Each of the SCF Indentures contains certain covenants, subject to certain exceptions and conditions, that limit the ability of SCF and its restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness; (ii) make specified restricted payments; (iii) issue or sell capital stock; (iv) sell assets; (v) create liens; (vi) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (vii) enter into transactions with affiliates; and (viii) effect a consolidation or merger. Each of the SCF Indentures also contains conditions and provides for customary events of default as well as early redemption options available to SCF during certain time periods and redemption options available to the SCF Senior Notes holders in certain events.

There are provisions under each of the SCF Indentures that limit or prohibit certain payments of dividends and other distributions by SCF and its restricted subsidiaries to companies or persons who are not SCF or its restricted subsidiaries, subject to certain exceptions and conditions. As of December 31, 2024, the net assets of SCF and its restricted subsidiaries with amount of approximately $657,000 were restricted from being distributed under the terms of the SCF Senior Notes.

SCC Senior Notes

On February 16, 2022, SCC issued senior secured notes in an aggregate principal amount of $350,000 of 7.000% Senior Notes due February 15, 2027 at an issue price of 100% of the principal amount (the "2027 SCC Senior Notes") pursuant to an indenture, dated February 16, 2022 (the "2027 SCC Indenture") among SCC, the guarantors and the trustee. The net proceeds from the offering of the 2027 SCC Senior Notes were used to fund the capital expenditures of the remaining development project at Studio City and for general corporate purposes.

There are no interim principal payments on the 2027 SCC Senior Notes and interest is payable semi-annually in arrears on each February 15 and August 15.

The 2027 SCC Senior Notes are senior secured obligations of SCC, rank equally in right of payment to all existing and future senior indebtedness of SCC (although any liabilities in respect of obligations under the SCC Credit Facilities (as defined below) that are secured by common collateral securing the 2027 SCC Senior Notes will have priority over the 2027 SCC Senior Notes with respect to any proceeds received upon any enforcement action of such common collateral) and rank senior in right of payment to any existing and future subordinated indebtedness of SCC and are effectively subordinated to SCC's existing and future secured indebtedness that is secured by assets that do not secure the 2027 SCC Senior Notes, to the extent of the assets securing such indebtedness.

Studio City Investments Limited ("SCI"), a subsidiary of Melco, all of its existing subsidiaries (other than SCC) and any other future restricted subsidiaries that provide guarantees of certain specified indebtedness (including the SCC Credit Facilities) (the "SCC Senior Notes Guarantors") jointly, severally and unconditionally guarantee the 2027 SCC Senior Notes on a senior basis (the "SCC Senior Notes Guarantees"). The SCC Senior Notes Guarantees are senior obligations of the SCC Senior Notes Guarantors, rank equally in right of payment to all existing and future senior indebtedness of the SCC Senior Notes Guarantors and rank senior in right of payment to any existing and future subordinated indebtedness of the SCC Senior Notes Guarantors. The SCC Senior Notes Guarantees are pari passu to the SCC Senior Notes Guarantors' obligations under the SCC Credit Facilities, and effectively subordinated to any future secured indebtedness that is secured by assets that do not secure the 2027 SCC Senior Notes and the SCC Senior Notes Guarantees, to the extent of the value of the assets.

The 2027 SCC Senior Notes are secured, on an equal basis with the SCC Credit Facilities, by substantially all of the material assets of SCI and its subsidiaries (although obligations under the SCC Credit Facilities that are secured by the common collateral securing the 2027 SCC Senior Notes will have priority over the 2027 SCC Senior Notes with respect to any proceeds received upon any enforcement action of such common collateral); in addition, in line with the SCC Credit Facilities, the 2027 SCC Senior Notes are also secured by certain specified bank accounts.

The 2027 SCC Indenture contains certain covenants, subject to certain exceptions and conditions, that limit the ability of SCC, SCI and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The 2027 SCC Indenture also contains conditions and provides for customary events of default as well as early redemption options available to SCC during certain time periods and redemption options available to the 2027 SCC Senior Notes holders in certain events.

There are provisions under the 2027 SCC Indenture that limit or prohibit certain payments of dividends and other distributions by SCC, SCI and their respective restricted subsidiaries to companies or persons who are not SCC, SCI and their respective restricted subsidiaries, subject to certain exceptions and conditions. As of December 31, 2024, the net assets of SCI and its restricted subsidiaries with amount of approximately $585,000 were restricted from being distributed under the terms of the 2027 SCC Senior Notes.

SCC Credit Facilities

On March 15, 2021, SCC (the "SC Borrower") amended the terms of its prior senior secured credit facilities agreement entered into with a syndicate of banks, including the extension of the maturity date of the HK$234,000 (equivalent to $30,077) senior secured credit facilities (the "SCC 2016 Credit Facilities"), comprising a HK$1,000 (equivalent to $129) term loan facility (the "SCC 2016 Term Loan") and a HK$233,000 (equivalent to $29,948) revolving credit facility (the "SCC 2016 Revolving Facility") to January 15, 2028. Changes have also been made to the covenants in order to align them with those of certain other financings at SCF, including amending the threshold sizes and measurement dates of the covenants. On November 29, 2024, SCC further amended the terms of the SCC 2016 Credit Facilities (the "2024 SCC Amendment and Restatement"), including the extension of the maturity date to August 29, 2029 and change of interest rates. The SCC 2016 Term Loan shall be repaid on August 29, 2029 with no interim amortization payments. The SCC 2016 Revolving Facility is available up to the date that is one month prior to August 29, 2029.

Pursuant to the 2024 SCC Amendment and Restatement, borrowings under the SCC 2016 Credit Facilities denominated in US$ bear interest at term SOFR plus an applicable credit adjustment spread ranging from 0.06% to 0.20% per annum and a margin of 2.25% per annum; borrowings under the SCC 2016 Credit Facilities denominated in HK$ bear interest at HIBOR plus a margin of 2.25% per annum. Prior to the effective of the 2024 SCC Amendment and Restatement, borrowings under the SCC 2016 Credit Facilities denominated in HK$ bore interest at HIBOR plus a margin of 4% per annum. As of December 31, 2024 and 2023, the interest rate was approximately 6.83% and 9.27%, respectively. The SC Borrower may select an interest period for borrowings under the SCC 2016 Credit Facilities ranging from one to six months or any other agreed period. The SC Borrower is obligated to pay a commitment fee on the undrawn amount of the SCC 2016 Revolving Facility and recognized loan commitment fees of $403, $417 and $417 during the years ended December 31, 2024, 2023 and 2022, respectively.

As of December 31, 2024, the outstanding principal amount of the SCC 2016 Term Loan and the SCC 2016 Revolving Facility were HK$1,000 (equivalent to $129) and nil, respectively, and the available unused borrowing capacity under the SCC 2016 Revolving Facility was HK$233,000 (equivalent to $30,012).

On November 29, 2024, SCC entered into a senior secured revolving credit facility agreement with a syndicate of banks (the "SCC 2024 Revolving Facility") for HK$1,945,000 (equivalent to $250,273) with a term of five years and maturity date of November 29, 2029, with an option to increase the commitments in an amount not exceeding $100,000, subject to satisfaction of conditions precedent. The SCC 2024 Revolving Facility is available up to the date that is one month prior to the maturity date.

Borrowings under the SCC 2024 Revolving Facility can be denominated in US$ which bear interest at term SOFR or HK$ which bear interest at HIBOR, in both case plus an applicable margin ranging from 1.95% to 2.55% per annum as adjusted in accordance with the leverage ratio. The SC Borrower may select an interest period for borrowings under the SCC 2024 Revolving Facility ranging from one to six months or any other agreed period.

The SC Borrower is obligated to pay a commitment fee on the undrawn amount of the SCC 2024 Revolving Facility and recognized loan commitment fees of $189 during the year ended December 31, 2024.

As of December 31, 2024, the outstanding principal amount of the SCC 2024 Revolving Facility was nil, and the available unused borrowing capacity under the SCC 2024 Revolving Facility was HK$1,945,000 (equivalent to $250,532).

The SCC 2016 Credit Facilities and the SCC 2024 Revolving Facility are collectively referred to as the "SCC Credit Facilities".

The SCC 2016 Term Loan is collateralized by cash of HK$1,013 (equivalent to $130). The SC Borrower is subject to mandatory prepayment requirements in respect of various amounts of the SCC 2016 Revolving Facility and the SCC 2024 Revolving Facility; in the event of the disposal of all or substantially all of the business and assets of the Studio City borrowing group which includes the SC Borrower and certain of its subsidiaries as defined under the SCC Credit Facilities (the "SC Borrowing Group"), the SCC Credit Facilities are required to be repaid in full. In the event of a change of control, the SC Borrower may be required, at the election of any lender under the SCC Credit Facilities, to repay such lender in full (other than the principal amount of the SCC 2016 Term Loan).

The indebtedness under the SCC Credit Facilities is guaranteed by SCI and its subsidiaries (other than the SC Borrower). Security for the SCC Credit Facilities includes a first-priority mortgage over any rights under the land concession contract of Studio City and an assignment of certain leases or rights to use agreements; as well as other customary security. The SCC Credit Facilities contain certain affirmative and negative covenants customary for such financings, as well as affirmative, negative and financial covenants aligned with those of certain other financings at SCF. Certain specified bank accounts of MRM are pledged under SCC Credit Facilities and related finance documents. The SCC Credit Facilities are secured by substantially all of the material assets of SCI and its subsidiaries. Pursuant to the guarantee dated November 29, 2024 signed by SCIH, the indebtedness under the SCC 2024 Revolving Facility is also guaranteed by SCIH.

The SCC Credit Facilities contain certain covenants that, subject to certain exceptions and conditions, limit the ability of SCC, SCI and their respective restricted subsidiaries to, among other things: (i) incur or guarantee additional indebtedness and issue certain preferred stock; (ii) make specified restricted payments and investments; (iii) prepay or redeem subordinated debt or equity; (iv) issue or sell capital stock; (v) transfer, lease or sell assets; (vi) create or incur certain liens; (vii) impair the security interests in the collateral; (viii) enter into agreements that restrict the restricted subsidiaries' ability to pay dividends, transfer assets or make intercompany loans; (ix) change the nature of the business of the relevant group; (x) enter into transactions with affiliates; and (xi) effect a consolidation or merger. The SCC Credit Facilities also contain conditions and events of default customary for such financings.

In addition, modification, expiry, or termination of the gaming concession of MRM in circumstances that have a material adverse effect on the SC Borrowing Group (as a whole) will allow lenders to elect for the mandatory prepayment of all outstanding loan amounts.

There are provisions that limit certain payments of dividends and other distributions by the SC Borrowing Group to companies or persons who are not members of the SC Borrowing Group. As of December 31, 2024, the net assets of SCI and its restricted subsidiaries of approximately $585,000 were restricted from being distributed under the terms of the SCC Credit Facilities.

