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Wynn Macau, Limited

永利澳門有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1128 and Debt Stock Codes: 5280, 40102, 40259, 40357, 5754)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 BOARD RECOMMENDS FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board of Directors of Wynn Macau, Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 as follows.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands, except for per Share amounts or otherwise stated)</i>	
Casino revenues	23,617,908	19,111,112
Other revenues	5,122,513	5,157,030
Adjusted EBITDA	8,210,137	6,621,025
Profits attributable to owners	3,198,178	1,171,656
Earnings per Share — basic	0.61	0.22
Earnings per Share — diluted	0.57	0.19

DIVIDEND

The Board is pleased to announce that it has recommended the payment of a final dividend of HK\$0.185 per Share in respect of the year ended 31 December 2024 (2023: HK\$0.075 per share). The final dividend is subject to Shareholders’ approval at the forthcoming annual general meeting of the Company.

* For identification purpose only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year ended 31 December	
		2024	2023
		HK\$	HK\$
		(in thousands, except for per Share amounts)	
Notes			
	Operating revenues		
	Casino	23,617,908	19,111,112
	Rooms	2,369,215	2,435,090
	Food and beverage	1,609,043	1,350,778
	Retail and other	1,144,255	1,371,162
		<u>28,740,421</u>	<u>24,268,142</u>
	Operating costs and expenses		
	Gaming taxes and premiums	12,217,417	10,057,523
	Staff costs	4,279,904	4,191,294
3	Other operating expenses	4,385,121	3,761,468
	Depreciation and amortization	2,370,166	2,374,100
	Property charges and other	158,891	181,338
		<u>23,411,499</u>	<u>20,565,723</u>
	Operating profit	<u>5,328,922</u>	<u>3,702,419</u>
	Finance revenues	568,061	571,267
4	Finance costs	(3,190,059)	(3,335,189)
	Net foreign currency differences	226,616	(90,131)
	Change in derivative fair value	316,518	388,763
	Loss on debt financing transaction	—	(22,767)
		<u>(2,078,864)</u>	<u>(2,488,057)</u>
	Profit before tax	<u>3,250,058</u>	<u>1,214,362</u>
	Income tax expense	51,880	42,706
	Net profit attributable to owners of the Company	<u>3,198,178</u>	<u>1,171,656</u>
	Other comprehensive income		
	<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</i>		
	Currency translation reserve	—	1,879
	Other comprehensive income for the year	<u>—</u>	<u>1,879</u>
	Total comprehensive income attributable to owners of the Company	<u>3,198,178</u>	<u>1,173,535</u>
	Basic earnings per Share	0.61	0.22
	Diluted earnings per Share	0.57	0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
		HK\$	HK\$
			(restated)
	Notes	(in thousands)	
Non-current assets			
Property and equipment and construction in progress		22,219,297	23,022,887
Right-of-use assets		1,112,256	1,221,395
Goodwill and intangible asset, net	8	1,706,382	1,869,886
Deposits for acquisition of property and equipment		22,268	13,548
Other non-current assets		722,095	641,559
Restricted cash and cash equivalents		690,777	688,184
Total non-current assets		26,473,075	27,457,459
Current assets			
Inventories		302,186	286,194
Trade and other receivables	9	846,272	1,037,260
Prepayments and other current assets		133,872	142,850
Investments		—	5,454,660
Amounts due from related companies		141,072	150,436
Restricted cash and cash equivalents		1,681	35
Cash and cash equivalents		11,333,372	10,300,159
Total current assets		12,758,455	17,371,594
Current liabilities			
Accounts payable	10	409,983	456,526
Interest-bearing borrowings	12	4,115,892	8,995,722
Lease liabilities		26,270	33,966
Construction payables and accruals		435,949	282,073
Other payables and accruals	11	4,809,118	5,140,781
Amounts due to related companies		87,375	113,092
Income tax payables		52,115	42,706
Other current liabilities		210,625	200,957
Total current liabilities		10,147,327	15,265,823
Net current assets		2,611,128	2,105,771
Total assets less current liabilities		29,084,203	29,563,230

		As at 31 December	
		2024	2023
		HK\$	HK\$
			(restated)
	Notes	(in thousands)	
Non-current liabilities			
Interest-bearing borrowings	12	40,722,655	43,683,892
Lease liabilities		112,331	118,493
Construction retentions payable		9,782	6,779
Other long-term liabilities		1,529,732	1,565,497
Total non-current liabilities		42,374,500	45,374,661
Net liabilities		(13,290,297)	(15,811,431)
Equity			
Deficiency in assets attributable to owners of the Company			
Issued capital		5,249	5,241
Share premium account		581,210	536,800
Shares held for employee ownership schemes		(27)	(23)
Deficit		(13,876,729)	(16,353,449)
Total deficiency in assets		(13,290,297)	(15,811,431)

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND PRESENTATION

These consolidated financial statements have been prepared in accordance IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These financial statements also comply with the accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements. They have been prepared on a going concern basis and a historical cost basis, except for WML convertible bond conversion option derivative as disclosed in note 13 that has been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

As at 31 December 2024, the Group had a deficiency in assets of HK\$13.29 billion. However, the Group had total cash and cash equivalents, excluding restricted cash, of HK\$11.33 billion and had access to approximately HK\$2.75 billion of available borrowing capacity from the WM Cayman II Revolver. Given the Group’s liquidity position as at 31 December 2024, the Group believes it will be able to support its continuing operations.

Basis of consolidation

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

The subsidiaries are fully consolidated from the date on which control is transferred to the Group, and will continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

On 15 May 2014, the Board of Directors approved an employee ownership scheme under which shares may be awarded to employees of the Group in accordance with the related terms and conditions. On 25 May 2023, the employee ownership scheme was terminated upon the Company’s adoption of a new employee ownership scheme. Pursuant to the rules of the respective employee ownership schemes, the Group has set up trusts for the purpose of administering the employee ownership schemes and holding the awarded shares before they vest.

In August 2020, WRM set up a charitable foundation, “Wynn Care Foundation”. Through Wynn Care Foundation, the Group continues to broaden its efforts in pursuing positive social impact and supporting charitable development within Macau and mainland China. As the Group has control over the Trusts and the foundation, the Directors of the Company consider that it is appropriate to consolidate these structured entities.

All intra-group balances, equity, income, expenses and cash flows relating to transactions between group companies are eliminated in full on consolidation. Unrealized gains and losses resulting from transactions between group companies are eliminated, except where unrealized losses provide evidence of an impairment of the asset transferred.

Application of revised IFRS Accounting Standards

The Group has adopted the following revised standards for the first-time for the current year's financial statements:

Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current (the “2020 Amendments”)</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants (the “2022 Amendments”)</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The nature and impact of the revised IFRS Accounting Standards are described below:

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify (a) what is meant by a right to defer settlement; (b) that a right to defer must exist at the end of the reporting period; (c) that classification is unaffected by the likelihood that an entity will exercise its deferral right and (d) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is subject to the entity complying with covenants within twelve months after the reporting period.

Upon adoption of amendments to IAS 1, the outstanding convertible bonds with a carrying amount of HK\$4.12 billion as at 31 December 2024 and a maturity date of 7 March 2029 are now classified as current since the conversion options were not classified as equity and are exercisable at any time on or after 17 April 2023 at the bondholders' option. The consolidated statement of financial position as at 31 December 2023 was restated, resulting in an increase in current portion of interest-bearing borrowings amounting to HK\$4.32 billion and a corresponding decrease in non-current portion of interest-bearing borrowings. A third statement of financial position (1 January 2023) was not presented and restated because the WML Convertible Bonds were issued on 7 March 2023.

There is no impact on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows and basic and diluted earnings per Share for the years ended 31 December 2024 and 2023.

Except for the amendments to IAS 1, the adoption of the revised standards did not have a material impact on the consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. For management purposes, during the year ended 31 December 2024, the Group reviewed Wynn Palace and Wynn Macau as two reportable segments. Refer to note 14 for segment information.

3. OTHER OPERATING EXPENSES

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
License fees	908,923	770,104
Advertising and promotions	751,218	491,257
Cost of sales	626,285	573,845
Repairs and maintenance	371,747	353,706
Operating supplies and equipment	365,393	322,673
Utilities and fuel	326,783	327,176
Contracted services	279,722	291,503
Corporate support services and other	105,734	142,420
Other support services	69,290	53,473
Provision/(reversal of provision) for credit losses, net	42,785	(64,310)
Short-term leases expenses	10,745	4,646
Auditor's remuneration	8,746	10,439
Other expenses	517,750	484,536
	4,385,121	3,761,468

4. FINANCE COSTS

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Interest expense	2,915,840	3,105,293
Amortization of debt financing costs, debt discount, and premiums, net	250,415	221,530
Bank fees for unused facilities	13,679	—
Interest expense on lease liabilities	10,125	8,366
	<u>3,190,059</u>	<u>3,335,189</u>

5. INCOME TAX EXPENSE

The major components of the income tax expense for the years ended 31 December 2024 and 2023 were:

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Income tax expense:		
Current — overseas	<u>51,880</u>	<u>42,706</u>

No provision for Hong Kong profits tax for the year ended 31 December 2024 has been made as there was no assessable profit generated in Hong Kong (2023: nil). Taxation for overseas jurisdictions is charged at the appropriate prevailing rates ruling in the respective jurisdictions and the maximum rate is 12% (2023: 12%). As at 31 December 2024, the Group's entities are operating in jurisdictions which the Pillar Two legislation has not been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's consolidated financial statements in which the Pillar Two legislation has been enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

The tax position for the years ended 31 December 2024 and 2023 reconciles to profit before tax as follows:

	For the year ended 31 December			
	2024		2023	
	HK\$	%	HK\$	%
<i>(in thousands, except for percentages)</i>				
Profits before tax	3,250,058		1,214,362	
Tax at the applicable income tax rate	390,007	12.0	145,723	12.0
Other taxable items	515,303	15.9	387,146	31.9
Profits exempt from Complementary tax	(832,815)	(25.6)	(604,851)	(49.8)
Utilization of previously unrecognized tax losses	(326,811)	(10.1)	(219,922)	(18.1)
Macau dividend tax	51,880	1.6	42,706	3.5
Deferred tax not recognized	45,402	1.4	50,937	4.2
Others	208,914	6.4	240,967	19.8
Effective tax expense for the year	51,880	1.6	42,706	3.5

The Group has Macau tax losses of approximately HK\$237.2 million, HK\$257.0 million and HK\$864.2 million relating to the tax years ended 31 December 2024, 2023 and 2022, respectively. These tax losses will expire in 2027, 2026 and 2025, respectively. As at 31 December 2024, the Group's deferred tax assets relating to the share-based payment plan, property and equipment, tax loss carryforwards and others amounting to HK\$884.0 million (2023: HK\$1.22 billion) were not recognized as the Group determined it was not probable that future taxable profits will be available against which the deferred tax assets could be utilized.

In January 2024, WRM received an exemption from Macau's 12% Complementary Tax on casino gaming profits (the "Tax Holiday") from 1 January 2023 to 31 December 2027. The Group's non-gaming profits remain subject to the Macau's 12% Complementary Tax and its casino winnings remain subject to the Macau special gaming tax and other levies in accordance with its concession agreement.

In February 2024, WRM renewed the WRM Shareholder Dividend Tax Agreement with the Macau Special Administrative Region for the period from 1 January 2023 through 31 December 2025 that provides for a payment to the Macau Special Administrative Region in lieu of Complementary Tax on dividend distributions to its shareholders from gaming profits. The tax expense was MOP53.4 million (approximately HK\$51.8 million) for the year ended 31 December 2024 (2023: HK\$42.7 million).

The Group is exempted from income tax in the Isle of Man and the Cayman Islands. The Group's subsidiaries file income tax returns in Macau and various foreign jurisdictions as required by law. The Group's income tax returns are subject to examination by tax authorities in the locations where it operates. The Group's 2020 to 2023 Macau Complementary Tax returns remain subject to examination by the Financial Services Bureau of the Macau Special Administrative Region (the "Financial Services Bureau").

Quarterly, the Group undertakes reviews for any potentially unfavorable tax outcomes and when an unfavorable outcome is identified as being probable and can be reasonably estimated, the Group then establishes a tax reserve for such possible unfavorable outcome. Estimating potential tax outcomes for any uncertain tax issues is highly judgmental and may not be indicative of the ultimate settlement with the tax authorities.

The Group considered whether it has any uncertain tax positions and concluded that it is not probable that the tax authorities will accept certain tax positions taken by the Group. As at 31 December 2024, the Group had unrecognized tax losses of HK\$1.36 billion (2023: HK\$4.44 billion) and the Group believes that these unrecognized tax losses are adequate to offset any adjustments that might be proposed by the Macau tax authority. The Group believes that it has adequately provided reasonable reserves for prudent and foreseeable outcomes related to uncertain tax matters.

6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per Share for the year ended 31 December 2024 is based on the consolidated net profit attributable to owners of the Company and on the weighted average number of Shares outstanding of 5,221,324,109 during the year (2023: 5,215,985,872).

The calculation of diluted earnings per Share for the year ended 31 December 2024 is based on the consolidated net profit attributable to owners of the Company, adjusted up by HK\$41.9 million for the potential dilutive impact assuming that the conversion of the WML Convertible Bonds occurred as of the beginning of the reporting period under the if-converted method, and on a weighted average number of Shares of 5,696,228,670, including the weighted average number of Shares outstanding of 5,221,324,109 during the year plus the weighted average number of potential Shares of 474,904,561 arising from the deemed conversion of the WML Convertible Bonds, deemed exercise of share options and deemed vesting of awards under the Company's employee ownership schemes.

The calculation of diluted earnings per Share for the year ended 31 December 2023 is based on the consolidated net profit attributable to owners of the Company, adjusted down by HK\$105.1 million for the potential dilutive impact assuming that the conversion of the WML Convertible Bonds occurred as of the date of their issuance under the if-converted method, and on the weighted average number of Shares of 5,605,651,998, including the weighted average number of Shares outstanding of 5,215,985,872 during the year plus the weighted average number of potential Shares of 389,666,126 arising from the deemed conversion of the WML Convertible Bonds, deemed exercise of share options and deemed vesting of awards under the Company's employee ownership schemes.

7. DIVIDENDS

For the year ended
31 December
2024 2023
HK\$ HK\$
(in thousands)

2023 final dividend of HK\$0.075 per Share declared (2022: nil)	393,667	—
2024 interim dividend of HK\$0.075 per Share declared (2023: nil)	393,686	—
	<u>787,353</u>	<u>—</u>

The Board has resolved to recommend the payment of a final dividend of HK\$0.185 per Share in respect of the year ended 31 December 2024 (2023: HK\$0.075 per Share), which is subject to Shareholders' approval at the forthcoming annual general meeting of the Company.

8. GOODWILL AND INTANGIBLE ASSET, NET

As at 31 December
2024 2023
HK\$ HK\$
(in thousands)

Macau gaming concession:		
Cost	1,635,045	1,635,045
Less: accumulated amortization	(327,008)	(163,504)
	1,308,037	1,471,541
Goodwill	398,345	398,345
Total goodwill and intangible asset, net	<u>1,706,382</u>	<u>1,869,886</u>

Macau gaming concession

In December 2022, WRM entered into the Gaming Concession Contract with the Macau government, pursuant to which WRM was granted a 10-year gaming concession commencing on 1 January 2023 and expiring on 31 December 2032, to operate games of chance at Wynn Palace and Wynn Macau. Under the terms of the Gaming Concession Contract, WRM is required to pay the Macau government an annual gaming premium consisting of a fixed and a variable portion. The fixed portion of the premium is composed of an annual amount equal to MOP30.0 million (approximately HK\$29.1 million). The variable portion is composed of an annual amount equal to MOP300,000 (approximately HK\$291,000) per gaming table located in special gaming halls reserved exclusively to particular games or players, MOP150,000 (approximately HK\$146,000) per gaming table that is not reserved exclusively to particular games or players, and MOP1,000 (approximately HK\$971) per gaming machine, including slot machines, operated by WRM. The amount of the variable portion of the premium cannot be less than the amount that would result from the permanent operation of 500 gaming tables and 1,000 gaming machines.