MRP Related

MRP Credit Facility

On October 14, 2015, Melco Resorts and Entertainment (Philippines) Corporation ("MRP"), a subsidiary of Melco, entered into an on-demand, unsecured credit facility agreement of Philippine Pesos ("PHP") 2,350,000 (equivalent to $49,824), as amended from time to time (the "MRP Credit Facility") with a lender to finance advances to Melco Resorts Leisure (PHP) Corporation ("MRL"), a subsidiary of Melco. The available drawdown currencies under the MRP Credit Facility are PHP and US$. As of December 31, 2024, the MRP Credit Facility availability period, as amended from time to time, is up to June 30, 2025, and the maturity date of each individual drawdown, as amended from time to time, to be the earlier of: (i) the date which is 360 days from the date of drawdown, and (ii) the date which is 360 days after the end of the availability period. The individual drawdowns under the MRP Credit Facility are subject to certain conditions precedent, including issuance of a promissory note in favor of the lender evidencing such drawdown. As of December 31, 2024, borrowings under the MRP Credit Facility bear interest, as amended from time to time, at the higher of: (i) the PHP BVAL Reference Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, and (ii) Philippines Term Deposit Facility Rate of the selected interest period plus the applicable margin to be mutually agreed by the bank and the borrower at the time of drawdown, such rate to be set one business day prior to the relevant interest period. The MRP Credit Facility includes a tax gross-up provision requiring MRP to pay without any deduction or withholding for or on account of tax.

As of December 31, 2024, the MRP Credit Facility had not yet been drawn and the available unused borrowing capacity was PHP2,350,000 (equivalent to $40,507).

Scheduled Maturities of Long-term Debt

Scheduled maturities of the long-term debt (excluding unamortized deferred financing costs and original issue premiums) as of December 31, 2024 are as follows:

Year ending December 31,	
2025	$ 1,221,622
2026	500,129
2027	1,108,305
2028	1,350,000
2029	2,250,129
Over 2029	750,000
	$ 7,180,185

12. LEASES

Lessee Arrangements

The Company is the lessee under operating and finance leases for equipment and real estate, including the land and certain of the building structures for City of Dreams Manila under the MRP Lease Agreement as described in Note 20, Cyprus casino sites, Mocha Clubs sites, the Sri Lanka Casino under the Sri Lanka Lease Agreement, office spaces, warehouses, staff quarters, and certain parcels of land in Macau on which City of Dreams, Altira Macau and Studio City are located. Certain lease agreements provide for periodic rental increases based on both contractually agreed incremental rates and on the general inflation rate once agreed by the Company and its lessors and, in some cases, contingent rental expenses stated as a percentage of turnover or calculated based on certain performance indicator. Certain leases include options to extend the lease term and options to terminate the lease term. The land concession contracts in Macau have a term of 25 years, which is renewable for further consecutive periods of 10 years, subject to applicable legislation in Macau. The estimated term related to the land concession contracts in Macau is 40 years.

The components of lease costs are as follows:

	Year Ended December 31,		
	2024	**2023**	**2022**
Operating lease costs:			
Amortization of land use rights	$ 19,956	$ 22,670	$ 22,662
Operating lease costs	22,613	18,434	14,614
Short-term lease costs	1,028	342	720
Variable lease costs	6,494	2,684	1,902
Finance lease costs:			
Amortization of right-of-use assets	5,265	5,336	12,928
Interest costs	22,399	24,562	25,371
Total lease costs	$ 77,755	$ 74,028	$ 78,197

Other information related to lease terms and discount rates is as follows:

	December 31, 2024	December 31, 2023
Weighted average remaining lease term		
Operating leases	18.9 years	18.0 years
Finance leases	8.5 years	9.5 years
Weighted average discount rate		
Operating leases	14.52%	6.66%
Finance leases	10.70%	10.70%

Maturities of lease liabilities as of December 31, 2024 are as follows:

	Operating Leases	Finance Leases
Year ending December 31,		
2025	$ 19,546	$ 35,810
2026	17,266	35,810
2027	15,294	35,810
2028	16,847	35,810
2029	13,668	35,810
Over 2029	170,426	126,393
Total future minimum lease payments	253,047	305,443
Less: amounts representing interest	(153,784)	(105,688)
Present value of future minimum lease payments	99,263	199,755
Current portion	(18,590)	(33,817)
Non-current portion	$ 80,673	$ 165,938

Lessor Arrangements

The Company is the lessor under non-cancellable operating leases mainly for mall spaces in the sites of City of Dreams, City of Dreams Manila, Studio City and City of Dreams Mediterranean with various retailers that expire at various dates through June 2037. Certain of the operating leases include minimum base fees with contingent fee clauses based on percentages of turnover.

During the years ended December 31, 2024, 2023 and 2022, the Company earned minimum operating lease income of $47,394, $45,210 and $41,633, respectively, and contingent operating lease income of $10,090, $7,810 and $265, respectively. Total lease income for the years ended December 31, 2024, 2023 and 2022 were reduced by nil, $52 and $3,076, respectively, as a result of the rent concessions in prior periods related to the effects of the COVID-19 outbreak.

Future minimum fees, excluding the contingent fees to be received under non-cancellable operating leases as of December 31, 2024 were as follows:

Year ending December 31,		
2025	$	58,276
2026		31,831
2027		8,586
2028		3,769
2029		1,043
Over 2029		1,892
	$	105,397

13. FAIR VALUE MEASUREMENTS

Authoritative literature provides a fair value hierarchy, which prioritizes the input to valuation techniques used to measure fair values into three broad levels. The level in the hierarchy within which the fair value measurements in its entirety is based upon the lowest level of input that is significant to the fair value measurement as follows:

- Level 1 – inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models and similar techniques.

The carrying values of cash equivalents, bank time deposits included in restricted cash, long-term deposits, long-term receivables and other long-term liabilities approximated fair values and were classified as level 2 in the fair value hierarchy.

The fair values as of December 31, 2024 and 2023 for the long-lived assets impairment of Altira Macau as described in Note 2(m) were estimated by using level 3 inputs based on a combination of income and cost approaches.

The estimated fair values of long-term debt as of December 31, 2024 and 2023, were approximately $6,883,455 and $6,975,901, respectively, as compared to their carrying values, excluding unamortized deferred financing costs and original issue premiums, of $7,180,185 and $7,499,771, respectively. Fair values for the senior notes were estimated based on recent trades, if available, and indicative pricing from market information and were classified as level 2 in the fair value hierarchy. Fair values for the credit facilities approximated their carrying values as the instruments carried variable interest rates that approximated the market rates and were classified as level 2 in the fair value hierarchy.

As of December 31, 2024 and 2023, the Company did not have any non-financial assets or liabilities that were recognized or disclosed at fair value in the accompanying consolidated financial statements.

14. CAPITAL STRUCTURE

Treasury Shares

Melco's treasury shares represent new shares issued by Melco and the shares repurchased by Melco under the respective share repurchase programs. The treasury shares are mainly held by the depositary bank to facilitate the administration and operations of Melco's share incentive plans, and are to be delivered to the directors, eligible employees and consultants on the vesting of restricted shares and upon the exercise of share options.

No ordinary shares were issued by Melco to its depositary bank for future vesting of restricted shares and exercise of share options during the years ended December 31, 2024, 2023 and 2022. Melco issued 10,006,209, 16,254,282 and 14,720,040 ordinary shares upon vesting of restricted shares; and nil, 82,242 and nil ordinary shares upon exercise of share options during the years ended December 31, 2024, 2023 and 2022, respectively.

On June 2, 2021, the Board of Directors of Melco authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period which commenced on June 2, 2021 and expired on June 2, 2024 under a share repurchase program (the "2021 Share Repurchase Program"). Purchases under the 2021 Share Repurchase Program might be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 and/or Rule 10b5-1 of the U.S. Securities Exchange Act, and/or in privately-negotiated transactions. The timing and the amount of ordinary shares and/or ADSs purchased were determined by Melco's management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The 2021 Share Repurchase Program might be suspended, modified or terminated by Melco at any time prior to its expiration.

On June 3, 2024, the Board of Directors of Melco authorized the repurchase of Melco's ordinary shares and/or ADSs of up to an aggregate of $500,000 over a three-year period which commenced on June 3, 2024 and will expire on June 3, 2027 under a share repurchase program (the "2024 Share Repurchase Program") and replaced the 2021 Share Repurchase Program which had expired. Purchases under the 2024 Share Repurchase Program may be made from time to time on the open market at prevailing market prices, including pursuant to a trading plan in accordance with Rule 10b-18 and/or Rule 10b5-1 of the U.S. Securities Exchange Act, and/or in privately-negotiated transactions. The timing of the purchases and the amount of shares and/or ADSs purchased will be determined by Melco's management based on its evaluation of market conditions, trading prices, applicable securities laws and other factors. The 2024 Share Repurchase Program may be suspended, modified or terminated at any time, and Melco has no obligation to repurchase any amounts under the program.

On August 18, 2022, Melco, Melco International and Melco Leisure and Entertainment Group Limited ("Melco Leisure"), a subsidiary of Melco International, entered into a share repurchase agreement, pursuant to which Melco agreed to repurchase 9,995,799 ordinary shares of Melco and 25,000,000 ADSs of Melco (equivalent to 75,000,000 ordinary shares) from Melco Leisure (the "2022 Share Repurchase"). On August 26, 2022, the Share Repurchase was completed for an aggregate consideration of $152,709, which represents an average price of $1.7967 per share or $5.39 per ADS. Following the completion of the 2022 Share Repurchase, 9,995,799 ordinary shares of Melco were retired (the "2022 Share Retirement").

On March 8, 2023, Melco, Melco International and Melco Leisure entered into a share repurchase agreement, pursuant to which Melco agreed to repurchase 40,373,076 ordinary shares of Melco from Melco Leisure (the "2023 Share Repurchase"). On March 10, 2023, the 2023 Share Repurchase was completed for an aggregate consideration of $169,836, which represents an average price of $4.2067 per share or $12.62 per ADS and 40,373,076 ordinary shares of Melco repurchased from Melco Leisure were retired on the same date (the "2023 Share Retirement").

During the year ended December 31, 2024, 20,712,895 ADSs, equivalent to 62,138,685 ordinary shares were repurchased under the 2024 Share Repurchase Program, of which 53,138,685 ordinary shares repurchased were retired. Other than the 2023 Share Repurchase and the 2023 Share Retirement as described above, no ordinary shares were repurchased and retired during the year ended December 31, 2023. In addition to the 2022 Share Repurchase and the 2022 Share Retirement as described above, 5,929,076 ADSs, equivalent to 17,787,228 ordinary shares were repurchased under the 2021 Share Repurchase Program, of which 1,500,000 ordinary shares repurchased were retired during the year ended December 31, 2022.

As of December 31, 2024 and 2023, Melco had 1,351,540,382 and 1,404,679,067 issued ordinary shares; and 92,402,083 and 93,408,292 treasury shares, with 1,259,138,299 and 1,311,270,775 ordinary shares outstanding, respectively.

15. INCOME TAXES

Loss before income tax consisted of:

	Year Ended December 31, 2024	2023	2022
Macau operations	$ 438,047	$ 11,021	$ (720,470)
Hong Kong operations	(499,077)	(474,862)	(400,725)
Philippine operations	72,211	86,910	28,204
Cyprus operations	(7,295)	(29,171)	3,152
Other jurisdictions operations	(10,235)	4,194	(2,092)
Loss before income tax	$ (6,349)	$ (401,908)	$ (1,091,931)

The income tax expense consisted of:

	Year Ended December 31, 2024	2023	2022
Income tax expense – current:			
Macau Complementary Tax	$ 7,773	$ –	$ 9
Payments in lieu of Macau Complementary Tax on dividends	7,021	5,650	2,342
Hong Kong Profits Tax	185	11,613	528
Philippine Corporate Income Tax	–	4	5
Philippine withholding tax on dividends	5,515	2,566	–
Income tax in other jurisdictions	31	66	219
Sub-total	20,525	19,899	3,103
(Over) under provision of income taxes in prior years:			
Macau Complementary Tax	46	(511)	(560)
Payments in lieu of Macau Complementary Tax on dividends	(14)	(1,327)	–
Hong Kong Profits Tax	(1,035)	(450)	(4)
Philippine Corporate Income Tax	479	(157)	300
Income tax in other jurisdictions	(227)	50	98
Sub-total	(751)	(2,395)	(166)
Income tax expense (benefit) - deferred:			
Macau Complementary Tax	(337)	(7,931)	(768)
Hong Kong Profits Tax	640	(154)	3,276
Philippine Corporate Income Tax	959	3,366	(258)
Cyprus Corporate Income Tax	575	589	(578)
Income tax in other jurisdictions	(1)	48	627
Sub-total	1,836	(4,082)	2,299
Total income tax expense	$ 21,610	$ 13,422	$ 5,236

A reconciliation of the income tax expense from loss before income tax per the accompanying consolidated statements of operations is as follows:

	Year Ended December 31,		
	2024	2023	2022
Loss before income tax	$ (6,349)	$ (401,908)	$ (1,091,931)
Macau Complementary Tax rate	12%	12%	12%
Income tax benefit at Macau Complementary Tax rate	(762)	(48,229)	(131,032)
Payments in lieu of Macau Complementary Tax on dividends	7,021	5,650	2,342
Effect of different tax rates of subsidiaries operating in other jurisdictions	(14,719)	(13,422)	(12,271)
Over provision in prior years	(751)	(2,395)	(166)
Effect of income for which no income tax expense is payable	(29,371)	(14,178)	(11,727)
Effect of expenses for which no income tax benefit is receivable	95,116	80,455	70,687
Effect of profits generated by gaming operations exempted	(92,598)	(75,403)	(25,700)
Effect of tax losses that cannot be carried forward	–	–	15,553
Changes in valuation allowances	24,123	27,004	48,122
Expired tax losses	33,551	53,940	49,428
Income tax expense	$ 21,610	$ 13,422	$ 5,236

Melco and certain of its subsidiaries are exempt from tax in the Cayman Islands or British Virgin Islands, where they are incorporated, while Melco is subject to Hong Kong Profits Tax on profits from its activities conducted in Hong Kong. Certain subsidiaries incorporated or conducting businesses in Macau, Hong Kong, the Philippines, Cyprus, Sri Lanka and other jurisdictions are subject to Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax, Sri Lanka Corporate Income Tax and income tax in other jurisdictions, respectively, during the year ended December 31, 2024, and Macau Complementary Tax, Hong Kong Profits Tax, Philippine Corporate Income Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions, respectively, during the years ended December 31, 2023 and 2022.

Macau Complementary Tax, Hong Kong Profits Tax, Cyprus Corporate Income Tax and income tax in other jurisdictions have been provided at 12%, 16.5%, 12.5% and the respective tax rates in other jurisdictions, on the estimated taxable income earned in or derived from the respective jurisdictions, respectively, during the years ended December 31, 2024, 2023 and 2022, if applicable.

In the Philippines, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") took effect on April 11, 2021. CREATE reduced the minimum corporate income tax rate in the Philippines from 2% to 1% for the period from July 1, 2020 to June 30, 2023 and the corporate income tax rate in the Philippines from 30% to 25% starting July 1, 2020.

The subsidiaries incorporated in Sri Lanka are subject to Sri Lanka corporate income tax of 40% on profits from betting and gaming activities while profits of other businesses are subject to tax of 30% on profit earned in or derived from Sri Lanka and abroad.

Pursuant to Dispatches of the Macau Chief Executive dated February 17, 2022 and September 1, 2022, MRM was granted an extension of the Macau Complementary Tax exemption on profits generated from gaming operations under the previous gaming subconcession for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively. MRM continues to benefit from the Macau Complementary Tax exemption on profits generated from gaming operations under the Concession for the period of five years from 2023 to 2027 pursuant to a Dispatch of the Macau Chief Executive dated January 29, 2024. MRM's non-gaming profits are subject to the Macau Complementary Tax and its casino revenues remain subject to the Macau special gaming tax and other levies in accordance with the Concession effective on January 1, 2023. Studio City Entertainment Limited ("SCE"), a subsidiary of Melco, applied for an extension of the Macau Complementary Tax exemption on profits generated from income from MRM for 2022 under the previous gaming subconcession and for the period of 10 years from 2023 to 2032 under the Concession to the extent that such income is derived from Studio City gaming operations and has been subject to gaming tax. These applications are subject to the discretionary approval of the Macau government. The application for the Macau Complementary Tax exemption for 2023 to 2032 was confirmed to be rejected in September 2024. The dividend distributions of SCE from income tax exempted profits to its shareholders continue to be subject to the Macau Complementary Tax.

The gaming operations of MRL, the operator of City of Dreams Manila, are exempt from Philippine Corporate Income Tax, among other taxes, pursuant to the Philippine Amusement and Gaming Corporation ("PAGCOR") charter as a result of its payment of the 5% franchise tax based on gross gaming revenue in the Philippines, in lieu of all other taxes. MRL is also subject to license fees in accordance with the PAGCOR charter.

Had MRM and MRL not have been entitled to the income tax exemption on profits generated by gaming operations for the year ended December 31, 2024 in Macau and the Philippines, respectively, the Company's consolidated net income attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2024 would have been decreased by $92,463 and diluted net income attributable to Melco Resorts & Entertainment Limited per share would have been decreased by $0.071 per share. Had MRM and MRL not have been entitled to the income tax exemption on profits generated by gaming operations for the year ended December 31, 2023 in Macau and the Philippines, respectively, and if SCE's application for the extended exemption from Macau Complementary Tax on profits generated from income received from MRM were rejected during the year ended December 31, 2023, the Company's consolidated net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2023 would have been increased by $75,190 and diluted net loss attributable to Melco Resorts & Entertainment Limited per share would have been increased by $0.057 per share. During the year ended December 31, 2022, MRM and SCE in Macau did not have any profits generated by gaming operations exempted from Macau Complementary Tax, while had MRL not received the income tax exemption on profits generated by gaming operations in the Philippines, the Company's consolidated net loss attributable to Melco Resorts & Entertainment Limited for the year ended December 31, 2022 would have been increased by $25,252 and diluted net loss attributable to Melco Resorts & Entertainment Limited per share would have been increased by $0.018 per share.

In December 2022 and March 2023, MRM received an extension of the agreements with the Macau government for an amount of MOP4,000 (equivalent to $497) and MOP4,167 (equivalent to $518) in relation to the payments in lieu of Macau Complementary Tax which would otherwise be borne by the shareholders of MRM on dividend distributions from gaming profits ("Payments in lieu of Macau Complementary Tax on Dividend Distributions") for the period from January 1, 2022 to June 26, 2022 and from June 27, 2022 to December 31, 2022, respectively, under the previous gaming subconcession. Such payments were required regardless of whether dividends were actually distributed or whether MRM had distributable profits in the relevant year. In February 2024, MRM entered into an agreement with the Macau government in relation to the Payments in lieu of Macau Complementary Tax on Dividend Distributions from January 1, 2023 to December 31, 2025. During the years ended December 31, 2024 and 2023, an estimated amount of $7,021 and $5,650 was provided for such arrangement, respectively.

Global Anti-Base Erosion Model Rules ("Pillar Two") have been enacted or substantively enacted in certain jurisdictions where the Company operates. Pillar Two is effective for the Company's financial year beginning on or after January 1, 2024. The Company is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Company's potential exposure to Pillar Two income taxes.

The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Company. Based on the assessment, the Pillar Two transitional safe harbor relief will apply or the effective tax rates are above 15% in 2024. Based on management's best estimate, the Company does not have exposure to Pillar Two top-up taxes for the year ended December 31, 2024.

The effective tax rates for the years ended December 31, 2024, 2023 and 2022 were (340.37)%, (3.34)% and (0.48)%, respectively. Such rates differ from the statutory Macau Complementary Tax rate of 12%, where the majority of the Company's operations are located, primarily due to the effects of expired tax losses, expenses for which no income tax benefit is receivable, income for which no income tax expense is payable, changes in valuation allowances, profits generated by gaming operations being exempted from Philippine Corporate Income Tax and different tax rates of subsidiaries operating in other jurisdictions for the relevant years together with the effect of certain profits generated by gaming operations being exempted from Macau Complementary Tax for the years ended December 31, 2024 and 2023; and the effect of tax losses that cannot be carried forward for the year ended December 31, 2022.

The net deferred tax liabilities as of December 31, 2024 and 2023 consisted of the following:

	December 31,	
	2024	**2023**
Deferred tax assets:		
Net operating losses carried forward	$ 216,542	$ 205,189
Depreciation and amortization	247,041	157,667
Lease liabilities	39,101	29,277
Other	19,300	16,936
Sub-total	521,984	409,069
Valuation allowances	(477,834)	(374,623)
Total deferred tax assets	44,150	34,446
Deferred tax liabilities:		
Right-of-use assets	(20,366)	(9,471)
Land use rights	(35,546)	(36,513)
Intangible assets	(8,800)	(9,718)
Unrealized capital allowances	(3,446)	(4,405)
Other	(12,700)	(9,298)
Total deferred tax liabilities	(80,858)	(69,405)
Deferred tax liabilities, net	$ (36,708)	$ (34,959)

As of December 31, 2024 and 2023, valuation allowances of $477,834 and $374,623 were provided, respectively, as management believes it is more likely than not that these deferred tax assets will not be realized. As of December 31, 2024, adjusted operating tax losses carried forward of $5,470 have no expiry date and the remaining amount of adjusted operating tax losses carried forward of $1,427,622 will expire by 2025 through 2034. Adjusted operating tax losses carried forward of $279,594 expired during the year ended December 31, 2024.

Deferred tax, where applicable, is provided under the asset and liability method at the enacted statutory income tax rate of the respective tax jurisdictions, applicable to the respective financial years, on the difference between the consolidated financial statements carrying amounts and income tax base of assets and liabilities.

Aggregate undistributed earnings of certain of Melco's foreign subsidiaries available for distribution to Melco of approximately $745,397 and $745,694 as of December 31, 2024 and 2023, respectively, are considered to be indefinitely reinvested. Accordingly, no provision has been made for the dividend withholding taxes that would be payable upon the distribution of those amounts to Melco. If those earnings were to be distributed or they were determined to be no longer permanently reinvested, Melco would have to record a deferred income tax liability in respect of those undistributed earnings of approximately $89,448 and $89,483 as of December 31, 2024 and 2023, respectively.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is presented as follows:

	Year Ended December 31,		
	2024	2023	2022
At beginning of year	$ 27,332	$ 22,940	$ 16,342
Additions based on tax positions related to current year	8,056	756	6,810
Additions based on tax positions related to prior year	50	4,984	–
Reductions due to expiry of the statute of limitations	(1,989)	(1,348)	(212)
At end of year	$ 33,449	$ 27,332	$ 22,940

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate were $33,449 and $27,332 as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, there were no interest and penalties related to uncertain tax positions recognized in the accompanying consolidated financial statements. The Company does not anticipate any significant increases or decreases in unrecognized tax benefits within the next twelve months.