On 1 January 2023, the Group recognized an intangible asset and financial liability of MOP1.68 billion (approximately HK\$1.64 billion), representing the right to operate games of chance at Wynn Palace and Wynn Macau and the unconditional obligation to make payments under the Gaming Concession Contract. This intangible asset comprises the contractually obligated annual payments of fixed and variable premiums, as well as fees associated with the Property Transfer Agreements. The contractually obligated annual variable premium payments associated with the intangible asset were determined using the total number of gaming tables and gaming machines that WRM is currently approved to operate by the Macau government. In the accompanying consolidated statement of financial position, the non-current portion of the financial liability is included in “Other long-term liabilities” and the current portion is included in “Other current liabilities.” The intangible asset is being amortized on a straight-line basis over the 10-year term of the Gaming Concession Contract.

9. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of the following as at 31 December 2024 and 2023:

	As at 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Casino	741,149	713,955
Retail leases	59,630	94,933
Hotel	11,646	8,289
Trade receivables	812,425	817,177
Other receivables	132,927	287,439
Less: allowance for credit losses	(99,080)	(67,356)
Total trade and other receivables, net	<u>846,272</u>	<u>1,037,260</u>

An aged analysis of trade receivables is as follows:

	As at 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Within 30 days	157,380	269,812
31 to 90 days	224,704	269,725
91 to 365 days	292,950	229,162
Over 365 days	137,391	48,478
	<hr/>	<hr/>
Trade receivables	812,425	817,177
Other receivables	132,927	287,439
Less: allowance for credit losses	(99,080)	(67,356)
	<hr/>	<hr/>
Total trade and other receivables, net	<u>846,272</u>	<u>1,037,260</u>

The trade and other receivables are generally repayable within 14 days. Movements in the provision for impairment of receivables of the Group, which were collectively impaired, are as follows:

	HK\$
	<i>(in thousands)</i>
As at 1 January 2023	343,814
Reversal for the year, net	(64,310)
Amounts written off, net	<hr/> (212,148)
As at 31 December 2023 and 1 January 2024	67,356
Charge for the year, net	42,785
Amounts written off, net	<hr/> (11,061)
As at 31 December 2024	<u>99,080</u>

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Within 30 days HK\$	31 to 90 days HK\$	91 to 365 days HK\$	Over 365 days HK\$	Total HK\$
	<i>(in thousands, except for percentages)</i>				
As at 31 December 2024					
Gross trade receivables	157,380	224,704	292,950	137,391	812,425
Provision for impairment	(3,416)	(9,846)	(33,933)	(51,885)	(99,080)
Expected credit loss rate	2.2%	4.4%	11.6%	37.8%	12.2%
As at 31 December 2023					
Gross trade receivables	269,812	269,725	229,162	48,478	817,177
Provision for impairment	(5,783)	(11,486)	(24,627)	(25,460)	(67,356)
Expected credit loss rate	2.1%	4.3%	10.7%	52.5%	8.2%

10. ACCOUNTS PAYABLE

During 2024 and 2023, the Group normally received credit terms of 30 days. An aged analysis of accounts payable as at 31 December 2024 and 2023, based on the invoice dates, is as follows:

	As at 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Within 30 days	260,743	323,666
31 to 60 days	56,093	69,304
61 to 90 days	18,028	11,337
Over 90 days	75,119	52,219
	409,983	456,526

11. OTHER PAYABLES AND ACCRUALS

Other payables and accruals consisted of the following:

	As at 31 December		As at 1 January
	2024	2023	2023
	HK\$	HK\$	HK\$
	<i>(in thousands)</i>		
Current:			
Customer deposits ⁽¹⁾	1,986,325	2,059,377	2,014,671
Gaming taxes and premiums payable	1,029,944	1,051,427	233,251
Outstanding chip liabilities ⁽²⁾	422,760	523,923	263,336
Loyalty program and related liabilities ⁽³⁾	67,684	89,614	113,834
Other gaming-related liabilities ⁽⁴⁾	5,156	7,487	2,487
Others	1,297,249	1,408,953	1,226,862
Total	4,809,118	5,140,781	3,854,441

In providing goods and services to its customers, there is often a timing difference between the Group receiving cash and the Group recording revenue for providing services or holding events. The Group's primary liabilities associated with customer contracts are customer deposits, outstanding chip liabilities, loyalty program and related liabilities and other gaming-related liabilities.

- (1) Customer deposits include casino front money deposits and advance room and other deposits. Casino front money deposits represent funds deposited by customers before gaming play occurs. Such amounts may be recognized as revenue or will be redeemed for cash in the future. The advance room and other deposits represent cash received in advance for goods and services to be provided in the future. These amounts will be recognized as revenue when the goods and services are provided. Decreases in this balance generally represent the recognition of revenue and increases in the balance represent additional deposits made by customers. The deposits are expected to be primarily recognized as revenue within one year.
- (2) Outstanding chips generally represent amounts owed to gaming promoters and customers for chips in their possession. The amounts may be recognized as revenue or will be redeemed for cash in the future.
- (3) Loyalty program and related liabilities represent the deferral of revenue until the loyalty points or other complimentaries are redeemed. The amounts are expected to be recognized as revenue within one year from being earned by customers.
- (4) Other gaming-related liabilities generally represent unpaid wagers primarily in the form of unredeemed slot tickets.

12. INTEREST-BEARING BORROWINGS

	As at 31 December	
	2024	2023
	HK\$	HK\$
	(in thousands)	
Bank loans	8,941,565	11,704,915
Senior notes	31,826,747	36,733,922
Convertible bonds	4,657,573	4,689,437
	<u>45,425,885</u>	<u>53,128,274</u>
WML Convertible Bond Conversion Option Derivative	256,219	576,359
Unamortized debt financing costs, debt discount and premiums, net	<u>(843,557)</u>	<u>(1,025,019)</u>
Total interest-bearing borrowings	<u><u>44,838,547</u></u>	<u><u>52,679,614</u></u>

On 20 September 2024, WM Cayman II, as borrower and WML, as guarantor, entered into an amendment agreement (the “**Second Amendment Agreement**”) to extend the maturity date of the outstanding loans from 16 September 2025 to 16 September 2028, or the immediately preceding business day if 16 September 2028 is not a business day. In connection with the Second Amendment Agreement, the Company recorded debt issuance costs of approximately HK\$150.0 million within the Consolidated Statement of Financial Position.

As at 31 December 2024, the Group had approximately HK\$2.75 billion in funding available under the WM Cayman II Revolver.

As at 31 December 2024, there was no non-compliance with covenants contained in the WM Cayman II Revolver, and accordingly the outstanding balance was classified as non-current liabilities.

On 1 October 2024, WML repaid the US\$600.0 million (approximately HK\$4.66 billion) aggregate principal amount of the WML 2024 Notes on their stated maturity date.

As at 31 December 2024, there was no non-compliance with covenants contained in the WML Senior Notes indentures, and accordingly the outstanding balances under the WML 2026 Notes, the WML 2027 Notes, the WML 2028 Notes and the WML 2029 Notes were classified as non-current liabilities.

As the conversion options are not classified as equity and are exercisable at any time on or after 17 April 2023 at the bondholders’ option, the WML Convertible Bonds are classified as current interest-bearing borrowings.

The WRL Revolving Loan Facility expired on 14 June 2024. On the maturity date, there were no outstanding borrowings under the WRL Revolving Loan Facility.

13. WML CONVERTIBLE BOND CONVERSION OPTION DERIVATIVE

The Company determined that the conversion feature contained within the WML Convertible Bonds is not indexed to WML's equity and, as such, is required to be bifurcated from the debt host contract and accounted for as a free-standing derivative (the “**WML Convertible Bond Conversion Option Derivative**”). In accordance with applicable accounting standards, the WML Convertible Bond Conversion Option Derivative will be reported at fair value as of the end of each reporting period, with changes recognized in profit or loss in the consolidated statement of profit or loss and other comprehensive income.

The following table sets forth the inputs to the lattice models that were used to value the WML Convertible Bond Conversion Option Derivatives:

	As at 31 December	
	2024	2023
WML stock price (HK\$)	5.39	6.43
Estimated volatility	31.2%	34.0%
Risk-free interest rate	3.6%	3.3%
Expected term (years)	4.2	5.2
Dividend yield ⁽¹⁾	0.0%	0.0%

(1) Dividend yield is assumed to be zero in the lattice models used to value the WML Convertible Bond Conversion Option Derivative, due to a dividend protection feature in the WML Convertible Bond agreement.

In connection with the completion of the offering on 7 March 2023, the Company recognized a debt discount and a corresponding liability for the embedded derivative, based on an estimated fair value of US\$123.5 million (approximately HK\$968.8 million). The debt discount will be amortized to interest expense over the term of the WML Convertible Bonds using the effective interest method. As of 31 December 2024 and 2023, the estimated fair value of the embedded derivative was a liability of US\$33.0 million (approximately HK\$256.2 million) and US\$73.7 million (approximately HK\$576.4 million), recorded in current interest-bearing borrowings in the accompanying consolidated statement of financial position. In connection with the change in fair value, the Company recorded a gain of US\$40.7 million (approximately HK\$316.5 million) and US\$49.7 million (approximately HK\$388.8 million) within changes in derivative fair value in the accompanying consolidated statement of profit or loss and other comprehensive income for the years ended 31 December 2024 and 2023.

14. SEGMENT INFORMATION

The Group's principal operating activities occur in Macau, which is the sole geographic area in which the Group is domiciled. The Group reviews the results of operations for each of its operating segments. Wynn Palace, which opened on 22 August 2016, is managed as an operating segment and a reportable segment. Wynn Macau and Encore at Wynn Macau are managed as a single integrated resort and are aggregated as one operating segment, which is also a reportable segment ("Wynn Macau"). The Group identifies each integrated resort as a reportable segment considering operations within each integrated resort have similar economic characteristics, type of customers, types of services and products, the regulatory environment of the operations and the Group's organizational and management reporting structure. Other Macau primarily represents cash and cash equivalents and investments held by the Company.

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Wynn Palace:		
Casino	14,014,993	11,516,374
Rooms	1,583,893	1,579,610
Food and beverage	978,668	818,493
Retail and other	731,508	854,943
Wynn Macau:		
Casino	9,602,915	7,594,738
Rooms	785,322	855,480
Food and beverage	630,375	532,285
Retail and other	412,747	516,219
Total operating revenues	28,740,421	24,268,142

		For the year ended 31 December	
		2024	2023
		HK\$	HK\$
	Notes	(in thousands)	
Adjusted EBITDA			
Wynn Palace		5,148,874	4,311,754
Wynn Macau		3,061,263	2,309,271
		<u>8,210,137</u>	<u>6,621,025</u>
Other operating costs and expenses			
Depreciation and amortization		2,370,166	2,374,100
Pre-opening costs		5,506	729
Property charges and other		158,891	181,338
Share-based payments		105,759	162,466
Wynn Macau, Limited corporate expenses		240,893	199,973
		<u>5,328,922</u>	<u>3,702,419</u>
Operating profit			
Non-operating income and expenses			
Finance revenues		568,061	571,267
Finance costs	4	(3,190,059)	(3,335,189)
Net foreign currency differences		226,616	(90,131)
Change in derivative fair value		316,518	388,763
Loss on debt financing transaction		—	(22,767)
		<u>3,250,058</u>	<u>1,214,362</u>
Profit before tax			
Income tax expense	5	51,880	42,706
Net profit attributable to owners of the Company		<u>3,198,178</u>	<u>1,171,656</u>

For the year ended
31 December
2024 2023
HK\$ **HK\$**
(in thousands)

Capital expenditures

Wynn Palace	862,163	561,727
Wynn Macau	443,314	152,569
Other Macau	486	—
	<hr/>	<hr/>
Total	<u>1,305,963</u>	<u>714,296</u>

As at 31 December
2024 2023
HK\$ **HK\$**
(in thousands)

Total assets

Wynn Palace	21,796,542	22,921,478
Wynn Macau	11,402,478	14,993,381
Other Macau	6,032,510	6,914,194
	<hr/>	<hr/>
Total	<u>39,231,530</u>	<u>44,829,053</u>

As at 31 December
2024 2023
HK\$ **HK\$**
(in thousands)

Non-current assets

Macau	26,470,750	27,457,407
Foreign countries	2,325	52
	<hr/>	<hr/>
Total	<u>26,473,075</u>	<u>27,457,459</u>

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

We are a developer, owner and operator of two integrated destination casino resorts, Wynn Palace and Wynn Macau, located in the Greater Bay Area region of the People's Republic of China. Our resorts in Macau include world-class hotel facilities, a variety of regional and international dining options, retail outlets and an array of one-of-a-kind entertainment offerings.

Our strategy in the Greater Bay Area encompasses investment in our integrated resorts, in our people and in the broader community. To attract and retain our customers, we design and continually make enhancements to refresh, improve and expand our resorts. We also maintain numerous programs to invest in our approximately 11,500 Macau-based employees. Through a robust emphasis on human resources and staff training, we provide opportunities for movement within our Group to ensure employees can pursue their career goals with us and to elevate their functional and leadership skills. Through our “Wynn Care” program, we facilitate reinvestment in our community, encourage volunteerism and promote responsible gaming. Since launching this program, we have centralized our community-focused initiatives under one umbrella and expanded our efforts from various volunteer activities and community events in Macau into the Greater Bay Area and beyond. Through our charitable foundation “Wynn Care Foundation”, we continue to broaden our efforts in pursuing positive social impact and supporting charitable development within Macau and mainland China. We are also fully committed to supporting sustainable development for the benefit of Macau and the planet by monitoring and reducing inefficient energy and resource consumption and embracing technologies that help us to responsibly use our resources.

Wynn Palace

Wynn Palace, a 6 million square foot integrated resort, was opened to the public on 22 August 2016 in the Cotai area of Macau, conveniently located minutes from both Macau International Airport and the Macau Taipa Ferry Terminal and directly adjacent to a stop serviced by Macau's light rail system.

We are in the design stages of developing the next phase of Wynn Palace. We currently expect that the next phase at Wynn Palace will incorporate an array of amenities such as theater and expanded event space, food and beverage features, and other non-gaming offerings.

Wynn Palace features:

- Approximately 468,000 square feet of casino space and casino support and ancillary areas with 303 table games and 598 slot machines or similar electronic gaming devices, offering 24-hour gaming and a full range of games, including private gaming salons and sky casinos;
- Signature public attractions and entertainment offerings including a performance lake, an immersive entertainment center and Western and Asian art displays;
- A luxury hotel with a total of 1,706 spacious rooms, suites and villas;

- 14 food and beverage outlets;
- Approximately 107,000 square feet of high-end, brand-name retail shopping;
- Recreation and leisure facilities, including a cable car (“**SkyCab**”) ride, health club, spa, salon and pool; and
- Approximately 37,000 square feet of meeting and convention space.

Wynn Macau

Wynn Macau, a 3 million square foot integrated resort, was opened to the public on 6 September 2006 in the heart of the Macau Peninsula. We completed expansion works at Wynn Macau in December 2007 and November 2009, which added more gaming space and additional food and beverage and retail amenities. Encore at Wynn Macau, a further expansion of Wynn Macau that added hotel accommodations and a range of gaming and non-gaming amenities, opened in April 2010.

Wynn Macau features:

- Approximately 294,000 square feet of casino space and casino support and ancillary areas with 257 table games and 696 slot machines or similar electronic gaming devices, offering 24-hour gaming and a full range of games, including private gaming salons, sky casinos and a poker pit;
- Public entertainment attractions include offerings such as the performance lake and a rotunda show featuring a Chinese zodiac-inspired ceiling along with the gold “tree of prosperity”;
- Two luxury hotel towers with a total of 1,010 spacious rooms and suites;
- 12 food and beverage outlets;
- Approximately 64,500 square feet of high-end, brand-name retail shopping;
- Recreation and leisure facilities, including two health clubs and spas, a salon and a pool; and
- Approximately 31,000 square feet of meeting and convention space.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Set forth below are the key factors affecting our results of operations and financial condition. There are also risks and uncertainties inherent in our operations, many of which are beyond our control.

Regulation and Licensing

On 16 December 2022, WRM, a wholly-owned subsidiary of the Company, entered into a definitive Gaming Concession Contract with the Macau government, pursuant to which WRM was granted a 10-year gaming concession commencing on 1 January 2023 and expiring on 31 December 2032, to operate games of chance at Wynn Palace and Wynn Macau.

As a casino concessionaire, WRM is subject to the regulatory control of the Macau government. The Macau government has adopted laws and administrative regulations governing the operation of casinos in Macau. Only concessionaires are permitted to operate casinos. Each concessionaire was required to enter into a concession agreement with the Macau government which, together with the law and administrative regulations, form the framework for the regulation of the activities of the concessionaire.

Under the laws and administrative regulations, concessionaires are subject to suitability requirements relating to background, associations and reputation, as are stockholders of 5% or more of a concessionaire's equity securities, officers, directors and key employees. The same requirements apply to any entity engaged by a concessionaire to manage casino operations. Concessionaires are required to satisfy minimum capitalization requirements, demonstrate and maintain adequate financial capacity to operate the concession and submit to continuous monitoring of their casino operations by the Macau government. Concessionaires also are subject to periodic financial reporting requirements and reporting obligations with respect to, among other things, certain contracts, financing activities and transactions with directors, financiers and key employees. Transfers or the encumbering of interests in concessionaires must be reported to the Macau government and are ineffective without government approval.

Each concessionaire is required to engage a managing director who must be a permanent resident of Macau and the holder of at least 15% of the capital stock of the concessionaire. The appointment of the managing director and of any successor is ineffective without the approval of the Macau government. All contracts placing the management of a concessionaire's casino operations with a third party also are ineffective without the approval of the Macau government.

Concessionaires are subject to a special gaming tax of 35% of gross gaming revenue, and must also make an annual contribution of up to 5% of gross gaming revenue for the promotion of public interests, social security, infrastructure and tourism. Concessionaires are obligated to withhold applicable taxes, according to the rate in effect as set by the government, from any commissions paid to gaming promoters. The withholding rate may be adjusted from time to time.

The Gaming Concession Contract between WRM and the Macau government requires WRM to operate two casinos: "Casino Wynn Macau" and "Casino Wynn Palace".

Pursuant to the Gaming Concession Contract and the laws and administrative regulations, the Macau government may rescind the gaming concession if WRM fails to fulfill its obligations, including in the circumstances of (i) endangerment to the national security of mainland China or Macau, (ii) failure on the part of WRM to perform its obligations under the Gaming Concession Contract, (iii) public interest, and (iv) WRM ceasing to be eligible for the gaming concession under the Macau gaming law. If the Macau government rescinds the Gaming Concession Contract due to WRM's non-fulfilment, or perceived non-fulfilment, of its obligations, WRM will be required to transfer to the Macau government, free from any encumbrance or lien and without compensation, all of its casinos, gaming assets and equipment and ownership rights to its casino areas in Macau. Beginning in the eighth year of WRM's concession, the Macau government may exercise its right to redeem the concession by providing WRM with at least one-year prior written notice. In such event, WRM would be entitled to fair and equitable compensation pursuant to the Macau gaming law. The amount of such compensation relating to the projects agreed with the Macau government would be determined based on the earnings of these projects, before interest, depreciation and amortization for the fiscal year immediately preceding the date the redemption is declared, multiplied by the number of years remaining on the term of the Gaming Concession Contract. The Macau government may assume temporary custody and control over the operation of a concession in certain circumstances. During any such period, the costs of operations must be borne by the concessionaire.

WRM is required to obtain prior approval from the relevant Macau authorities or officials for various corporate changes and actions, including expansion of its business scope, issuance of shares, transfer or creation of any encumbrances over its shares, issuance of debt securities, change of its managing director or the authority delegated thereto, appointment of any new director, change of its articles of association, certain transfers of property rights and creditor's rights, entering into a consumer loan contract or similar contract with a value equal to or exceeding MOP100.0 million (approximately HK\$97.1 million), and granting of a loan to any of its directors, shareholders or key employees. WRM is required to notify the Macau government of certain other changes, including any loan, mortgage, claim for obligation, guarantee or the assumption of any debt for financing its business with a value that equals to or exceeds MOP16.0 million (approximately HK\$15.5 million). WRM is required to notify the Chief Executive of Macau at least five working days in advance prior to making material financial decisions (i) related to the transfer of funds within WRM which exceeds 50% of its share capital, (ii) related to employee salaries, remuneration or benefits which exceed 10% of its share capital, and (iii) not related to above items (i) and (ii), whose value exceeds 10% of its share capital.

Pursuant to the Gaming Concession Contract, WRM is required to submit to the Macau government for its approval, an annual proposal of the specific projects identified in the investment plan annexed to the Gaming Concession Contract which it intends to execute in the following year by 30 September of each prior calendar year, detailing each project in which it intends to invest, the investment amount and the execution schedule. Within 60 days after submission of each annual execution proposal, the Macau government will decide on its approval, and may request adjustments to specific projects, the investment amount and/or the execution schedule. If any of the annual execution proposals or parts thereof are not approved by the Macau government, WRM is obliged to propose allocating the relevant funds to other projects, which are also subject to subsequent approval by the Macau government, while the total committed investment amount will remain unchanged. The annual execution proposal for the year 2024 and the year 2025 were previously submitted in September 2023 and 2024, respectively, and were thereafter approved by the Macau government. WRM is required to submit a report on the execution of the previous year's execution proposal by 31 March of each calendar year. The execution report of the proposal for the year 2023 was submitted on 28 March 2024 and was thereafter reviewed by the Macau government. The execution report presented by the concessionaires may be subject to extraordinary audit upon determination by the Macau government. In addition, WRM is subject to the supervision of the Macau government in regards to the execution of development projects included in the investment plan, and WRM must submit progress reports every two months, and may be requested to submit exceptional detailed reports whenever the normal progress of any development project included in the investment plan is compromised.

Macau Gaming Concession

WRM committed to make certain non-gaming and gaming investments in the amount of MOP21.03 billion (approximately HK\$20.42 billion) over the course of the ten-year term of the Gaming Concession Contract. MOP19.80 billion (approximately HK\$19.22 billion) of the committed investment will be used for non-gaming capital projects and event programming in connection with, among others, attraction of foreign tourists, conventions and exhibitions, entertainment performances, sports events, culture and art, health and wellness, themed amusement, gastronomy, community tourism and maritime tourism.

Additionally, WRM committed to make the following payments throughout the term of the Gaming Concession Contract:

- (i) Gaming premium — The gaming premium is composed of (a) a fixed portion in an amount equal to MOP30.0 million (approximately HK\$29.1 million) per year; and (b) a variable annual portion of (1) MOP300,000 (approximately HK\$291,000) per gaming table located in special gaming halls reserved exclusively to particular games or players; (2) MOP150,000 (approximately HK\$146,000) per gaming table that is not reserved exclusively to particular games or players; and (3) MOP1,000 (approximately HK\$971) per gaming machine, including slot machines, operated by WRM. The amount of the variable portion of the premium cannot be less than the amount that would result from the permanent operation of 500 gaming tables and 1,000 gaming machines. A minimum average annual gross gaming revenue of MOP7.0 million (approximately HK\$6.8 million) per gaming table and MOP300,000 (approximately HK\$291,000) per gaming machine has been set by Macau government. If WRM fails to reach such minimum gross gaming revenue, WRM will be required to pay a special premium equal to the difference between the special gaming tax calculated based on the actual gross gaming revenue and that of such minimum gross gaming revenue;
- (ii) Special levies, totaling 5% of gross gaming revenues. The Macau government may reduce the special levies payable by WRM (1) based on WRM's contribution to the attraction of tourists who enter Macau for tourism and business purposes and hold travel documents issued by countries or regions other than the People's Republic of China; (2) if WRM's operations are adversely affected by abnormal, unpredictable or force majeure circumstances associated with the prevailing economic conditions of Macau; or (3) factors as determined by the Chief Executive of Macau; and
- (iii) Special gaming tax assessed at the rate of 35% of gross gaming revenues.

In accordance with the terms of the Property Transfer Agreements, WRM will pay the Macau government an annual amount calculated based on: (i) MOP750 (approximately HK\$728) per square meter of the casino areas for the first year in March 2023, as adjusted annually in accordance with the average price index in Macau pursuant to the Macau gaming law for the second and third year payable in March 2024 and March 2025, respectively; and (ii) MOP2,500 (approximately HK\$2,427) per square meter of the casino areas for the fourth year in March 2026, as adjusted annually for the remaining years payable in March each year in accordance with the average price index in Macau pursuant to the Macau gaming law. Pursuant to the Gaming Concession Contract, WRM will revert to Macau government the casino areas and gaming equipment, without compensation and free of encumbrance upon the rescission or termination of the gaming concession on 31 December 2032.

Under the Gaming Concession Contract, WRM provided a first demand bank guarantee of MOP1.00 billion (approximately HK\$970.9 million) in favor of the Macau government to support WRM's legal and contractual obligations, from 1 January 2023 until one hundred and eighty days after the term of the Gaming Concession Contract expires or the rescission of the concession.

Macau

Macau, which was a territory under Portuguese administration for approximately 450 years, was transferred from Portuguese to Chinese political control in December 1999. Macau is governed as a special administrative region of China and is located in the Greater Bay Area and approximately 37 miles southwest of Hong Kong. The journey between Macau and Hong Kong takes approximately 15 minutes by helicopter, 30 minutes by road via the opening of the Hong Kong — Zhuhai — Macau Bridge and one hour by jetfoil ferry. Macau, which has been a casino destination for more than 60 years, consists principally of a peninsula on mainland China and two neighboring islands, Taipa and Coloane, between which the Cotai area is located. In addition to WRM, SJM, Galaxy, Venetian Macau, Melco and MGM Macau are permitted to operate casinos in Macau.

We believe that Macau is located in one of the world's largest concentrations of potential gaming and tourism customers. Since the introduction of new casinos starting in 2004, the Macau market has experienced a significant increase in annual gaming revenue from the HK\$21.53 billion generated in 2002. According to Macau statistical information, casinos in Macau generated HK\$220.18 billion in gaming revenue in 2024, representing an increase of 23.9% compared to the HK\$177.73 billion generated in 2023. We believe that Macau's stated goal of becoming a world-class tourism destination will continue to drive additional visitation to the market and create future opportunities for us to invest and grow.

Our Macau Operations face competition primarily from the 28 other casinos located throughout Macau in addition to casinos located throughout the world, including Singapore, South Korea, the Philippines, Vietnam, Cambodia, Malaysia, Australia, Las Vegas, cruise ships in Asia that offer gaming, and other casinos throughout Asia. Additionally, certain other Asian countries and regions have legalized or in the future may legalize gaming, such as Japan, Taiwan, and Thailand, which could increase competition for our Macau Operations.

Tourism

The levels of tourism and overall gaming activities in Macau are key drivers of our business. Both the Macau gaming market and visitation to Macau grew significantly from liberalization in 2002. According to the Macau Statistics and Census Service Monthly Bulletin of Statistics, visitation to Macau in 2024 increased 23.8% as compared to 2023.

Tourism levels in Macau are affected by a number of factors which are beyond our control. Factors affecting tourism levels in Macau may include, among others: the prevailing economic conditions in mainland China and Asia; restrictions, conditions or other factors which affect visitation by citizens of mainland China and other regions to Macau; various countries' policies on currency exchange controls, currency export, currency withdrawal, credit and debit card usage and travel restrictions or policies impacting the issuance of travel visas that may be in place from time to time; and competition from other destinations which offer gaming and/or leisure activities.

Natural and man-made disasters, extreme weather conditions (such as typhoons and heavy rainstorms), outbreaks of highly infectious diseases, public incidents of violence, security alerts, riots and demonstrations, war and other events, particularly in Macau and nearby regions, may result in decreases to visitor arrivals to Macau from mainland China and elsewhere and disrupt travel to and between our resorts. Any of these events may also interfere with our operations and could have a material adverse effect on our business, financial condition and results of operations. Although we have insurance coverage with respect to some of these events, we cannot assure you that any such coverage will be sufficient to indemnify us fully against all direct and indirect costs, including any loss of business that could result from substantial damage to, or partial or complete destruction of, any of our properties.

Premium Credit Play

We selectively extend credit to certain customers contingent upon our marketing team's knowledge of the customers, their financial background and payment history. We follow a series of credit procedures and require various signed documents from each credit recipient that are intended to ensure that, among other things, if permitted by applicable law, the debt can be legally enforced in the jurisdiction where the customer resides. In the event the customer does not reside in a jurisdiction where gaming debts are legally enforceable, we can attempt to assert jurisdiction over assets the customer maintains in jurisdictions where the debt is recognized. In addition, we typically require a check in the amount of the applicable credit line from credit customers, collateralizing the credit we grant.

Number and Mix of Table Games and Slot Machines

The mix of VIP table games, mass table games and slot machines in operation at our resorts changes from time to time as a result of marketing and operating strategies in response to changing market demand and industry competition. The shift in the mix of our games may affect casino profitability.

Renovation, Development and Construction Projects

Our current and future renovation, development and construction projects are and will be subject to significant development and construction risks. Such risks include unanticipated costs or cost increases, shortages in qualified labor, changes in laws and regulations and unforeseen engineering problems. Construction, equipment or staffing problems or difficulties in obtaining the requisite licenses, permits and authorizations from regulatory or governmental authorities could increase the total cost, delay or prevent the construction or opening or otherwise affect the project's design and features, which may adversely impact the success of the project. There can be no assurance that our proposed plans and specifications will not change, and we cannot guarantee that our proposed projects will be approved, commenced or completed as contemplated by us. Failure to complete the projects on schedule or within budget may also have a significant negative effect on us and on our ability to make payments on our debt.

ADJUSTED EBITDA

Adjusted EBITDA is earnings before finance costs, finance revenues, net foreign currency differences, changes in derivative fair value, loss on debt financing transaction, income taxes, depreciation and amortization, pre-opening costs, property charges and other, share-based payments, Wynn Macau, Limited corporate expenses, and other non-operating income and expenses. Adjusted EBITDA is presented exclusively as a supplemental disclosure because our Directors believe that it is widely used to measure the performance, and as a basis for valuation, of gaming companies. Our Adjusted EBITDA presented herein also differs from the Adjusted Property EBITDAR presented by Wynn Resorts, Limited for its Macau segments in its filings with the SEC, primarily due to the inclusion of license fees, adjustments for IFRS differences with U.S. GAAP, corporate support and other support services in arriving at operating profit.

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement and operating profits.

	For the year ended 31 December	
	2024	2023
	HK\$	HK\$
	(in thousands)	
Operating profits	5,328,922	3,702,419
Add		
Depreciation and amortization	2,370,166	2,374,100
Pre-opening costs	5,506	729
Property charges and other	158,891	181,338
Share-based payments	105,759	162,466
Wynn Macau, Limited corporate expenses	240,893	199,973
	<u>8,210,137</u>	<u>6,621,025</u>
Adjusted EBITDA	<u>8,210,137</u>	<u>6,621,025</u>

REVIEW OF HISTORICAL OPERATING RESULTS

Summary Breakdown Table

The following table presents certain selected consolidated statement of profit or loss and other comprehensive income line items and certain other data.