Melco and its subsidiaries' major tax jurisdictions are Macau, Hong Kong, the Philippines, Cyprus and Sri Lanka. Income tax returns of Melco and its subsidiaries remain open and subject to examination by the local tax authorities of Macau, Hong Kong, the Philippines, Cyprus and Sri Lanka until the statute of limitations expire in each corresponding jurisdiction. The statute of limitations in Macau, Hong Kong, the Philippines, Cyprus and Sri Lanka are five years, six years, three years, six years and two and a half years, respectively.

16. SHARE-BASED COMPENSATION

2011 Share Incentive Plan

Melco adopted a share incentive plan in 2011 (the "2011 Share Incentive Plan"), effective on December 7, 2011, which had been subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award was 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2011 Share Incentive Plan was 100,000,000 over 10 years, which could be raised up to 10% of the issued share capital upon shareholders' approval. The 2011 Share Incentive Plan would have expired ten years after December 7, 2011.

Melco adopted the 2021 Share Incentive Plan as described below, effective on December 6, 2021 (also the termination date of the 2011 Share Incentive Plan). Upon the termination of the 2011 Share Incentive Plan, no further awards may be granted under the 2011 Share Incentive Plan but the provisions of such plan shall remain in full force and effect in all other respects for any awards granted prior to the date of the termination of such plan.

Share Options

A summary of the share options activity under the 2011 Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2024	2,689,647	$ 5.93		
Expired	(394,014)	7.15		
Outstanding as of December 31, 2024	2,295,633	$ 5.72	4.43	$ –
Fully vested and exercisable as of December 31, 2024	2,295,633	$ 5.72	4.43	$ –

The following information is provided for share options under the 2011 Share Incentive Plan:

	Year Ended December 31,		
	2024	2023	2022
Proceeds from the exercise of share options	$ –	$ 58	$ –
Intrinsic value of share options exercised	$ –	$ 7	$ –

As of December 31, 2024, there were no unrecognized compensation costs related to share options under the 2011 Share Incentive Plan.

Restricted Shares

On July 7, 2021, a total of 52,056 restricted shares were granted to employees of an affiliated company, a subsidiary of Melco International, for their services rendered to Melco International, with vesting periods of three months to twelve months. The grant date fair value for these restricted shares, which was determined with reference to the market closing price of Melco's ADSs trading on the Nasdaq Global Select Market on the date of grant, were recognized as a deemed distribution to Melco International in respect of share-based compensation against retained earnings over the vesting period. Deemed distributions to Melco International in respect of these restricted shares of $143 and $136 were recognized during the years ended December 31, 2022 and 2021. During the year ended December 31, 2022, the reimbursement from Melco International of $279 for restricted shares granted to employees of an affiliated company were recognized as an increase in additional paid-in capital of the Company as deemed contribution from Melco International in respect of these restricted shares, with a corresponding increase in receivable from affiliated companies in the consolidated balance sheet.

A summary of the restricted shares activity under the 2011 Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Unvested as of January 1, 2024	1,826,838	$ 6.81
Vested	(1,814,232)	6.81
Forfeited	(12,606)	6.89
Unvested as of December 31, 2024	–	$ –

The following information is provided for restricted shares under the 2011 Share Incentive Plan:

	Year Ended December 31,		
	2024	2023	2022
Grant date fair value of restricted shares vested	$ 12,359	$ 28,638	$ 54,424

As of December 31, 2024, there were no unrecognized compensation costs related to restricted shares under the 2011 Share Incentive Plan.

2021 Share Incentive Plan

Melco adopted the 2021 Share Incentive Plan, effective on December 6, 2021, which was subsequently amended on June 13, 2024 to bring the plan in line with applicable listing rules in Hong Kong that impact Melco International, for grants of various share-based awards, including but not limited to, options to purchase Melco's ordinary shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of the Company and its affiliates. The maximum term of an award is 10 years from the date of the grant. The maximum aggregate number of ordinary shares to be available for all awards under the 2021 Share Incentive Plan may be increased from time to time, provided that the maximum aggregate number of Melco's ordinary shares which may be issued under the 2021 Share Incentive Plan shall not be more than 10% of the total number of the issued share capital of Melco on the date the plan limit is approved by the shareholders of Melco International in accordance with the applicable listing rules in Hong Kong. As of December 31, 2024, there were 90,868,413 ordinary shares available for grants of various share-based awards under the 2021 Share Incentive Plan.

Share Options

During the years ended December 31, 2024, 2023 and 2022, the exercise prices for share options granted under the 2021 Share Incentive Plan were determined at the market closing prices of Melco's ADSs trading on the Nasdaq Global Select Market on the dates of grant. These share options became exercisable over vesting periods of one to three years. The share options granted expire 10 years from the date of grant.

The Company uses the Black-Scholes valuation model to determine the estimated fair value for each share option granted, with certain assumptions, changes in which could materially affect the estimated fair value. Dividend yield is based on the estimate of annual dividends expected to be paid at the time of grant. Expected volatility is based on the historical volatility of Melco's ADSs trading on the Nasdaq Global Select Market. Expected term is based upon the vesting term or the historical expected term of publicly traded companies. The risk-free interest rate used for each period presented is based on the United States of America Treasury yield curve at the time of grant for the period equal to the expected term.

The fair values of share options granted under the 2021 Share Incentive Plan were estimated on the dates of grant using the following weighted average assumptions:

	Year Ended December 31,		
	2024	2023	2022
Expected dividend yield	2.50%	2.50%	2.50%
Expected stock price volatility	60.00%	58.67%	51.00%
Risk-free interest rate	4.36%	3.39%	2.69%
Expected term (years)	5.1	5.1	5.1

On March 28, 2022, the compensation committee of Melco approved a proposal to allow for an option exchange program, designed to provide the eligible participants an opportunity to exchange certain outstanding underwater share options for new share options and new restricted shares to be granted, subject to the eligible participants' consent (the "Option Exchange Program"). The share options eligible for exchange under the Option Exchange Program were those that were granted during the years from 2012 to 2021 under the 2011 Share Incentive Plan, including those unvested, or vested but not exercised or the unexercised share options granted in 2012 but expired in March 2022. The Option Exchange Program became unconditional and effective on April 15, 2022, the date Melco accepted the eligible participants' consent (the "Modification Date"), with a total of 26,076,978 eligible share options were tendered and surrendered by eligible participants (the "Cancelled Share Options") and Melco granted an aggregate of 2,486,241 new share options (the "Replacement Share Options") and 5,912,547 new restricted shares (the "Replacement Restricted Shares") under the 2021 Share Incentive Plan. The Replacement Share Options and Replacement Restricted Shares have vesting periods of one to two years. The Replacement Share Options expire 10 years from April 6, 2022. A total incremental share-based compensation expense resulting from the Option Exchange Program was approximately $3,306, representing the excess of (i) the fair value of certain Replacement Share Options measured using the Black-Scholes valuation model on the Modification Date; and (ii) the fair value of certain Replacement Restricted Shares determined with reference to the market closing price of Melco's ADSs trading on the Nasdaq Global Select Market on the Modification Date, over the fair value of the Cancelled Share Options that were granted during 2013 to 2021 immediately before the exchange. The incremental share-based compensation expenses and the unrecognized compensation costs remaining from the Cancelled Share Options are being recognized over the new vesting periods of the Replacement Share Options and Replacement Restricted Shares. The weighted average fair value of the Replacement Share Options at the Modification Date was $0.82.

The fair values of the Replacement Share Options granted under the 2021 Share Incentive Plan were estimated on the Modification Date using the following weighted average assumptions:

Expected dividend yield	2.50%
Expected stock price volatility	52.50%
Risk-free interest rate	2.75%
Expected term (years)	4.6

A summary of the share options activity under the 2021 Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Share Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2024	5,451,327	$ 2.52		
Granted	1,815,498	2.52		
Forfeited	(76,167)	2.47		
Outstanding as of December 31, 2024	7,190,658	$ 2.52	7.79	$ –
Fully vested and expected to vest as of December 31, 2024	7,190,658	$ 2.52	7.79	$ –
Exercisable as of December 31, 2024	4,387,266	$ 2.49	7.27	$ –

The following information is provided for share options under the 2021 Share Incentive Plan:

	Year Ended December 31,		
	2024	2023	2022
Weighted average grant date fair value (excluding the options granted under the Option Exchange Program)	$ 1.16	$ 1.82	$ 0.94
Proceeds from the exercise of share options	$ –	$ 168	$ –
Intrinsic value of share options exercised	$ –	$ 120	$ –

As of December 31, 2024, there were $1,851 unrecognized compensation costs related to share options under the 2021 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 2.03 years.

Restricted Shares

Certain restricted shares were approved by Melco to be granted under the 2021 Share Incentive Plan to the eligible management personnel of the Company in lieu of the 2022 bonus for their services performed during 2022. A total of 4,350,111 restricted shares were granted and vested immediately on April 5, 2023 (the "2022 Bonus Shares") with the grant date fair value of $12.38 per ADS or $4.13 per share, which was the closing price of Melco's ADSs trading on the Nasdaq Global Select Market on the date of grant. Based on the estimated bonus amount, share-based compensation expenses of $17,926, of which $680 were capitalized, were recognized for such grant during the year ended December 31, 2022.

Other than the restricted shares granted under the 2022 Bonus Shares as described above, the fair values for restricted shares granted under the 2021 Share Incentive Plan during the years ended December 31, 2024, 2023 and 2022, with vesting periods of generally five months to three years, were determined with reference to the market closing prices of Melco's ADSs trading on the Nasdaq Global Select Market on the dates of grant or the Modification Date.

A summary of the restricted shares activity under the 2021 Share Incentive Plan for the year ended December 31, 2024, is presented as follows:

	Number of Restricted Shares	Weighted Average Grant Date or Modification Date Fair Value
Unvested as of January 1, 2024	17,087,046	$ 3.08
Granted	12,478,449	2.49
Vested	(8,879,376)	2.82
Forfeited	(432,252)	2.87
Unvested as of December 31, 2024	20,253,867	$ 2.83

The following information is provided for restricted shares under the 2021 Share Incentive Plan:

	Year Ended December 31,		
	2024	2023	2022
Weighted average grant date fair value (excluding the options granted under the Option Exchange Program)	$ 2.49	$ 4.12	$ 2.35
Grant date fair value of restricted shares vested	$ 24,996	$ 36,732	$ 12,967

As of December 31, 2024, there were $35,358 unrecognized compensation costs related to restricted shares under the 2021 Share Incentive Plan and the costs are expected to be recognized over a weighted average period of 1.81 years.

MRP Share Incentive Plan

MRP adopted a share incentive plan (the "MRP Share Incentive Plan"), effective on June 24, 2013, which was subsequently amended and restated, for grants of various share-based awards, including but not limited to, options to purchase MRP common shares, restricted shares, share appreciation rights and other types of awards to eligible directors, employees and consultants of MRP and its subsidiaries, and the Company and its affiliates. The maximum term of an award is 10 years from the date of grant. The maximum aggregate number of common shares to be available for all awards under the MRP Share Incentive Plan was 442,630,330 shares (before the Reverse Stock Split as disclosed in Note 24) with up to 5% of the issued capital stock of MRP from time to time over 10 years. The MRP Share Incentive Plan expired on June 24, 2023.

Share Options

As of December 31, 2024 and 2023, there were no outstanding share options and unrecognized compensation costs related to share options under the MRP Share Incentive Plan.

There were no share options granted under the MRP Share Incentive Plan during the years ended December 31, 2023 and 2022 before its expiration or exercised during the years ended December 31, 2024, 2023 and 2022.

Restricted Shares

As of December 31, 2024 and 2023, there were no unvested restricted shares and unrecognized compensation costs related to restricted shares under the MRP Share Incentive Plan.

There were no restricted shares granted or vested under the MRP Share Incentive Plan before its expiration during the years ended December 31, 2023 and 2022.

Melco International Share Incentive Plan

On September 6, 2019, certain share-based awards under Melco International's share option scheme adopted on May 30, 2012 and share purchase scheme adopted on October 18, 2007 (the "Melco International Share Incentive Plan") were granted by Melco International to an employee of the Company.

On April 6, 2022, the board of directors of Melco International announced an option exchange program, to provide the eligible participants an opportunity to exchange certain outstanding underwater share options for new share options and new restricted shares to be granted, subject to the eligible participants' consent (the "Melco International Option Exchange Program"). The share options eligible for exchange under the Melco International Option Exchange Program were those that were granted during the years from 2016 to 2021 under the Melco International Share Incentive Plan, including those unvested, or vested but not exercised. The Melco International Option Exchange Program became effective on April 6, 2022. A total of 14,200,000 eligible share options granted to an employee of the Company were accepted and surrendered and Melco International granted an aggregate of 4,740,000 new restricted shares under the Melco International Share Incentive Plan (the "Melco International Replacement Restricted Shares"). The Melco International Replacement Restricted Shares have vesting periods of one to two years. No incremental share-based compensation expense was resulted from the Melco International Option Exchange Program.

In accordance with the applicable accounting standards, the share-based compensation expenses related to the grant of share-based awards under the Melco International Share Incentive Plan to an employee of the Company, to the extent of services received by the Company, are recognized in the accompanying consolidated statements of operations with a corresponding increase in additional paid-in capital, representing capital contribution from Melco International. No share-based compensation expenses related to share-based awards under the Melco International Share Incentive Plan were recognized during the years ended December 31, 2024 and 2023.

The share-based compensation expenses for the Company were recognized as follows:

	Year Ended December 31,		
	2024	**2023**	**2022**
Share-based compensation expenses:			
2011 Share Incentive Plan	$ 1,883	$ 10,343	$ 38,823
2021 Share Incentive Plan	26,620	26,092	32,803
Melco International Share Incentive Plan	–	–	2,865
Total share-based compensation expenses	28,503	36,435	74,491
Less: Share-based compensation expenses capitalized in property and equipment	(1,135)	(962)	(2,682)
Share-based compensation expenses recognized in general and administrative expenses	$ 27,368	$ 35,473	$ 71,809

17. EMPLOYEE BENEFIT PLANS

The Company operates defined contribution fund schemes in different jurisdictions, which allow eligible employees to participate in defined contribution plans (the "Defined Contribution Fund Schemes"). The Company either contributes a fixed percentage of the eligible employees' relevant income, a fixed amount or an amount which matches the contributions of the employees up to a certain percentage of relevant income to the Defined Contribution Fund Schemes. The Company's contributions to the Defined Contribution Fund Schemes are vested with employees in accordance to vesting schedules, achieving full vesting ranging from upon contribution to 10 years from the date of employment. The Defined Contribution Fund Schemes were established under trusts with the fund assets being held separately from those of the Company by independent trustees.

Employees employed by the Company in different jurisdictions are members of government-managed social security fund schemes (the "Social Security Fund Schemes"), which are operated by the respective governments, if applicable. The Company is required to pay monthly fixed contributions or certain percentages of employee relevant income and meet the minimum mandatory requirements of the respective Social Security Fund Schemes to fund the benefits.

During the years ended December 31, 2024, 2023 and 2022, the Company's contributions into the defined contribution retirement benefits schemes were $36,310, $32,041 and $26,688, respectively.

18. DISTRIBUTION OF PROFITS

Subsidiaries of Melco incorporated in Macau are required to set aside a minimum of 10% to 25% of the entity's profit after tax to the legal reserve until the balance of the legal reserve reaches a level equivalent to 25% to 50% of the entity's share capital in accordance with the provisions of the Macau Commercial Code. The legal reserve is not available for distribution to the shareholders of the subsidiaries. The appropriation of the legal reserve is recorded in the subsidiaries' financial statements in the year in which it is approved by the shareholders of the relevant subsidiaries. As of December 31, 2024 and 2023, the aggregate balance of the legal reserves amounted to $36,793 and $31,525, respectively.

The Company's borrowings, subject to certain exceptions and conditions, contain certain restrictions on paying dividends and other distributions, as defined in the respective indentures governing the relevant senior notes and credit facility agreements, and disclosed in Note 11 under each of the respective borrowings.

19. DIVIDENDS

During the years ended December 31, 2024, 2023 and 2022, the Company did not declare any dividends on the ordinary shares.

20. REGULAR LICENSE, COOPERATION AGREEMENT, OPERATING AGREEMENT AND MRP LEASE AGREEMENT FOR CITY OF DREAMS MANILA

The following agreements related to the development of City of Dreams Manila were entered into by the relevant parties of the Licensees (described below) and certain of its subsidiaries, which became effective on March 13, 2013 and end on the date of expiry of the Regular License as described below, currently expected to be on July 11, 2033, unless terminated earlier in accordance with the respective terms of the individual agreements.

(a) Regular License

On April 29, 2015, PAGCOR issued a regular casino gaming license, as amended (the "Regular License") in replacement of a provisional license granted as of March 13, 2013, to the co-licensees (the "Licensees") namely, MPHIL Holdings No. 1 Corporation, a subsidiary of MRP, and its subsidiaries including MRL (collectively the "MPHIL Holdings Group"), SM Investments Corporation ("SMIC"), Belle Corporation ("Belle") and PremiumLeisure and Amusement, Inc. ("PLAI") (SMIC, Belle and PLAI are collectively referred to as the "Philippine Parties") for the establishment and operation of City of Dreams Manila, with MRL, a co-licensee, as the "special purpose entity" to operate the casino business and as representative for itself and on behalf of the other co-licensees in dealings with PAGCOR. The Regular License has the same terms and conditions as the provisional license, and is valid until July 11, 2033. Further details of the terms and commitments under the Regular License are included in Note 21(b).

(b) Cooperation Agreement

The Licensees and certain of its subsidiaries entered into a cooperation agreement (the "Cooperation Agreement") and other related arrangements which govern the rights and obligations of the Licensees. Under the Cooperation Agreement, MRL is appointed as the sole and exclusive representative of the Licensees in connection with the Regular License and is designated as the operator to operate and manage City of Dreams Manila. Further details of the commitments under the Cooperation Agreement are included in Note 21(b).

(c) Operating Agreement

The Licensees entered into an operating agreement (the "Operating Agreement") which governs the operation and management of City of Dreams Manila by MRL. Under the Operating Agreement, MRL is appointed as the sole and exclusive operator and manager of City of Dreams Manila, and is responsible for, and has sole discretion (subject to certain exceptions) and control over, all matters relating to the operation and management of City of Dreams Manila (including the gaming and non-gaming operations). The Operating Agreement also includes terms of certain monthly payments to PLAI from MRL, based on the performance of gaming operations of City of Dreams Manila and is included in payments to the Philippine Parties in the accompanying consolidated statements of operations, and further provides that MRL has the right to retain all revenues from non-gaming operations of City of Dreams Manila.

As a result of the disruptions and impact caused by the COVID-19 outbreak, on March 22, 2021, MRL and PLAI entered into a supplemental agreement to the Operating Agreement where the monthly payments paid or payable by MRL from 2019 to 2022 were adjusted.

(d) MRP Lease Agreement

MRL and Belle entered into a lease agreement, as amended from time to time (the "MRP Lease Agreement") under which Belle agreed to lease to MRL the land and certain of the building structures for City of Dreams Manila. The leased property is used by MRL and any of its affiliates exclusively as a hotel, casino and resort complex.

On August 19, 2022 and October 31, 2022, MRL and Belle entered into supplemental agreements to the MRP Lease Agreement to make certain adjustments to the rental payments paid or payable by MRL from 2022 to 2033.

21. COMMITMENTS AND CONTINGENCIES

(a) Capital Commitments

As of December 31, 2024, the Company had capital commitments mainly for the construction and acquisitions of property and equipment for Studio City, City of Dreams and Sri Lanka Casino totaling $101,888.

(b) Other Commitments

Concession – Macau

Under the Concession awarded by the Macau government to MRM on December 16, 2022, in addition to the fixed premium and variable premiums, as well as the Fee (see Note 7), MRM is obligated to pay the Macau government the following:

i) A special gaming tax of an amount equal to 35% of gross gaming revenue on a monthly basis;

ii) Contributions of 2% and 3% of gross gaming revenue to a public fund, and to urban development, touristic promotion and social security, respectively, on a monthly basis. These contributions may be waived or reduced with respect to gross gaming revenue generated by foreign patrons under certain circumstances;

iii) A special premium in the event the average gross gaming revenue of MRM's gaming tables does not reach the annual minimum of MOP7,000 (equivalent to $875) and the average gross gaming revenue of the electronic gaming machines does not reach the annual minimum of MOP300 (equivalent to $38). The amount of the special premium is equivalent to the difference between the amount of the special gaming tax paid by MRM and the amount that would be paid under the annual minimum set average gross gaming revenue for gaming tables and electronic gaming machines; and

iv) MRM must maintain a guarantee issued by a Macau bank in favor of the Macau government in the amount of MOP1,000,000 (equivalent to $125,056) until 180 days after the earlier of the expiration or termination of the Concession to guarantee its performance of certain of its legal and contractual obligations, including labor obligations.

As a result of the bank guarantee issued by the bank to the Macau government as disclosed above, a sum of 0.03% per annum of the guarantee amount is payable by MRM to the bank.

Committed Investment

In connection with the Concession, MRM has undertaken to carry out investment in the overall amount of MOP11,823,700 (equivalent to $1,478,629) by December 2032. The investment plan includes gaming and non-gaming related projects in the expansion of foreign market patrons, conventions and exhibitions, entertainment shows, sports events, art and culture, health and well-being, thematic entertainment, gastronomy, community and maritime tourism and others. Out of the total investment amount referred to above, MOP10,008,000 (equivalent to $1,251,564) is to be applied to non-gaming related projects, with the balance applied to gaming related projects. MRM has undertaken to carry out incremental additional non-gaming investment in the amount of approximately 20% of its initial non-gaming investment, or MOP2,003,000 (equivalent to $250,488), in the event the Macau's annual gross gaming revenue reaches MOP180,000,000 (equivalent to $22,510,141) (the "Incremental Investment Trigger"). As Macau's annual gross gaming revenue exceeded MOP180,000,000 (equivalent to $22,510,141) in 2023, the Incremental Investment Trigger was reached and, the non-gaming investment to be carried out was increased by MOP2,003,000 (equivalent to $250,488) to MOP12,011,000 (equivalent to $1,502,052), with the overall investment amount increased to MOP13,826,700 (equivalent to $1,729,116) to be carried out by December 2032. As of December 31, 2024, the total investment in gaming and non-gaming related projects carried out was in the aggregate amount of MOP3,341,450 (equivalent to $417,870).