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	(in thousands)	
Wynn Palace:		
Casino ⁽¹⁾	14,014,993	11,516,374
Rooms	1,583,893	1,579,610
Food and beverage	978,668	818,493
Retail and other	731,508	854,943
Wynn Macau:		
Casino ⁽¹⁾	9,602,915	7,594,738
Rooms	785,322	855,480
Food and beverage	630,375	532,285
Retail and other	412,747	516,219
Total operating revenues	28,740,421	24,268,142

For the year ended
31 December
2024 2023
HK\$ **HK\$**
(in thousands, except for
averages, win per unit per day
figures and number of tables
and slot machines)

Wynn Palace:

VIP:		
VIP table games turnover	101,400,164	88,944,378
VIP table games win ⁽¹⁾	3,508,693	3,001,141
VIP table games win as a percentage of turnover	3.46%	3.37%
Average number of gaming tables ⁽²⁾	57	56
Table games win per unit per day ⁽³⁾	167,800	146,726
Mass market:		
Mass market table drop	53,801,885	47,958,687
Mass market table games win ⁽¹⁾	13,162,578	10,750,095
Mass market table games win percentage	24.46%	22.42%
Average number of gaming tables ⁽²⁾	245	242
Table games win per unit per day ⁽³⁾	146,493	121,900
Slot machine handle	19,665,061	18,670,772
Slot machine win ⁽¹⁾	854,605	804,884
Average number of slots ⁽²⁾	603	580
Slot machine win per unit per day ⁽³⁾	3,875	3,801

For the year ended
31 December
2024 2023
HK\$ **HK\$**
(in thousands, except for
averages, win per unit per day
figures and number of tables
and slot machines)

Wynn Macau:

VIP:		
VIP table games turnover	39,405,635	40,179,621
VIP table games win ⁽¹⁾	1,384,305	1,502,646
VIP table games win as a percentage of turnover	3.51%	3.74%
Average number of gaming tables ⁽²⁾	30	41
Table games win per unit per day ⁽³⁾	125,481	99,421
Mass market:		
Mass market table drop	49,522,239	40,357,076
Mass market table games win ⁽¹⁾	9,085,541	7,128,900
Mass market table games win percentage	18.35%	17.66%
Average number of gaming tables ⁽²⁾	221	216
Table games win per unit per day ⁽³⁾	112,137	90,476
Slot machine handle	24,454,594	17,314,563
Slot machine win ⁽¹⁾	804,104	537,440
Average number of slots ⁽²⁾	615	530
Slot machine win per unit per day ⁽³⁾	3,571	2,777

Notes:

- (1) Total casino revenues do not equal the sum of “VIP table games win”, “mass market table games win” and “slot machine win” primarily because casino revenues are reported net of the relevant commissions and others (including complimentary revenues allocated from casino revenues to rooms, food and beverage, retail and other revenues). The following table presents a reconciliation of the sum of “VIP table games win”, “mass market table games win” and “slot machine win” to total casino revenues.

For the year ended

31 December

2024

2023

HK\$

HK\$

(in thousands)

VIP table games win	4,892,998	4,503,787
Mass market table games win	22,248,119	17,878,995
Slot machine win	1,658,709	1,342,324
Poker revenues	124,999	143,039
Commissions and others (including complimentary revenues allocated from casino revenues to rooms, food and beverage, retail and other revenues)	<u>(5,306,917)</u>	<u>(4,757,033)</u>
Total casino revenues	<u>23,617,908</u>	<u>19,111,112</u>

- (2) For purposes of this table, we calculate average number of gaming tables and average number of slots as the average numbers of gaming tables and slot machines in service on each day in the year.
- (3) Table games win per unit per day and slot machine win per unit per day are presented in this table on the basis of the average number of gaming tables and average number of slots, respectively, over the number of days Wynn Palace, Wynn Macau and Encore were open in the applicable year.

Discussion of Results of Operations

Financial results for the year ended 31 December 2024 compared to financial results for the year ended 31 December 2023

Operating Revenues

Total operating revenues increased by 18.4% from HK\$24.27 billion in 2023 to HK\$28.74 billion in 2024, primarily due to higher gaming volumes and covers at our restaurants. Since the elimination of COVID-19 related protective measures by Macau authorities in January 2023, visitation to Macau has continued to improve, resulting in increased business volumes in 2024.

Casino Revenues

Casino revenues increased from HK\$19.11 billion (78.7% of total operating revenues) in 2023 to HK\$23.62 billion (82.2% of total operating revenues) in 2024, primarily due to higher gaming volumes which benefited from growing tourism in Macau during the year ended 31 December 2024. The components of casino revenues are as follows:

VIP casino gaming operations. VIP table games win increased by 8.6%, from HK\$4.50 billion in 2023 to HK\$4.89 billion in 2024, with total VIP table games turnover up 9.0%, from HK\$129.12 billion in 2023 to HK\$140.81 billion in 2024.

Mass market casino gaming operations. Mass market table games win increased by 24.4%, from HK\$17.88 billion in 2023 to HK\$22.25 billion in 2024, with total mass market table drop up 17.0% from HK\$88.32 billion in 2023 to HK\$103.32 billion in 2024.

Slot machine gaming operations. Slot machine win increased by 23.6% from HK\$1.34 billion in 2023 to HK\$1.66 billion in 2024. Total slot machine handle increased by 22.6% from HK\$35.99 billion in 2023 to HK\$44.12 billion in 2024.

Non-casino Revenues

Net non-casino revenues, which include rooms, food and beverage and retail and other revenues, remained essentially flat at HK\$5.12 billion (17.8% of total operating revenues) in 2024, compared to HK\$5.16 billion (21.3% of total operating revenues) in 2023.

Rooms. Our room revenues remained relatively flat at HK\$2.37 billion in 2024, compared to HK\$2.44 billion in 2023.

The following table presents additional information about our room revenues for Wynn Palace and Wynn Macau:

Room Revenues Information

	For the year ended 31 December	
	2024	2023
Wynn Palace:		
Average Daily Rate	HK\$2,423	HK\$2,527
Occupancy ⁽¹⁾	98.6%	94.9%
REVPAR	HK\$2,389	HK\$2,398
Wynn Macau:		
Average Daily Rate	HK\$1,935	HK\$2,199
Occupancy ⁽¹⁾	99.3%	96.5%
REVPAR	HK\$1,921	HK\$2,121

Note:

(1) Occupancy is the number of total hotel room nights occupied as a percentage of the number of total hotel room nights available in the applicable year. Available hotel rooms exclude those rooms out of service during the applicable year.

Food and beverage. Food and beverage revenues increased by 19.1% from HK\$1.35 billion in 2023 to HK\$1.61 billion in 2024, primarily due to increased restaurant covers and average check amounts at both Wynn Palace and Wynn Macau.

Retail and other. Our retail and other revenues decreased by 16.5% from HK\$1.37 billion in 2023 to HK\$1.14 billion in 2024, primarily due to lower retail sales.

Operating Costs and Expenses

Gaming taxes and premiums. Gaming taxes and premiums increased by 21.5% from HK\$10.06 billion in 2023 to HK\$12.22 billion in 2024. The increase was primarily driven by the increase in casino revenues. WRM is subject to a 35% gaming tax on gross gaming win. In addition, WRM is also required to pay 5% of its gross gaming win as contributions for public development and social facilities.

Staff costs. Staff costs remained relatively flat at HK\$4.28 billion in 2024, compared to HK\$4.19 billion in 2023.

Other operating expenses. Other operating expenses increased by 16.6% from HK\$3.76 billion in 2023 to HK\$4.39 billion in 2024. The increase was mainly driven by increases in advertising and promotions expenditures, license fees and provision of credit losses. The provision for credit losses was HK\$42.8 million for 2024 as compared to the reversal of provision for credit losses of HK\$64.3 million for 2023, primarily due to the impact of historical collection patterns and expectations of current and future collection trends, as well as the specific review of customer accounts, on our estimated credit loss for the respective years.

Depreciation and amortization. Depreciation and amortization remained essentially flat at HK\$2.37 billion in 2024 and 2023.

Property charges and other. Property charges and other decreased by 12.4% from HK\$181.3 million in 2023 to HK\$158.9 million in 2024. The decrease was mainly driven by a reduction in losses incurred on contract terminations, partially offset by the increase in costs related to assets retired or abandoned.

As a result of the foregoing, total operating costs and expenses increased by 13.8%, from HK\$20.57 billion in 2023 to HK\$23.41 billion in 2024.

Finance Revenues

Finance revenues remained essentially flat at HK\$568.1 million in 2024, compared to HK\$571.3 million in 2023. Our short-term investment strategy has been to preserve capital while retaining sufficient liquidity. The majority of our cash equivalents were primarily in time deposits and fixed deposits with a maturity of three months or less.

Finance Costs

Finance costs decreased by 4.4% from HK\$3.34 billion in 2023 to HK\$3.19 billion in 2024. The decrease is primarily driven by decreases in average loan balance and average interest rates of the WM Cayman II Revolver in 2024 compared to 2023.

Changes in Derivative Fair Value

The changes in derivative fair value in 2024 represented a gain of HK\$316.5 million recorded in relation to the conversion feature of the WML Convertible Bonds. The changes in derivative fair value for 2023 was a gain of HK\$388.8 million.

Income Tax Expense

Our income tax expense relates to the current tax expense recorded by our subsidiaries owning WRM's shares under the WRM Shareholder Dividend Tax Agreement. In February 2024, WRM renewed its agreement for the period from 1 January 2023 through 31 December 2025 with the Macau government that provides for a payment in lieu of complementary tax on dividend distributions which would otherwise be borne by stockholders of WRM. Income tax expense was HK\$51.9 million in 2024 and HK\$42.7 million in 2023.

Net Profit Attributable to Owners of the Company

As a result of the foregoing, net profit attributable to owners of the Company increased by 173.0% from HK\$1.17 billion in 2023 to HK\$3.20 billion in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Our cash and cash equivalents as at 31 December 2024 were approximately HK\$11.33 billion. WML generates cash from our Macau Operations and may utilize proceeds from the WM Cayman II Revolver as needed. We expect to use this cash to service our WML Senior Notes, WM Cayman II Revolver, and WML Convertible Bonds, to pay dividends to shareholders of WML, and to fund working capital and capital expenditure requirements at WML and our Macau Operations.

WML is a holding company and, as a result, its ability to pay dividends is dependent on WML receiving distributions from its subsidiaries. WML, as guarantor under the WM Cayman II Revolver facility agreement, may be subject to certain restrictions on payments of dividends or distributions to its shareholders, unless certain financial criteria have been satisfied. The WM Cayman II Revolver facility agreement contains representations, warranties, covenants and events of default customary for similar financings, including, but not limited to, restrictions on indebtedness to be incurred by WM Cayman II or its subsidiaries.

In May 2024, the WML Board of Directors announced an amendment to WML's dividend policy, pursuant to which the WML Board of Directors will meet semiannually to consider the declaration of dividends, and may also meet at any time during the year as the WML Board of Directors deems fit to consider the declaration of special dividends. On 19 June 2024, WML paid a cash dividend of HK\$0.075 per share for a total of HK\$393.7 million in respect of the year ended 31 December 2023. On 12 September 2024, WML paid a cash dividend of HK\$0.075 per share for a total of HK\$393.7 million in respect of the six months ended 30 June 2024.

In September 2024, WM Cayman II, WML and Bank of China Limited, Macau Branch entered into an amendment agreement (the "**Second Amendment Agreement**") to its existing facility agreement to extend the maturity date of the outstanding loans under the existing facility agreement from September 2025 to September 2028.

In October 2024, WML repaid the US\$600.0 million (approximately HK\$4.66 billion) aggregate principal amount of the WML 2024 Notes on their stated maturity date.

For further details of the WML Senior Notes, the WM Cayman II Revolver, and the WML Convertible Bonds, please refer to the subsection headed “WML Senior Notes”, “WM Cayman II Revolver”, and “WML Convertible Bonds” under the “Indebtedness” section, respectively.

Gearing Ratio

The gearing ratio is a key indicator of our Group’s capital structure. The gearing ratio is net debt divided by total capital deficiency plus net debt. The table below presents the calculation of our gearing ratio.

	As at 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands, except for percentages)</i>	
Interest-bearing borrowings	44,838,547	52,679,614
Accounts payable	409,983	456,526
Construction payables and accruals and construction retentions payable	445,731	288,852
Other payables and accruals	4,809,118	5,140,781
Amounts due to related companies	87,375	113,092
Other liabilities	1,740,357	1,766,454
Lease liabilities	138,601	152,459
Less: cash and cash equivalents	(11,333,372)	(10,300,159)
restricted cash and cash equivalents	(692,458)	(688,219)
investments	—	(5,454,660)
Net debt	40,443,882	44,154,740
Deficiency in assets	(13,290,297)	(15,811,431)
Total capital deficiency	(13,290,297)	(15,811,431)
Capital and net debt	27,153,585	28,343,309
Gearing ratio	148.9%	155.8%

Cash Flows

The following table presents a summary of the Group's cash flows.

	For the year ended	
	31 December	
	2024	2023
	HK\$	HK\$
	<i>(in millions)</i>	
Net cash generated from operating activities	7,694.0	6,812.4
Net cash generated from/(used in) investing activities	4,829.8	(5,409.2)
Net cash (used in)/generated from financing activities	(11,423.2)	1,486.3
Net increase in cash and cash equivalents	1,100.6	2,889.5
Cash and cash equivalents at beginning of year	10,300.2	7,422.9
Effect of foreign exchange rate changes, net	(67.4)	(12.2)
Cash and cash equivalents at end of year	11,333.4	10,300.2

Net cash generated from operating activities

Our net cash generated from operating activities is primarily driven by changes in our working capital and operating profits generated by our Macau Operations. Net cash generated from operating activities was HK\$7.69 billion in 2024, compared to net cash of HK\$6.81 billion generated from operating activities in 2023. Operating profit was HK\$5.33 billion in 2024, compared to HK\$3.70 billion in 2023. In both 2024 and 2023, the increase in net cash from operating activities was primarily due to the increased operating profit and changes in working capital accounts.

Net cash generated from investing activities

Net cash generated from investing activities was HK\$4.83 billion in 2024, compared to net cash of HK\$5.41 billion used in investing activities in 2023. Net cash generated from investing activities in 2024 included HK\$5.47 billion in proceeds from the maturity of investments and HK\$665.7 million of interest receipts, partially offset by HK\$1.31 billion of costs, primarily related to non-gaming related capital projects and various renovations and maintenance capital expenditures. Net cash used in investing activities in 2023 included HK\$5.42 billion purchase of investments, comprised of United States treasury bills and fixed deposits maturing in less than one year, and HK\$714.3 million of costs, primarily related to non-gaming related capital projects and various renovations and maintenance capital expenditures, partially offset by HK\$434.1 million of interest receipts and HK\$291.0 million related to a decrease in restricted cash and cash equivalents.

Net cash used in financing activities

Net cash used in financing activities was HK\$11.42 billion in 2024, compared to net cash of HK\$1.49 billion generated from financing activities in 2023. During 2024, net cash used in financing activities was primarily due to HK\$7.41 billion in repayments of borrowings, HK\$2.86 billion of interest payments, dividend payments of HK\$783.4 million made in 2024, HK\$168.1 million payments of financial liability associated with an intangible asset, HK\$149.9 million payments of debt financing costs and HK\$43.8 million payments for principal and interest components of lease liabilities. During 2023, net cash generated from financing activities was primarily due to receipt of HK\$4.71 billion proceeds from the issuance of the WML Convertible Bonds, partially offset by HK\$2.91 billion of interest payments, HK\$157.8 million payments of financial liability associated with an intangible asset, HK\$109.9 million payments on financing costs and HK\$48.1 million payments for principal and interest components of lease liabilities.

Indebtedness

The following table presents a summary of our indebtedness.

Indebtedness information

	As at 31 December	
	2024	2023
	HK\$	HK\$
	<i>(in thousands)</i>	
Bank loans	8,941,565	11,704,915
Senior notes	31,826,747	36,733,922
Convertible bonds	4,657,573	4,689,437
	45,425,885	53,128,274
WML Convertible Bond Conversion Option Derivative	256,219	576,359
Unamortized debt financing costs, debt discount and premiums, net	(843,557)	(1,025,019)
Total interest-bearing borrowings	44,838,547	52,679,614

WM Cayman II Revolver

On 16 September 2021, WM Cayman II, a wholly owned subsidiary of WML, as borrower and WML as guarantor, entered into a facility agreement with, among others, Bank of China Limited, Macau Branch as agent and a syndicate of lenders (the “**Facility Agreement**”), pursuant to which the lenders made available in an aggregate amount of HK\$11.69 billion equivalent revolving unsecured credit facility consisting of a U.S. dollar tranche in an amount of US\$312.5 million (approximately HK\$2.43 billion) and a Hong Kong dollar tranche in an amount of HK\$9.26 billion to WM Cayman II. WM Cayman II has the ability to upsize the total WM Cayman II Revolver by an additional US\$1.00 billion (approximately HK\$7.76 billion) under the facility agreement and related agreements upon the satisfaction of various conditions.

Pursuant to the Facility Agreement, as amended in May 2022 and as amended and restated in June 2023, the borrowings under the WM Cayman II Revolver bear interest at Term SOFR, plus a credit adjustment spread of 0.10% (with the sum of Term SOFR and such credit adjustment spread being subject to a minimum floor of 0.00%) or HIBOR, in each case, plus a margin of 1.875% to 2.875% per annum based on WM Cayman II’s leverage ratio on a consolidated basis.

On 20 September 2024, WM Cayman II, as borrower and WML, as guarantor, entered into the Second Amendment Agreement to extend the maturity date of the outstanding loans from 16 September 2025 to 16 September 2028, or the immediately preceding business day if 16 September 2028 is not a business day.

WML, as guarantor, may be subject to certain restrictions on payments of dividends or distributions to its shareholders, unless certain financial criteria have been satisfied. The facility agreement contains representations, warranties, covenants and events of default customary for similar financings, including, but not limited to, restrictions on indebtedness to be incurred by WM Cayman II or its group members and restrictions on creating security over the assets of WM Cayman II or by its group members. The facility agreement also requires WM Cayman II to maintain a certain leverage ratio and interest coverage ratio from time to time as provided under the facility agreement. The facility agreement also contains certain events of default (some of which are subject to grace and remedy periods and materiality qualifiers). It is a property mandatory prepayment event under the facility agreement if there is a loss of gaming operation or gaming concession by the Group. It is a mandatory prepayment event under the facility agreement if Wynn Resorts, Limited ceases to legally and beneficially own and control, directly or indirectly, more than 50% of the outstanding share capital of WM Cayman II measured by voting power. As at 31 December 2024, the Group had approximately HK\$2.75 billion in funding available under the WM Cayman II Revolver.

As at 31 December 2024, the Directors confirmed that there was no non-compliance with covenants contained in the WM Cayman II Revolver.

WML Senior Notes

On 20 September 2017, the Company issued the WML 2024 Notes and the WML 2027 Notes. Interest on the WML 2024 Notes and the WML 2027 Notes is payable semi-annually in arrears on 1 April and 1 October of each year, beginning on 1 April 2018. The maturity dates of the WML 2024 Notes and the WML 2027 Notes are 1 October 2024 and 1 October 2027, respectively. The Company used the net proceeds from the WML 2024 Notes and the WML 2027 Notes and cash on hand to repurchase and redeem the WML 2021 Notes.

On 1 October 2024, WML repaid the US\$600.0 million (approximately HK\$4.66 billion) aggregate principal amount of the WML 2024 Notes on their stated maturity date.

On 17 December 2019, the Company issued the WML 2029 Notes. Interest on the WML 2029 Notes is payable semi-annually in arrears on 15 June and 15 December of each year, beginning on 15 June 2020. The WML 2029 Notes mature on 15 December 2029. The Company used the net proceeds from the WML 2029 Notes to facilitate the repayment of a portion of the Wynn Macau Credit Facilities and for general corporate purposes.

During 2020, the Company issued the WML 2026 Notes and the WML 2028 Notes. Interest on the WML 2026 Notes is payable semi-annually in arrears on 15 January and 15 July of each year, beginning on 15 January 2021. Interest on the WML 2028 Notes is payable semi-annually in arrears on 26 February and 26 August of each year, beginning on 26 February 2021. The WML 2026 Notes and the WML 2028 Notes mature on 15 January 2026 and 26 August 2028, respectively. The Company used net proceeds of the WML 2026 Notes and the WML 2028 Notes to facilitate repayments of the Wynn Macau Credit Facilities and for general corporate purposes.

The WML Senior Notes are WML's general unsecured obligations; rank pari passu in right of payment with all of WML's existing and future senior unsecured indebtedness; rank senior to all of WML's future subordinated indebtedness, if any; are effectively subordinated to all of WML's future secured indebtedness, if any, to the extent of the value of the assets securing such indebtedness; and are structurally subordinated to all existing and future obligations of WML's subsidiaries, including the WM Cayman II Revolver. The WML Senior Notes are listed on the Hong Kong Stock Exchange.

The WML Senior Notes indentures contain covenants limiting WML's (and certain of its subsidiaries') ability to, among other things: merge or consolidate with or into another company; and transfer or sell all or substantially all of its properties or assets. The WML Senior Notes indentures also contain customary events of default. In the case of an event of default arising from certain events of bankruptcy or insolvency, all WML Senior Notes then outstanding will become due and payable immediately without further action or notice.

Upon the occurrence of (1) any event after which none of the Company or any of its subsidiaries have such licenses, concessions, subconcessions or other permits or authorizations as necessary to conduct gaming activities in substantially the same manner and scope as it does on the date on which each of the WML Senior Notes were issued, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of WML and its subsidiaries, taken as a whole, or (2) the termination, rescission, revocation or modification of any such licenses, concessions, subconcessions or other permits or authorizations which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole, each holder of the WML Senior Notes will have the right to require the Company to repurchase all or any part of such holder's WML Senior Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest.

If the Company undergoes certain Changes of Control (as defined in the WML Senior Notes indentures), it must offer to repurchase the WML Senior Notes at a price equal to 101% of the aggregate principal amount thereof, plus accrued and unpaid interest. Under the indentures governing the WML 2027 Notes, the circumstances that will constitute a Change of Control include, among others, the sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Group to any person other than to the Company's former Chairman and Chief Executive Officer or a related party of the Company's former Chairman and Chief Executive Officer, the consummation of any transaction that results in any party other than the Company's former Chairman and Chief Executive Officer and his related parties becoming the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting stock of WRL, measured by voting power rather than number of equity interests, and a majority of the members of the Board not being continuing directors. Under the indentures governing the WML 2026 Notes, the WML 2028 Notes and the WML 2029 Notes, the circumstances that will constitute a Change of Control include, among others, the sale, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Group to any person other than to WRL or any affiliate of WRL, the consummation of any transaction that results in any party other than WRL or any affiliate of WRL becoming the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting stock of the Company, measured by voting power rather than number of equity interests, and a majority of the members of the Board not being continuing directors.

WML Convertible Bonds

On 7 March 2023, WML completed an offering (the “**Offering**”) of US\$600.0 million (approximately HK\$4.66 billion) 4.50% convertible bonds due 2029 (the “**WML Convertible Bonds**”). The WML Convertible Bonds are governed by a trust deed dated 7 March 2023 (the “**Convertible Bonds Trust Deed**”), between WML and DB Trustees (Hong Kong) Limited, as trustee. WML, DB Trustees (Hong Kong) Limited, as trustee, and Deutsche Bank Trust Company Americas entered into an agency agreement, appointing Deutsche Bank Trust Company Americas as the principal paying agent, principal conversion agent, transfer agent and registrar in relation to the WML Convertible Bonds. The net proceeds from the Offering, after deduction of commissions and other related expenses, were US\$585.9 million (approximately HK\$4.60 billion). WML intends to use the net proceeds for general corporate purposes and as of 31 December 2024, the net proceeds had not yet been used. WML expects to use the net proceeds by the end of 2029, which is based on the best estimation of the future market conditions made by the Company. The expected timeline may be subject to change based on the current and future development of market conditions. The WML Convertible Bonds were offered and sold by the joint global coordinators to no fewer than six independent institutional investors.

The WML Convertible Bonds bear interest on their outstanding principal amount from and including 7 March 2023 at the rate of 4.50% per annum, payable semi-annually in arrears on 7 March and 7 September of each year. The WML Convertible Bonds mature on 7 March 2029. At any time on or after 17 April 2023, the WML Convertible Bonds are convertible at the option of the holders thereof into fully paid ordinary shares of WML, each with a nominal value of HK\$0.001 per Share, at the initial conversion price of approximately HK\$10.24375 per Share, subject to and upon compliance with the terms and conditions of the WML Convertible Bonds (the “**Terms and Conditions**”, and such right, the “**Conversion Right**”). The conversion price is at the fixed exchange rate of HK\$7.8497 per US\$1.00, subject to standard adjustments for certain dilutive events as described in the Terms and Conditions. WML has the option upon conversion by a bondholder to pay an amount of cash equivalent described in the Terms and Conditions in order to satisfy such Conversion Right in whole or in part.

As a result of the payment of a final dividend of HK\$0.075 per Share in respect of the year ended 31 December 2023 and an interim dividend of HK\$0.075 per Share for the six months ended 30 June 2024 to the Shareholders, the conversion price has been adjusted from HK\$10.24375 per Share to HK\$10.01212 per Share pursuant to the Terms and Conditions. Assuming full conversion of the WML Convertible Bonds at the adjusted conversion price of approximately HK\$10.01212 per Share (subject to further adjustments), the number of Shares convertible from the WML Convertible Bonds increased from approximately 459,774,985 Shares to approximately 470,411,861 Shares. The closing price of the Shares on 2 March 2023 (being the trading date on which the purchase agreement was signed) was HK\$8.08 per Share. It would be equally financially advantageous for the holders of the WML Convertible Bonds to convert or redeem the convertible securities based on the implied internal rate of return of the outstanding WML Convertible Bonds, when the Company’s Share price approximates the conversion price. As of 31 December 2024, there had been no conversion or redemption of the WML Convertible Bonds.

The following table sets forth the dilutive impact on the then number of issued Shares and respective shareholdings of the substantial shareholders of the Company:

Name of shareholder	As of 31 December 2024		Upon full conversion of the WML Convertible Bonds at the conversion price	
	Number of Shares	Approximate percentage of shareholding	Number of Shares	Approximate percentage of shareholding
Wynn Resorts, Limited	3,750,000,000	71.44%	3,750,000,000	65.56%
Other Shareholders	1,499,377,600	28.56%	1,499,377,600	26.22%
Bondholders	—	—	470,411,861	8.22%
Total	<u>5,249,377,600</u>	<u>100.00%</u>	<u>5,719,789,461</u>	<u>100.00%</u>

To the best of the Directors' knowledge, having made all reasonable enquiries, having considered the financial and liquidity position of the Group, the Directors expect that the Company will be able to meet its redemption obligations under all outstanding WML Convertible Bonds when they become due.

Holders of the WML Convertible Bonds have the option to require WML to redeem all or some of such holder's WML Convertible Bonds (i) on 7 March 2027 at their principal amount together with interest accrued but unpaid to, but excluding, the date fixed for redemption; or (ii) on the Relevant Event Redemption Date (as defined in the Terms and Conditions) at their principal amount together with interest accrued but unpaid to, but excluding, such date, following the occurrence of (a) when the Shares cease to be listed or admitted to trading or are suspended from trading for a period equal to or exceeding 10 consecutive trading days on the Hong Kong Stock Exchange, or if applicable, the alternative stock exchange, (b) when there is a Change of Control (as defined in the Terms and Conditions), or (c) when less than 25% of WML's total number of issued Shares are held by the public (as interpreted under Rule 8.24 of the Listing Rules on the Hong Kong Stock Exchange).

The WML Convertible Bonds may also be redeemed at the option of WML under certain circumstances specified in the Terms and Conditions, in whole, but not in part, at any time after 7 March 2027, but prior to 7 March 2029, upon giving notice to the bondholders in accordance with the Terms and Conditions. The WML Convertible Bonds constitute direct, unsubordinated, unconditional and, subject to the Terms and Conditions, unsecured obligations of WML and rank pari passu and without any preference or priority among themselves. The Shares to be issued upon exercise of Conversion Right will be fully-paid and will in all respects rank pari passu with the fully-paid Shares in issue on the relevant registration date set forth in the Terms and Conditions.

The Convertible Bonds Trust Deed contains covenants limiting WML's and all of its subsidiaries' ability to, among other things, create, permit to subsist or arise or have outstanding any mortgage, charge, pledge, lien or other encumbrance or certain security interest; consolidate or merge with or into another company; and sell, assign, transfer, convey or otherwise dispose of all or substantially all of its and its subsidiaries' properties or assets, with certain exceptions. The Convertible Bonds Trust Deed also contains customary events of default.

WRL Revolving Loan Facility

On 14 June 2022, the Company entered into a loan agreement with WRL, which was amended by way of an amendment letter dated 30 December 2022, pursuant to which WRL agreed to make available an unsecured revolving loan facility in an amount of up to US\$500.0 million (approximately HK\$3.88 billion). The WRL Revolving Loan Facility expired on 14 June 2024. On the maturity date, there were no outstanding borrowings under the WRL Revolving Loan Facility.

OFF BALANCE SHEET ARRANGEMENTS

We have not entered into any transactions with special purpose entities nor do we engage in any transactions involving derivatives save for the WML Convertible Bond Conversion Option Derivative. For further details, see the section headed "Liquidity and Capital Resources — Indebtedness — WML Convertible Bonds" of this announcement and note 13 to the financial statements. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity.

OTHER LIQUIDITY MATTERS

We expect to fund our operations and capital expenditure requirements from cash generated from operations, cash on hand and available WM Cayman II Revolver borrowing capacity. However, we cannot be sure that operating cash flows will be sufficient for those purposes. We may refinance all or a portion of our indebtedness on or before maturity. We cannot be sure that we will be able to refinance any of the indebtedness on acceptable terms or at all.

New business developments or other unforeseen events may occur, resulting in the need to raise additional funds. There can be no assurances regarding the business prospects with respect to any other opportunity. Any other development would require us to obtain additional financing.

In the ordinary course of business, in response to market demands and client preferences, and in order to increase revenues, we have made and will continue to make enhancements and refinements to our resorts. We have incurred and will continue to incur capital expenditures related to these enhancements and refinements.

Taking into consideration our financial resources, including our cash and cash equivalents, availability under our credit facilities and internally generated funds, we believe that we have sufficient liquid assets to meet our current and anticipated working capital and operating requirements.

RELATED PARTY TRANSACTIONS

Our Directors have confirmed that all related party transactions have complied with the requirements under Chapter 14A of the Listing Rules, and have been conducted on normal commercial terms, and that their terms are fair and reasonable.

MATERIAL RISK FACTORS

There are certain risks and uncertainties involved in our operations, some of which are beyond our control. Set forth below are the material risk factors involved in our operations, which have been broadly categorized into: (i) risks related to our business; (ii) risks associated with our operations in Macau; and (iii) risks related to our indebtedness. Additional risks and uncertainties not currently known to us or that we currently consider to be immaterial may also have a material adverse impact on our business, financial condition, results of operations and cash flows.

Risks Related to our Business

Our business is particularly sensitive to reductions in discretionary consumer spending, and a negative macroeconomic environment, including an economic downturn or recession, could adversely impact our business, results of operations, financial condition and cash flows.

Our financial results are affected by the global and regional economies in which we have operations. Consumer demand for hotels, casino resorts, trade shows, conventions and the type of luxury amenities that we offer is particularly sensitive to downturns in the economies in which we operate, which could harm consumer confidence in the economy and adversely affect discretionary spending. Because a significant number of our customers come from mainland China, Hong Kong and Taiwan, the economic condition of Macau and its surrounding region, in particular, affects the gaming industry in Macau and our Macau Operations. As a result, changes in discretionary spending or consumer preferences brought about by factors such as perceived or actual negative general economic conditions, perceived or actual changes in disposable consumer income and wealth, inflationary pressures, economic recession, or changes in consumer confidence could reduce customer demand for the luxury amenities and leisure activities we offer and may negatively impact our results of operations.