Regular License - Philippines

Commitments required by PAGCOR under the Regular License are as follows:

- To secure a surety bond in favor of PAGCOR in the amount of PHP100,000 (equivalent to $1,724) to ensure prompt and punctual remittances/payments of all license fees.

- License fees must be remitted on a monthly basis, in lieu of all taxes with reference to the income component of the gross gaming revenues: (a) 15% high roller tables; (b) 25% non-high roller tables; (c) 25% slot machines and electronic gaming machines; and (d) 15% junket operations.

  The license fees are inclusive of the 5% franchise tax under the terms of the PAGCOR charter. In October 2021, certain terms under the Regular License were amended to include the monthly minimum guarantee fee of PHP300 (equivalent to $5) on certain games under the 25% non-high roller tables effective on March 15, 2022. This monthly minimum guarantee fee was discontinued in June 2022, but was reinstated on March 2, 2023.

- The Licensees are required to remit 2% of casino revenues generated from non-junket operation tables to a foundation devoted to the restoration of Philippine cultural heritage, as selected by the Licensees and approved by PAGCOR.

- PAGCOR may collect a 5% fee on non-gaming revenue received from food and beverage, retail and entertainment outlets. All revenues from hotel operations should not be subject to the 5% fee except for rental income received from retail concessionaires.

- Grounds for revocation of the Regular License, among others, are as follows: (a) failure to comply with material provisions of this license; (b) failure to remit license fees within 30 days from receipt of notice of default; (c) the holder has become bankrupt or insolvent; and (d) if the debt-to-equity ratio is more than 70:30. As of December 31, 2024 and 2023, MPHIL Holdings Group, as one of the Licensee parties, has complied with the required debt-to-equity ratio under the definition as agreed with PAGCOR.

Cooperation Agreement - Philippines

Under the terms of the Cooperation Agreement, the Licensees are jointly and severally liable to PAGCOR under the Regular License and each Licensee (indemnifying Licensee) must indemnify the other Licensees for any losses suffered or incurred by that Licensee arising out of, or in connection with, any breach by the indemnifying Licensee of the Regular License. Also, each of the Philippine Parties and MPHIL Holdings Group agree to indemnify the non-breaching party for any losses suffered or incurred as a result of a breach of any warranties.

Gaming License - Cyprus

Pursuant to the Cyprus License agreement, in addition to the Cyprus License Fee (see Note 7), the Cyprus Subsidiary has committed to pay the Cyprus government a casino tax of an amount equal to 15% of the gross gaming revenue on a monthly basis and the rate shall not be increased during the period of exclusivity for the Cyprus License.

Gaming License - Sri Lanka

Pursuant to the casino business regulation in Sri Lanka and based on the type of the Sri Lanka License granted by the Sri Lanka government to Bluehaven on March 27, 2024, Bluehaven is required to (i) invest a minimum amount of $100,000 in a casino; and (ii) operate such casino in an integrated resort in which a minimum of $500,000 has been invested, as approved by the Sri Lanka government. Confirmation of the satisfaction of (ii) above was provided to the Sri Lanka government as part of Bluehaven's application for the Sri Lanka License.

In accordance with the Sri Lanka Betting and Gaming Levy Act (as amended), Bluehaven is subject to (i) an annual levy of LKR500,000 (equivalent to $1,709) from the fiscal year in which it commences carrying on the business of gaming and (ii) a monthly gross collection levy of 15% of total collections from the business of gaming (exempted if monthly gross collections do not exceed LKR1,000 (equivalent to $3)).

Agreement with the Board of Investment - Sri Lanka

On June 28, 2024, Bluehaven signed an agreement (the "BOI Agreement") with the Board of Investment of Sri Lanka confirming its investment plan and commitment, in return for certain import and labor-related concessions. Pursuant to the BOI Agreement, Bluehaven, subject to the terms and certain conditions, is obligated to create and operate a "recreation center including a casino and related activities" in the integrated resort developed by WPL with an investment amount of $100,000 (the "Investment") by (i) the date which is 24 months from June 28, 2024, or (ii) the date that the casino commences operations, which ever occurs first. The Investment commitment is required to be funded by 20% equity and 80% loan capital as foreign direct investment. As of December 31, 2024, the Company made equity and loan investments of LKR6,040,000 (equivalent to $19,624) and $20,000, respectively, in Bluehaven for its operation and development of the Sri Lanka Casino.

(c) Guarantees

In addition to as disclosed in Notes 11 and 21(b), the Company has made the following significant guarantees as of December 31, 2024:

- Melco entered into a deed of guarantee with a third party amounting to $5,000 to guarantee certain payment obligations of the City of Dreams' operations.
- In October 2013, one of the Melco's subsidiaries entered into a trade credit facility agreement for HK$200,000 (equivalent to $25,762) ("Trade Credit Facility") with a bank to meet certain payment obligations of the Studio City project. The Trade Credit Facility which matured on August 31, 2023 was further extended to August 31, 2025, and is guaranteed by SCC. As of December 31, 2024, approximately $644 of the Trade Credit Facility had been utilized.
- MRL issued a corporate guarantee of PHP100,000 (equivalent to $1,724) to a bank in respect of a surety bond issued to PAGCOR as disclosed in Note 21(b) under the Regular License.

(d) Litigation

On July 24, 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 ICR Cyprus Resort Development Co Limited, 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 in the preliminary stages and the Company 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.

As of December 31, 2024, the Company 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 impacts on the Company's consolidated financial statements as a whole.

22. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024, 2023 and 2022, the Company entered into the following significant related party transactions:

		Year Ended December 31,		
Related companies	**Nature of transactions**	**2024**	**2023**	**2022**
Transactions with affiliated companies				
Melco International and its subsidiaries	**Revenues and income (services provided by the Company):**			
	Shared service fee income for corporate office	$ 1,704	$ 2,198	$ 2,188
	Loan interest income	–	1,238	16,133
	Costs and expenses (services provided to the Company):			
	Management fee expenses(1)	2,294	2,182	1,394
	Share-based compensation expenses(2)	–	–	2,865
	Trademark license fees(3)	5,978	–	–

(1) The amount mainly represents management fee expenses for the services provided by the senior management of Melco International and for the operation of the office of Melco's Chief Executive Officer.

(2) The amount represents the share-based compensation expenses related to the grant of certain share-based awards under the Melco International Share Incentive Plan to an employee of the Company. Further information on the share-based compensation arrangements is included in Note 16.

(3) The amount represents the fees to use certain licensed marks granted by Melco International, as licensor, to the Company in the territories as defined in the trademark license agreement with a term of 10 years commenced on January 1, 2024 and the trademark license fees are payable at a percentage of the gross revenues of City of Dreams as agreed from time to time between both parties.

Other Related Party Transactions

During the year ended December 31, 2024, an aggregate principal amount of $30,000 and $705 of the 2025 SCF Senior Notes held by Mr. Lawrence Yau Lung Ho ("Mr. Ho"), Melco's Chief Executive Officer, and an independent director of Melco, were purchased by SCF for a consideration of $30,000 and $705, respectively. As of December 31, 2024, Mr. Ho and his controlled entity; an independent director of Melco; and an executive officer of Melco held an aggregate principal amount of $30,000, $3,886 and $1,600 senior notes issued by subsidiaries of Melco, respectively.

During the year ended December 31, 2023, a principal amount of $909 of the 2025 SCF Senior Notes held by an independent director of Melco was purchased by SCF for a consideration of $886. As of December 31, 2023, Mr. Ho and his controlled entity; and an independent director of Melco held an aggregate principal amount of $60,000 and $7,591 senior notes issued by subsidiaries of Melco, respectively.

During the years ended December 31, 2024, 2023 and 2022, total interest expense of $2,508, $3,300 and $3,300, in relation to the senior notes issued by a subsidiary of Melco, were paid or payable to Mr. Ho and his controlled entity, respectively. During the years ended December 31, 2024, 2023 and 2022, total interest expense of $486, $519 and $497, in relation to the senior notes issued by subsidiaries of Melco, were paid or payable to an independent director of Melco, respectively. During the year ended December 31, 2024, total interest expense of $25, in relation to the senior notes issued by subsidiaries of Melco, was paid or payable to an executive officer of Melco.

(a) Receivables from Affiliated Companies

The outstanding balances mainly arising from operating income or prepayment of operating expenses on behalf of the affiliated companies as of December 31, 2024 and 2023 are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31,	
	2024	**2023**
Melco International and its subsidiaries and joint venture	$ 2,357	$ 728
Other	65	69
	$ 2,422	$ 797

(b) Payables to Affiliated Companies

The outstanding balances mainly arising from operating expenses and expenses paid by affiliated companies on behalf of the Company as of December 31, 2024 and 2023, are unsecured, non-interest bearing and repayable on demand with details as follows:

	December 31, 2024	December 31, 2023
Melco International and its subsidiaries	$ 39	$ 377

(c) Receivables from an Affiliated Company, Non-current

On March 28, 2022, Melco entered into a facility agreement (the "Facility Agreement") with Melco International pursuant to which a $250,000 revolving loan facility was granted by Melco as lender to Melco International as borrower for a period of 12 months after the first utilization date (the last day of such period being the "Final Repayment Date"). Melco International could request utilization of all or part of the loan from the date of the Facility Agreement until one month prior to the Final Repayment Date for general corporate purposes of Melco International and its subsidiaries (excluding the Company). Principal amounts outstanding under the Facility Agreement bore interest at an annual rate of 11%, with outstanding principal amounts and accrued interest payable by Melco International on the Final Repayment Date. On December 30, 2022, Melco and Melco International agreed to amend the Final Repayment Date to June 30, 2024, subject to certain conditions. As of December 31, 2022, the outstanding principal amount under the Facility Agreement was $200,000 and the remaining outstanding balance mainly represented the accrued interest payable. No part of the amounts would be repayable within the next twelve months from the balance sheet date and, accordingly, the amounts were shown as non-current assets in the accompanying consolidated balance sheets.

The outstanding principal amount of $200,000 under the Facility Agreement was fully repaid by Melco International on January 18, 2023. The Facility Agreement was terminated on March 10, 2023 following the settlement of the related accrued loan interest under the Facility Agreement due by Melco International to Melco on the same date.

23. SEGMENT INFORMATION

The Company is principally engaged in the gaming and hospitality business in Asia and Europe and its principal operating and developmental activities occur in three geographic areas: Macau, the Philippines and Cyprus. The Company views each of its operating properties as a reportable segment. The Company monitors its operations and evaluates earnings by reviewing the assets and operations of each of its reportable segment which includes Altira Macau, Mocha and Other, City of Dreams, Studio City, City of Dreams Manila and City of Dreams Mediterranean and Other. The development projects in Sri Lanka and elsewhere are included in the Corporate and Other category and do not meet the criteria of a reportable segment. Effective from June 12, 2023, with the soft opening of City of Dreams Mediterranean, the Cyprus Operations segment which previously included the operation of the temporary casino before its closure on June 9, 2023 and the licensed satellite casinos in Cyprus, has been renamed to City of Dreams Mediterranean and Other segment which included the operation of City of Dreams Mediterranean and the licensed satellite casinos in Cyprus. Effective from June 27, 2022, the Grand Dragon Casino, which was previously reported under the Corporate and Other category, has been included in the Mocha and Other segment as a result of the change of terms of the right-to-use agreement for the Grand Dragon Casino.

The Company's segment information for total assets and capital expenditures is as follows:

Total Assets	**December 31,**		
	2024	**2023**	**2022**
Macau:			
Altira Macau	$ 45,697	$ 77,631	$ 239,575
Mocha and Other	139,511	135,256	122,499
City of Dreams	2,691,228	2,720,571	2,641,875
Studio City	3,444,870	3,705,391	3,924,262
The Philippines:			
City of Dreams Manila	376,244	418,594	381,579
Cyprus:			
City of Dreams Mediterranean and Other	682,937	742,450	565,663
Corporate and Other	604,856	535,179	1,426,331
Total consolidated assets	$ 7,985,343	$ 8,335,072	$ 9,301,784

Capital Expenditures	**Year Ended December 31,**		
	2024	**2023**	**2022**
Macau:			
Altira Macau	$ 5,614	$ 3,892	$ 3,303
Mocha and Other	6,549	4,590	1,704
City of Dreams	83,988	22,259	21,684
Studio City	86,071	73,452	429,362
The Philippines:			
City of Dreams Manila	17,940	24,970	4,986
Cyprus:			
City of Dreams Mediterranean and Other	11,815	108,214	131,419
Corporate and Other	31,504	15,113	5,956
Total capital expenditures	$ 243,481	$ 252,490	$ 598,414

Melco's Chief Executive Officer is the Chief Operating Decision Maker ("CODM") of the Company. The CODM uses Adjusted property EBITDA for each segment as the measure of segment profit or loss to allocate resources to each segment and to compare the operating performance of the Company's properties with those of its competitors as a way to assess performance. Adjusted property EBITDA is net income (loss) before interest, taxes, depreciation, amortization, pre-opening costs, development costs, property charges and other, share-based compensation, payments to the Philippine Parties, integrated resort and casino rent, Corporate and Other expenses, and other non-operating income and expenses.

The following tables present the results of operations for each of the Company's reportable segments and reconciliation to net income (loss) attributable to Melco Resorts & Entertainment Limited for the years ended December 31, 2024, 2023 and 2022.

Year Ended December 31, 2024	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 104,686	$ 117,632	$ 1,957,079	$ 1,076,619	$ 357,315	$ 159,324	$ 3,772,655
Rooms	11,770	–	161,939	159,926	53,494	35,436	422,565
Food and beverage	8,507	4,736	102,293	83,881	52,345	34,171	285,933
Entertainment, retail and other	133	228	60,945	69,919	9,183	5,646	146,054
Total segment operating revenues[(1)]	125,096	122,596	2,282,256	1,390,345	472,337	234,577	$ 4,627,207
Segment expenses:							
Gaming tax and license fees[(2)]	(52,834)	(50,959)	(1,019,075)	(526,250)	(137,107)	(30,650)	
Employee benefits expenses[(3)]	(45,170)	(24,257)	(326,737)	(253,104)	(62,314)	(78,484)	
Other segment items[(4)]	(29,014)	(20,406)	(314,802)	(269,752)	(91,858)	(74,897)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (1,922)	$ 26,974	$ 621,642	$ 341,239	$ 181,058	$ 50,546	$ 1,219,537
Other operating expenses:							
Payments to the Philippine Parties							(41,939)
Pre-opening costs[(5)]							(17,833)
Development costs							(5,433)
Amortization of land use rights							(19,956)
Depreciation and amortization							(521,582)
Integrated resort and casino rent[(6)]							(8,436)
Share-based compensation							(27,368)
Property charges and other							(13,221)
Corporate and Other expenses							(79,142)
Operating income							484,627
Non-operating income (expenses):							
Interest income							15,766
Interest expense, net of amounts capitalized							(486,721)
Other financing costs							(7,362)
Foreign exchange losses, net							(15,492)
Other income, net							3,833
Loss on extinguishment of debt							(1,000)
Total non-operating expenses, net							(490,976)
Loss before income tax							(6,349)
Income tax expense							(21,610)
Net loss							(27,959)
Net loss attributable to noncontrolling interests							71,502
Net income attributable to Melco Resorts & Entertainment Limited							$ 43,543

Year Ended December 31, 2023	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 91,556	$ 115,533	$ 1,649,551	$ 714,680	$ 378,475	$ 127,517	$ 3,077,312
Rooms	10,975	–	144,147	111,351	57,652	14,099	338,224
Food and beverage	8,194	1,990	77,142	56,948	50,459	14,152	208,885
Entertainment, retail and other	100	177	59,643	75,375	8,511	3,591	147,397
Total segment operating revenues[1]	110,825	117,700	1,930,483	958,354	495,097	159,359	$ 3,771,818
Segment expenses:							
Gaming tax and license fees[2]	(48,914)	(49,137)	(864,529)	(365,220)	(137,076)	(24,879)	
Employee benefits expenses[3]	(43,192)	(22,599)	(276,637)	(195,510)	(61,176)	(54,009)	
Other segment items[4]	(19,996)	(18,678)	(213,004)	(190,834)	(91,393)	(52,971)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (1,277)	$ 27,286	$ 576,313	$ 206,790	$ 205,452	$ 27,500	$ 1,042,064
Other operating expenses:							
Payments to the Philippine Parties							(42,451)
Pre-opening costs							(43,994)
Development costs							(1,202)
Amortization of land use rights							(22,670)
Depreciation and amortization							(520,726)
Integrated resort and casino rent[6]							(1,911)
Share-based compensation							(35,473)
Property charges and other							(228,437)
Corporate and Other expenses							(80,241)
Operating income							64,959
Non-operating income (expenses):							
Interest income							23,305
Interest expense, net of amounts capitalized							(492,391)
Other financing costs							(4,372)
Foreign exchange gains, net							2,232
Other income, net							2,748
Gain on extinguishment of debt							1,611
Total non-operating expenses, net							(466,867)
Loss before income tax							(401,908)
Income tax expense							(13,422)
Net loss							(415,330)
Net loss attributable to noncontrolling interests							88,410
Net loss attributable to Melco Resorts & Entertainment Limited							$ (326,920)

Year Ended December 31, 2022	Macau				The Philippines	Cyprus	
	Altira Macau	Mocha and Other	City of Dreams	Studio City	City of Dreams Manila	City of Dreams Mediterranean and Other	Total
Segment operating revenues:							
Casino	$ 24,803	$ 74,224	$ 447,726	$ 135,814	$ 293,863	$ 90,545	$ 1,066,975
Rooms	2,938	–	39,854	17,638	54,791	–	115,221
Food and beverage	4,782	1,921	24,651	11,919	41,161	132	84,566
Entertainment, retail and other	92	258	47,453	10,612	6,577	578	65,570
Total segment operating revenues[1]	32,615	76,403	559,684	175,983	396,392	91,255	$ 1,332,332
Segment expenses:							
Gaming tax and license fees[2]	(13,914)	(30,511)	(232,466)	(72,660)	(113,916)	(21,123)	
Employee benefits expenses[3]	(43,215)	(18,582)	(238,667)	(143,233)	(55,194)	(24,362)	
Other segment items[4]	(18,506)	(17,019)	(120,711)	(65,254)	(80,356)	(22,074)	
Segment adjusted property EBITDA:							
Adjusted property EBITDA	$ (43,020)	$ 10,291	$ (32,160)	$ (105,164)	$ 146,926	$ 23,696	$ 569
Other operating expenses:							
Payments to the Philippine Parties							(28,894)
Pre-opening costs							(15,585)
Amortization of gaming subconcession							(32,785)
Amortization of land use rights							(22,662)
Depreciation and amortization							(466,492)
Integrated resort and casino rent[6]							(2,318)
Share-based compensation							(71,809)
Property charges and other							(39,982)
Corporate and Other expenses							(63,147)
Operating loss							(743,105)
Non-operating income (expenses):							
Interest income							26,458
Interest expense, net of amounts capitalized							(376,722)
Other financing costs							(6,396)
Foreign exchange gains, net							3,904
Other income, net							3,930
Total non-operating expenses, net							(348,826)
Loss before income tax							(1,091,931)
Income tax expense							(5,236)
Net loss							(1,097,167)
Net loss attributable to noncontrolling interests							166,641
Net loss attributable to Melco Resorts & Entertainment Limited							$ (930,526)

(1) Revenues from the Corporate and Other category includes small charter flights and management services business during the years ended December 31, 2024, 2023 and 2022; together with the Japan Ski Resorts operation before its disposal as disclosed in Note 5 and the Grand Dragon Casino operation before June 27, 2022 as mentioned above during the year ended December 31, 2022 which are insignificant and below the quantitative thresholds attributable to the operating segments, therefore are not included in the total for the reportable segment operating revenues. A reconciliation of segment operating revenues to total consolidated operating revenues is as follows:

Reconciliation of total operating revenues

	Year Ended December 31,		
	2024	**2023**	**2022**
Segment operating revenues:			
Altira Macau	$ 125,096	$ 110,825	$ 32,615
Mocha and Other	122,596	117,700	76,403
City of Dreams	2,282,256	1,930,483	559,684
Studio City	1,390,345	958,354	175,983
City of Dreams Manila	472,337	495,097	396,392
City of Dreams Mediterranean and Other	234,577	159,359	91,255
Total segment operating revenues	4,627,207	3,771,818	1,332,332
Revenues from Corporate and Other	11,006	3,429	17,645
Total consolidated operating revenues	$ 4,638,213	$ 3,775,247	$ 1,349,977

(2) The details of "Gaming tax and license fees" are disclosed in Note 2(r) with certain amounts included in pre-opening costs and Corporate and Other expenses.

(3) "Employee benefits expenses" includes salaries, bonuses and incentives, benefits and allocated labor costs among segments. Certain amounts of "Employee benefits expenses" are included in Corporate and Other expenses, pre-opening costs, development costs, share-based compensation and property charges and other; and with certain amounts incurred during the construction and development stage of projects capitalized in property and equipment.

(4) "Other segment items" mainly include cost of inventories, advertising and promotions expenses, repair and maintenance expenses, utilities and fuel expenses and other gaming operation expenses.

(5) Certain amounts of pre-opening costs are grouped and reported under the line item "Integrated resort and casino rent".

(6) "Integrated resort and casino rent" represents land rent and variable lease costs to Belle and casino rent to John Keells.

There was intersegment revenue charged by City of Dreams to Studio City of $44,917, $2,368 and $6,624 for the years ended December 31, 2024, 2023 and 2022, respectively. The Company accounts for intersegment sales and transfers as if the sales or transfers were to third parties.