In the recent past, negative macroeconomic conditions, such as inflationary pressures, relatively low levels of unemployment, and centralized efforts to control and mitigate the impact of those conditions, caused an increase in interest rates, decreases in consumer discretionary spending and disruption and volatility within the capital markets, and although these conditions have improved, they continue to present fiscal and monetary policy uncertainty. As a result our gaming revenues, financial condition, results of operations and cash flows could be adversely affected by a deterioration of the current macroeconomic environment, an economic slowdown or recession in the global economy, or perception that any of these events may occur.

We are subject to Macau laws and regulations. The cost of compliance or failure to comply with such regulations and authorities could have a negative effect on our business.

The operations of our resorts are contingent upon us maintaining all regulatory licenses, permits, approvals, registrations, findings of suitability, orders and authorizations pursuant to Macau laws and regulations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to the responsibility, financial stability and character of the owners and managers of the gaming operations, as well as persons financially interested or involved in gaming operations.

WRM and its directors, key employees, managing companies and shareholders who own 5% or more of WRM's shares must be found suitable and are subject to the continuous monitoring and supervision of the Macau government for the term of the Gaming Concession Contract to ensure that they are suitable to conduct a gaming business in Macau. The objectives of the Macau government's supervision are to preserve the conduct of gaming in Macau in a fair and honest manner and to safeguard and protect the interests of Macau in receiving taxes from the operation of casinos in the jurisdiction.

Our activities are also subject to administrative review and approval by various agencies of the Macau government, including DICJ, Health Bureau, Labour Affairs Bureau, Land and Urban Construction Bureau, Transport Affairs Bureau, Fire Services Bureau, Financial Services Bureau (including the Tax Department), Monetary Authority of Macau, Financial Intelligence Office and Macau Government Tourism Office. We cannot assure you that we will be able to maintain all necessary approvals and licenses, and our failure to do so may materially affect our business and operations.

Failure to comply with the terms of the Gaming Concession Contract and adapt to the regulatory and gaming requirements in Macau could result in the rescission of the Gaming Concession Contract or otherwise negatively affect our operations in Macau. Developments in the regulation of the gaming industry could significantly increase our costs, which could adversely affect our business.

Moreover, we are a subsidiary of WRL and therefore are subject to the risk that U.S. regulators may not permit us to conduct operations in Macau in a manner consistent with the way in which we intend, or the applicable U.S. gaming authorities require us, to conduct our operations in the United States.

Demand for our products and services may be negatively impacted by geopolitical tensions, visa and travel restrictions or difficulties, restrictions on international money transfers and other policies or campaigns implemented by regional governments.

Geopolitical tensions, notably with respect to international trade, including increases in tariffs and company and industry specific restrictions, in addition to changes in national security policies and other similar and geopolitical events, could cause economic disruption and adversely impact our business and results of operations. Various types of restrictions and sanctions have been placed by government agencies on targeted industries and companies which could potentially negatively impact the intended subject as well as other companies and persons sharing a common country of operations. These types of events have also caused significant volatility in the regional economies in which these restrictions and sanctions are imposed which may negatively impact discretionary consumer spending, disposable consumer income and wealth or changes in consumer confidence, and in turn, demand for our products and services, or worsen or exacerbate the impact of current negative macroeconomic conditions on our business and results of operations, as further described above.

In addition, policies adopted from time to time by governments, including any visa and travel restrictions or difficulties faced by our customers such as restrictions on exit visas for travelers requiring them or restrictions on visitor entry visas for the jurisdictions in which we operate, have and may in the future decrease the number of visitors to our properties from those affected places, including from mainland China, Hong Kong and Taiwan. It is not known when, or if, policies restricting visitation by mainland China citizens will be put in place and such policies may be adjusted, without notice, in the future. Furthermore, anti-corruption campaigns may influence the behavior of certain of our customers and their spending patterns. Such campaigns, as well as monetary outflow policies, have specifically led to tighter monetary transfer regulations in a number of areas. These policies may affect and impact the number of visitors to our properties and the amount of money they are willing to spend on our products and services. The overall effect of these campaigns and monetary transfer restrictions may negatively affect our revenues, results of operations and cash flows.

Investigations, litigation and other disputes could distract management, damage our reputation and result in negative publicity and additional scrutiny from regulators.

We are subject to various investigations, litigation and other disputes related to our operations. These and any additional such matters that may arise in the future, even if routine, are expensive and divert management's attention from the operations of our businesses. In addition, improper conduct by our employees, agents or gaming promoters could damage our reputation and/or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines. In certain circumstances, it may not be economical to defend against such matters and/or our legal strategy may not ultimately result in us prevailing in a matter. Investigations, litigation and other disputes have in the past, and may in the future, lead to additional scrutiny from regulators, which could lead to investigations relating to, and possibly a negative impact on, the Group's gaming licenses and the Group's ability to bid successfully for new gaming market opportunities. In addition, publicity from these matters have, or in the future, could negatively impact our business, reputation and competitive position and reduce investor demand for our shares and negatively impact the trading prices of our shares.

We depend on the continued services of key managers and employees. If we do not retain our key personnel or attract and retain other highly skilled employees, our business will suffer.

Our ability to maintain our competitive position is dependent to a large degree on the services of our senior management team. Our success depends upon our ability to attract, hire, and retain qualified operating, marketing, financial, and technical personnel in the future. We rely on the continued services of key managers and an adequate number of qualified employees to achieve our goals and to deliver our high service standards. There is intense competition for labor resources in Macau due to the limited supply of local-Macau labor and imported-labor restrictions and quotas. Competition in Macau for key managers and qualified employees is further exacerbated by the labor needs of large-scale resorts that have recently opened or are expected to open in the future and other opportunities for local-Macau labor. If we are unable to obtain, attract, retain and train key managers and an adequate number of qualified employees, and obtain any required visas or work permits for our staff, our ability to adequately manage and staff our operations and development projects could be impaired, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. The loss of key management and operating personnel would likely have a material adverse effect on our business, prospects, financial condition, and results of operations.

Our business is particularly sensitive to the willingness of our customers to travel to and spend time at our resorts. Acts or the threat of acts of terrorism, outbreak of infectious disease, regional political events and developments in certain countries could cause severe disruptions in air and other travel and may otherwise negatively impact tourists' willingness to visit our resorts. Such events or developments have in the past and may in the future reduce the number of visitors to our facilities and have a material adverse effect on our business and financial condition, results of operations or cash flows.

We are dependent on the willingness of our customers to travel. Most of our revenue is from customers who travel to our properties. Acts of terrorism or concerns over the possibility of such acts have in the past disrupted, and may again severely disrupt, domestic and international travel, which has resulted, and could in the future result, in a decrease in customer visits to our properties. Regional conflicts could have a similar effect on domestic and international travel. Disruptions in air or other forms of travel as a result of any terrorist act, outbreak of hostilities, escalation of war or worldwide infectious disease outbreak have had, and could in the future have, a material and adverse effect on our business and financial condition, results of operations and cash flows. Regional demand for casino resorts and inbound tourism to Macau still continues to recover. We cannot predict when, or even if, operations at our properties will return to pre-pandemic levels.

In addition, governmental action and uncertainty resulting from global political trends and policies of major global economies, including potential barriers and restrictions to travel, trade and immigration, have reduced demand for our hospitality products and services, and reduce visitation to our resorts.

Our continued success depends on our ability to maintain the reputation of our resorts.

Our strategy and integrated resort business model rely on positive perceptions of our resorts and the level of service we provide. Any deterioration in our reputation could have a material adverse effect on our business, results of operations and cash flows. Our reputation could be negatively impacted by our failure to deliver the superior design and customer service for which we are known or by events that are beyond our control. Our reputation may also suffer as a result of negative publicity regarding the Company or our resorts, including as a result of social media reports, regardless of the accuracy of such publicity. The continued expansion of media and social media formats has compounded the potential scope of negative publicity and has made it more difficult to control and effectively manage negative publicity.

We are entirely dependent on a limited number of resorts for all of our cash flow, which subjects us to greater risks than a gaming company with more operating properties.

We are currently entirely dependent upon our Macau Operations for all of our operating cash flow. As a result, we are subject to a greater degree of risk than a gaming company with more operating properties or greater geographic diversification. The risks to which we have a greater degree of exposure include the following:

- changes in local economic and competitive conditions;
- changes in local governmental laws and regulations, or interpretations thereof, including gaming laws and regulations, anti-smoking legislation and travel and visa policies;
- extensive regulation of our business and the cost of compliance or failure to comply with applicable laws and regulations;
- restrictions or conditions on visitation by citizens of mainland China, Hong Kong or Taiwan to Macau and certain initiatives impacting applicable visa issuance for prospective travelers to Macau in place from time to time;
- increased government oversight with respect to cross-border financial transactions;
- disruptions caused by, and the impact on regional demand for casino resorts and inbound tourism and the travel and leisure industry more generally from, events outside of our control, including an outbreak of an infectious disease, public incidents of violence, riots, demonstrations, extreme weather patterns or natural disasters, military conflicts, civil unrest, and any future security alerts or terrorist attacks in Macau and nearby regions;
- shortages of skilled and unskilled labor affecting construction, development and/or operations;
- an increase in the cost of maintaining our properties;

- a decline in the number of visitors to Macau; and
- a decrease in gaming and non-casino activities at our resorts.

Certain of these factors or events, such as severe storms and infectious diseases have in the past negatively affected our results of operations, and any of these factors or events may in the future negatively affect our results of operations and our ability to generate sufficient cash flow to make payments or maintain our covenants with respect to our debt.

We are a parent company and our primary source of cash is and will be distributions from our subsidiaries.

The Company is a holding company and our main operating subsidiary, WRM, owns, directly or indirectly, and operates the destination casino resorts “Wynn Palace” in the Cotai area of Macau and “Wynn Macau” on the Macau peninsula. Accordingly, our primary sources of cash are dividends and distributions with respect to our ownership interests in our subsidiaries that are derived from the earnings and cash flow generated by our operating properties. Our subsidiaries might not generate sufficient earnings and cash flow to pay dividends or distributions in the future.

Our authorized casino operating areas, hotel, convention and other facilities and offerings face intense competition, which may increase in the future.

The casino resort and hotel industry is highly competitive. Since the liberalization of Macau’s gaming industry in 2002, there has been a significant increase in the number of casino properties in Macau. There are six gaming operators in Macau, including WRM. The six concessionaires are WRM, SJM, Galaxy, Melco, MGM Macau, and Venetian Macau. As at 31 December 2024, there were 30 casinos in Macau, including 13 operated by SJM. Each of the six current operators has operational casinos and several have expansion plans underway. If the Macau government were to allow additional competitors to operate in Macau, we would face additional competition, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. All the current concessionaires have opened facilities in the Cotai area over the past few years, which has significantly increased gaming and non-gaming offerings in Macau, with continued development in the near future.

Wynn Palace and Wynn Macau also face competition from casinos throughout the world, including Singapore, South Korea, the Philippines, Malaysia, Vietnam, Cambodia, Australia, Las Vegas, and cruise ships in Asia that offer gaming and other casinos throughout Asia. Additionally, certain Asian countries and regions have legalized or in the future may legalize gaming, such as Japan, Taiwan and Thailand, which could further increase competition for our business. Increased competition could result in a loss of customers, which may negatively affect our cash flows and results of operations.

Our business depends upon premium customers for a certain portion of our gaming revenue. We often extend credit, and we may not be able to collect gaming receivables from our credit players or credit play may decrease.

Although the law in Macau permits casino operators to extend credit to gaming customers, our Macau Operations may not be able to collect all of its gaming receivables from its credit players. We expect that our Macau Operations will be able to enforce these obligations only in a limited number of jurisdictions, including Macau. To the extent our gaming customers are visitors from other jurisdictions, we may not have access to a forum in which we will be able to collect all of our gaming receivables because, among other reasons, courts of many jurisdictions do not enforce gaming debts and we may encounter forums that will refuse to enforce such debts. Our inability to collect gaming debts could have a significant negative impact on our financial condition and results of operations.

Currently, the gaming tax in Macau is calculated as a percentage of gross gaming revenue, including the face value of credit instruments issued. The gross gaming revenues calculation in Macau does not include deductions for uncollectible gaming debts. As a result, if we extend credit to our customers in Macau and are unable to collect on the related receivables from them, we remain obligated to pay taxes on our winnings from these customers regardless of whether we collect on the credit instrument.

Any violation of applicable anti-money laundering laws and regulations, the Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws, or resulting sanctions and penalties could adversely affect our business, performance, prospects, value, financial condition, and results of operations.

We deal with significant amounts of cash in our operations and are subject to various jurisdictions’ reporting and anti-money laundering laws and regulations. Macau governmental authorities focus heavily on the gaming industry and compliance with anti-money laundering laws and regulations. From time to time, the Company receives governmental and regulatory inquiries about compliance with such laws and regulations. The Company cooperates with all such inquiries. Any violation of anti-money laundering laws or regulations could adversely affect our business, performance, prospects, value, financial condition, and results of operations.

Further, as a subsidiary of WRL, we are subject to regulations imposed by the FCPA and other anti-corruption laws that generally prohibit U.S. companies and their intermediaries from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties, and the SEC and U.S. Department of Justice have increased their enforcement activities with respect to such laws and regulations. The Office of Foreign Assets Control and the U.S. Department of Commerce administer and enforce economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign states, organizations, and individuals. Failure to comply with these laws and regulations could increase our cost of operations, reduce our profits, or otherwise adversely affect our business, financial condition, and results of operations.

Internal control policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our and our affiliates' directors, employees, contractors or agents from violating or circumventing our policies and the law. If we or our affiliates, or either of our respective directors, employees or agents fail to comply with applicable laws or Company policies governing our operations, the Company has, in the past, and may, in the future, face investigations, prosecutions and other legal proceedings and actions, which could result in civil penalties, administrative remedies and criminal sanctions. Any such future government investigations, prosecutions or other legal proceedings or actions could adversely affect our business, performance, prospects, value, financial condition, and results of operations.

Adverse incidents or adverse publicity concerning our resorts or our corporate responsibilities could harm our brand and reputation and negatively impact our financial results.

Our reputation and the value of our brand, including the perception held by our customers, business partners, other key stakeholders and the communities in which we do business, are important assets. Our business faces increasing scrutiny related to environmental, social and governance activities, and risk of damage to our reputation and the value of our brands if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, supply chain management, sustainability, workplace conduct, human rights, philanthropy, and support for local communities. Any harm to our reputation could have a material adverse effect on our business, results of operations, and cash flows.

Compliance with evolving laws and regulations, and the interpretations thereof, is expensive and results in compliance risks.

Evolving laws and regulations create uncertainty for gaming companies. These evolving laws and regulations are subject to varying interpretations in many cases due to their complexity, ambiguity and/or lack of guidance. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. In addition, public companies, financial institutions, the gaming industry and casinos are highly regulated, and compliance with such regulations is costly and subjects us to liability if we are not, or are perceived to not be, compliant. This could result in continuing uncertainty and higher costs regarding compliance matters. Due to our commitment to maintain high standards of compliance with laws and public disclosure, our efforts to comply with evolving laws, regulations and standards have resulted in and are likely to continue to result in increased general and administrative expense.

System failure, information leakage and the cost of maintaining sufficient cybersecurity could adversely affect our business.

We rely on information technology and other systems (including those maintained by third parties with whom we contract to provide data services) to maintain and transmit large volumes of customer financial information, credit card settlements, credit card funds transmissions, mailing lists, reservation information, and other personally identifiable information. We also maintain important internal company data such as personally identifiable information about our employees and information relating to our operations. The systems and processes we have implemented to protect customers, employees and company information are subject to the ever-changing risk of compromised security. Attempts by others to gain unauthorized access to information technology and other systems and the data contained therein are becoming increasingly sophisticated and difficult to anticipate and prevent. As a result, we face cybersecurity risks including cyber and physical security breaches, system failure, phishing attacks, computer viruses, worms, ransomware, malicious software programs and negligent or intentional misuse by customers, company employees, or employees of our third-party information system service providers. The steps we take to deter, detect, and mitigate these risks may not be successful. Cybercriminals, including hackers and those working in the capacity of state actors or on behalf of a cybercrime group, may circumvent security measures, and our insurance coverage for protecting against claims, liability and damages caused by cybersecurity risks and incidents, including those related to third-party information system service providers, may not be sufficient. Our third-party information system service providers face risks relating to cybersecurity similar to ours, and we do not directly control any of such parties' information security operations.

Despite the security measures we currently have in place, our facilities and systems and those of our third-party information system service providers may be vulnerable to security breaches, acts of vandalism, phishing attacks, computer viruses, worms, ransomware, malicious software programs, misplaced or lost data, programming or human errors and other events. Cyber-attacks are becoming increasingly more difficult to anticipate, prevent and detect due to their rapidly evolving nature and, as a result, the technology we use to protect our systems from being breached or compromised could become outdated due to advances in computer capabilities or other technological developments.

We have experienced data security incidents in the past, and expect to experience additional incidents in the future; however, to date no such incidents have been material to our business, operating results, or financial condition. Any future perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party information system service provider, could disrupt our business, damage our reputation and our relationships with our customers or employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers' and employees' confidence in us, and adversely affect our business, results of operations and financial condition. Since we do not control third-party information system service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our employees, customers or website visitors could harm our reputation and credibility and reduce our ability to attract and retain employees and customers. As these threats develop and grow, we may find it necessary to make significant further investments to protect data and our infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of employees. The future occurrence of any of the cyber incidents described above could have a material adverse effect on our business, results of operations and cash flows.

Our business could suffer if there is any misappropriation of confidential or personally identifiable information gathered, stored or used by us.

Our business uses and transmits large volumes of employee and customer data, including credit card numbers and other personal information in various information systems that we maintain in areas such as human resources outsourcing, website hosting, and various forms of electronic communications. Our customers and employees have a high expectation that we will adequately protect their personal information. Our collection and use of personal data are governed by privacy laws and regulations, and privacy law is an area that changes often and varies significantly by jurisdiction. In addition to governmental regulations, there are credit card industry standards or other applicable data security standards we must comply with as well. Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our guests. In addition, non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data. Any misappropriation of confidential or personally identifiable information gathered, stored or used by us, be it intentional or accidental, could have a material impact on the operation of our business, including severely damaging our reputation and our relationships with our customers, employees and investors.

Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.

We are dependent on our computer systems to record and process transactions and manage and operate our business, including processing payments, accounting for and reporting financial results, and managing our employees and employee benefit programs. Given the complexity of our business, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems. Despite our preventative efforts, our systems are vulnerable to damage or interruption from, among other things, security breaches, computer viruses, technical malfunctions, inadequate system capacity, power outages, natural disasters, and usage errors by our employees or third-party consultants. If our information technology systems become damaged or otherwise cease to function properly, we may have to make significant investments to repair or replace them. Additionally, confidential or sensitive data related to our customers or employees could be lost or compromised. Any material disruptions in our information technology systems could have a material adverse effect on our business, results of operations, and financial condition.

Our business may be adversely affected by fraud, cheating and theft.

Acts of fraud or cheating through the use of counterfeit chips, covert schemes and other tactics, possibly in collusion with our employees, may be attempted or committed by our customers with the aim of increasing their winnings. Our customers, visitors and employees may also commit crimes such as theft in order to obtain chips not belonging to them. We have taken measures to safeguard our interests including the implementation of systems, processes and technologies to mitigate against these risks, extensive employee training, surveillance, security and investigation operations and adoption of appropriate security features on our chips such as embedded radio frequency identification tags. Despite our efforts, we may not be successful in preventing or detecting such culpable behavior and schemes in a timely manner and the relevant insurance we have obtained may not be sufficient to cover our losses depending on the incident, which could result in losses to our gaming operations and generate negative publicity, both of which could have an adverse effect on our reputation, business, results of operations and cash flows.

Our business may be adversely affected by fraudulent websites.

There has been a substantial increase in the international operation of fraudulent online gambling and investment websites attempting to scam and defraud members of the public. These fraudulent websites mainly target mainland China citizens and often falsely represent affiliates of one or more Macau casinos and even the Macau government. These fraudulent websites can appear highly professional and will often feature false statements on their websites in an attempt to pass off as a legitimate business or purport to be in association with, or be accredited by, a legitimate business or governmental authority. Such websites may also wrongfully display logos and trademarks owned by legitimate businesses or governmental authorities, or use deceptively similar logos and imagery, to appear legitimate. We do not offer online gambling or investment accounts of any kind. Websites offering these or similar activities and opportunities that use our names, such as “Wynn Resorts (Macau) S.A.”, “Wynn”-related trademarks, including our marks for “Wynn Palace” and “Wynn Macau”, or similar names or images in likeness to ours, are doing so without our authorization and possibly unlawfully and with criminal intent. The Group is not responsible for the contents of such websites.

If our efforts to cause these sites to be shut down through civil action and by reporting these sites to the appropriate authorities (where applicable, including for possible criminal prosecution) are unsuccessful or not timely completed, these unauthorized activities may continue and harm our reputation and negatively affect our business. Efforts we take to acquire and protect our intellectual property rights against unauthorized use throughout the world, may be costly and may not be successful in protecting and preserving the status and value of our intellectual property assets.

To report fraudulent websites or e-mails purportedly connected to the Group, please e-mail inquiries@wynnmacau.com.

If a third party successfully challenges our ownership of, or right to use, the Wynn-related trademarks and/or service marks, our business or results of operations could be harmed.

We have licensed the right to use certain “WYNN”-related trademarks and service marks from Wynn NKH, LLC, a wholly-owned subsidiary of Wynn Resorts, Limited. Our intellectual property assets, especially the logo version of “WYNN,” are among our most valuable assets. Pursuant to the licensing arrangement, WRM licenses the right to use the “WYNN” trademark in connection with WRM’s operation of hotel casinos in Macau in return for a monthly royalty payment. The licensing arrangement is not a fixed term arrangement; it is terminable on the occurrence of certain events, including if the WRL Group loses its rights in the “WYNN” mark, or if Wynn Resorts, Limited ceases to hold more than a 50% voting interest in WRM. If the existing licensing arrangement were terminated and we fail to enter into new arrangements with the WRL Group in respect of the “WYNN” mark, we would lose our rights to use the “WYNN” brand name, and “WYNN” trademarks and domain names. The loss of our ability to use these “WYNN”-related marks could cause severe disruption to our business and have an adverse effect on our business, financial condition and results of operations.

The WRL Group has filed applications with the United States Patent and Trademark Office (the “PTO”) and trademark registries including registries in Macau, mainland China, Hong Kong, Singapore, Taiwan, Japan, certain European countries and various other jurisdictions throughout the world, to register a variety of “WYNN”-related trademarks and service marks in connection with a variety of goods and services.

If a third party successfully challenges our ownership of, or right to use, the “WYNN”-related trademarks and service marks, our business or results of operations could be harmed. We also are exposed to the risk that third parties may use “WYNN”-related trademarks without authorization.

Furthermore, due to the increased use of technology in computerized gaming machines and in business operations generally, other forms of intellectual property rights (such as patents and copyrights) are becoming increasingly relevant. It is possible that, in the future, third parties might assert superior intellectual property rights or allege that their intellectual property rights cover some aspect of our operations. The defense of such allegations may result in substantial expenses, and, if such claims are successfully prosecuted, may have a material impact on our business.

Risks associated with our operations in Macau

Our Macau Operations may be affected by adverse political and economic conditions.

Our Macau Operations are subject to significant political, economic and social risks inherent in doing business in an emerging market. The future success of our Macau Operations depends on political and economic conditions in Macau and mainland China. For example, fiscal decline, international relations, and civil, domestic or international unrest in the region could significantly harm our business, not only by reducing customer demand for casino resorts, but also by increasing the risk of imposition of taxes and exchange controls or other governmental restrictions, laws or regulations that might impede our Macau Operations or our ability to repatriate funds.

The smoking control legislation in Macau could have an adverse effect on our business, financial condition, results of operations and cash flows.

Under the Macau Smoking Prevention and Tobacco Control Law, as of 1 January 2019, smoking on casino premises is only permitted in authorized segregated smoking lounges with no gaming activities and such smoking lounges are required to comply with the conditions set out in the regulations. The existing smoking legislation, and any smoking legislation intended to fully ban all smoking in casinos, may deter potential gaming customers who are smokers from frequenting casinos in Macau, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Extreme weather conditions may have an adverse impact on our Macau Operations.

Macau's subtropical climate and location on the South China Sea are subject to extreme weather conditions including typhoons and heavy rainstorms, such as Typhoon Mangkhut in 2018 and Typhoon Hato in 2017. Unfavorable weather conditions could negatively affect the profitability of our resorts and prevent or discourage guests from traveling to Macau. Any flooding, unscheduled interruption in the technology or transportation services or interruption in the supply of public utilities may lead to a shutdown of our properties. The occurrence and timing of such events cannot be predicted or controlled by us and may have a material adverse effect on our business, financial condition, results of operations, and cash flows.

If our Macau Operations fail to comply with the Gaming Concession Contract, or applicable Macau laws and administrative regulations, the Macau government may rescind our concession without compensation to us, which would have a material adverse effect on our business and financial condition.

Pursuant to the Gaming Concession Contract and the laws and administrative regulations, the Macau government may rescind the gaming concession if WRM fails to fulfill its obligations, including in the circumstances of (i) endangerment to the national security of mainland China or Macau, (ii) failure on the part of WRM to perform its obligations under the Gaming Concession Contract, (iii) public interest, and (iv) WRM ceasing to be eligible for the gaming concession under the Macau gaming law. If the Macau government rescinds the Gaming Concession Contract due to the WRM's non-fulfilment, or perceived non-fulfillment, of its obligations, WRM will be required to transfer to the Macau government, free from any encumbrance or lien and without compensation, all of its casinos, gaming assets and equipment and ownership rights to its casino areas in Macau. Beginning in the eighth year of WRM's concession, the Macau government may exercise its right to redeem the concession by providing WRM with at least one-year prior written notice. In such event, WRM would be entitled to fair and equitable compensation pursuant to the Macau gaming law. The amount of such compensation relating to the projects agreed with the Macau government would be determined based on the earnings of these projects, before interest, depreciation and amortization for the fiscal year immediately preceding the date the redemption is declared, multiplied by the number of years remaining on the term of the Gaming Concession Contract. WRM is currently in its third year of concession. The loss of our concession would prohibit us from conducting gaming operations in Macau, which would have a material adverse effect on our business and financial condition.

Unfavorable changes in currency exchange rates could negatively impact our Macau Operations.

The financial statements of foreign operations are translated into Hong Kong dollars, the Company's functional and presentation currency, for incorporation into the consolidated financial statements. The majority of our assets and liabilities are denominated in U.S. dollars, Hong Kong dollars and Macau patacas, and there are no significant assets and liabilities denominated in other currencies. Assets and liabilities are translated at the prevailing foreign exchange rates in effect at the end of the reporting period. Income, expenditures and cash flow items are measured at the actual foreign exchange rates or average foreign exchange rates for the period. Besides, the currency delineated in our Macau Operations' Gaming Concession Contract with the government of Macau is the Macau pataca. The Macau pataca is linked to the Hong Kong dollar, and the two are often used interchangeably in Macau. The Hong Kong dollar is linked to the U.S. dollar and the exchange rate between these two currencies has remained relatively stable over the past several years. If the Hong Kong dollar and the Macau pataca are no longer linked to the U.S. dollar, the exchange rate for these currencies may severely fluctuate. The current rate of exchange fixed by the applicable monetary authorities for these currencies may also change.

Many of our payment and expenditure obligations are in Macau patacas. We expect that most of the revenues for any casino that we operate in Macau will be in Hong Kong dollars. As a result, we are subject to foreign exchange risk with respect to the exchange rate between Macau pataca and Hong Kong dollar and the Hong Kong dollar and the U.S. dollar. Also, in connection with any U.S. dollar-denominated debt we incur, fluctuations in the exchange rates of the Macau pataca or the Hong Kong dollar, in relation to the U.S. dollar, could have adverse effects on our results of operations, financial condition and ability to service our debt.

Currency exchange controls and currency export restrictions could negatively impact our Macau Operations.

Currency exchange controls and restrictions on the export of currency by certain countries may negatively impact the success of our Macau Operations. For example, there are currently existing currency exchange controls and restrictions on the export of the renminbi, the currency of mainland China. Restrictions on the export of the renminbi may impede the flow of gaming customers from mainland China to Macau, inhibit the growth of gaming in Macau and negatively impact our Macau Operations.

Conflicts of interest may arise because certain of our directors and officers are also directors of WRL.

WRL, the Company's controlling shareholder, is listed on the NASDAQ global select market. WRL owned approximately 72% of our Shares as of 31 December 2024. We and certain of our officers and Directors also serve as officers and/or directors of WRL. Decisions that could have different implications for us and WRL, including contractual arrangements that we have entered into or may in the future enter into with WRL, may give rise to the appearance of a potential conflict of interest.

The Macau government has established a maximum number of gaming tables that can be operated in Macau and has limited the number of new gaming tables at new gaming areas in Macau.

As at 31 December 2024, we had a total of 303 table games at Wynn Palace and 257 at Wynn Macau approved by the Macau's DICJ. We are approved by the Macau government to operate 570 gaming tables and 1,100 gaming machines at our Macau Operations currently. The mix of table games in operation at Wynn Palace and Wynn Macau changes from time to time as a result of marketing and operating strategies in response to changing market demand and industry competition. Failure to shift the mix of our table games in anticipation of market demands and industry trends may negatively impact our operating results.

Risks related to our indebtedness

We are highly leveraged and future cash flow may not be sufficient for us to meet our obligations, and we might have difficulty obtaining more financing.

We have a substantial amount of consolidated debt in relation to our equity. We may incur additional indebtedness in connection with the construction of future development projects or major capital enhancement at our existing properties.

Our indebtedness could have important consequences. For example:

- failure to meet our payment obligations or other obligations could result in acceleration of our indebtedness, foreclosure upon our assets that serve as collateral or bankruptcy and trigger cross defaults under other agreements;
- servicing our indebtedness requires a substantial portion of our cash flow from our operations and reduces the amount of available cash, to fund working capital and other cash requirements or pay for other capital expenditures;
- we may not be able to obtain additional financing, if needed; and
- rates with respect to a portion of the interest we pay will fluctuate with market rates and, accordingly, our interest expense will increase as market interest rates increase.

We are permitted to incur additional indebtedness if certain conditions are met, including conditions under our WM Cayman II Revolver. If we incur additional indebtedness, the risks described above will be exacerbated.

The agreements governing our debt facilities contain certain covenants that restrict our ability to engage in certain transactions and may impair our ability to respond to changing business and economic conditions.

Some of our debt facilities require us to satisfy various financial covenants, which include requirements for minimum interest coverage ratios and maximum leverage ratios pertaining to total net debt to adjusted earnings before interest, tax, depreciation and amortization.

The agreements governing our debt facilities also contain restrictions on our ability to engage in certain transactions and may limit our ability to respond to changing business and economic conditions. These restrictions include, among other things, limitations on our ability and the ability of our restricted subsidiaries to pay dividends or distributions or repurchase equity; incur additional debt; make investments; create liens on assets to secure debt; enter into transactions with affiliates; engage in other businesses; merge or consolidate with another company; undergo a change of control; and transfer, sell or otherwise dispose of assets.

Our ability to comply with the terms of our outstanding facilities may be affected by general economic conditions, industry conditions and other events outside of our control. As a result, we may not be able to maintain compliance with these covenants. If our properties' operations fail to generate adequate cash flow, we may violate those covenants, causing a default under our agreements, which would materially and adversely affect our financial condition and results of operations or result in our lenders or holders of our debt taking action to cause all outstanding amounts to be due and payable immediately.