The Company's geographic information for long-lived assets and operating revenues are as follows:

Long-lived Assets

	December 31,		
	2024	2023	2022
Macau	$ 5,522,756	$ 5,752,786	$ 6,068,502
The Philippines	88,950	118,495	141,765
Cyprus	586,753	663,633	485,570
Sri Lanka	73,945	–	–
Hong Kong and other	26,411	30,452	29,871
Total long-lived assets	$ 6,298,815	$ 6,565,366	$ 6,725,708

Operating Revenues

	Year Ended December 31,		
	2024	2023	2022
Macau	$ 3,920,293	$ 3,117,362	$ 844,685
The Philippines	472,337	495,097	396,392
Cyprus	234,577	159,359	91,255
Other	11,006	3,429	17,645
Total operating revenues	$ 4,638,213	$ 3,775,247	$ 1,349,977

24. CHANGES IN SHAREHOLDINGS OF SUBSIDIARIES

The Philippine subsidiaries

On April 24, 2019 and June 24, 2019, the board and the shareholders of MRP approved an amendment to the Amended Articles of Incorporation of MRP, respectively, whereby, without changing the total amount of the authorized capital stock, the par value per MRP common share was increased from PHP1 (equivalent to $0.02) per share to PHP500,000 (equivalent to $9,857) per share, thereby decreasing the total number of MRP common shares on a pro-rata basis ("Reverse Stock Split"). The Reverse Stock Split was approved by the Philippine Securities and Exchange Commission on May 12, 2020. All share and per share data of MRP common shares relating to the transactions carried out before May 12, 2020 as disclosed in the accompanying consolidated financial statements, represent the number of shares or value per share of MRP common shares before the Reverse Stock Split.

As a result of the Reverse Stock Split, only those shareholders of MRP who originally owned 500,000 MRP common shares with a par value of PHP1 (equivalent to $0.02) per share (each an "Original Share") and in multiples thereof immediately prior to the Reverse Stock Split would now own whole shares (each a "MRP Whole Share") of stock of MRP. Other holders of the Original Shares could now only hold a fractional share of MRP ("MRP Fractional Share"). To facilitate the elimination of MRP Fractional Shares held by other shareholders of MRP, MPHIL Corporation ("MPHIL"), a subsidiary of Melco, offered to purchase the resulting MRP Fractional Shares at the purchase price to be calculated by multiplying the number of Original Shares represented by the relevant MRP Fractional Shares (which were equal to the number of Original Shares held by the relevant shareholder immediately prior to the Reverse Stock Split) by the price of PHP7.25 (equivalent to $0.14) per Original Share ("Fractional Share Elimination Plan"). A shareholder could also sell any MRP Whole Shares to MPHIL under the Fractional Share Elimination Plan. Any holder of MRP Fractional Shares and/or MRP Whole Shares may accept this offer during the two-year period commencing from June 5, 2020. The Fractional Share Elimination Plan expired on June 4, 2022 and was subsequently extended for the period from August 15, 2022 to November 15, 2022.

During the years ended December 31, 2024, 2023 and 2022, the Company through its subsidiaries, purchased 11.816, 10.111 and 50.906 common shares of MRP at a total consideration of PHP42,833 (equivalent to $743), PHP36,651 (equivalent to $671) and PHP175,173 (equivalent to $3,310) from the noncontrolling interests, which increased Melco's shareholding in MRP and the Company recognized a decrease of $592, $582 and $2,952 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in MRP, respectively.

The Company retains its controlling financial interests in MRP before and after the above transactions.

SCIH

During February and March 2022, SCIH, respectively, announced and completed a series of private offers of its 400,000,000 Class A ordinary shares to certain existing shareholders and holders of its ADSs, including Melco, with gross proceeds amounting to $300,000, of which $134,944 was from noncontrolling interests (the "2022 Private Placements"). The 2022 Private Placements increased Melco's shareholding in SCIH and the Company recognized an increase of $879 in Melco's additional paid-in capital which reflected the adjustment to the carrying amount of the noncontrolling interest in SCIH.

The Company retains its controlling financial interest in SCIH before and after the above transactions.

The schedule below discloses the effects of changes in Melco's ownership interest in MRP and SCIH on its equity:

	Year Ended December 31,		
	2024	**2023**	**2022**
Net income (loss) attributable to Melco Resorts & Entertainment Limited	$ 43,543	$ (326,920)	$ (930,526)
Transfers (to) from noncontrolling interests:			
The Philippine subsidiaries			
Decrease in additional paid-in capital resulting from purchases of common shares of MRP from the open market	(592)	(582)	(2,952)
SCIH			
Increase in additional paid-in capital resulting from the private placements	–	–	879
Changes from net income (loss) attributable to Melco Resorts & Entertainment Limited's shareholders and transfers from noncontrolling interests	$ 42,951	$ (327,502)	$ (932,599)

25. SUBSEQUENT EVENTS

(a) During the period from January 1, 2025 through March 14, 2025, 5,924,374 ADSs, equivalent to 17,773,122 ordinary shares were repurchased under the 2024 Share Repurchase Program for an aggregate consideration of $32,081.

(b) On February 25, 2025, pursuant to the terms under the MN1 Revolving Facility, an incremental facility of HK$387,500 (equivalent to $49,834) was established to increase the available commitments of the MN1 Revolving Facility from HK$14,850,000 (equivalent to $1,909,769) to HK$15,237,500 (equivalent to $1,959,603), with no other changes made to the terms of the MN1 Revolving Facility.

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED BALANCE SHEETS
(In thousands, except share and per share data)

	December 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 114,678	$ 61,345
Receivables from affiliated companies	1,972	1,064
Receivables from subsidiaries	177,384	198,910
Prepaid expenses and other current assets	4,584	8,619
Total current assets	298,618	269,938
Receivables from subsidiaries	674,394	673,729
Total assets	$ 973,012	$ 943,667
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accrued expenses and other current liabilities	$ 2,811	$ 7,954
Income tax payable	12,621	12,536
Payables to an affiliated company	–	103
Payables to subsidiaries	249,130	268,656
Total current liabilities	264,562	289,249
Investments deficit in subsidiaries	596,976	511,449
Other long-term liabilities	28	54
Payables to subsidiaries	1,437,906	1,430,195
Total liabilities	2,299,472	2,230,947
Shareholders' deficit:		
Ordinary shares, par value $0.01; 7,300,000,000 shares authorized; 1,351,540,382 and 1,404,679,067 shares issued; 1,259,138,299 and 1,311,270,775 shares outstanding, respectively	13,515	14,047
Treasury shares, at cost; 92,402,083 and 93,408,292 shares, respectively	(216,626)	(255,068)
Additional paid-in capital	2,985,730	3,109,212
Accumulated other comprehensive losses	(95,750)	(98,599)
Accumulated losses	(4,013,329)	(4,056,872)
Total shareholders' deficit	(1,326,460)	(1,287,280)
Total liabilities and shareholders' deficit	$ 973,012	$ 943,667

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Operating revenues	$ 18,758	$ 84,130	$ 15,340
Operating costs and expenses:			
General and administrative	(29,867)	(34,342)	(50,532)
Property charges and other	(14)	(1,244)	(406)
Total operating costs and expenses	(29,881)	(35,586)	(50,938)
Operating (loss) income	(11,123)	48,544	(35,598)
Non-operating income (expenses):			
Interest income	49,243	4,991	16,151
Interest expense	(12,901)	(19,366)	(3,165)
Foreign exchange (losses) gains, net	(414)	1,496	7,437
Other income, net	7,174	7,302	11,220
Share of results of subsidiaries	11,657	(358,767)	(922,771)
Total non-operating expenses, net	54,759	(364,344)	(891,128)
Income (loss) before income tax	43,636	(315,800)	(926,726)
Income tax expense	(93)	(11,120)	(3,800)
Net income (loss)	$ 43,543	$ (326,920)	$ (930,526)

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Net income (loss)	$ 43,543	$ (326,920)	$ (930,526)
Other comprehensive income (loss):			
Foreign currency translation adjustments	2,849	13,370	(35,961)
Other comprehensive income (loss)	2,849	13,370	(35,961)
Total comprehensive income (loss)	$ 46,392	$ (313,550)	$ (966,487)

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2024	**2023**	**2022**
Cash flows from operating activities:			
Net cash provided by operating activities	$ 198,077	$ 70,894	$ 86,252
Cash flows from investing activities:			
Payments of advances to subsidiaries	(20,275)	(528,794)	(215,613)
Proceeds from advances repayment from subsidiaries	7,823	75,041	–
Proceeds from loan repayment from an affiliated company	–	200,000	–
Proceeds from transfer of intangible asset	–	519,000	–
Payment of loan to an affiliated company	–	–	(200,000)
Net cash (used in) provided by investing activities	(12,452)	265,247	(415,613)
Cash flows from financing activities:			
Repurchase of shares	(112,292)	(169,836)	(189,161)
Repayments of loans or advances from subsidiaries	(20,000)	(270,593)	–
Proceeds from loans or advances from subsidiaries	–	158,000	521,860
Proceeds from exercise of share options	–	226	–
Net cash (used in) provided by financing activities	(132,292)	(282,203)	332,699
Increase in cash and cash equivalents	53,333	53,938	3,338
Cash and cash equivalents at beginning of year	61,345	7,407	4,069
Cash and cash equivalents at end of year	$ 114,678	$ 61,345	$ 7,407

ADDITIONAL INFORMATION – FINANCIAL STATEMENT SCHEDULE 1
FINANCIAL INFORMATION OF PARENT COMPANY
NOTES TO FINANCIAL STATEMENT SCHEDULE 1
(In thousands)

1. Schedule 1 has been provided pursuant to the requirements of Rule 12-04(a) and 4-08(e)(3) of Regulation S-X, which require condensed financial information as to financial position, cash flows and results and operations of a parent company as of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of the consolidated and unconsolidated subsidiaries together exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. As of December 31, 2024, approximately $657,000 of the restricted net assets were not available for distribution and as such, the condensed financial information of Melco has been presented for the years ended December 31, 2024, 2023 and 2022. Melco received cash dividends of $121,000, nil and nil from its subsidiary during the years ended December 31, 2024, 2023 and 2022.

2. Basis of Presentation

The accompanying condensed financial information has been prepared using the same accounting policies as set out in Melco's consolidated financial statements except that the parent company has used the equity method to account for its investments in subsidiaries. For the parent company, the Company records its investments in subsidiaries under the equity method of accounting as prescribed in Accounting Standards Codification 323, Investments-Equity Method and Joint Ventures. Such investments are presented on the Condensed Balance Sheets as "Investments in subsidiaries" or "Investments deficit in subsidiaries" and the subsidiaries' profit or loss as "Share of results of subsidiaries" on the Condensed Statements of Operations. Ordinarily, an investor in an equity method investee would cease to recognize its share of the losses of an investee once the carrying value of the investment has been reduced to nil absent an undertaking by the investor to provide continuing support and fund losses. For the purpose of this Schedule 1, the parent company has continued to reflect its share, based on its proportionate interest, of the losses of subsidiaries regardless of the carrying value of the investment even though the parent company is not obligated to provide continuing support or fund losses.