We are exposed to interest rate risks associated with our credit facilities, which bear interest based on floating rates.

We are exposed to interest rate risk associated with our credit facilities, which bear interest based on floating rates. We attempt to manage interest rate risk by managing the mix of long-term fixed rate borrowings and variable rate borrowings supplemented by hedging activities as considered necessary. We cannot assure you that these risk management strategies will have the desired effect, and interest rate fluctuations could have a negative impact on our results of operations.

The borrowings under the WM Cayman II Revolver bear interest at Term SOFR or HIBOR (as applicable) plus a margin based on the leverage ratio of WM Cayman II on a consolidated basis. If it is not possible to determine Term SOFR (or HIBOR) in accordance with the terms of the credit facilities agreement or if notice is served to us that the funding cost of our majority lender(s) exceeds Term SOFR (or HIBOR), we must enter into good faith negotiations for a period of up to 30 days with a view to agreeing an alternative basis for determining the rate of interest applicable to our affected borrowings. Failing such agreement within the prescribed time, each relevant lender's cost of funding its participation from whatever sources it may in good faith select would apply. Each certified alternative basis is binding on WM Cayman II and treated as part of the credit facilities agreement and applicable related agreements. WM Cayman II may then seek to settle the affected outstanding borrowings. The potential effect of any such event could have on our business and financial condition cannot yet be determined.

DISCLOSURE OF FINANCIAL RESULTS IN MACAU

WRM, our subsidiary and the owner and operator of Wynn Palace and Wynn Macau, finalized its statutory financial statements under the Macau Financial Reporting Standards (“MFRS”) at the end of February 2025 and anticipates filing its MFRS consolidated financial statements with the Gaming Inspection and Coordination Bureau of Macau by 31 March 2025. This is a statutory filing requirement mandated by Macau law. In addition, WRM expects to publish its MFRS summary consolidated and separate financial statements in the Macau Official Gazette and local newspapers in Macau by the end of April 2025. The MFRS consolidated financial statements and the MFRS summary consolidated and separate financial statements may not be directly comparable with our Company's financial results disclosed herein, which are prepared under IFRS Accounting Standards.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Group's listed securities (including sale of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

CORPORATE GOVERNANCE PRACTICES

Our commitment to integrity and dedication to maintaining and ensuring high standards of corporate governance are fundamental to our ability to conduct our business and sustain the respect of the investment community and the people who regulate our industry. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the Code and are regularly reviewed and developed in the interests of the Company, its Shareholders and other stakeholders.

The Company has complied with the code provisions in the Code for the year ended 31 December 2024.

MODEL CODE

The Company adopted the Model Code on 16 September 2009 as its code of conduct for securities transactions by Directors. On 23 March 2010, the Company adopted its own code of conduct for securities transactions, which was most recently updated in March 2017. The terms of such code are no less exacting than those set out in the Model Code. Having made specific enquiry of the Directors, all Directors have confirmed that they have complied with the required standard of dealings and code of conduct regarding securities dealings by directors as set out in the Model Code and the Company's own code of conduct for the year ended 31 December 2024.

AUDIT AND RISK COMMITTEE

An audit and risk committee has been established by the Company to review and supervise the financial reporting process, internal control procedures and risk management system of the Group. The audit and risk committee comprises three independent non-executive Directors of the Company. The audit and risk committee members have reviewed the Group's results for the year ended 31 December 2024.

ANNUAL REPORT

The Company's annual report for the year ended 31 December 2024 containing all the information required by Appendix D2 of the Listing Rules will be published on the Company's and the Hong Kong Stock Exchange's websites in due course.

LITIGATION

The Group did not have any material litigation outstanding as at 31 December 2024.

RE-ELECTION OF DIRECTORS

In accordance with article 17.17 of the Company's articles of association, one third of our Board will retire from office by rotation at the forthcoming annual general meeting. The four directors who will retire by rotation are Ms. Ellen F. Whittemore, a non-executive Director, Dr. Allan Zeman, Ms. Leah Dawn Xiaowei Ye and Mr. Bruce Rockowitz, independent non-executive Directors. All retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board is pleased to announce that it has recommended the payment of a final dividend of HK\$0.185 per Share in respect of the year ended 31 December 2024, which is subject to Shareholders' approval of the final dividend at the forthcoming annual general meeting, the register of members of the Company will be closed from 29 May 2025 to 2 June 2025 (both dates inclusive) during which period no transfer of Shares will be registered and the final dividend is expected to be paid on 11 June 2025. Shareholders registered under the Hong Kong branch register of members as of 2 June 2025 will be entitled to the dividend. All dividends will be paid in Hong Kong dollars. In order to determine the identity of the Shareholders who are entitled to the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 28 May 2025.

The conversion price of the WML Convertible Bonds will be adjusted pursuant to the Terms and Conditions if the final dividend in respect of the year ended 31 December 2024 is approved by the Shareholders. The Company will announce the relevant adjustment to the conversion price in due course if the final dividend is approved by Shareholders.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young (the "**Auditor**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this announcement.

DEFINITIONS USED IN THIS ANNOUNCEMENT

“Board of Directors” or “Board”	the Board of Directors of our Company
“China” or “mainland China”	the People’s Republic of China and, except where the context requires and only for the purpose of this announcement for geographical and statistical reference only, references in this announcement to the China do not include Taiwan, Hong Kong or Macau; the term “Chinese” has a correlative meaning
“Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules as applicable on 31 December 2024
“Company”, “our Company” or “WML”	Wynn Macau, Limited, a company incorporated on 4 September 2009 as an exempted company with limited liability under the laws of the Cayman Islands and an indirect subsidiary of Wynn Resorts, Limited
“Cotai Land Concession Agreement”	the land concession contract entered into between WRM, Palo and the Macau government for approximately 51 acres of land in the Cotai area of Macau, and for which formal approval from the Macau government was published in the official gazette of Macau on 2 May 2012
“COVID-19 Pandemic”	an outbreak of a respiratory illness caused by a new strain of coronavirus (the “ COVID-19 ”) that was identified in January 2020. The disease has since spread rapidly across the world, causing the World Health Organization to declare the outbreak a pandemic on 12 March 2020
“DICJ”	The Gaming Inspection and Coordination Bureau of Macau
“Director(s)”	the director(s) of our Company
“Encore” or “Encore at Wynn Macau”	a casino resort located in Macau, connected to and fully integrated with Wynn Macau, owned and operated directly by WRM, which opened on 21 April 2010
“Galaxy”	Galaxy Casino, S.A., one of the six gaming operators in Macau
“Gaming Concession Contract”	the definitive gaming concession contract dated 16 December 2022 entered into between WRM and the Macau government pursuant to which WRM was granted a 10-year gaming concession to operate games of chance in Wynn Palace and Wynn Macau commenced on 1 January 2023 and expiring on 31 December 2032

“Group”, “we”, “us” or “our”	our Company and its subsidiaries, or any of them, and the businesses carried on by such subsidiaries, except where the context makes it clear that the reference is only to the Company itself and not to the Group
“HIBOR”	Hong Kong Interbank Offered Rate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Macau” or “Macau Special Administrative Region”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Operations”	the integrated Wynn Palace and Wynn Macau and Encore at Wynn Macau
“Melco”	Melco Resorts (Macau) Limited, one of the six gaming operators in Macau
“MGM Macau”	MGM Grand Paradise Limited, one of the six gaming operators in Macau
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
“MOP” or “pataca”	Macau pataca, the lawful currency of Macau
“NASDAQ”	National Association of Securities Dealers Automatic Quotation System
“Palo”	Palo Real Estate Company Limited, a limited liability company incorporated under the laws of Macau, subject to Ms. Linda Chen 15% social and voting interest and MOP1.00 economic interest in WRM, an indirect wholly-owned subsidiary of the Company

“Property Transfer Agreements”	WRM and Palo entered into the property transfer agreements with the Macau government on 30 December 2022, pursuant to which WRM and Palo transferred the casino areas and gaming equipment of the Macau Operations to the Macau government without compensation on 31 December 2022, and the Macau government agreed to transfer such casino areas and gaming equipment back to WRM as of 1 January 2023, for its use in the operation of games of chance at Wynn Macau and Wynn Palace as permitted under the Gaming Concession Contract through 31 December 2032
“SEC”	the U.S. Securities and Exchange Commission
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.001 each in the share capital of our Company
“Shareholder(s)”	holder(s) of Share(s) of the Company from time to time
“SJM”	SJM Resorts, S.A., one of the six gaming operators in Macau
“Term SOFR”	Term Secured Overnight Financing Rate
“Trusts”	the trusts constituted by the Trust Deeds to service the employee ownership schemes of the Company
“Trust Deeds”	the trust deeds entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time) on 30 June 2014 and 23 June 2023, respectively
“Trustee”	the trustee appointed by the Company for the purpose of the Trusts, and as at the date of this announcement, Computershare Hong Kong Trustees Limited, a company incorporated in Hong Kong and having its registered office at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“U.S. GAAP”	the Generally Accepted Accounting Principles of the United States
“Venetian Macau”	Venetian Macau, S.A., one of the six gaming operators in Macau
“WM Cayman II”	WM Cayman Holdings Limited II, a company incorporated on 8 September 2009 as an exempted company with limited liability under the laws of the Cayman Islands and a wholly-owned subsidiary of the Company

“WM Cayman II Revolver”	the HK\$11.69 billion (equivalent) revolving unsecured credit facility to WM Cayman II maturing on 16 September 2028 (or the immediately preceding business day if September 16, 2028 is not a business day)
“WML 2021 Notes”	the US\$600.0 million (approximately HK\$4.66 billion) 5.250% senior notes due 2021 issued by the Company in October 2013 and the additional US\$750.0 million (approximately HK\$5.82 billion) 5.250% senior notes due 2021 issued by the Company on 20 March 2014 (Debt Stock Code: 5983), which were consolidated and form a single series of notes
“WML 2024 Notes”	the US\$600.0 million (approximately HK\$4.66 billion) 4.875% senior notes due 2024 issued by the Company in September 2017 (Debt Stock Code: 5279) which were repaid in full on their stated maturity date
“WML 2026 Notes”	the US\$750.0 million (approximately HK\$5.82 billion) 5.500% senior notes due 2026 issued by the Company in June 2020 and the additional US\$250.0 million (approximately HK\$1.94 billion) 5.500% senior notes due 2026 issued by the Company in August 2020 (Debt Stock Code: 40259), which were consolidated and form a single series of notes
“WML 2027 Notes”	the US\$750.0 million (approximately HK\$5.82 billion) 5.500% senior notes due 2027 issued by the Company in September 2017 (Debt Stock Code: 5280)
“WML 2028 Notes”	the US\$600.0 million (approximately HK\$4.66 billion) 5.625% senior notes due 2028 issued by the Company in August 2020 and the additional US\$750.0 million (approximately HK\$5.82 billion) 5.625% senior notes due 2028 issued by the Company in December 2020 (Debt Stock Code: 40357), which were consolidated and form a single series of notes
“WML 2029 Notes”	the US\$1.00 billion (approximately HK\$7.76 billion) 5.125% senior notes due 2029 issued by the Company in December 2019 (Debt Stock Code: 40102)
“WML Convertible Bonds”	the US\$600.0 million (approximately HK\$4.66 billion) 4.500% convertible bonds due 2029 issued by the Company in March 2023 (Debt Stock Code: 5754)

“WML Senior Notes”	Collectively, the WML 2026 Notes, the WML 2027 Notes, the WML 2028 Notes and the WML 2029 Notes
“WRL Group”	Wynn Resorts, Limited and its subsidiaries (other than the Group)
“WRL Revolving Loan Facility”	the HK\$3.88 billion (equivalent) revolving unsecured credit facility to the Company on 14 June 2022
“WRM”	Wynn Resorts (Macau) S.A., a company incorporated under the laws of Macau and a wholly-owned subsidiary of the Company
“WRM Shareholder Dividend Tax Agreement”	the agreement, entered into during February 2024, between WRM and the Macau Special Administrative Region for the period from 1 January 2023 through 31 December 2025, that provide for a payment to the Macau Special Administrative Region in lieu of Complementary Tax otherwise due by WRM shareholders on dividend distributions to them from gaming profits
“Wynn Macau”	a casino hotel resort located in Macau, owned and operated directly by WRM, which opened on 6 September 2006, and where appropriate, the term also includes Encore at Wynn Macau
“Wynn Macau Credit Facilities”	together, the HK\$17.97 billion (equivalent) fully-funded senior term loan facility and the HK\$5.85 billion (equivalent) senior revolving credit facility extended to WRM as subsequently amended from time to time and refinanced on 21 December 2018 which were repaid in full in 2021
“Wynn NKH, LLC”	Wynn NKH, LLC, a company formed under the laws of the State of Nevada, United States, and a wholly-owned subsidiary of Wynn Resorts, Limited
“Wynn Palace”	an integrated resort situated on approximately 51 acres of land in the Cotai area of Macau in accordance with the terms of the Cotai Land Concession Agreement, which is operated by WRM and opened on 22 August 2016
“Wynn Resorts, Limited” or “WRL”	Wynn Resorts, Limited, a company formed under the laws of the State of Nevada, United States, and our controlling shareholder (as defined in the Listing Rules)

GLOSSARY OF TERMS USED IN THIS ANNOUNCEMENT

“Average Daily Rate”	average daily rate which is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms occupied
“chip(s)”	a token; usually in the form of plastic disc(s) or plaque(s) issued by a casino to customers in exchange for cash or credit, which must be used (in lieu of cash) to place bets on gaming tables
“gaming promoters”	those licensed by and registered with the Macau government to promote games of fortune and chance or other casino games to customers, through the arrangement of certain services, including transportation, accommodation, dining and entertainment, whose activity is regulated by Macau Law No. 16/2022
“gross gaming win”	the total win generated by all casino gaming activities combined, calculated before deduction of commissions and others (including complimentary revenues allocated from casino revenues to rooms, food and beverage, retail and other revenues)
“In-house VIP Program”	an internal marketing program wherein we directly market our casino resorts to gaming clients, including to high-end or premium players in the greater Asia region. These players are invited to qualify for a variety of gaming rebate programs whereby they earn cash commissions and room, food and beverage and other complimentary allowances based on their turnover level. We often extend credit to these players based upon knowledge of the players, their financial background and payment history
“REVPAR”	revenue per available room which is calculated by dividing total room revenues, including complimentaries (less service charges, if any), by total rooms available
“Rolling Chip”	physically identifiable chip that is used to track VIP wagering volume for purposes of calculating commissions and other allowances payable to gaming promoters and our Macau Operations’ individual VIP players

“slot machine win”	the amount of handle (representing the total amount wagered) that is retained and recorded as casino revenues. Slot machine win is after adjustment for progressive accruals, but before the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis
“table drop”	the amount of cash deposited in a gaming table’s drop box that serves as a repository for cash, plus cash chips purchased at the casino cage
“table games win”	the amount of table drop or turnover that is retained and recorded as casino revenues. Table games win is before commissions and the allocation of casino revenues to rooms, food and beverage and other revenues for services provided to casino customers on a complimentary basis
“turnover”	the sum of all losing Rolling Chip wagers within the VIP program
“VIP player”	client, customer or player who participates in our Macau Operations’ In-house VIP Program or in the VIP program of any of our gaming promoters

By order of the Board
Wynn Macau, Limited
Dr. Allan Zeman
Chairman

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises Craig S. Billings and Frederic Jean-Luc Luvisutto (as Executive Directors); Linda Chen (as Executive Director and Vice Chairman); Ellen F. Whittemore and Julie M. Cameron-Doe (as Non-Executive Directors); Allan Zeman (as Independent Non-Executive Director and Chairman); and Lam Kin Fung Jeffrey, Bruce Rockowitz, Nicholas Sallnow-Smith and Leah Dawn Xiaowei Ye (as Independent Non-Executive Directors).